

What is the benefit of the Traffic Impact Fee?

The traffic impact fee ensures all new developments pay their fair share of traffic costs based on the amount of traffic they add to City streets. This provides a stable funding source to ensure necessary transportation projects are completed – keeping congestion on our streets at a reasonable level.

Who pays the fee?

The traffic impact fee is charged to new developments and businesses that add traffic to City streets. Existing residents and businesses do not pay.

How much does the Traffic Impact Fee cost?

The traffic impact fee is based on the amount of additional traffic generated by the new development or business. The fee is \$3,199 per new vehicle trip estimated to occur during the evening rush hour. This amount may be reduced or deferred as described in this brochure

What can Traffic Impact Fee money be used for?



Traffic impact fees are restricted funds. Monies collected can only be spent on specific roadway projects that add capacity to City streets.

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Traffic Impact Fees

Keeping traffic and business moving forward



City adopts a novel approach to traffic dilemma

As University Place grows, so does the traffic on our streets. Street improvements are expensive and traffic mitigation costs are often a stumbling block for new developments and businesses.

In order to keep the traffic flowing and encourage economic growth, the City has adopted a traffic impact fee with innovative approaches to reduce the financial impact to new business.

What is a Traffic Impact Fee?

A traffic impact fee is a one-time fee charged to all new developments and businesses that add traffic to City streets. The traffic impact fee helps to pay for street improvements that are necessary to accommodate this new traffic.



What is the City doing to help new businesses manage these costs?

The City recognizes that traffic mitigation costs can be high. These costs often make it difficult for new projects to move forward. The City has found unique ways to minimize these financial impacts to new businesses while at the same time ensuring stable funding is maintained for our critical roadways.

Payment Deferrals

The City allows payment of the traffic impact fee to be deferred up to five years with equal annual payments. This is essentially a five-year no-interest loan offered to businesses for their traffic mitigation costs.

Sales Tax Credit

Businesses generating new sales tax revenue to the City can receive an additional benefit associated with the traffic impact fee in the form of a sales tax credit. Under this program, half of the sales tax generated by a new business will be used to reduce the amount of impact fee owed. This credit can be taken for up to five years. This provides an incentive for sales tax generating uses and creates a partnership between the City and these businesses towards the mitigation of their impacts.



“Sales Leakage” Traffic Credit

Sales statistics show that approximately two of every three taxable dollars spent by U.P. residents are spent outside the City. To mitigate this “sales leakage,” City regulations allow for a 65 percent reduction in the estimated amount of trips associated with most new retail and restaurant uses. This corresponds to a 65 percent reduction of the traffic impact fee.

Who can I contact if I want to learn more about Traffic Impact Fees?

The City Engineering department is always happy to answer any questions you may have. Feel free to contact them at 253.460.2526.