

ORDINANCE 11-02-2014

AN ORDINANCE ADOPTING A TRANSPORTATION IMPACT FEE FACILITIES PLAN AND A TRANSPORTATION IMPACT FEE ANALYSIS; ADOPTING TRANSPORTATION IMPACT FEES; ADOPTING CERTAIN POLICIES RELATED TO IMPACT FEES; AND ESTABLISHING A SERVICE AREA FOR PURPOSES OF IMPACT FEES.

WHEREAS, Santaquin City (the "City") is a political subdivision of the State of Utah, authorized and organized under applicable provisions of Utah law; and

WHEREAS, the City has legal authority, pursuant to Title 11, Chapter 36a of the Utah Code Annotated, as amended ("*Impact Fees Act*" or "*Act*"), to impose development impact fees as a condition of development approval, which impact fees are used to defray capital infrastructure costs attributable to new development activity; and

WHEREAS, the City has previously enacted and imposed impact fees for public facilities, as defined in Utah Law, Title 11 Chapter 36a, Section 102, and as more particularly set forth in the Santaquin City Fee Schedule; and

WHEREAS, the City desires to impose such fees to be referred to hereafter as "Roadway Facilities Impact Fees" in accordance with applicable provisions of the Impact Fees Act in order to appropriately assign capital infrastructure costs to development in an equitable and proportionate manner as more particularly provided herein; and

WHEREAS, the City properly noticed its intent to prepare the Transportation Impact Fee Facilities Plan and the Transportation Impact Fee Analysis as required by law and the City has, through its consultants, completed the Transportation Impact Fee Facilities Plan and Impact Fee Analysis in accordance with applicable provisions of the Impact Fees Act, which Transportation Impact Fee Facilities Plan and Impact Fee Analysis are more particularly described and adopted herein; and

WHEREAS, the City has provided the required notice and held a public hearing before the City Council regarding the proposed Transportation Impact Fees, Transportation Impact Fee Facilities Plan and Transportation Impact Fee Analysis in accordance with applicable provisions of the Impact Fees Act; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF Santaquin CITY, STATE OF UTAH, AS FOLLOWS:

SECTION I. PURPOSE

This Transportation Impact Fees Ordinance establishes the City's Transportation Impact Fees policies and procedures and is promulgated pursuant to Title 11, Chapter 36a, Part 4, Enactment of Impact Fees, and other requirements of the Impact Fees Act. This Ordinance adopts Transportation Impact Fees for roadway facilities within the City Service Area as defined herein, provides a schedule of Transportation Impact Fees for development activity, and sets forth direction for challenging, modifying and appealing Transportation Impact Fees. This Ordinance does not replace, supersede, or modify any ordinance regarding impact fees unrelated to transportation facilities and

improvements. This Ordinance may be referred to and cited as the "Transportation Impact Fees Ordinance."

SECTION II. STATUTORY AUTHORITY AND RESTRICTIONS

1. *Impact Fees Act Authority.* The City is authorized to impose impact fees subject to and in accordance with applicable provisions of the Impact Fees Act. Impact fees may only be established for public facilities as defined in Section 11-36a-102 that have a life expectancy of 10 or more years and are owned or operated by or on behalf of a local political subdivision. Public facilities for which impact fees may be imposed includes public facilities for roadways.
2. *Impact Fees Act Restrictions.* Pursuant to Section 11-36a-202 of the Impact Fees Act, the City may not impose an impact fee to: (1) cure deficiencies in public facilities serving existing development; (2) raise the established level of service of a public facility serving existing development; (3) recoup more than the local political subdivision's costs actually incurred for excess capacity in an existing system improvement; or (4) include an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement.

SECTION III. SERVICE AREA

The Impact Fees Act requires the City to establish one or more service areas within which the City will calculate and impose a particular impact fee. The service area within which the proposed Transportation Impact Fees will be imposed is described in Santaquin City Code (S.C.C.) §9-2-4.

SECTION IV. IMPACT FEE FACILITIES PLAN (IFFP)

1. *Impact Fee Facilities Plan Required.* Pursuant to Section 11-36a-301 of the Impact Fees Act, before imposing or amending an impact fee, the City is required to prepare an impact fee facilities plan to determine the public facilities required to serve development resulting from new development activity. The impact fee facilities plan shall identify the demands placed upon existing public facilities by new development activity and the proposed means by which the City will meet those demands.
2. *Transportation Impact Fee Facilities Plan.* The City has, through its consultants, researched and analyzed the factors set forth in Section 11-36a-302 of the Impact Fees Act and has caused to be prepared a Transportation Impact Fee Facilities Plan ("IFFP"), as more particularly set forth in **Exhibit A**, attached hereto and incorporated herein by this reference. The Transportation IFFP has been prepared based on reasonable growth assumptions for the City and general demand characteristics of current and future users of roadway facilities within the City. The Transportation IFFP identifies the impact on system improvements created by development activity and estimates the proportionate share of the costs of impacts on system improvements that are reasonably related to new development activity. As shown in the Transportation IFFP, the City has considered all revenue sources to finance the impacts on system improvements, including grants, bonds, interfund loans, impact fees, and anticipated or accepted dedications of system

improvements. The Transportation IFFP establishes that impact fees are necessary to maintain a proposed level of service that complies with applicable provisions of Section 11-36a-302 of the Impact Fees Act.

