

# Exhibit B

2025-2045

# Fee Methodology

Adopted December 3, 2025

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## INTRODUCTION - METHODOLOGY

The Ada County Highway District (ACHD) has prepared a Traffic Impact Fee (TIF) methodology to meet the requirements of the Idaho Development Impact Fee Act (IDIFA), which states that an Impact Fee Ordinance must provide a detailed description of the methodology by which the costs per Service Unit are determined (Idaho Code, section 67-8204(16)). The Ordinance sets out such a methodology and formula. This Exhibit “B” provides additional explanation of that methodology, and calculates the maximum Impact Fees that may be charged by ACHD in accordance with the IDIFA.

The TIF methodology was developed with consideration of the ACHD Capital Improvements Plan (CIP), as further described in Exhibit “C”. The CIP and TIF are based on an analysis of future transportation system deficiencies, employing the Regional Travel Demand Model developed by the Community Planning Association of Southwest Idaho (COMPASS) to consistently summarize and identify where future traffic volumes exceed the capacity of ACHD’s roadway system. The model was also used to consistently estimate the average travel conditions generated by new development within Ada County, including:

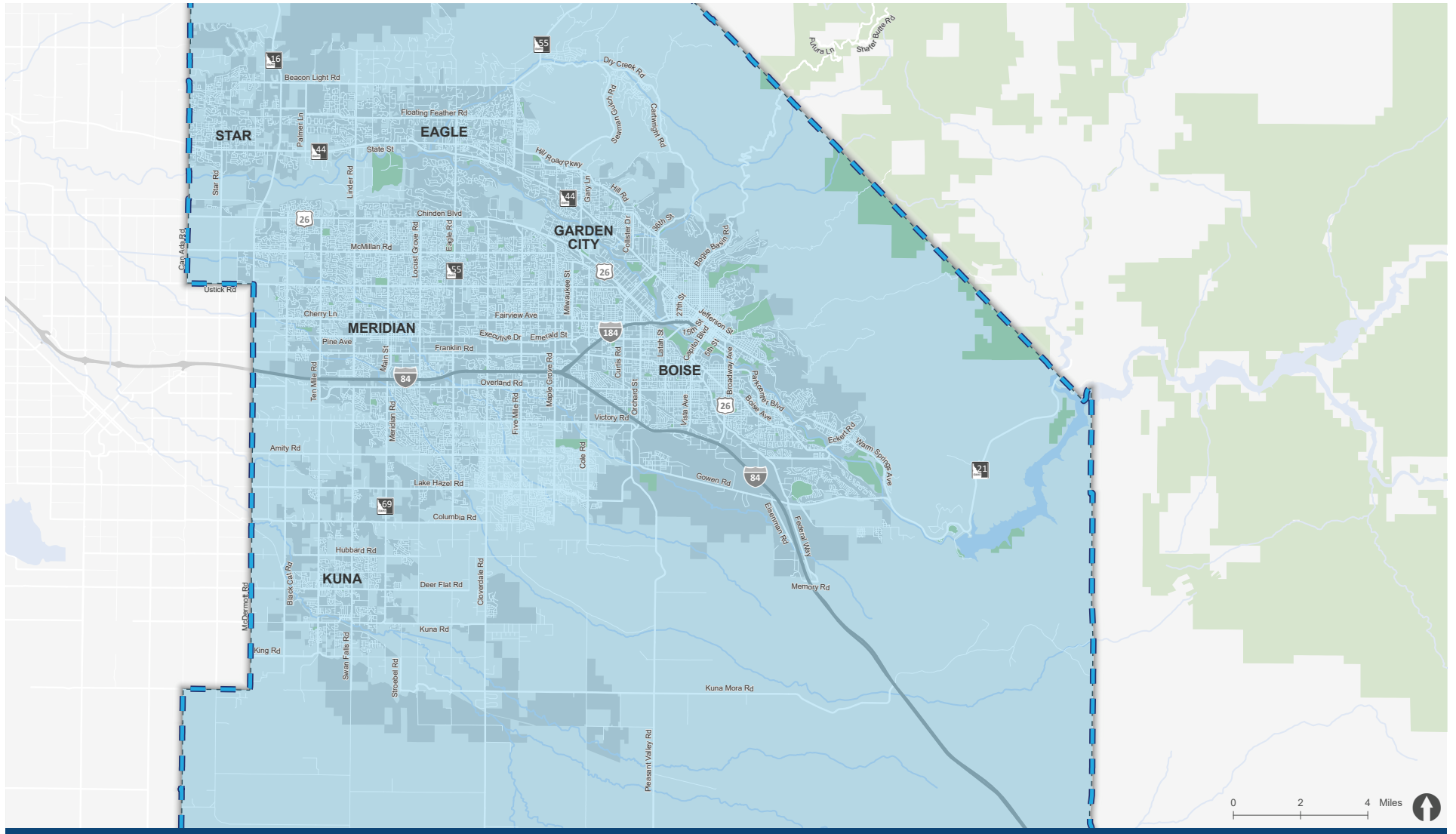
- Land use assumptions
- Trip generation
- Vehicle miles traveled (VMT)
- Adjustment factors (including average trip length and network adjustment factors)

