



A Regional Approach to Transportation Impact Fees

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Session: Infrastructure Financing – Transportation

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11:15 am – 12:15 pm

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PB Houston



Presentation Overview

- What are Regional Impact Fees?
- The Right Conditions
- Different Perspectives
 - CVAG TUMF
 - WRCOG TUMF
 - RCTC Freeway Strategic Plan
- Keys to Success



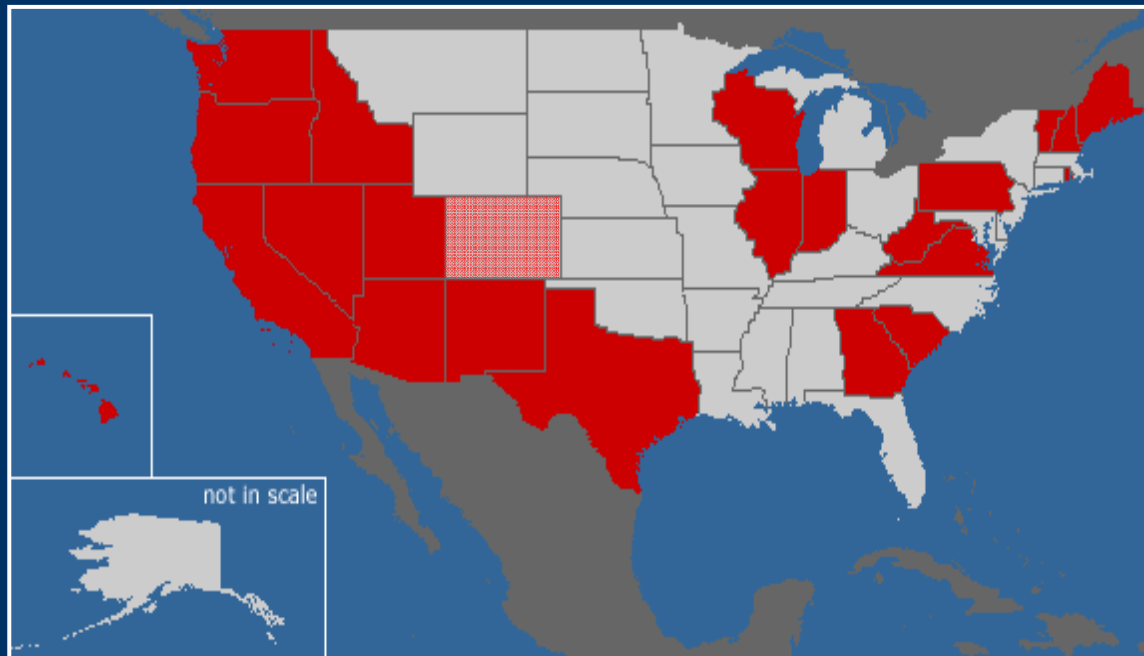
What are Impact Fees?

- “In a growing metropolitan area, each additional subdivision adds to the traffic burden.” (*Ayres v. City Council of Los Angeles Cal. 1949*)
- Impact fees cover the cost of providing infrastructure necessitated by new development



What are Impact Fees?

- Almost ½ the states have legislation that expressly enables the use of mitigation fees





What are Impact Fees?

- Must establish a “rational nexus”
(*Nollan v. California Coastal Commission* 1987)
- Must have “rough proportionality”
(*Dolan v. City of Tigard* 1994)



What are Impact Fees?

- Local agencies often use impact fees for traffic mitigation, sewer, water supply, drainage and parks
- Typically fees are imposed on a development specific or city-wide basis



What are Regional Impact Fees?