3. *Plan Certification.* The Transportation IFFP includes a written certification in accordance with Section 11-36a-306 of the Impact Fees Act.
4. *Adoption of Transportation Impact Fee Facilities Plan.* The Transportation IFFP as set forth in **Exhibit A**, is hereby adopted in its entirety by the City in accordance with applicable provisions of the Impact Fees Act.

SECTION V. WRITTEN IMPACT FEE ANALYSIS (IFA)

1. *Written Impact Fee Analysis Required.* Pursuant to Section 11-36a-303 of the Impact Fees Act, each local political subdivision intending to impose an impact fee shall prepare a written analysis of each impact fee to be imposed and a summary of the impact fee analysis designed to be understood by a lay person. The impact fee analysis shall identify the anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity; identify the anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility; demonstrate how the anticipated impacts are reasonably related to the anticipated development activity; estimate the proportionate share of the costs for existing capacity that will be recouped and the costs of impacts on system improvements that are reasonably related to the new development activity; and identify how the impact fee is calculated.
2. *Transportation Impact Fee Analysis.* The City has, through its consultants, researched and analyzed the factors set forth in Section 11-36a-304 of the Impact Fees Act, including the proportionate share analysis required therein, and has caused to be prepared a Transportation Impact Fee Analysis ("IFA"), as more particularly set forth in **Exhibit B**, attached hereto and incorporated herein by this reference. The Transportation IFA identifies the impacts upon public facilities required by the development activity and demonstrates how those impacts on system improvements are reasonably related to the development activity, estimates the proportionate share of the costs of impacts on system improvements that are reasonably related to the development activity, and identify how the Transportation Impact Fees are calculated.
3. *Analysis Certification.* The Transportation IFA includes a written certification in accordance with Section 11-36a-306 of the Impact Fees Act.
4. *Adoption of Transportation Impact Fee Analysis.* The Transportation IFA as set forth in **Exhibit B**, is hereby adopted in its entirety by the City in accordance with applicable provisions of the Impact Fees Act.

SECTION VI. IMPACT FEE SCHEDULE AND FORMULA

1. *Impact Fee Schedule or Formula Required.* Pursuant to Section 11-36a-402 of the Impact Fees Act, the City is required to provide a schedule of impact fees for each

type of development activity that specifies the amount of the impact fee to be imposed for each type of system improvement or the formula that the City will use to calculate each impact fee.

2. *Maximum Transportation Impact Fee Schedule.* Based on the Transportation IFA, the maximum Transportation Impact Fees which the City may impose on development activity within the defined Service Area is based on the following formula:

$$\text{(International Transportation Engineers (ITE) determined Daily Trips per land use/2)} \times \text{(ITE established Primary Trip Factor per land use)} \times \$135.19 = \text{Maximum Impact Fee}$$

In accordance with Section 11-36a-402 of the Impact Fees Act, the City is authorized to adjust the standard impact fee at the time the fee is charged to respond to (i) an unusual circumstance found in specific cases, (ii) a request is made for a prompt and individualized impact fee review for the development activity of the state, a school district, or a charter school and an offset or credit for a public facility for which an impact fee has been or will be collected, or (iii) a developer provides studies and data which show specific adjustments of the fee are applicable to the intended use(s).

3. *Developer Credits.* In accordance with Section 11-36a-402 of the Impact Fees Act, a developer may be allowed a credit against Transportation Impact Fees or proportionate reimbursement of Transportation Impact Fees if the developer dedicates land for a system improvement, builds and dedicates some or all of a system improvement; or dedicates a public facility that the City and the developer agree will reduce the need for a system improvement; *provided* that the system improvement is: (i) identified in the City's Transportation IFFP; and (ii) is required by the City as a condition of approving the development activity. To the extent required in Section 11-36a-402, the City shall provide a credit against Transportation Impact Fees for any dedication of land for, improvement to, or new construction of, any system improvements provided by the developer if the facilities are system improvements, as defined herein and included in the Transportation IFFP; or are dedicated to the public and offset the need for an identified system improvement.