The methodology used to calculate maximum Impact Fees determines the cost per Service Unit for System Improvements. The cost per Service Unit can then be multiplied by the Service Units produced by a Development to determine the maximum Impact Fee that can be charged per Development Unit.

### Service Area Configuration

A Service Area is a defined geographic area identified by a governmental entity. Impact fees must be collected and spent on projects within a defined Service Area. ACHD operates a single Service Area, whose boundary aligns with that of Ada County. The Service Area boundary is depicted in **Figure 1**.

Figure 1: Service Area Boundary



- County Boundary
- Unincorporated Ada County
- Incorporated Area
- Park/Open Space
- Service Area

Figure 1  
Service Area Boundary

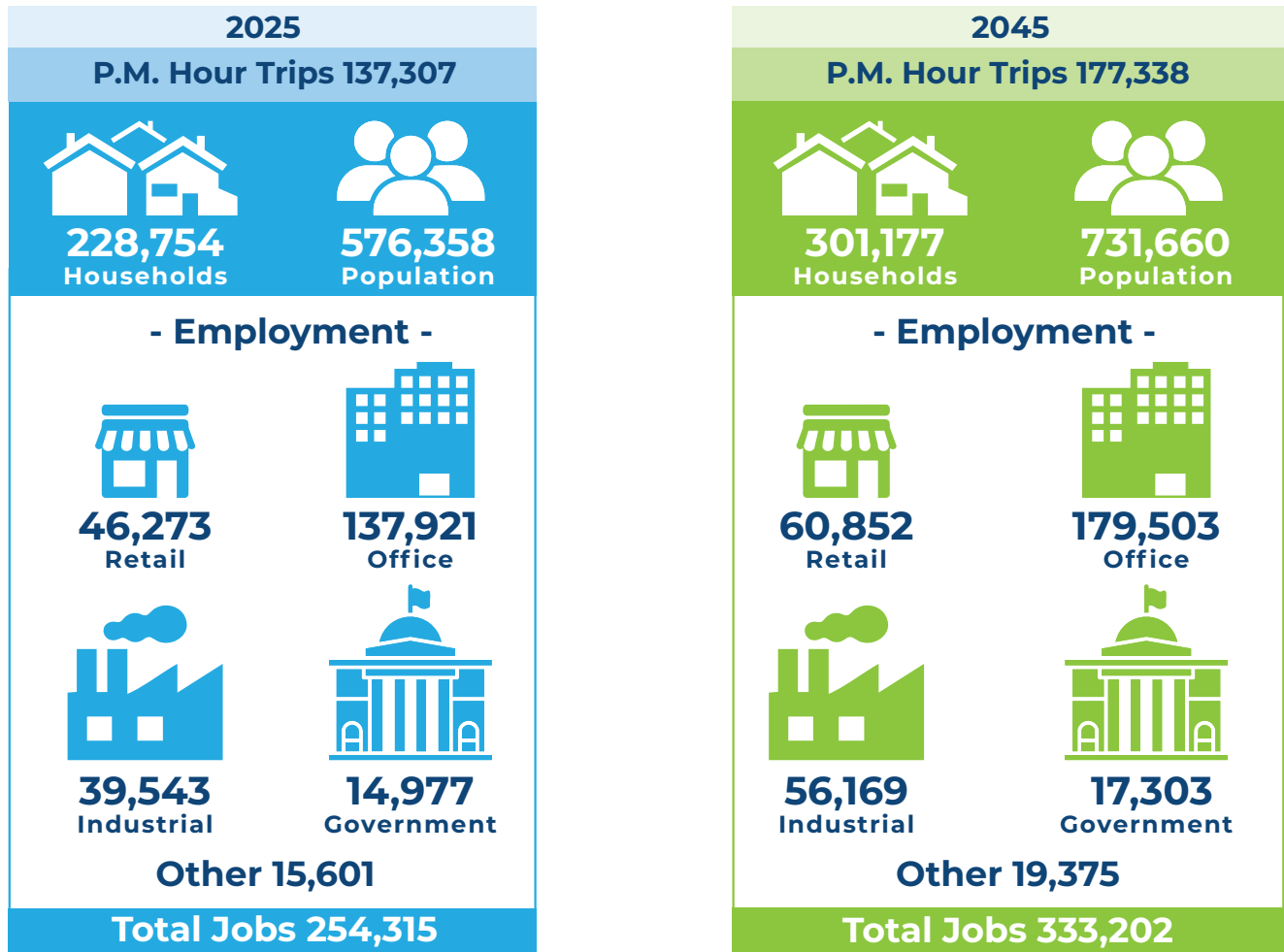
ACHD 2025 CIP Update



# SERVICE UNITS - NECESSITATED AND ATTRIBUTABLE TO NEW DEVELOPMENT

Future travel demand estimates in Ada County are based on regional population, housing and employment forecasts (see Section D). These demographic forecasts are developed by COMPASS and based on the Comprehensive Plans from each jurisdiction within and including Ada County. All of these data are assimilated by COMPASS in the Regional Travel Demand Model used to prepare the Communities In Motion 2050 – Regional Long-Range Transportation Plan (CIM 2050). The Comprehensive Plan-based, socio-economic input data (households and employment by employment class) for the base-year and 20-year planning horizon are shown in **Figure 2**.

