

Notice of Workshop

December 1, 2025, 5:00 p.m.

City Council Chamber, 3947 Lincoln Ave., Groves, TX



City Council

Notice is given that the Groves City Council will hold a workshop in person on the date, time, and location listed above. Live streaming of the meeting is available for viewing at <https://us02web.zoom.us/j/81044486332> or by scanning the QR code to the right. The City Council welcomes citizen participation at all City Council meetings on any agenda items within the limitations of law and decorum. City Council may adjourn into Executive Session to deliberate any agenda item listed if the matter for discussion meets an exception for Executive Session under Texas Government Code Chapter 551. The City Council may also deliberate in public on any item that is listed on the agenda for Executive Session.



Opening Agenda

1. Call meeting to order.
2. Prayer.
3. Pledge of Allegiance
4. Roll Call
5. Welcome and recognition of guests and news media.

Regular Agenda

6. Hear and deliberate on the development of a Transportation Use Fee.

Closing Agenda

7. Hear and deliberate on Council Member comments.
8. Adjourn.

Special Accommodations

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact City Clerk Clarissa Thibodeaux at (409) 960-5773 or cthibodeaux.cigrovestx.com at least three days before the meeting.

Certification

I certify that the above notice of meeting was posted on the bulletin board and front door of City Hall, 3947 Lincoln Avenue, on November 21, 2025, at 4:00 AM/PM (P)



City of Groves



City of Groves
TEXAS



December 1, 2025

TRANSPORTATION NEEDS AND FUNDING OPTIONS

TRANSPORTATION USE FEE FEASIBILITY

NewGen
Strategies & Solutions

NEWGEN AT A GLANCE

TURNING COMPLEX CITY CHALLENGES INTO CLEAR SOLUTIONS

Who We Are



2012
established

**MANAGEMENT & ECONOMIC
CONSULTING FIRM SERVING UTILITIES
AND LOCAL GOVERNMENTS**

NewGen's foundation is built on **decades of experience, shared values, and a clear purpose:** to help public sector utilities make informed, sustainable decisions that shape the future of their communities.



10+
locations nationwide



60+
employees



\$840K+
donated since 2015 to **140+** organizations

Who We Serve

NEWGEN COMBINES NATIONALLY RECOGNIZED EXPERTISE IN ECONOMICS, FINANCE, STAKEHOLDER ENGAGEMENT, AND SUSTAINABILITY WITH EXTENSIVE KNOWLEDGE IN THE WATER, ENERGY, SOLID WASTE, AND NATURAL GAS SECTORS.

500+
clients served nationwide

3,000+
projects completed



How We Work



Tailored Strategy

We always start by listening. Every client's situation is unique, and we design strategies that fit their goals.



Trusted Expertise

We've built a strong reputation in the industry. Our team includes experts who have testified in hundreds of cases and some of the nation's top utility appraisers.



Operational Insights

We don't just crunch numbers. We make data actionable, linking dollars to day-to-day operations.



Stakeholder Communication

We're known for making complex issues easy to explain. Whether to regulators, elected officials, or customers.

BACKGROUND

- Like most cities, transportation capital maintenance needs exceed available funding in the City of Groves.
- The most recent Pavement Condition Assessment (PCA) for Groves was in 2017.
 - It is our understanding a new PCA is being considered and will help understand the condition and priority for repairs.
- It would be good for the City Council to reach consensus on the City's goals for road maintenance per year, possibly expressed in linear feet/miles with priorities on arterials and possibly a “worst first” strategy.

