

APPENDIX 5
TRANSPORTATION IMPACT FEES

**SUMMARY OF THE STEPS ASSOCIATED WITH IMPLEMENTING A
TRAFFIC IMPACT FEE ORDINANCE**

<u>Task</u>	<u>Responsible Entity</u>
<p>1. Establish Transportation Service Area and appoint advisory committee. <i>Note: Committee must be at least 7 members, and can be the <u>entire</u> Planning Commission, with ad hoc members if necessary to meet the 40% builder/realtor requirement. Other than this, the committee <u>cannot</u> contain municipal officials or employees.</i></p>	Governing Body
<p>2. Public Notice of Intent to implement a Traffic Impact Fee Ordinance. <i>Note: This allows for fees to start being collected <u>and</u> starts an 18 month clock, by which time the Ordinance must be adopted.</i></p>	Governing Body
<p>3. Committee oversees preparation of Land Use Assumptions plan, holds public hearing, forwards to Governing Body for adoption.</p>	Impact Fee Advisory Committee
<p>4. Committee oversees preparation of Roadway Sufficiency Analysis and forwards to Governing Body for approval.</p>	Impact Fee Advisory Committee
<p>5. Committee oversees preparation of Capital Improvements Plan, holds public hearing, forwards to Governing Body for approval.</p>	Impact Fee Advisory Committee
<p>6. Impact Fee Ordinance text developed and Ordinance adopted.</p>	Governing Body

TRAFFIC IMPACT FEE ADVISORY COMMITTEE FUNCTIONS

- Develop Land Use Assumptions Report
 - Describe existing land uses
 - Project land use changes within the next 5 to 10 years
 - Project development densities and population growth rates
 - Submit to County Planning Commission for review
 - Hold public hearing
 - Forward to Governing Body for approval

- Develop Roadway Sufficiency Analysis
 - Identify intersections and/or roads that will be affected by development
 - Collect traffic data
 - Analyze existing conditions [Level of Service (LOS)]
 - Identify preferred LOS
 - Identify existing deficiencies and required improvements
 - Project conditions with “pass-through” trips
 - Identify deficiencies and required improvements
 - Project conditions with new development trips
 - Identify deficiencies and required improvements
 - Forward to Governing Body for approval

- Develop Capital Improvements Plan
 - Identify needed improvements and proportionate costs according to:
 - Needed for existing conditions
 - Needed to accommodate pass-through traffic
 - Needed to accommodate development generated traffic
 - Identify time frame for construction
 - Identify other funding sources (e.g., PennDOT, Federal funds)
 - Hold public hearing
 - Forward to Governing Body for approval

TRAFFIC IMPACT FEE BASICS

- Allows collecting dollars for “off site” roadway improvements from developers
- Will ultimately require matching PennDOT or municipal funds for improvements, based on the proportionate share of traffic
- Municipality sets study area, which may ultimately be broken up into one or more Transportation Service Areas (TSA); some of the study area can be eliminated
- Each TSA must be less than 7 square miles
- First step is to determine the study area and appoint an advisory committee
- Advisory committee to be at least 7 members with 40% representation of the builder/realtor community
 - Must be residents or those doing business in the municipality
 - Cannot be municipal officials or employees
- After committee appointed, study must be done within 18 months, but all development plans filed in that period are subject to the fee
- Background studies include
 - Land Use Assumptions
 - Roadway Sufficiency Analysis
 - Capital Improvements Plan
- Collected monies must be used within certain timeframe, set by Capital Improvements Plan
- Partial cost of the Roadway Sufficiency Analysis can be recouped through the collected fees

Adoption Process for Transportation Impact Fee Ordinance

1. Upon completion of the draft of Land Use Assumptions report, the Advisory Committee must forward copies to the County Planning Commission, the School District, and each of the adjoining municipalities. Each of these entities has a minimum of thirty (30) days to review the document and submit comments to the municipality.
2. At the conclusion of the review period, the Advisory Committee must conduct a hearing (advertised in compliance with MPC) to present the assumptions and receive comments from municipal residents and the general public. Comments received from the other review entities (those listed above) must be addressed at this hearing.
3. Following the public hearing, the Governing Body must pass a resolution that approves, approves with specific modifications, or disapproves the report. Unless the resolution disapproves the report, it must include a provision stating that the report is adopted as an official policy of the municipality.
4. Upon adoption of the Land Use Assumptions report, the Advisory Committee shall develop a Roadway Sufficiency Analysis to establish the existing level of infrastructure sufficiency and preferred levels of services within the Transportation Service Area (TSA) established by the Land Use Assumptions report. The Roadway Sufficiency Analysis must address every road where there is an anticipated need for improvements due to projected future development. *Roads not addressed by the Roadway Sufficiency Analysis are deemed to be unaffected by future development; impact fees collected pursuant to this Analysis may only be spent to improve roads addressed in the Analysis.*
5. At the completion of the Roadway Sufficiency Analysis, the Advisory Committee shall submit it to the Governing Body. The Governing Body must pass a resolution that approves, approves with specific modifications, or disapproves the Analysis. No public hearing or review by outside agencies is required at this stage, although the resolution must be presented and voted upon at a duly advertised public meeting, such as any regular Governing Body meeting.
6. Based upon the Land Use Assumptions report and the Roadway Sufficiency Analysis, the Advisory Committee shall identify specific capital projects for inclusion in the municipality's Transportation Capital Improvements Plan for the Transportation Service Area. The plan must include a projected timetable and budget for the identified projects in addition to the other elements required by the MPC.
7. The completed draft of the Transportation Capital Improvements Plan must be made available for public inspection for a period of not less than ten (10) working days. Following this inspection period, the Advisory Committee must hold at least one (1) public hearing to present the Plan formally to the public and to receive comments from them. This hearing must be advertised as required by the MPC.
8. After the public hearing(s), the Governing Body may make revisions to the draft Plan that are consistent with comments received at the hearing(s). The Governing Body must then adopt the

Plan pursuant to municipal procedures.¹ If the Plan proposes improvements to be funded at least in part by impact fees for Federal aid or state highways, the Plan must be approved by PennDOT and, if necessary, the U.S. Dept. of Transportation.

9. Once the Plan is adopted, the municipality may establish an Impact Fee Ordinance meeting the requirements of the MPC. The Ordinance must establish the boundaries of the Transportation Service Area and a fee schedule. The draft Ordinance must be available for public inspection for not less than ten (10) working days prior to the adoption date. The collection of fees may be retroactive for a period of up to eighteen (18) months prior to the date of enactment of the Ordinance.

¹ The MPC specifically requires that the Land Use Assumptions report and the Roadway Sufficiency Analysis be approved and adopted by resolution. The MPC provisions addressing the adoption of the Transportation Capital Improvements Plan make no reference to the means of adoption.