SECTION VII. CALCULATION OF IMPACT FEES

1. *Impact Fee Calculations.* Pursuant to Section 11-36a-305, in calculating the proposed Transportation Impact Fees, the City has based such amounts calculated on realistic estimates and the assumptions underlying such estimates are more particularly disclosed in the Transportation IFA set forth in **Exhibit B**.
2. *Previously Incurred Costs.* To the extent that new growth and development will be served by previously constructed improvements, the City's Transportation Impact Fees may include public facility costs and outstanding bond costs related to the Transportation improvements previously incurred by the City. These costs may include all projects included in the Transportation IFFP which are under construction or completed but have not been utilized to their capacity, as evidenced by outstanding debt obligations. Any future debt obligations determined to be

necessitated by growth activity will also be included to offset the costs of future capital projects.

SECTION VIII. NOTICE AND HEARING

1. *Notice.* All noticing requirements set forth in the Impact Fees Act, including, but not limited to, provisions of Title 11, Chapter 36a, Part 501-504, have been provided. Copies of the Transportation IFFP and Transportation IFA, together with a summary designed to be understood by a lay person, and this Impact Fee Ordinance, have been made available to the public by placing said materials, in the Santaquin City Library and the Community Development Offices located in Santaquin City Hall at least ten (10) days before the public hearing. Notice has also been provided in accordance with applicable provisions of *Utah Code Ann.* § 10-9a-205.
2. *Hearing.* The City Council held a public hearing regarding the Transportation IFFP, the Transportation IFA, and this Transportation Impact Fee Ordinance, on November 5, 2014, and a copy of the Ordinance was available in its substantially final form at the City Recorder's Office in the Santaquin City Hall before the date of the hearing, all in conformity with the requirements of *Utah Code Ann.* § 10-9a-205 and applicable noticing provisions of the Impact Fees Act.

SECTION IX. AMENDMENTS TO SANTAQUIN CITY CODE

1. Santaquin City Code (S.C.C.), Title 9-2-4, is amended to read as follows:

"The entire area of the city and any areas outside of the city serviced by such systems are hereby designated and established as one service area with respect to the Transportation system, the sewer or wastewater system, the storm drain system, and public safety facilities. For purposes of parks and recreation, and roadway facilities, the service area shall consist of those facilities located within the jurisdictional boundaries of Santaquin City."

Section X. Miscellaneous Provisions

1. Contrary Provisions Repealed. Any and all other provisions of the Santaquin City Code that are contrary to the provisions of this Ordinance are hereby repealed.
2. Codification, Inclusion in the Code, and Scrivener's Errors. It is the intent of the City Council that the provisions of this ordinance be made part of the Santaquin City Code as adopted, that sections of this ordinance may be re-numbered or re-lettered, that the word ordinance may be changed to section, chapter, or other such appropriate word or phrase in order to accomplish such intent regardless of whether such inclusion in a code is accomplished. Sections of the ordinance may be re-numbered or re-lettered. Typographical errors which do not affect the intent of this ordinance may be authorized by the City without need of public hearing by its filing a corrected or re-codified copy of the same with the City Recorder.

3. Severability. If any section, phrase, sentence, or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.
4. Other Impact Fees Not Repealed. Except as otherwise specifically provided herein, this Transportation Impact Fee Ordinance shall not repeal, modify or affect any impact fee of the City in existence as of the effective date of this Ordinance.

Section XI. Effective Date.

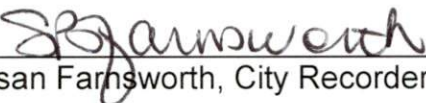
The City Recorder shall deposit a copy of this ordinance in the official records of the City on November 6, 2014, and before 5:00 p.m. on that day, shall place a copy of this ordinance in three places within the City. This ordinance shall become effective at 5:00 p.m. on November 6, 2014.

PASSED AND APPROVED this 5th day of November, 2014.

By: 

Mayor Kirk Hunsaker

ATTEST:

By: 

Susan Farnsworth, City Recorder

Voting

Council Member Keith Broadhead	<u>Absent</u>
Council Member Matthew Carr	<u>Yes</u>
Council Member David Hathaway	<u>Yes</u>
Council Member Mandy Jeffs	<u>Yes</u>
Council Member Nick Miller	<u>Yes</u>

STATE OF UTAH)
) ss.
COUNTY OF UTAH)

I, SUSAN B. FARNSWORTH, City Recorder of Santaquin City, Utah, do hereby certify and declare that the above and foregoing is a true, full, and correct copy of an ordinance passed by the City Council of Santaquin City, Utah, on the 5th day of November, 2014, entitled

“AN ORDINANCE ADOPTING A TRANSPORTATION IMPACT FEE FACILITIES PLAN AND A TRANSPORTATION IMPACT FEE ANALYSIS; ADOPTING TRANSPORTATION IMPACT FEES; ADOPTING CERTAIN POLICIES RELATED TO IMPACT FEES; AND ESTABLISHING A SERVICE AREA FOR PURPOSES OF IMPACT FEES.”