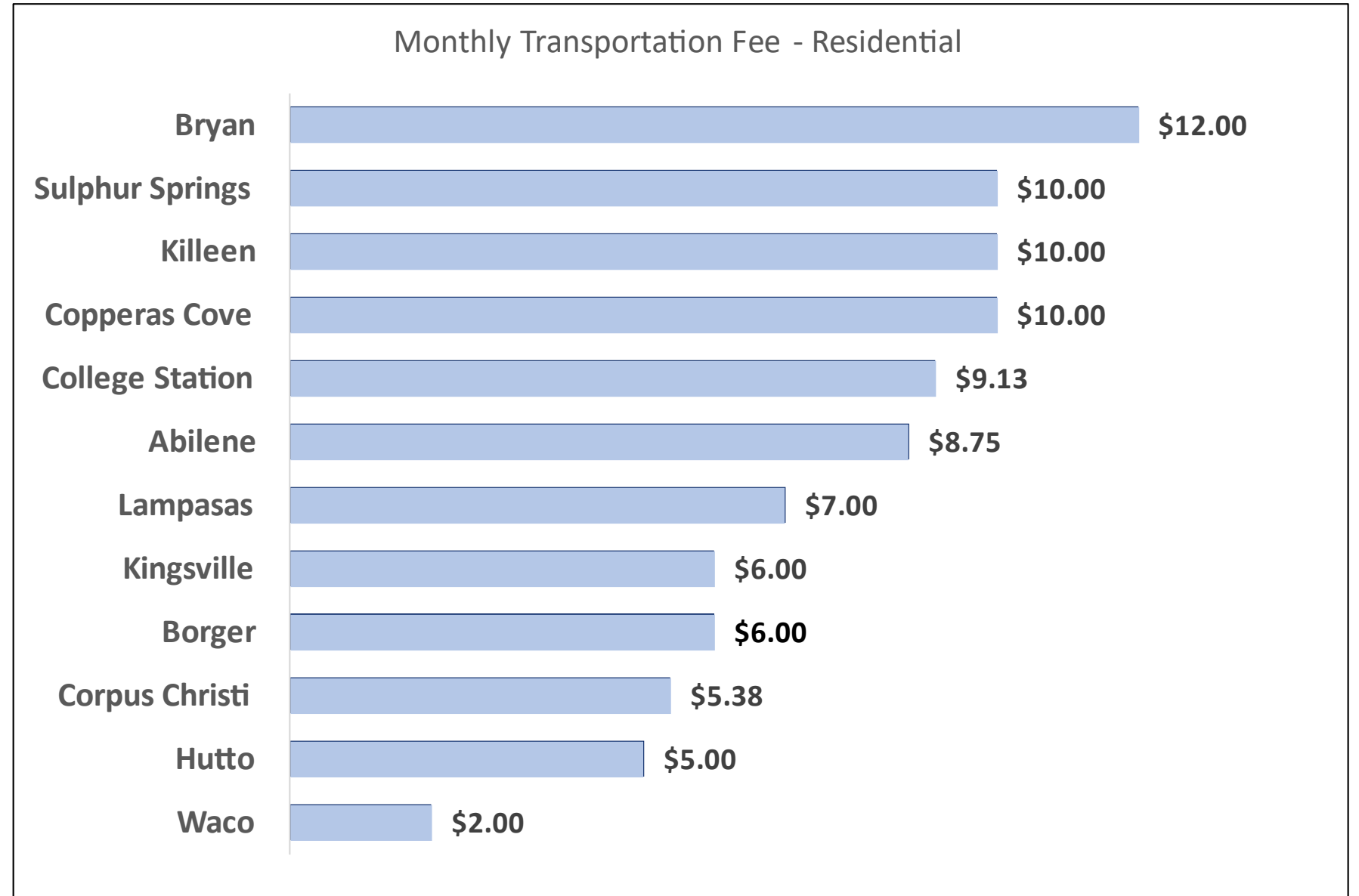
INTRODUCTION TO TRANSPORTATION USE FEES

- Groves could evaluate the potential for Transportation Use Fees (TUF), which are a proven source of additional revenue.
- Unlike general property taxes, these funds are dedicated to support transportation needs.
- Costs would be allocated to residents and businesses based on the relative amount of vehicle traffic generated. This serves as an equitable basis for charging properties for demands placed on, and benefits received from, the transportation system.