Figure 2. CIM 2050 Socio-Economic Data for Ada County



A summary of ACHD System VMT is provided in **Table 1**.

Table 1. Ada County Net New System VMT

Year	ACHD System VMT – PM Peak Hour
2025	1,053,173
2045	1,380,459
Net New System VMT Total:	327,286
Source: COMPASS Regional Travel Demand Model, 2025	Excluding Canyon County, “internal-external” trips (e.g. Boise to Spokane), and “external-internal” trips (e.g. Oregon to Twin Falls) on the Ada County roadway system

The peak hour trip and VMT estimates for 2025 and 2045 were derived from the COMPASS Regional Travel Demand Model to meet the IDIFA requirements. The Act specifies that projected demand for System Improvement requirements (by the new “Service Unit”) not exceed 20 years.

The traffic impact fee Service Unit, to be consistent with the IDIFA requirement of “Proportionate Share,” must relate to the ACHD CIP list of projects, which is based exclusively on ACHD Arterial street improvements within Ada County – otherwise known as “System” improvements (including all assumptions of TIF-eligibility). The new traffic generated by growth over the next 20 years, measured as VMT to account for the number and length of trips, should also be accounted for exclusively on ACHD Arterial streets. The Service Unit thus consists of the net new “System” VMT generated by growth on ACHD’s Arterial streets in Ada County. The Impact Fee is based on charging each development unit its Proportionate Share of System Improvement costs of expanding only those Arterial streets that are under ACHD’s jurisdiction. The net System VMT within Ada County is 327,286.

