

# ROADWAY IMPACT FEE INFORMATION

## IMPACT FEE BASICS

In the most basic terms, impact fees are meant to recover the incremental cost of the impact of each new unit of development creating new infrastructure needs. In the case of Roadway Impact Fees, the infrastructure needed is the increased capacity on arterial and collector roadways that serve the overall transportation system. The purpose of the Roadway Impact Fee Study is to identify the fee per unit of new development necessary to fund these improvements in accordance with the enabling legislation, Chapter 395 of the Texas Local Government Code.

The Maximum Roadway Impact Fee per Service Unit for Roadway Facilities is considered an appropriate measure of the impacts generated by a new unit of development on the City's Roadway System.

Roadway Impact Fees are determined by several key variables, each described below in greater detail.

### **Impact Fee Study**

The Roadway Impact Fee Study will be used to determine the maximum impact fee per unit of new development chargeable as allowed by state law. This determination is not a recommendation; the actual fee amount ultimately assessed is at the discretion of the Manor City Council, so long as it does not exceed the maximum assessable fee allowed by law. The study will look at a period of 10 years to project new growth and corresponding capacities, as required by state law. The study and corresponding maximum fees must be restudied at least every five years. However, the study can be updated at any time to accommodate significant changes in any of the key variables of the impact fee calculation.

### **Service Areas**

A Service Area is a geographic area within which a unique maximum impact fee is determined. All fees collected within the Service Area must be spent on eligible improvements within the same Service Area. For Roadway Impact Fees, the Service Area may not exceed six miles. A map of the Service Areas will need to be delineated by the AC.

In defining the Service Area boundaries, the AC and City Engineer will need to consider the corporate boundary (including full and limited purpose jurisdiction), required size limit, adjacent land uses, highway facilities, and topography. Since each Service Area has a unique maximum impact fee, the per-maximum fee for identical land uses will vary from one Service Area to the next.

### **Land Use Assumptions**

The Impact Fee determination is required to be based on the projected growth and corresponding capacity needs in a 10-year window. One of the key elements in the determination of the impact fee is the amount of new development anticipated over 10 years. The residential and non-residential growth projections will need to be performed for Manor.

### **Roadway Impact Fee Capital Improvements Plan**

The Roadway Impact Fee Capital Improvements Plan (RIF CIP) is distinct and separate from the City's traditional Capital Improvements Plans (CIPs) for water and wastewater.

The RIF CIP is a list of projects eligible for funding through roadway impact fees. Using the City's Thoroughfare Master Plan infrastructure that is estimated to be necessary to accommodate the expected growth will be determined. Only those capacity improvements included in the City's Thoroughfare Plan are included in the RIF CIP. Capacity improvements may include the addition of lanes, intersection improvements, or the extension of a new road. Resurfacing or other maintenance activities do not qualify as capacity improvements under impact fee law in Texas and cannot be funded with Roadway Impact Fees.

The cost of the RIF CIP is one of the fundamental factors in the calculation of the per-unit maximum impact fee. The RIF CIP's cost will need to be calculated through a systematic evaluation of each eligible project.

Each project site will need to be investigated to determine the project scope, the presence of any special conditions (such as the need for significant drainage improvements) and whether various additional construction costs were applicable (such as costs for significant grades).

Only those projects listed in the RIF CIP are eligible to utilize impact fee funds. In order to optimize future flexibility, all capacity improvements included in the Thoroughfare Master Plan will be included in the RIF CIP and will be eligible to utilize impact fee funds.

### **Service Unit**

The "service unit" is a measure of consumption or use of the capital facilities by new development. In other words, it is the unit of measure used in the Roadway Impact Fee Study to quantify the supply and demand for roads in the City. For transportation purposes, the service unit is defined as a vehicle-mile. Below is the definition for vehicle-mile.

A vehicle-mile is the capacity consumed in a single lane in the PM peak hour by a vehicle making a trip one mile in length. The PM Peak is used as the basis for transportation planning and the estimation of trips caused by new development.