OTHER SIMILAR FEE COMPARISONS

Fees compared may go by several names, including:

- Transportation Utility Fee
- Street Maintenance Fee
- Roadway Maintenance Fee



METHODOLOGY

Overview of NewGen's 5-Step Process

Access trip generation data

Create simplified land use categories

Identify non-residential parcels

Assign parcels to land use categories

Calculate totals trips for each parcel

METHODOLOGY

Trip Generation Data

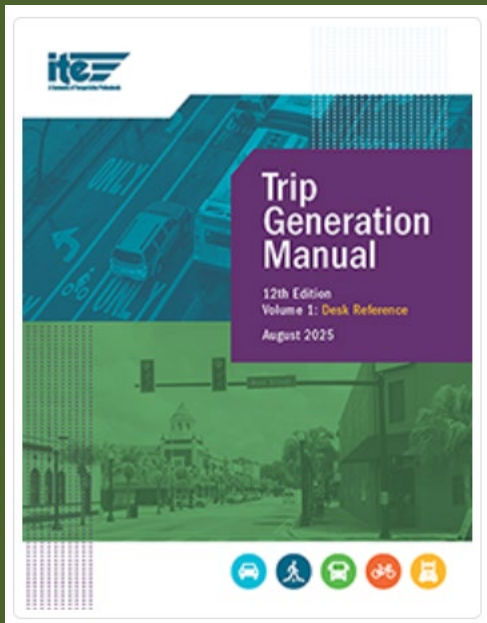
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METHODOLOGY

Trip Generation Data

Trip Generation Data

- The key source of data is the *Trip Generation Manual, 12th Ed.*, recently updated August 2025 by the Institute for Transportation Engineers (ITE)
 - An industry-recognized source of data for establishing a TUF, e.g., used by Abilene, Austin, Copperas Cove, Corpus Christi, Killeen, and Waco
- Data on the number of vehicle trips generated by different types of developments, based on surveys across the US
- NewGen uses the ITE's trip generation rates to calculate the average number of trips during peak evening hours (4 to 6 p.m. and may be adjusted for pass-by rates)

METHODOLOGY

Simplified Land Use Categories

Access trip generation data

Create simplified land use categories

Identify non-residential parcels

Assign parcels to land use categories

Calculate totals trips for each parcel

METHODOLOGY

Simplified Land Use Categories

Simplified Land Use Categories

- The land use categories in the ITE Trip Generation Manual were consolidated into a smaller number of categories.
 - From ITE's 167 land uses, NewGen typically proposes 50 or fewer grouped and simplified categories.
 - "General Retail & Services" is one example. This was applied to parcels with multiple business types present; e.g., a shopping center with a restaurant, hair salon, and hardware store.
- Reasons for using simplified categories:
 - Consolidating more general land uses increases the sample sizes
 - Reduces likelihood of misclassifying similar land uses
 - Reduces complexity for staff in administering the fee.

METHODOLOGY

Simplified Land Use Categories

- The Project Team calculated a trip generation rate for each simplified land use category. This was the average of the land use types in the ITE Trip Generation Manual.

Example Trip Generation Rate for a Simplified Category

Land Use Category	Trips per Room (weekday, 4–6 p.m.)
Simplified Land Use Category:	
Hotel/Motel	0.41
ITE Land Use Categories:	
Hotel	0.59
All Suites Hotel	0.36
Business Hotel	0.31
Motel	0.36
Resort Hotel	0.41

- Trips generation rates were expressed relative to those of single-family homes; that is, as Single-Family Equivalents (SFEs).