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal of Santaquin City Utah this 5th day of November, 2014.



SUSAN B. FARNSWORTH
Santaquin City Recorder

(SEAL)



AFFIDAVIT OF POSTING

STATE OF UTAH)
) ss.
COUNTY OF UTAH)

I, **SUSAN B. FARNSWORTH**, City Recorder of Santaquin City, Utah, do hereby certify and declare that I posted in three (3) public places the ordinance which is attached hereto on the 6th day of November, 2014.

The three places are as follows:

- 1. Zions Bank
- 2. Post Office
- 3. City Office

I further certify that copies of the ordinance so posted were true and correct copies of said ordinance.

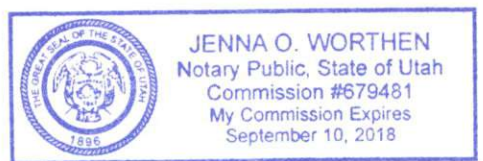
Susan B. Farnsworth
SUSAN B. FARNSWORTH
Santaquin City Recorder

The foregoing instrument was acknowledged before me this 6 day of Nov, 2014 by SUSAN B. FARNSWORTH.

My Commission Expires: 9/10/18

Jenna O. Worthen
Notary Public

Residing at: Utah County



IMPACT FEE FACILITY PLAN

Overview

Transportation

Santaquin City's current and proposed transportation LOS is to provide adequate lane mile and intersection capacity to maintain Level of Service C according to the Mountain Land Association of Government's (MAG) Travel Demand model.¹ Santaquin City's system-wide transportation Capital Facilities Plan is a comprehensive plan with a total cost of approximately \$180 million in road projects and an additional \$1.4 million in intersection improvements. Approximately \$3.3 million of the road projects will maintain the current and proposed level of service as a result of new development and will be built between 2014 and 2024. In addition to the \$3.3 million in new projects on the IFFP, there is approximately \$77,358 of costs incurred by Santaquin City in existing excess capacity available for new development. Table 1 includes those capacity projects included in this Transportation Impact Fee Facilities Plan.