### **Impact Fee Calculation**

In simplest terms, the maximum impact fee allowable by law is calculated by dividing the recoverable cost of the RIF CIP by the number of new service units of development. In accordance with state law, both the cost of the RIF CIP and the number of new service units of development used in the equation are based on the growth and corresponding capacity needs projected to occur within a 10-year window. This calculation is performed for each service area individually; each service area has a stand-alone RIF CIP and 10-year growth projection.

### **Collection and Use of Roadway Impact Fees**

Roadway Impact fees are assessed when a final plat is recorded. The assessment defines the impact of each unit at the time of platting, according to land use, and may not exceed the maximum impact fee allowed by law. An existing plat would be assessed at the adoption of the ordinance and would be exempt from impact fees for one year. Roadway Impact Fees are collected when a building permit is issued. Therefore, funds are not collected until development-impacts are introduced to the transportation system. Funds collected within a service area can be used only within the same service area. Finally, fees must be utilized within 10 years of collection in the designated service area or must be refunded with interest. Fees should be utilized in a first in, first out basis.

### **Adoption Process**

Chapter 395 of the Texas Local Government Code stipulates a specific process for the adoption of Roadway Impact Fees. A Capital Improvements Advisory Committee (CIAC) is required to review the Land Use Assumptions and RIF CIP used in calculating the maximum fee, and to provide the Committee's findings for consideration by the City Council. The CIAC also reviews the Roadway Impact Fee ordinance and provides its findings to the City Council. The composition of the CIAC is required to adequately represent the building and development communities. The City Council then conducts a public hearing on the Land Use Assumptions, RIF CIP, and Impact Fee Ordinance. Two public hearings are required for the Roadway Impact Fee study, one for Land Use Assumptions and RIF CIP, and another for the Impact Fee Calculation and Ordinance.

Following policy adoption, the CIAC is tasked with advising the City Council of the need to update the Land Use Assumptions or the RIF CIP at any time within five years of adoption. Finally, the CIAC oversees the proper administration of the Impact Fee, once in place, and advises the Council, as necessary.

# LAND USE ASSUMPTIONS

## A. Purpose and Overview

In order to assess an impact fee, Land Use Assumptions must be developed to provide the basis for residential and employment growth projections within a municipality. As defined by Chapter 395 of the Texas Local Government Code, these assumptions include a description of changes in land uses, densities, and development in the service area. The land use assumptions are then used in determining the need and timing of transportation improvements to serve future development.

Information from the following sources will need to be compiled to complete the Land Use Assumptions:

- Thoroughfare Master Plan Update
- CAMPO 2050 Plan
- City of Manor Historical Building Permit Data 2018-2022
- Current planned development projects
- Parks and Trails System map

This Land Use Assumptions Summary will need to include the following components:

- **Land Use Assumptions Methodology** – An overview of the general methodology used to generate the land use assumptions.
- **Roadway Impact Fee Service Areas** – Explanation of the division of Manor into service areas for roadway and infrastructure facilities.
- **Residential and Employment Growth** – Data on residential and employment growth within the service area over the next ten years (2022-2032).
- **Land Use Assumptions Summary Table** – A synopsis of the Land Use Assumptions.

The residential and employment estimates and projections will need to be compiled in accordance with the following categories:

*Units:* Number of dwelling units, both single and multi-family.

*Employment:* Square feet of building area based on three (3) different classifications. Each classification has unique trip making characteristics.

1. Retail: Land use activities which provide for the retail sale of goods which primarily serve households and whose location choice is oriented toward the household sector, such as grocery stores and restaurants.
2. Service: Land use activities which provide personal and professional services, such as government and other professional offices.
3. Basic: Land use activities that produce goods and services such as those which are exported outside of the local economy, such as manufacturing, construction, transportation, wholesale, trade, warehousing, and other industrial uses.