METHODOLOGY

Identify Non-Residential Parcels

Access trip generation data

Create simplified land use categories

Identify non-residential parcels

Assign land use categories to parcels

Calculate totals trips for each parcel

METHODOLOGY

Identify Non-Residential Parcels

Identifying Non-Residential Parcels

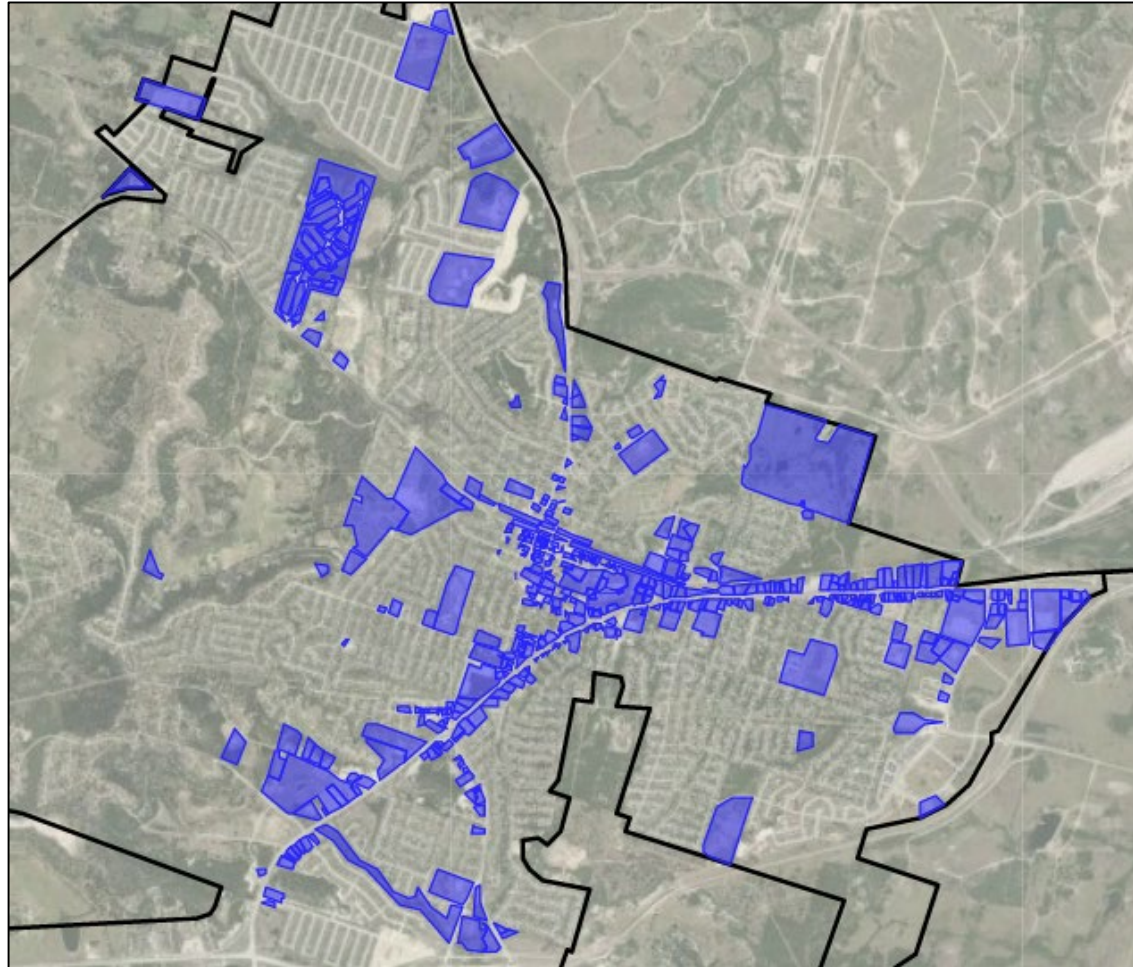
- When estimating total trips as part of a TUF:
 - **Residential** properties are assumed to have the same number of trips per dwelling
 - **Non-residential** trips are estimated using data specific to each property, such as square feet of floor space.
- It is then necessary to identify non-residential parcels. These are identified through a combination of:
 - **Utility billing data** matching commercial billing accounts to a parcel; and
 - **Central Appraisal District (CAD) data** – additional commercial parcels may be identified from CAD data based on their state codes

METHODOLOGY

Identify Non-Residential Parcels

- The map below illustrates non-residential parcels identified

Non-Residential Properties



METHODOLOGY

Assign Land Use Categories

Access trip generation data

Create simplified land use categories

Identify non-residential parcels

Assign parcels to land use categories

Calculate totals trips for each parcel

METHODOLOGY

Assign Land Use Categories

Assigning Each Parcel to a Land Use Category

- Each parcel is generally assigned to a simplified land use category
- **Non-residential parcels** – the Project Team uses Google Street View and other information found online to identify the most appropriate land use category
- **Residential parcels** – these are assigned to one of the following categories, primarily based on CAD data
 - Single Family (assumed 1 dwelling)
 - Duplex/Townhouse (assumed 2 dwellings)
 - Multifamily (assumed 1 dwelling per 1,000 sq feet)
 - Mobile Home Park (dwellings manually identified)