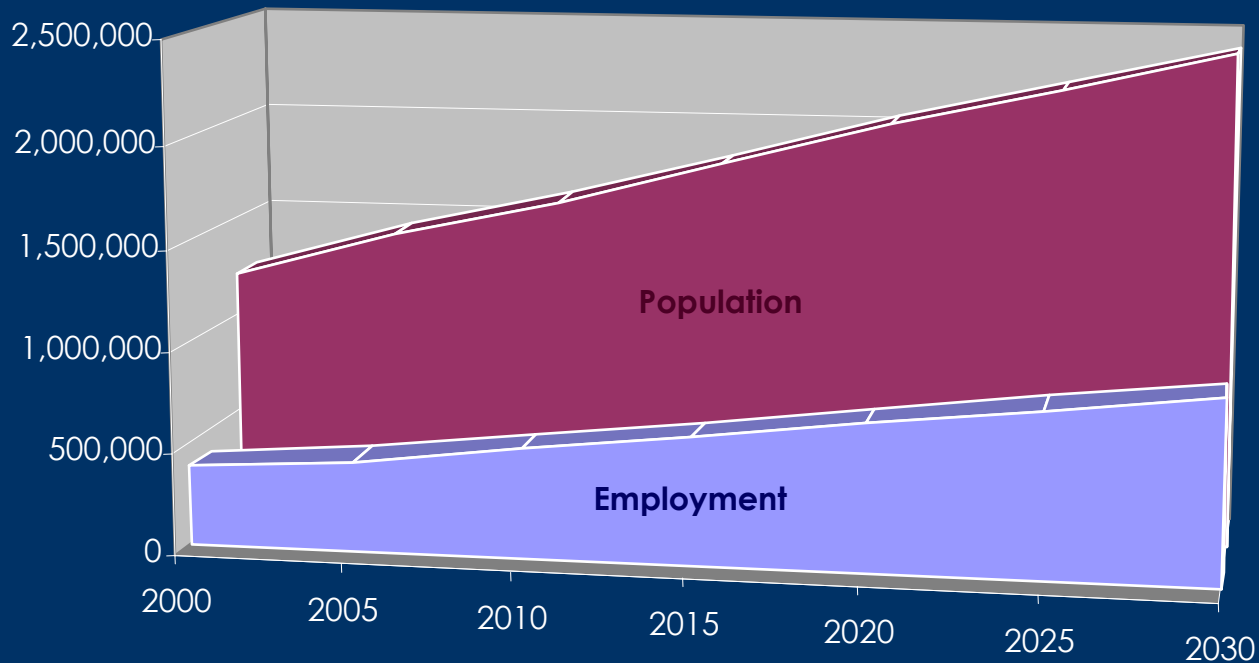
- Regional impact fees address the *cumulative regional impacts* of new development
 - Not development specific
 - Development itself does not have to benefit
(*Nollan v. California Coastal Commission 1987*)