## **B. Land Use Assumptions Methodology**

The residential and non-residential growth projections formulated for the Land Use Assumptions will need to be performed using reasonable and generally accepted planning principles. The following factors will need to be considered in developing these projections:

- Character, type, density, and quantity of existing development.
- Emerging Projects.

- Growth trends.
- Location of vacant land.
- Physical restrictions (i.e., flood plains, railroads); and

Determination of the ten-year growth within the Roadway Impact Fee study area will need to be accomplished through two general steps:

- **Step 1: Determine Base Year (2022)**
- **Step 2: Determine 10-Year Growth Projections (2032)**

### **C. Roadway Impact Fee Service Areas**

The geographic boundary of the proposed impact fee service areas for transportation facilities will need to be created. The City of Manor will need to be divided into service areas, each based upon the six (6) mile limit, as required in Chapter 395. For transportation facilities, the service areas as required by state law are limited to areas within the current corporate City limits. In defining the Service Area boundaries, the corporate boundary, required six (6) mile size limit, adjacent land uses, highways and topography will need to be considered. Since each Service Area will have a unique maximum impact fee, the per-unit maximum fee for an identical land use will vary from one Service Area to the next.



## ROADWAY IMPACT FEE CAPITAL IMPROVEMENTS PLAN

The City will identify the transportation projects needed to accommodate the projected growth within the City. The City's Thoroughfare Plan is the plan for the infrastructure that is estimated to be necessary to accommodate the expected growth. The Roadway Impact Fee Capital Improvements Plan (RIF CIP) will consist of five categories of projects. They are as follows:

- **Previously Constructed** – Identified corridors that were previously constructed and have access capacity for future development to utilized.
- **Widening** – Existing roadways not currently built to the ultimate class in the Transportation Master Plan and must be completely reconstructed
- **½ Widening** – Existing roadways that have built half of a 4-lane or 6-lane divided roadway previously and only need one side of the roadway to be built
- **Access Management** – Existing 5 lane undivided roadways identified for median construction in the existing center turn lane for access management purposes.
- **New** - All future roadways needed to complete the Transportation Master Plan

## METHODOLOGY FOR ROADWAY IMPACT FEES

### A. Service Areas

Service areas will need to be designated to cover the entire corporate area of the City of Manor (both limited and full purpose jurisdictions). Chapter 395 of the Texas Local Government Code specifies that “the service area is limited to an area within the corporate boundaries of the political subdivision and shall not exceed six (6) miles.”

### B. Service Units

The “service unit” is a measure of consumption or use of the capital facilities by new development. The Roadway Impact Fee Study will quantify the supply and demand for roads in the City. For transportation purposes, the service unit is defined as a vehicle-mile. Below is the definition for vehicle-mile.

Vehicle-Mile: The capacity consumed in a single lane in the PM peak hour by a vehicle making a trip one mile in length. The PM Peak is used as the basis for transportation planning and the estimation of trips caused by new development.

Total Vehicle-Miles of Supply: Based on the total length (miles), number of lanes, and capacity (vehicles per hour) provided by the Transportation Master Plan (see **Appendix B**).

Total Vehicle-Miles of Demand: Based on the 10-year growth projections (Pg. 38). The demand is equal to PM Trip Rate (trips) \* Trip Length (miles).

**Table 3A. Service Volumes for Proposed Facilities**

<b>Facility Classification</b>	<b>Lanes</b>	<b>Median Configuration</b>	<b>Hourly Vehicle-Mile Capacity per Lane-Mile of Roadway Facility</b>
<b>6 Lane</b>	6	Divided	900
<b>4 Lane Proposed</b>	4	Divided	810
<b>3 Lane Proposed</b>	3	Undivided	410
<b>2 Lane Existing</b>	2	Undivided	410