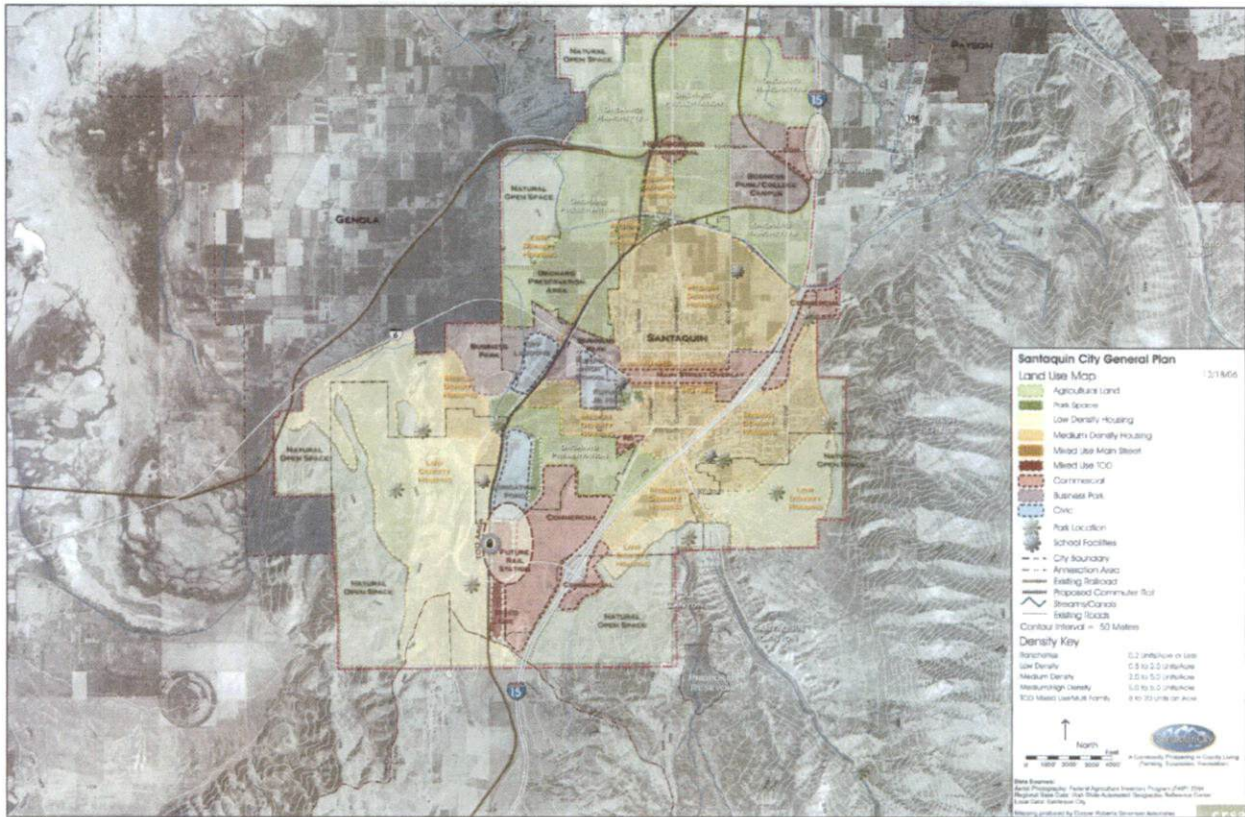
Table 1: Transportation IFFP

Roads				
Street	From	To	Total Cost	IFFP Cost
Summit Ridge	US 6	Mountain View Dr	\$8,592,911	\$2,332,012.15
East Boundary Road	Highland	840 East	\$855,329	\$232,125.84
840 East	Main Street	150 S	\$1,214,827	\$329,689.39
500 West	Lark Rd	US 6	\$1,675,472	\$454,702.92
<i>Total Roads</i>			<i>\$12,338,539</i>	<i>\$3,348,530</i>

Source: InterPlan, See Appendix A for cost estimates

¹ The travel demand model is the accepted model of the Mountain Land Association of Governments (MAG) which represents an appropriate planning tool for estimating existing congestion levels and forecasting future congestion levels based on the impacts of growth.

Figure 1: Future Land Use



2.1 Growth

If Santaquin City “builds out” according to the land use plan in Figure 1 by 2040, the City will have a population of approximately 38,000 people living in 11,500 households. New resident population is expected to occur primarily on currently vacant, residentially zoned land. This anticipated growth in households and resident population would be accompanied by an increase in commercial and industrial development. This 250 percent increase in population and 300 percent increase in households will require additional road infrastructure to serve the new development.

For purposes of calculating an impact fee in the state of Utah a ten year growth horizon is used to ensure that the projects identified and the fee imposed will be encumbered within the statutorily required six year period. Table 2 provides actual change in population and households between the 2000 and 2010 census, current estimates and projections for the IFFP 10 year window (2024) and 2040 based on the general plan land use map.

Table 2 - Growth 2000 – 2024

	Census		Estimates	Projections	
	2000	2010	2014	2024	2040
Population	4,843	9,128	10,884	14,014	37,978
Households	1,304	2,338	2,818	4,260	11,336
Persons/HH	3.71	3.90	3.86	3.29	3.35
Employment			778	1,869	8,217

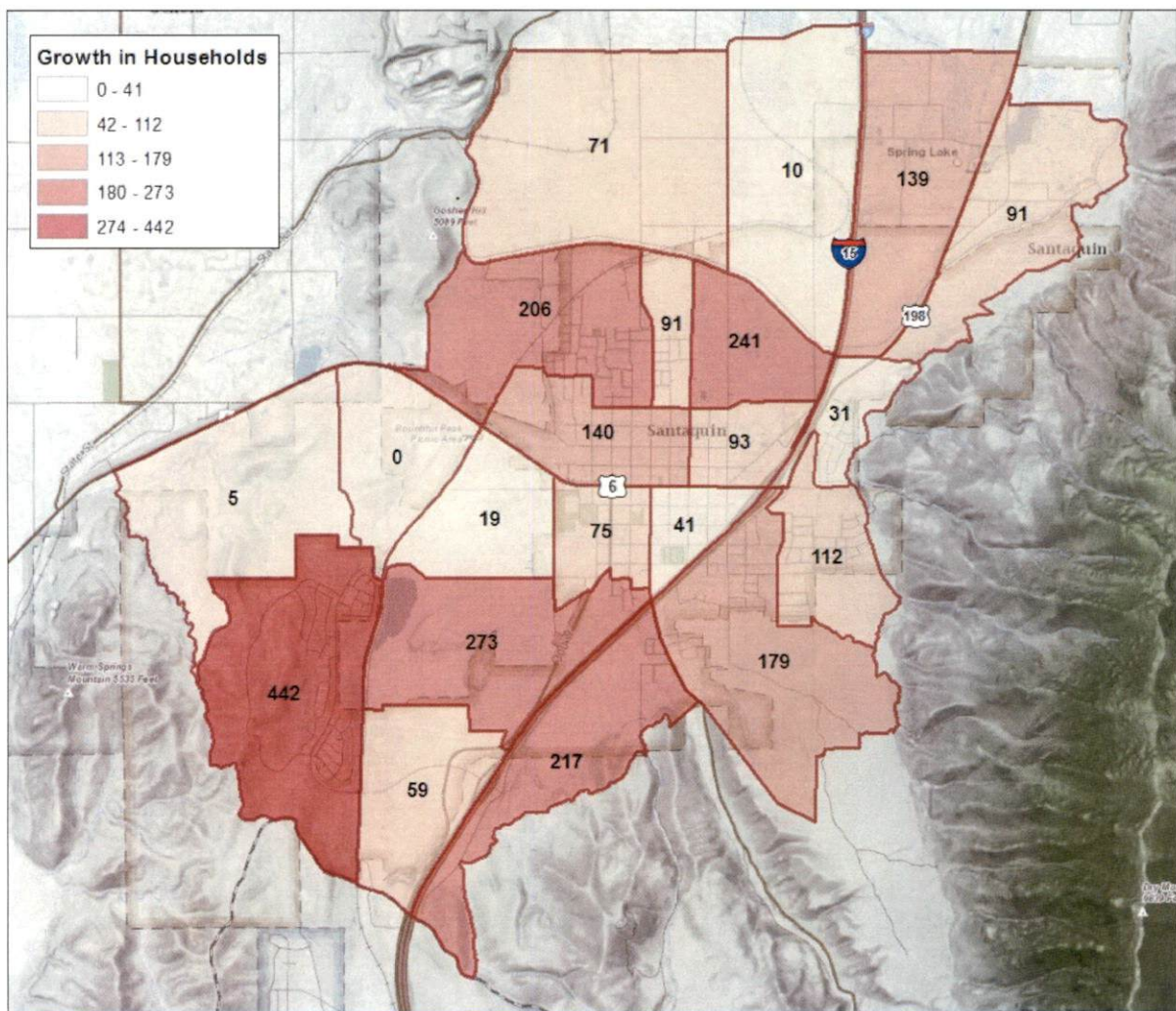
Source: U.S. Census, GOPB, Santaquin City Staff