The Right Conditions

- Rapid population and employment growth

Forecast Growth in Western Riverside County



Source: SCAG 2004 RTP



The Right Conditions

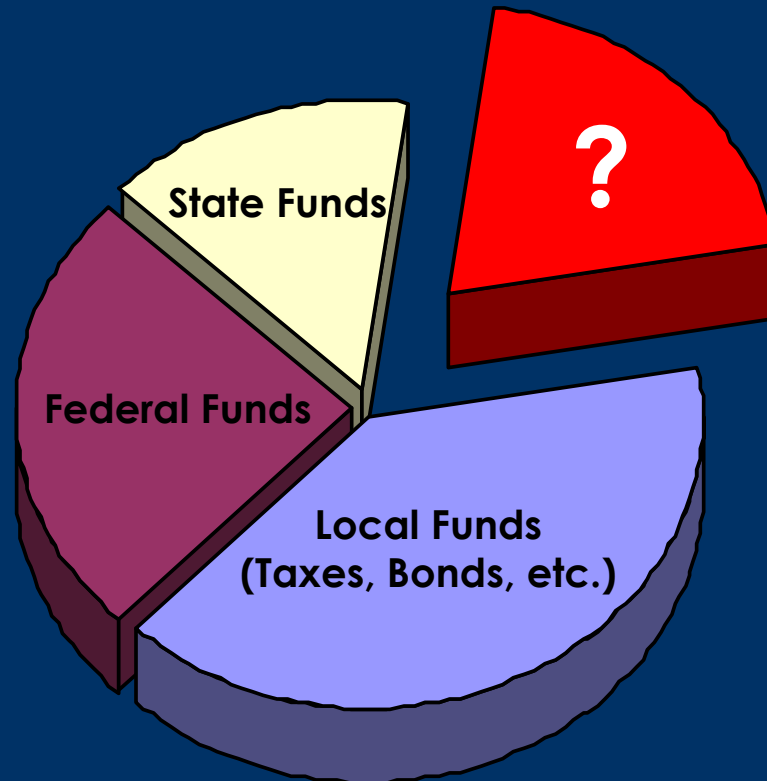
- Overwhelming transportation needs





The Right Conditions

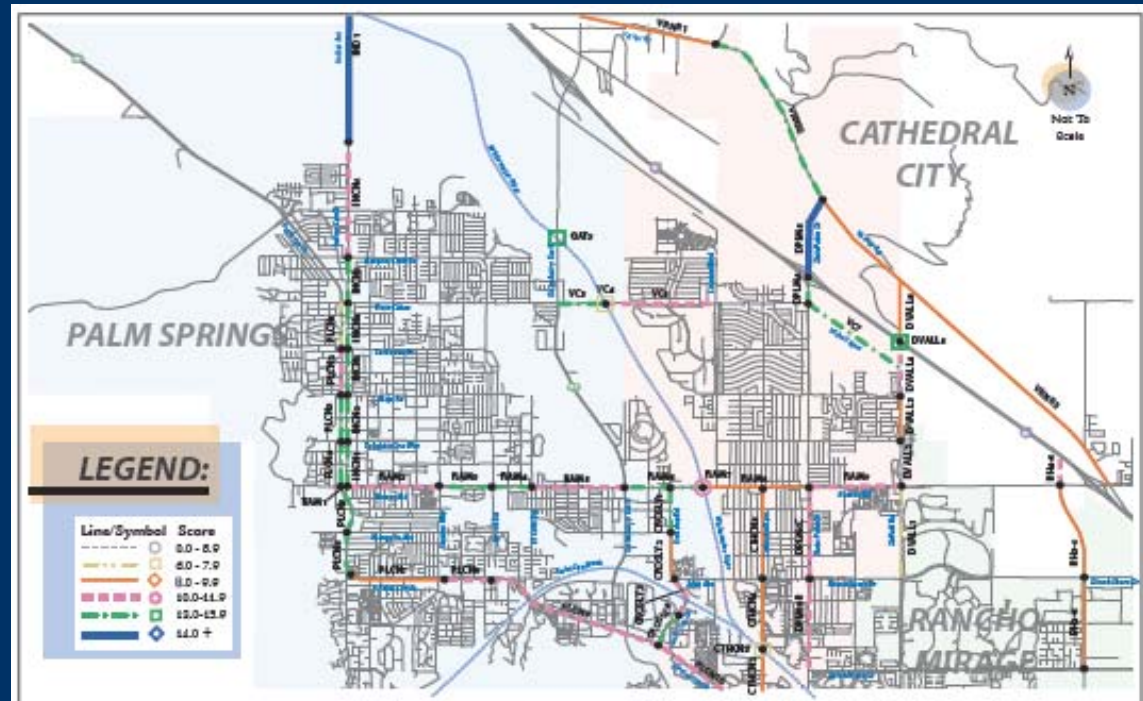
- Limited traditional funding opportunities





Different Perspectives CVAG TUMF

- Paving the way since 1989
- Arterial program involving nine local jurisdictions





Different Perspectives

CVAG TUMF

- Original \$389 million program has grown to \$2.60 billion
- Trip based fee using ITE Trip Generation rates
- Fee offset for other funding sources and developer dedications

**CVAG TUMF 2006 Update
Proposed Fee per Trip**

Fee Category	Proposed Fee Rates
Residential Rate	\$302
Retail/Commercial Rate	\$117
Non-Retail/Hotel Rate	\$233
TUMF Target Collections	\$1,025,558,065