## TRAFFIC IMPACT FEE METHODOLOGY

The summary of the Traffic Impact Fee formula, as shown in **Figure B-1**, is expressed as:



The diagram illustrates the Traffic Impact Fee methodology formula. It consists of a sequence of components connected by multiplication signs (X). The first component is a teal box labeled "Traffic Impact Fee per Development Unit". This is followed by an equals sign (=), then five boxes: "Peak Hour Trip Rate (one-way)", "New Trip Factor", "Average Trip Length", "Network Adjustment Factor", and "VMT Cost". Each of these five boxes is connected to the next by a large "X" symbol.

$$\text{Traffic Impact Fee per Development Unit} = \text{Peak Hour Trip Rate (one-way)} \times \text{New Trip Factor} \times \text{Average Trip Length} \times \text{Network Adjustment Factor} \times \text{VMT Cost}$$

The components of this formula are discussed in more detail in the following sections.

### Peak Hour Trip Rate

A trip rate is a measurement of traffic volume over time. More specifically, as used in this ordinance, it is the number of vehicle trips calculated to be generated during the peak hour from a specified land use. ACHD uses rates from the 12th edition of the Institute of Transportation Engineers (ITE) Trip Generation Manual unless more competent local data are available.

Trip generation rates contained in the ITE Trip Generation Manual, and sometimes those obtained from local data, include both production (going) and attraction (coming) trips. For example, consider the case of a single-family resident leaving home, going to a store, and then returning home. According to the methodology used by the ITE Trip Generation Manual, this two-way shopping trip is counted as four trip ends: a production and attraction trip for the single-family home, and a production and attraction trip for the retail store. When this methodology is used to determine trip generation rates, the rates are divided by two to avoid double counting.

Peak hour trip rates are typically used in analyzing the vehicular capacity of urban classified streets and highways. Peak hour trips are sufficient to measure the proportionate share of the new trip generation potential for any one development as compared to other new developments in Ada County. Hence, peak hour trip generation rates are used in determining the traffic impact fee formula.

### New Trip Factor

The Impact Fee methodology includes a factor to reduce the trip rates for certain land uses by considering pass-by trips. Pass-by trips are the portion of a development’s trips that are taken from the existing trips on the adjacent roadway, such as someone driving from work to home who may also stop at a gas station that is directly on their way home. ACHD uses the ITE Trip Generation Manual Handbook’s most recently published pass-by trip data available at the time of the CIP and TIF adoption to establish the New Trip Factor for each land use. ACHD methodology is consistent with ITE’s recommended practice and considers diverted trips (those trips that may stop by at a development as part of another trip but have to divert from their route to do so) as new (or

primary) trips (unless local, site-specific, or individual assessment data supports otherwise).

## Average Trip Length

The impact of new development on the ACHD “System” depends on both the number of vehicle trips it will generate and on the travel distance or length of the trips. COMPASS has compiled data that has enabled ACHD to calculate Average Trip Lengths (see **Table 2**) for all trips with origins or destinations in Ada County.

In the methodology for Ada County, the average trip length was reduced for selected neighborhood land uses that capture trips within the same neighborhood. The reductions amount to 10, 25, 50 or 75 percent of the average trip length.

## Network Adjustment Factor

**Table 2. Service Area Net New System VMT**

Service Area	Average Total Trip Length (miles)	Network Adjustment Factor
Ada County	7.73	0.44

Source: COMPASS Regional Travel Demand Model, 2025

Many trips will use both the ACHD roadway System and State/Federal highways. The Impact Fee is based on charging each development unit its Proportionate Share of System Improvement costs of expanding only those Arterial streets that are under ACHD’s jurisdiction. ACHD calculated a network adjustment factor that accounts for the “System” VMT on ACHD’s arterials as a percent of the total “Regional Roadway Network” VMT (includes VMT on all ACHD arterials, collectors, and State/Federal highways). These data were also compiled from the Regional Travel Demand Model. **Table 2** lists the network adjustment factor for the Ada County Service Area.

## Vehicle Miles Traveled (VMT) Cost

A major component of the impact fee formula involves determining a cost measure linking the cost of constructing new capacity improvements on ACHD’s Arterial street system (that portion determined as impact fee-eligible), by proportionate share, to the relative impact of new development. The impact fee-eligible portion of new highway construction as identified in ACHD’s CIP (see **Exhibit “C”**), defined as the cost of designing and constructing System capacity improvements to accommodate new development, measured by service unit – “System” VMT. This is determined by dividing the adjusted TIF-eligible costs by the net new “System” VMT generated by new development. The TIF-eligible costs identified in the CIP are adjusted to take into consideration the existing\* Service Area fund balance. The determination of the adjusted TIF-eligible costs is detailed in **Figure B-1**.

