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Land Use - Transportation Impact Fees

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Metro Bank v. Board of Commissioners of Manheim Township (Pa. Commonwealth Court 2015) dealt with the appropriate calculation for a transportation impact fee. Metro Bank was approved to build a bank in Manheim Township, and was required to pay an estimated transportation impact fee prior to the start of construction. This dispute is due to the amount of the transportation impact fee to be paid.

Metro Bank's consultant determined that the new bank's location would generate 110 peak hour trips with a pass-by rate of 57%. Thus, it was expected that 63 of the 110 peak hour trips would be generated from vehicles that were already driving and passing by the new development. A transportation impact fee is intended to offset the strain on a municipality's roads when the development is installed in an area.

Manheim Township disagreed with Metro Bank's estimation, and determined that the impact fee should be based on all of the 110 peak hour trips. The bank countered that the impact fee should only be based on the 47 additional trips into the development not resulting from vehicles that were already on the road.

The Court looked at the Administration of Impact Fee provision contained in Section 505-A of the Municipalities Planning Code and determined that nothing in that section required the municipality to exclude pass-by trips. Moreover, the Court determined that Metro Bank's interpretation would lead to an inappropriate result because, by excluding pass-by traffic, the revenues generated by the impact fee would fall significantly short of the Township's total costs.

Additionally, under Metro Bank's calculation, the initial developer would pay for an unfairly high percentage of the increase in vehicular traffic to an area. Thus, the Court held that the impact fee should be determined by multiplying the per-cost trip multiplier by peak hour trips attributed to the new development, with no exclusion for pass-by traffic.

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