



# TRAFFIC IMPACT FEES (TIF)

## *WHAT ARE TRAFFIC IMPACT FEES (TIF)?*

Traffic Impact Fees are fees assessed by the City of Santa Cruz Public Works Department on commercial and residential development projects based on new net traffic generated by those uses. TIF Fees are used to address needed traffic improvements at key intersections for circulation and alternative transportation improvements. Funding is divided up between specific projects identified on an improvement list (85%), alternative transportation (15%), and neighborhood traffic (5%).

## *WHEN ARE TRAFFIC IMPACT FEES ASSESSED?*

TIF fees are assessed for a commercial project use that occupies more than 1,000 square feet and residential developments when there are projected new net traffic trips related to the proposed future use. It is important to consider previous uses and zoning when siting your business or development project. TIF fees are calculated during the permitting process and an estimate of the fee can be determined prior to submitting for permits if you have the information needed to make the calculation.

## *HOW ARE TRAFFIC IMPACT FEES CALCULATED?*

The TIF fee is based on the criteria below and the use and related impact is determined through standard trip calculation from the Institute of Transportation Engineers (ITE) Trip Generation Manual, or for larger projects, a traffic study:

- your location
- the previous business or use type for that location (if any)
- your business or use type for the same location
- the square footage of your space and number of units for residential
- and the type of development

Example: A restaurant moving into a warehouse space will generate a TIF fee because the restaurant will generate more traffic coming and going to the space than the warehouse use did previously. However, a similar restaurant use moving into a restaurant space with the same number of seats and/or square footage as the previous restaurant use would not generate a TIF fee because traffic would be estimated to stay the same for that location.

While industry standard traffic formulas are used to calculate the volume of traffic, business uses are often unique. We encourage you to discuss the nuances of your business or project use with Public Works to assess the TIF fee calculation. For more information please contact Chris Schneiter, Assistant Director of Public Works/City Engineer by phone 831-420-5422 or email at [cschneiter@cityofsantacruz.com](mailto:cschneiter@cityofsantacruz.com)

*To learn more about the process to start your business in the City of Santa Cruz visit: [ChooseSantaCruz.com/Start](http://ChooseSantaCruz.com/Start)*