**Table 3B. Service Volumes for Existing Facilities**

<b>Roadway Type</b>	<b>Description</b>	<b>Hourly Vehicle-Mile Capacity per Lane-Mile of Roadway Facility</b>
<b>2U-G</b>	Rural Cross-Section (i.e., gravel, dirt, etc.)	100
<b>2U-H</b>	Two lane undivided – rural setting, high speed	770
<b>2U</b>	Two lane undivided – built-out	410
<b>2U-OP</b>	Two lane undivided with on-street parking	330
<b>2U-Half</b>	Two lane undivided – half of a 4-lane divided	410
<b>3U</b>	Three lane undivided (two-way, left-turn lane)	510
<b>3U-OP</b>	Three lane undivided with on street parking	410
<b>4U</b>	Four lane undivided	680
<b>4D</b>	Four lane divided	810
<b>5U</b>	Five lane undivided	770
<b>6U</b>	Six lane undivided	770
<b>6D</b>	Six lane divided	900
<b>7U</b>	Seven lane undivided	860

## Example of Land Use Descriptions

Land Use Category	ITE Land Use Code	Land Use Description
<b>PORT AND TERMINAL</b>		
Truck Terminal	030	Point of good transfer between trucks or between trucks and rail
<b>INDUSTRIAL</b>		
General Light Industrial	110	Emphasis on activities other than manufacturing; typically employing fewer than 500 workers
Industrial Park	130	Area containing a number of industries or related facilities
Manufacturing	140	
Warehousing	150	Devoted to storage of materials but may include office and maintenance areas
Mini-Warehouse	151	Facilities with a number of units rented to others for the storage of goods
<b>RESIDENTIAL</b>		
Single-Family Detached Housing	210	Single-family detached homes on individual lots
Multifamily Housing (Low-Rise)	220	At least three rental dwelling units and one or two levels (floors) per building
Multifamily Housing (Mid-Rise)	221	At least three rental dwelling units and between three and ten levels (floors) per building
Multifamily Housing (High-Rise)	222	At least three rental dwelling units and more than ten levels (floors) per building
Mobile Home Park / Manufactured Home	240	
Senior Adult Housing-Detached	251	Consists of detached independent living developments that include amenities such as golf courses and swimming pools
Senior Adult Housing-Attached	252	Consists of attached independent living developments that include limited social or recreation services
Assisted Living	254	Residential settings that provide either routine general protective oversight or assistance with activities.
<b>LODGING</b>		
Hotel	310	Lodging facilities that typically have on-site restaurants, lounges, meeting and/or banquet rooms, or other retail shops and services
Motel / Other Lodging Facilities	320	Lodging facilities that may have small on-site restaurant or buffet area but little or no meeting space
<b>RECREATIONAL</b>		
Golf Driving Range	432	Facilities with driving tees for practice; may provide individual or group lessons; may have prop shop and/or refreshment facilities
Golf Course	430	May include municipal courses and private country clubs; may have driving ranges, pro shops, and restaurant/banquet facilities
Recreational Community Center	495	Category includes racquet clubs, health/fitness clubs, can include facilities such as YMCA's
Ice Skating Rink	465	Rinks for ice skating and related sports; may contain spectator areas and refreshment facilities
Miniature Golf Course	431	One or more individual putting courses; category should not be used when part of a larger entertainment center (with batting cages, video game centers, etc.)
Multiplex Movie Theater	445	Movie theater with audience seating, minimum of ten screens, lobby, and refreshment area.
Racquet / Tennis Club	491	Indoor or outdoor facilities specifically designed for playing tennis
<b>INSTITUTIONAL</b>		
Church	560	Churches and houses of worship
Day Care Center	565	Generally, includes facilities for care of pre-school aged children, includes classrooms, offices, eating areas, and playgrounds
Primary/Middle School (1-8)	522	Serves students who have not yet entered high school
High School	530	Serves students who have completed middle or junior high school
Junior / Community College	540	Two-year junior, community, or technical colleges
University / College	550	Four-year universities or colleges that may or may not offer graduate programs
<b>MEDICAL</b>		
Clinic	630	Facilities with limited diagnostic and outpatient care
Hospital	610	Medical and surgical facilities with overnight accommodations
Nursing Home	620	Rest and convalescent homes with residents who do little or no driving
Animal Hospital/Veterinary Clinic	640	Rest and convalescent homes with residents who do little or no driving
<b>OFFICE</b>		
Corporate Headquarters Building	714	Office building housing corporate headquarters of a single company or organization
General Office Building	710	Office buildings which house multiple tenants
Medical-Dental Office Building	720	Multi-tenant building with offices for physicians and/or dentists
Single Tenant Office Building	715	Single tenant office buildings other than corporate headquarters
Office Park	750	Office buildings (typically low-rise) in a campus setting and served by a common roadway system