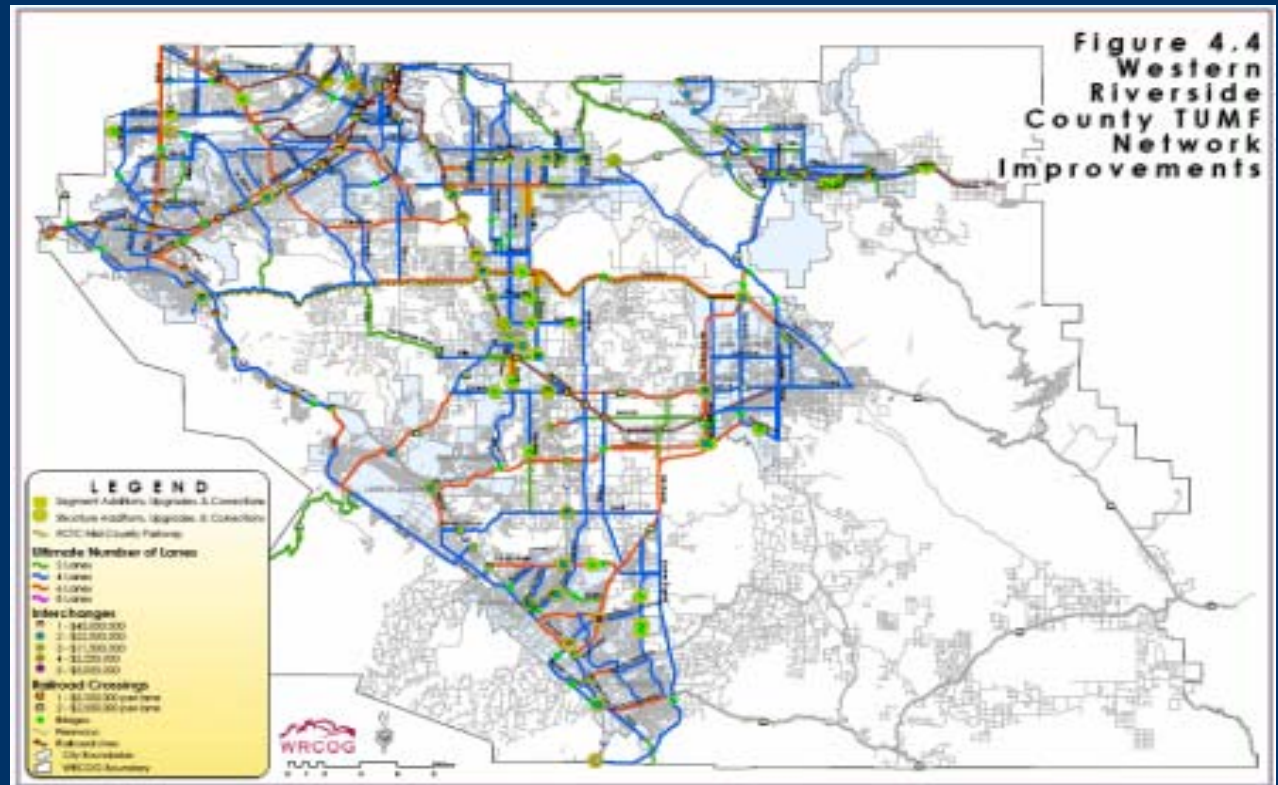




Different Perspectives

WRCOG TUMF

- Arterial program involving sixteen local jurisdictions
- Includes transit element





Different Perspectives

WRCOG TUMF

- \$5.31 billion program over 25 years
- Unit based fee
- Full funding program requires fee credits for developer dedications

WRCOG TUMF 2005 Nexus Update Fee Levels

Land Use Type	Units	Fee Per Unit
Single Family Residential	DU	\$ 9,693
Multi Family Residential	DU	\$ 6,806
Industrial	SF GFA	\$ 2.27
Retail	SF GFA	\$ 12.49
Service	SF GFA	\$ 6.33
TUMF TARGET COLLECTIONS		\$ 5.056 billion





Different Perspectives WRCOG TUMF

- Program currently generates over \$10 million per month in revenues
- 54 projects currently underway
- Over \$400 million currently programmed





Different Perspectives

RCTC Freeway Strategic Plan

- \$7 billion to \$10 billion improvement need
- \$1.66B currently identified from other sources
- About 41% to 44% attributable to growth





Keys to Success

- Impact fees are not a stand alone solution
 - Can only be used to fund growth impacts, not existing needs
 - Ideally should supplement other local funding sources (local sales tax, local option fuel tax)
 - Should be used to leverage federal and state funding (provides opportunity for substantial local match)



Keys to Success

- Requires detailed consideration
 - Many complex issues to be addressed
 - Programs will be heavily scrutinized and potentially subjected to legal challenge



Keys to Success

- Requires broad based local support
 - Needs visionary leadership from a regional agency (MPO, COG, CTC)
 - Needs bold political champions
 - Needs private sector to be FULLY engaged



Keys to Success

- Positive support from the media really helps!

Los Angeles Times *“Riverside County’s fee has opened the door to reviewing development in a realistic light.”*



“Approving the TUMF was important, with a capital I.”



“Riverside County sets example for how to pay for needed infrastructure.”



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