METHODOLOGY

Calculate Total Trips

Access trip generation data

Create simplified land use categories

Identify non-residential parcels

Assign parcels to land use categories

Calculate totals trips for each parcel

METHODOLOGY

Calculate Total Trips

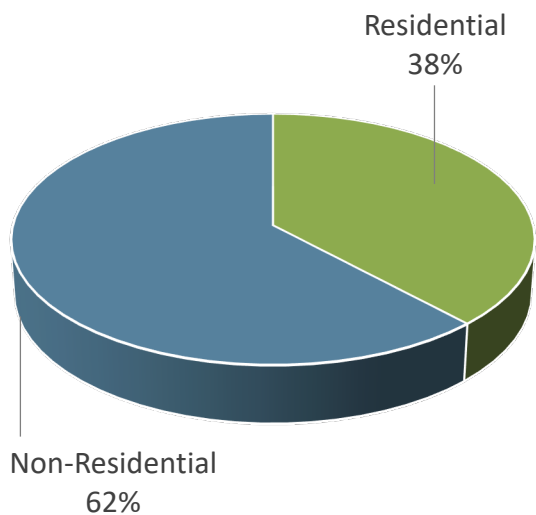
Calculate Total Trips

- The final step is to identify the number of trips associated with each parcel
- This is based on the trip generation rate multiplied by the variable of interest, such as number of dwellings or square feet of living area