**(Cont'd). Examples of Land Use Descriptions**

Land Use Category	ITE Land Use Code	Land Use Description
<b>COMMERCIAL</b>		
<b>Automobile Related</b>		
Automobile Care Center	942	Automobile repair and servicing including stereo installations and upholstery
Automobile Parts Sales	843	Retail sale of auto parts but no on-site vehicle repair
Gasoline/Service Station	944	Gasoline sales without convenience store or car wash; may include repair
Gasoline/Service Station w/ Conv Market and Car	946	Gasoline sales with convenience store and car washes where the primary business is gasoline sales
New Car Sales	841	New car dealerships, typically with automobile servicing, part sales, and used car sales
Quick Lubrication Vehicle Shop	941	Primary business is to perform oil changes and fluid/filter changes with other repair services not provided
Self-Service Car Wash	947	Has stalls for driver to park and wash the vehicle
Tire Store	848	Primary business is sales and installation of tires; usually do not have large storage or warehouse area
<b>Dining</b>		
Fast Food Restaurant with Drive-Thru Window	934	High-turnover fast-food restaurant for carry-out and eat-in customers with a drive-thru window
Fast Food Restaurant without Drive-Thru Window	933	High-turnover fast-food restaurant for carry-out and eat-in customers, but without a drive-thru window
High Turnover (Sit-Down) Restaurant	932	Restaurants with turnover rates less than one hour; typically includes moderately priced chain restaurants
Quality Restaurant	931	Restaurants with turnover rates of one hour or longer; typically require reservations
Coffee/Donut Shop with Drive-Thru Window	937	Coffee and Donut restaurants with drive-through windows, hold long store hours and have limited indoor seating
<b>Other r Retail</b>		
Free-Standing Discount Store	815	Category includes free-standing stores with off-street parking; typically offer a variety of products and services with long store hours
Nursery (Garden Center)	817	Building with a yard of planting or landscape stock; may have office, storage, shipping, or greenhouse facilities
Home Improvement Superstore	862	Warehouse-type facilities offering a large variety of products and services including lumber, tool, paint, lighting, and fixtures, among other items.
Pharmacy/Drugstore w/o Drive-Thru Window	880	Facilities that primarily sell prescription and non-prescription drugs without a drive-through window
Pharmacy/Drugstore w/ Drive-Thru Window	881	Facilities that primarily sell prescription and non-prescription drugs with a drive-through window
Shopping Center	820	Integrated group of commercial establishments; planning, owned, and managed as a unit
Supermarket	850	Primary business is sale of groceries, food, and household cleaning items; may include photo, pharmacy, video rental, and/or ATM
Toy/Children's Superstore	864	Businesses specializing in child-oriented merchandise
Department Store	875	Free-standing stores that specialize in the sale of apparel, footwear, bedding, home products, jewelry, etc.
<b>SERVICES</b>		
Walk-In Bank	911	Banks with their own parking lots, no drive-in lanes but contain non-drive-through ATMs
Drive-In Bank	912	Banking facilities to conduct financial transactions from the vehicle; also, usually apart of walk-in bank
Hair Salon	918	Facilities that specialize in cosmetic and beauty services including hair cutting and styling