
Final Report

*Town of Hooksett,
New Hampshire
Traffic Impact Fee System*

Prepared for **Town of Hooksett, New Hampshire**

Prepared by **VHB/Vanasse Hangen Brustlin, Inc.**
Kilton Road
Six Bedford Farms, Suite 607
Bedford, NH 03110
(603) 644-0888

August 2005

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Introduction

Vanasse Hangen Brustlin, Inc. (VHB) has been retained by the Town of Hooksett to develop a procedure for assessing Traffic Impact Fees to future users of the roadway system within the town. Specifically, the procedure described in this report provides the town a means to equitably share the cost of constructing the roadway improvements that will be needed to accommodate future growth.

This report describes the procedure and provides an easy to use table with fees for a range of typical development types. In addition, the procedure provides a fee per vehicle trip that can be applied to proposed land uses that do not easily fit into any of the specific land use categories. The town is also being provided the impact fee matrix electronically on an Excel spreadsheet. The spreadsheet is design to allow the fee structure to be adjusted annually for inflation. The impact fee table and accompanying zonal map are provided at the end of the report.

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Background

As described in the Town Master Plan, the Town of Hooksett is currently experiencing and is expected to continue to experience substantial growth. In fact, from three planned residential projects alone, it is expected that the 4,300 dwelling units identified in the Town's 2000 census could increase to as many as 6,000 residential dwelling units within 10 to 15 years. In addition to residential growth, the town anticipates the continued growth in commercial and industrial development projects. To accommodate this future growth, the roadway system will need to be improved and expanded. To help in the funding of the expanded roadway system, the town is looking to implement a Traffic Impact Fee System.

The term impact fee generally refers to a municipality's ability to exact a fee from a developer as a means of offsetting the development's impact on the municipality. Depending on the specific needs of the municipality, VHB has applied different types of traffic impact fee procedures. One procedure, developed by VHB back in the early 1980's is called the "Cost Allocation Procedure" or "CAP". The CAP formula is determined by establishing both a base and a future traffic volume condition, developing a planned roadway improvement program, and calculating the additional reserve capacity provided by a future roadway improvement plan. The cost of roadway improvements are apportioned to private development projects based on the portion of available reserve capacity used by the new site development-related traffic.

A second procedure is called the "Sample Roadway Impact Fee" procedure. This procedure, as compared to the cost allocation procedure, is a more general method that does not require a well-defined future roadway improvement program. The sample roadway impact procedure uses average construction costs rather than the cost of specific roadway improvements, daily trips rather than peak hour trips, and average trip lengths rather than site-specific trip assignment.

The sample roadway impact procedure considers the cost to provide a roadway system that can accommodate new vehicle trips independent of the existing capacity of the roadway. The sample roadway procedure simply multiplies the average expected vehicle miles (number of trips times the average trip length) for a particular use times the cost of constructing a lane-mile. Given that the town does not have a specific long-term roadway system plan, the "Sample Roadway Impact Fee" procedure is more appropriate and therefore is the procedure that will be put in place.

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Impact Fee Procedure

As described in the previous section, the Traffic Impact Fee process that is being applied in the Town of Hooksett is the "Sample Roadway Impact Fee" procedure. This procedure provides the town a means to equitably share the cost of constructing roadway improvements. The basis of the procedure is that public providers, such as the Town of Hooksett, are responsible for addressing or fixing existing roadway deficiencies while future users of the transportation system are responsible for their proportionate share of the cost of providing sufficient capacity to accommodate future growth. The future users are charged a user or impact fee through the private developer.

The sample roadway impact fee procedure has been designed to meet the "rational nexus" test, which is the underpinning of fairness in allocating impact fees. To meet the rational nexus test, the level of user or impact fee must be determined in proportion to the impact of the user on the roadway improvement or in proportion to the benefit that the user derives from the improvement. An Impact Fee System that fails to demonstrate this direct link of proportional impact or benefit could be subject to legal challenge.

Procedure Development

The Traffic Impact Fee, using the sample roadway procedure, for any given land use is determined as follows:

- Estimate the total daily vehicle trips generated by the particular use. The trip estimates are based on the Institute of Transportation Engineers' publication Trip Generation.
- Divide the total daily vehicle trips by two. This is done to avoid double counting. Otherwise a person's trip from home to work would be counted as two trips when it's actually only one.
- Apply an adjustment factor to the total one-way vehicle trips to establish the number of new one-way vehicle trips. The trips generated by certain land uses such as retail are not all new trips as a portion of the trips are drawn from the existing traffic stream.