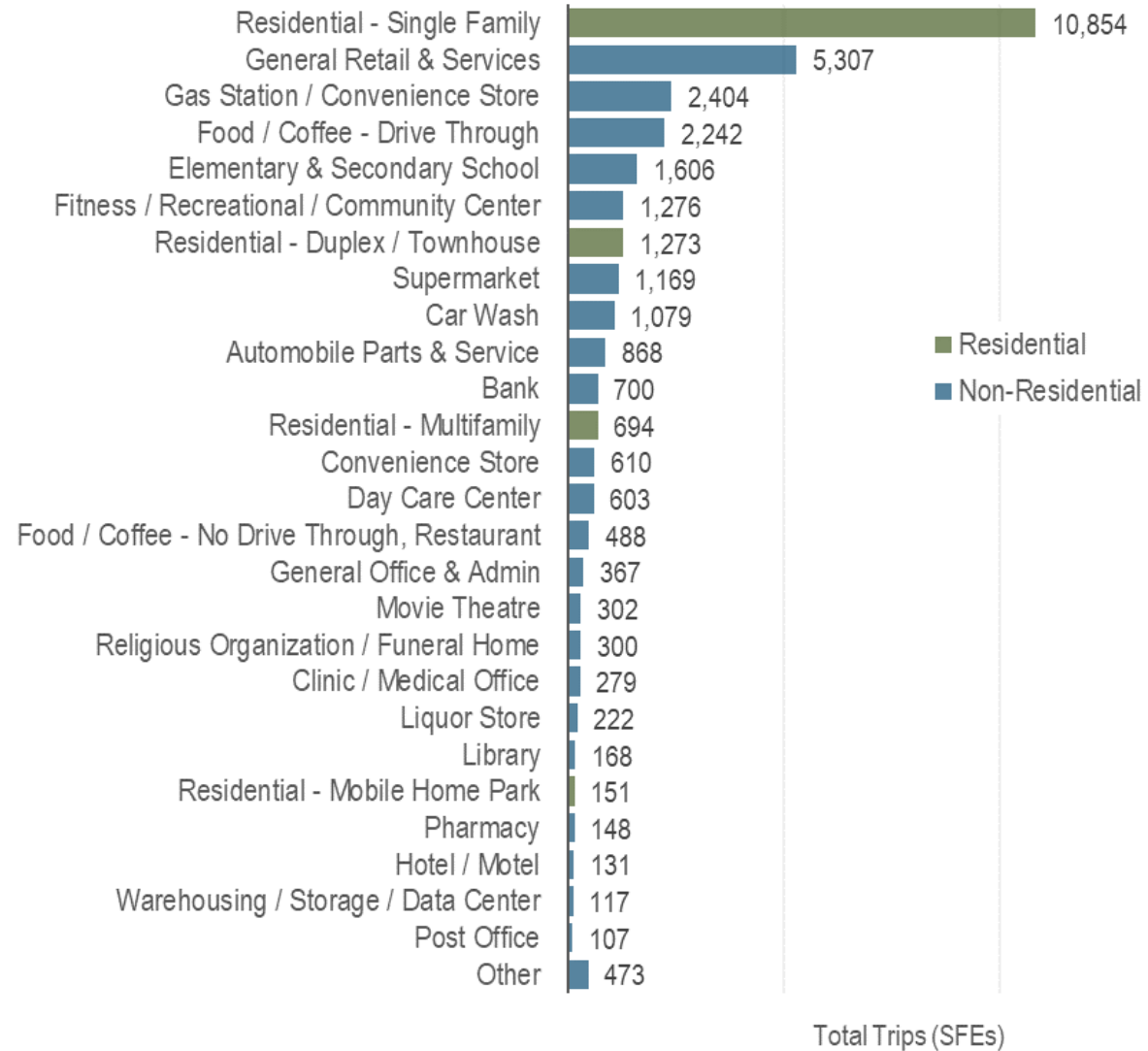
Examples of Total Trip Calculations

Example	Simplified Land Use Category	Trip Rate (SFEs) (A)	Variable	Example Variable Value (B)	Total Trips (A x B)
A Single-family home	Residential – Single Family	1.00	Per dwelling	1 dwelling	1.0
A duplex	Residential – Duplex/Townhouse	0.61	Per dwelling	2 dwellings	1.2
A real estate office	General Office & Admin	1.66	Per 1,000 sq. ft.	2.2 thousand sq. ft.	3.7
A barber shop	General Retail & Services	3.83	Per 1,000 sq. ft.	1.4 thousand sq. ft.	5.4
A hotel	Hotel/Motel	0.43	Per room	49 rooms	21.1
A gas station	Gas Station/ Convenience Store	16.93	Per vehicle fueling point	8 fueling points	135.4

RESULTS - TOTAL SFE TRIPS



Example Community Single Family Equivalent Trips



RESULTS

Potential Revenue

Estimating Revenue

- Each property could be charged a monthly fee based on its estimated number of total trips
 - For example, once a \$1 fee revenue potential is established, the City Council could scale the fee to fit the needs of the utility
- The revenue generated at different fee levels would be calculated and recommended to meet City funding objectives.
- Like other utilities, NewGen recommends the utility be reviewed and rates adjusted if needed each budget cycle.

TRANSPORTATION FEE STUDY KEY FACTORS



Balance of fee structure being simple, equitable, and implementable



Determination of Land Use Categories



Messaging and Communication



Assigning Land Use Categories to Utility Bill Accounts



Public Acceptance of Fee Value



QUESTIONS AND DISCUSSION

NEWGEN STRATEGIES AND SOLUTIONS
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RICHARDSON, TEXAS 75080

MATTHEW GARRETT, PARTNER
972-675-7699
MGARRETT@NEWGENSTRATEGIES.NET

IMPLEMENTATION NEXT STEPS

The following lists additional steps that would be required prior to the implementation of a TUF:

- **Linking billing accounts to parcels** - Property tax parcels must be linked to utility billing accounts to facilitate billing
- **Residential dwellings** –Identification is needed of single-family homes versus duplexes, and the number of units in multi-family buildings
- **Review of land use allocations** –Local insights can be used to refine land use categories assigned to commercial properties
- **Decisions on exemptions** – Policy decisions are required to determine discretionary exemptions
- **Decisions on rate design** – Council guidance will be required on final desired rate design
- **Education plan** – Citizens will need to be educated on the need for and structure of fee
- **Establish the Transportation Utility** –Ordinance will need to be drafted and adopted after legal review; amend City Fee Schedule