## Inflation Index

The impact fee schedule (**Exhibit “A”**) may be further adjusted annually for inflation and effective on the first day of the ACHD fiscal year (October 1) by using the five-year rolling average percentage increase in the Consumer Price Index (CPI) for the West Urban region, as published by the U.S. Department of Labor. Adjustment to the fee schedule shall be effective only if the ACHD Director issues a memorandum adopting a recommendation of ACHD Staff as to the necessity of the adjustment by September 1, ordering the inflation index adjustment for the next fiscal year. If so ordered by the ACHD Director, the adjusted fee schedule shall be recalculated by multiplying the VMT cost for the Service Area by the multiplier of one (1) plus the five-year rolling average percentage increase in the CPI for the West Urban region.

**FIGURE B-1: 2025 Traffic Impact Fee Formula**

**ORDINANCE 254**

**Step 1 - Estimating Traffic Impact Fee (TIF)-Eligible Improvement Costs**

ACHD Capital Improvements Plan, 2025-2045:

Total Project Costs*	-	Non TIF-Eligible Costs*	=	TIF-Eligible Costs*	+	CIP Update Surcharge	-	Service Area Balance**	=	Adjusted TIF-Eligible Costs
\$1,825,694,000	-	\$608,444,000	=	\$1,217,250,000	+	\$657,000	-	\$17,000,000	=	\$1,200,907,000

\*SOURCE: ACHD 2025 CIP

\*\* SOURCE: Impact Fee FY25 Q2 Ending Fund Balance

**Step 2 - Estimating Cost Per Peak Hour, Vehicle Miles Traveled (VMT)**

ACHD CIP TIF-Eligible Costs	/	Net New Ada County "System" VMT (Peak Hour)	=	2025 VMT Cost
\$1,200,907,000	/	327,286	=	\$3,669

(rounded)

**Step 3 - Estimating Trip Adjustment Factors**

AVERAGE TRIP LENGTH		NETWORK ADJUSTMENT FACTOR	
Service Area	Average Trip Length (miles)	Network Adjustment Factor (VMT on ACHD System)	
Ada County	7.7300	0.44	

LAND USE TRIP LENGTH ADJUSTMENT FACTORS	
Adjustment Factors	Land Use Categories
0.90	Regional Draw
0.75	Larger Scale
0.50	Neighborhood Level
0.25	Local Convenience

**Step 4 - Estimating Traffic Impact Fees**

**Examples:**

Sample Land Use Type	ITE (12th Edition) Trip Rate (1-Way) PM Peak Hr.	New Trip Factor	Average Trip Length	Network Adjustment Factor	VMT Cost	Traffic Impact Fee
<b>Per Dwelling Unit</b>						
Single Family Dwelling Unit	0.465	1.00	7.7300	0.44	\$3,669	\$5,803
<b>Per 1,000 Sq. Ft.</b>						
Restaurant - Fast Food w/ Drive-Thru	15.800	0.50	1.9325	0.44	\$3,669	\$24,646
Shopping Center	1.630	0.66	6.9570	0.44	\$3,669	\$12,082
Light Industrial	0.245	1.00	7.7300	0.44	\$3,669	\$3,057
General Office	0.590	1.00	7.7300	0.44	\$3,669	\$7,363
<b>Per Fueling Position</b>						
Gas Station w/ Convenience Market (4-5.5 KSF)	9.575	0.44	1.9325	0.44	\$3,669	\$13,144

(A)                      (B)                      (C)                      (C)

Notes: (A) Source: ITE Trip Generation, 12th Edition.  
 (B) Source: ITE Trip Generation Handbook, 3rd Edition, September 2017 & Eratta - Based on Pass-by Trip Rates only.  
 (C) Source: Regional Travel Demand Model, 2025 - Service Area: Ada County