- Multiply the number of new trips by the average trip length to obtain vehicle lane miles. The average trip length for all land use categories has been determined to be 3 miles.
- Multiply the vehicle lane miles for each category by the estimated cost to construct a lane-mile of roadway (\$1.6 million) and divide by the daily capacity of a lane at Level of Service D (8,800 vph). The construction cost is based on recently completed roadway projects in Hooksett.
- A 35 percent credit is applied to account for any state and federal grants funding traffic improvements and any prospective or retrospective debt service payments.
- To ensure that the calculated fee is as conservative (favors the developer rather than the town) as possible, an additional 25 percent reduction is applied to the calculated fee in all categories.
- Finally, all fees are presented in terms of easy to apply variables such as; per unit for residential and per square foot for all other uses.

A Traffic Impact Fee can also be calculated for proposed uses that are not specifically included in the table. This is done by estimating the number of new daily vehicle trips for the particular use and multiply that number \$133. The ITE's publication Trip Generation should be used to determine vehicle trip estimates. Note that estimating vehicle trips for non-specified or unique uses should be determined by a qualified traffic engineer.

Having established the impact fee, the Traffic Impact Fee Zone map should be checked to determine which zone the development site is located. The town needs to maintain separate accounts for each zone to ensure that fees that are collected within a particular zone are expended within the same zone. Maintaining separate accounts provides the direct link between the fee and the benefit derived by the user, which is necessary to meet the rational nexus test.

Using the Procedure

The application of the impact fee is straightforward. To determine the Traffic Impact Fee for specific development project, simply identify the appropriate land use in the first column of the Traffic Impact Fee matrix, which is provided at the end of the report. Town staff should have a copy of Trip Generation, 7th edition by the Institute of Transportation Engineers, which will be helpful in selecting appropriate categories and provides more specific detail on trip generation data and sample size. Having selected the land use, move across to the right column to obtain the fee per square foot, per unit, or other variable. Multiply the rate found in the table by the square footage of the development, or in the case of residential, multiply by the number of units.

It is important to recognize that town planning staff will be responsible for making key decisions such as choosing the appropriate land use and recognizing unique

development projects where the non-specific use rate should be applied. The non-specific use rate is presented in terms of dollars per new total daily trips.

Construction Cost Adjustment

Because the construction cost estimates that were developed for use in the Traffic Impact Fee procedure are in present day dollars, the procedure has been designed to allow the fee structure to be adjusted annually for inflation. Engineering News Record (ENR) has been tracking a construction cost index (CCI) since 1921 and publishes the index. The Traffic Impact Fee Matrix is being provided to the town on an Excel spreadsheet that is designed to be adjusted annually by simply inputting the current year CCI.

Town Impact Fee Ordinance

The Town of Hooksett has an Impact Fee Ordinance (adopted May 8, 2001) in place that allows the town to collect impact fees for capital facilities. As defined in the ordinance, capital facilities include "water treatment and distribution facilities; wastewater treatment and disposal facilities; sanitary sewers; storm water; drainage and flood control facilities; public road systems and right-of-way; municipal office facilities; public school facilities; the municipality's proportional share of capital facilities of a cooperative or regional school district of which the municipality is member; public safety facilities; solid waste collection, transfer, recycling, processing and disposal facilities; public libraries, and public recreation facilities, not including public open space".

The Traffic Impact Fee is consistent with the town's existing Impact Fee Ordinance and once adopted by the Planning Board (following a public hearing) the Traffic Impact Fee can be incorporated into the town's ordinance.

Land Use Categories

The impact fee procedure provides common land use categories and provides a fee per vehicle trip that can be applied to proposed land uses that do not easily fit into any of the specific land use categories.

The traffic zone map and the traffic impact fee matrix are provided at the end of this section. The following provides a brief description of each of the land use categories that are included in the table.

Residential Uses:

Single-Family – Single-Family detached housing includes all single-family detached homes on an individual lot.

Apartment – Apartments are rental dwelling units that are located within the same building with at least three other dwelling units (four unit minimum). Both high-rise and low-rise apartments are included in this land use.

Townhouse/Duplex – Residential condominiums/townhouses are defined as single-family ownership units that have at least one other single-family owned unit within the same building structure. Both condominiums and townhouses are included in this land use.

Mobile Home Park – Mobile home parks generally consist of trailers that are sited and installed on permanent foundations and typically have community facilities such as recreation rooms, laundry facilities, and swimming pools. Many mobile home parks restrict occupancy to adults.

Senior Housing – Senior adult housing generally includes independent living developments that are age-restricted (62 and older). These communities, which often house active but retired adults, would be expected to generate fewer vehicle trips than non-age restricted developments.

Non-Residential Uses:

General Office – A general office building houses multiple tenants; it is a location where affairs of businesses, commercial or industrial organizations, or professional persons or firms are conducted. An office building may contain a mixture of tenants.