Future Growth Trends

Santaquin City is projected to grow by 3,130 people and 1,442 households between 2014 and 2024. This residential growth represents a 29 percent increase in population and a 51 percent increase in households. At the same time employment is projected to grow by 140 percent.

The majority of residential growth is anticipated in two areas of Santaquin: the southern portion of the city, particularly in the Summit Ridge Development of the southwest, and areas north of 400 North. The highest growth in employment occurs just north of Main Street and west of I-15 where a grocery store and a high school will be located. Other relatively high growth areas for employment are in the southern portion of the city along I-15. Figure 2 illustrates the areas of projected household growth through 2024.

Figure 2: Projected Household Growth through 2024



3.1 Level of Service (LOS)

Santaquin City's current and proposed transportation LOS is to provide adequate lane mile and intersection capacity to maintain Level of Service C according to the Mountain Land Association of Government's travel demand model². Level of service standards are defined in the American Association of State and Territorial Transportation Officials (AASHTO), *A Policy on Geometric Design of Highways and Streets*, 2011 (6th Edition) where LOS C is defined by traffic levels which represent "stable flow." This level can be measured by methods included in the Transportation Research Board TRB), *Highway Capacity Manual HCM2010*, October 2010.

LOS calculations can be complex and data intensive but simplified planning methods are reasonably accurate. LOS calculations according to the HCM2010 depend on the following factors:

- number of travel lanes
- number of turn lanes
- number of trucks in the travel flow
- the level of "platooning" of vehicles approaching each intersection
- the timing of traffic signals and the coordination of multiple traffic signals
- the number of turning vehicles
- the vertical grade of the roadway and other horizontal alignment factors
- the familiarity of drivers to local conditions
- the availability of shoulders and lateral clearances
- various natural environmental conditions

To simplify the analysis, travel models use a link based capacity (even though much of the actual delay is manifested at intersections). Algorithms exist in the travel model to estimate the delay associated with increased traffic volume with the primary input being the travel link number of lanes, functional classification of the road, and area type (urban, suburban, rural, etc.). These simplifications are necessary since detailed data may not be available for forecasting future conditions and the travel model is developed at a regional (metropolitan area) scale. The analysis in Santaquin City estimated the capacity of existing and future roads based on the design standards of the City and available information related to transportation plans such as number of travel lanes and classification. Table 3 summarizes the daily traffic capacities used in the Santaquin City analysis.

Table 3: Daily :LOS C Capacity in Santaquin

Lanes	Max Daily Traffic Capacity Estimates	
	Arterial	Collector
2	11,000	10,000
3	17,200	16,000
4	35,500	29,000
5	38,000	34,900
6	49,500	
7	54,000	

Source: InterPlan

² The travel demand model is the accepted model of the Mountain Land Association of Governments (MAG) which represents an appropriate planning tool for estimating existing congestion levels and forecasting future congestion levels based on the impacts of growth.