Single Tenant Office – A single tenant office building generally contains the offices, meeting rooms, and space for file storage and data processing of a single business or company and possibly other service functions including a cafeteria or restaurant.

General Light Industrial – Light industrial facilities usually employ fewer than 500 persons and have an emphasis on activities other than manufacturing. Typical light industrial activities include printing plants, material testing laboratories, assemblers of data processing equipment, and power stations. Most light industrial facilities are freestanding and devoted to a single use.

Manufacturing – Manufacturing facilities are areas where the primary activity is the conversion of raw materials or parts into a finished product. Size and type of activity may vary substantially from one facility to another. Manufacturing facilities generally also have office, warehouse, research, and associated functions.

Warehousing – Warehouses are primarily devoted to the storage of materials; they may also include office and maintenance areas.

University/College – This land use includes four-year universities and colleges that may or may not offer graduate programs.

Small Retail (Specialty Retail Center) – Specialty retail centers are generally small retail stores or small strip shopping centers that contain a variety of retail shops and specialize in apparel, hard goods, and services such as real estate offices, dance studios, florists, and small restaurants.

Quality Restaurant – Quality restaurants usually have turnover rates of an hour or longer. Generally, quality restaurants do not serve breakfast, many do not serve lunch, but all serve dinner. Reservations are often required at these restaurants and they are typically not chains.

High Turnover Restaurant – High turnover restaurants usually have turnover rates of an hour or less. This type of restaurant is usually moderately priced and frequently belongs to a restaurant chain. Generally these establishments serve lunch and dinner; they may also be open for breakfast and are sometimes open 24 hours a day. Some of these restaurants may also contain a bar area for serving food and alcoholic drinks.

Fast Food Restaurant with Drive-Through Window – Fast food restaurants are characterized by a large carryout clientele, long hours of service, and high turnover rates.

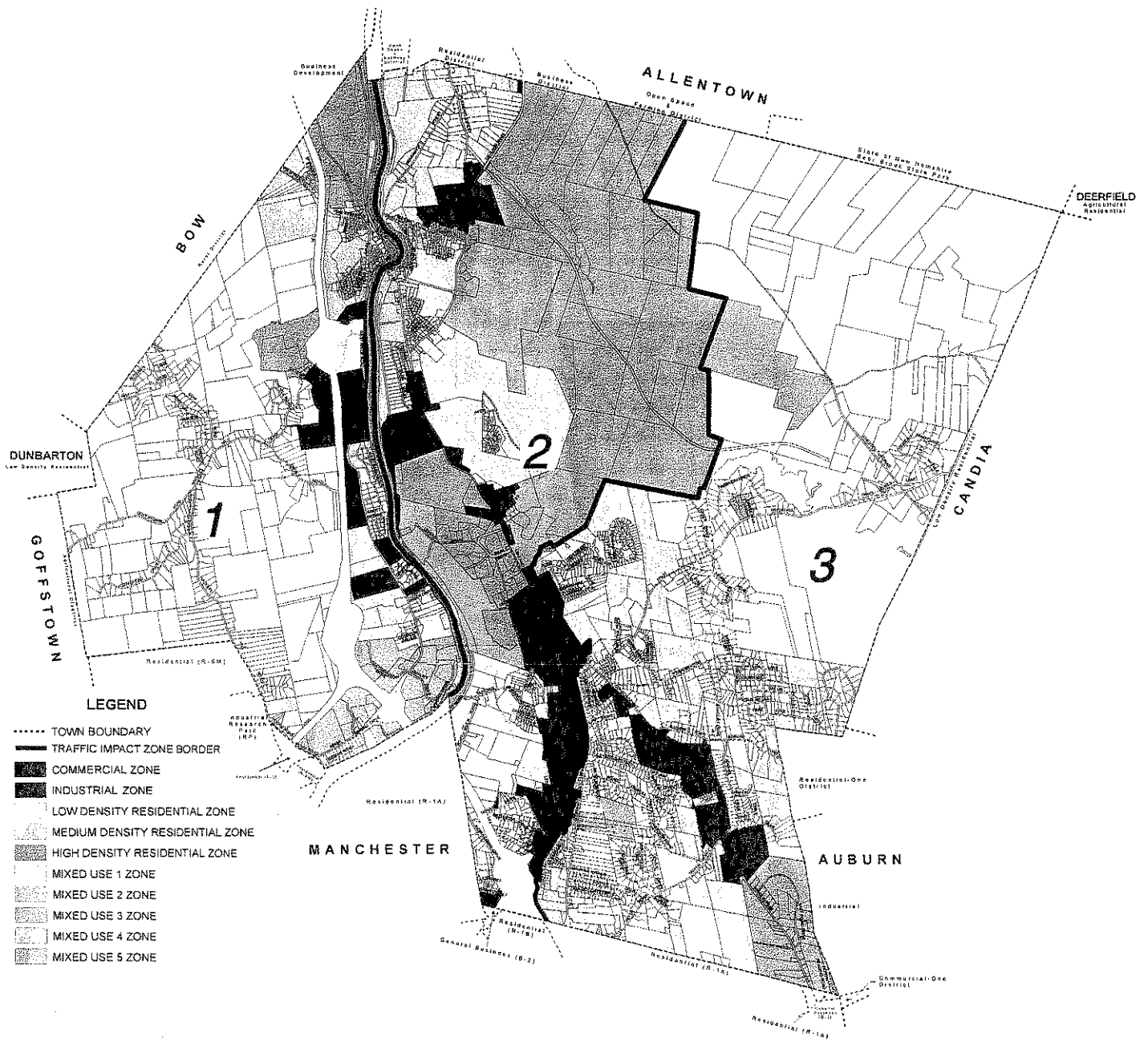
Shopping Center – A shopping center is an integrated group of commercial establishments that is planned, developed, owned, and managed as a unit. A shopping center's composition is related to its market area in terms of size, location, and type of store. A retail center also provides on-site parking facilities sufficient to serve its own parking demands.