3.2 Existing Facilities

A calibrated travel demand model was used to generate current traffic volumes for each segment in Santaquin City's current road network. For segments with capacity greater than volumes, there is existing excess capacity. For segments with capacity less than volumes, there is an existing deficiency. Road improvements occur as major investments in anticipation of increased traffic volumes, as such, at any point in time there will be segments that are above capacity and segments that are below capacity. This is why the system is modeled as a whole and the City-wide system treated as one service area. In addition, the travel demand model was used to form a consistent source of estimating existing traffic that can be used to forecast traffic growth in the future.

3.3 Impact of Growth

The travel demand model was also used to estimate the impact of the anticipated 3,130 new residents and 1,091 new jobs in 2024. InterPlan worked with Santaquin City staff to develop a capital improvement program represented by a first phase that would encompass the period from 2014 to 2024 and subsequent phases beyond the year 2024, as needed. Traffic volume estimates were developed by road segment. Traffic volumes were estimated based on the existing conditions, modeled conditions in the year 2024 based on planned improvements to be completed by 2024, and modeled conditions in the year 2040 based on planned improvements by Santaquin City. Although improvements to the State Highway System are not eligible for impact fees, improvements included in the Mountainland Association of Government's *Regional Transportation Plan (2011-2040)* were assumed in the modeling, allowing the most accurate representation of future conditions possible with the available information.

InterPlan and Santaquin City staff worked to develop capital improvement projects on the road segments that reflect the priorities of the City, will directly benefit expected new development, and relieve capacity deficiencies in the year 2024. Since the transportation system works as a network of improvements, projects were identified beyond those with 2024 estimated traffic volumes exceeding current, 2014, capacity at LOS C. However, the IFFP was developed to eliminate all capacity deficiencies in the year 2024, although sometimes making improvements to parallel facilities where direct capacity constraints occur.

Since it is difficult to balance the IFFP to the precise capacity needed to serve new development in Santaquin, a "capacity utilization factor" was estimated based on the net new capacity planned in the IFFP. This capacity utilization factor reflects the equivalent lane miles of needed capacity of the IFFP to balance the capacity needed by new development.

The formula to calculate the capacity utilization factor is:

$$\frac{2024 \text{ Total system VMT (32,641) / 2024 Total system VMC (93,652)}}{2040 \text{ Total system VMT (146,488) / 2040 Total system VMC (382,842)}} = \text{Capacity Utilization Factor (.91)}$$

The capacity utilization factor of the IFFP is 0.91, indicating that only 91 percent of the capacity shown in the IFFP may actually be constructed. Since it is cost effective to build complete road segments, as opposed to partial road construction, it is impossible to determine which 9 percent of road capacity of the IFFP may be deferred until beyond the year 2024, depending on the exact location and magnitude of new growth.

The capacity utilization factor has been proposed by InterPlan in response to the 2011 (and 2013) General Legislative session modifications of the Utah Impact Fees Act. Specifically, the act calls for impact fees to be expended within six years after collection and requires that each IFFP does not raise the level of service of existing residents through impact fees. Since the Act implies that IFFPs and IFAs will be updated every 3-6

years, the capacity utilization factor allows for an approximate balance of capacity added against the development need. The capacity utilization factor of 0.91 in Santaquin indicates that 91 percent of the capacity identified in the IFFP is needed by new development in Santaquin and will be fully funded based on anticipated development. The remaining 9 percent of the capacity proposed in the IFFP will either be built and included in future Impact Fees as Existing Excess Capacity (discussed later in this report) or deferred until future IFFPs. The use of this capacity utilization factor results in a lower impact fee since new development is paying for a fraction, in this case 91 percent, of the development attributable cost of the IFFP.

3.4 Future Facilities/Impact Fee Facilities Plan

To serve the approximately 3,130 new residents and 1,091 new jobs projected through 2024 additional lane miles and intersection capacity are required. Figure 3 illustrates, and Table 4 lists, the projects included in the IFFP. The total cost is the planning level cost estimate to construct the project, while the IFFP cost is the cost upsize the road to the city preferred cross section from the local road cross section which the developer is responsible for.