Supermarket – Supermarkets are typically freestanding retail stores selling a complete assortment of food, food preparation and wrapping materials, household cleaning and servicing items. Supermarkets may also contain facilities such as money machines, photo centers, pharmacies, and video rental areas.

Hooksett Traffic Impact Fee Matrix 2005

	<u>Trips per Day</u>	<u>One-way Trips</u>	<u>Average Trip Length</u>	<u>% New Trips</u>	<u>Vehicle Lane Miles</u>	<u>Cost</u>	<u>Credit</u>	<u>Impact Fee (25 % Reduction)</u>
Residential Uses (\$/Unit)								
- Single Family	9.57	4.79	3	100%	14.4	\$2,610	\$914	\$1,272 per unit
- Apartment	6.72	3.36	3	100%	10.1	\$1,833	\$641	\$893 per unit
- Townhouse	5.86	2.93	3	100%	8.8	\$1,598	\$559	\$779 per unit
- Mobile Home Park	4.99	2.50	3	100%	7.5	\$1,361	\$476	\$663 per unit
- Senior Housing (62 yrs. and older)	3.71	1.86	3	100%	5.6	\$1,012	\$354	\$493 per unit
Non-Residential Uses (\$/square foot)								
- General Office	11.01	5.51	3	100%	16.5	\$3,003	\$1,051	\$1.46 per s.f.
- Single Tenant Office	11.57	5.79	3	100%	17.4	\$3,155	\$1,104	\$1.54 per s.f.
- General Light Industrial	6.97	3.49	3	100%	10.5	\$1,901	\$665	\$0.93 per s.f.
- Manufacturing	3.82	1.91	3	100%	5.7	\$1,042	\$365	\$0.51 per s.f.
- Warehousing	4.96	2.48	3	100%	7.4	\$1,353	\$473	\$0.66 per s.f.
- University/College	2.38	1.19	3	100%	3.6	\$649	\$227	\$316.43 per student
- Small Retail (Specialty Retail Center)	44.32	22.16	3	30%	19.9	\$3,626	\$1,269	\$1.77 per s.f.
- Quality Restaurant	89.95	44.98	3	30%	40.5	\$7,360	\$2,576	\$3.59 per s.f.
- High Turnover Restaurant	127.15	63.58	3	25%	47.7	\$8,669	\$3,034	\$4.23 per s.f.
- Fast Food Restaurant	496.12	248.06	3	20%	148.8	\$27,061	\$9,471	\$13.19 per s.f.
- Shopping Center (less than 100,000 SF)	86.56	43.28	3	25%	32.5	\$5,902	\$2,066	\$2.88 per s.f.
- Shopping Center (100,000 SF or more)	53.28	26.64	3	30%	24.0	\$4,359	\$1,526	\$2.13 per s.f.
- Supermarket	102.24	51.12	3	25%	38.3	\$6,971	\$2,440	\$3.40 per s.f.
- Gas Station/Convenience Store	162.78	81.39	3	15%	36.6	\$6,659	\$2,331	\$3,246 per pump

Note that the fees are expressed in dollars per unit for residential and dollars per square foot for non-residential uses. For unique land use categories that are not found in the table, the impact fee can be determined by multiplying the number of new total daily trips generated by the site by \$133.



Not to Scale

Vanasse Hangen Brustlin, Inc.

**Traffic Impact Fee Zones
Hooksett, New Hampshire**