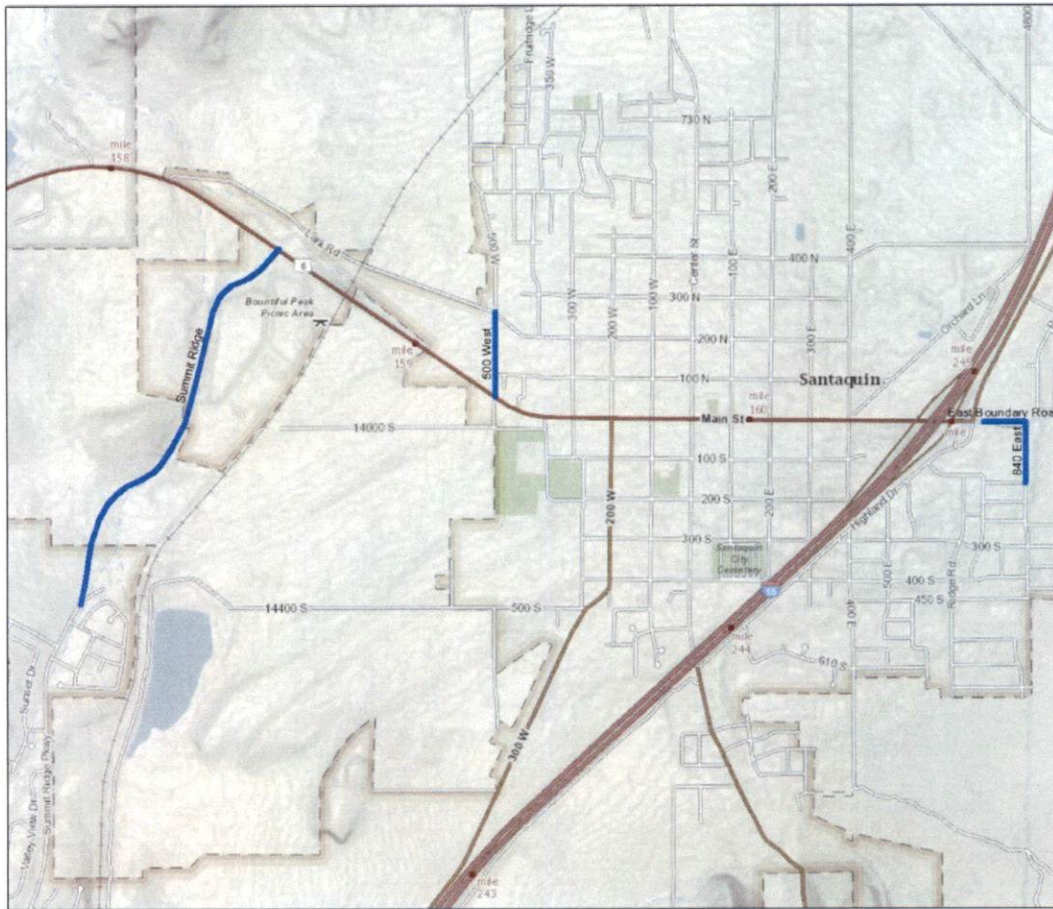


Figure 3: Transportation IFFP

Table 4: Transportation IFFP

Roads				
Street	From	To	Total Cost	IFFP Cost
Summit Ridge	US 6	Mountain View Dr	\$8,592,911	\$2,332,012.15
East Boundary Road	Highland	840 East	\$855,329	\$232,125.84
840 East	Main Street	150 S	\$1,214,827	\$329,689.39
500 West	Lark Rd	US 6	\$1,675,472	\$454,702.92
		<i>Total Roads</i>	<i>\$12,338,539</i>	<i>\$3,348,530</i>

Source: InterPlan. See Appendix A for cost estimates

3.5 Existing Excess Capacity

The concept of allocating the cost of existing capacity in excess of what existing traffic needs is similar to the process of allocating the cost of new capacity. For existing excess capacity, the total cost incurred by the City to add capacity is divided by the share of existing traffic, through traffic, and traffic from future new development in Santaquin City. Since no future road is planned to have future capacity deficiencies, all future roads will meet the LOS C standard, the volume of traffic from new development in Santaquin City using the excess capacity in the year 2024 is simply a subset of all future traffic from new development in Santaquin City. The share of volume created by new growth in Santaquin City in the year 2024 was derived based on interpolated model years.

Table 5 shows the existing excess capacity based on information provided by Santaquin City staff. Of the almost \$104,350 of actual historical cost incurred by the City for existing capacity, \$77,358 is available for use by future development in the year 2024 in Santaquin City. Furthermore, this \$77,358 of existing capacity buy-in for future development is available through 2024 and will continue to be available based on long term growth of the City.

Table 5: Existing Excess Capacity Buy-In

Street	Limits		2014 Vol	2024 Vol	Project Cost	2024 Buy-In Eligible Cost
	From	To				
Center Street	450 North	550 North	1,510	2,320	\$14,100	\$8,540.99
Highland Drive	500 East	300 East	3,990	4,620	\$7,500	\$4,024.39
Canyon	400 South	900 South	840	3,150	\$71,400	\$56,368.42
Highland Drive	Canyon	300 East	990	2,850	\$11,350	\$8,423.83
Total Buy-In					\$104,350	\$77,358

Source: InterPlan, Historical cost provided by Santaquin City Staff

3-6 Maximum Allowable Impact Fee

Table 6 is the summary IFFP for Santaquin City transportation. The capacity utilization factor reflects the ratio of the year 2024 volume to capacity across the network versus the 2040 volume to capacity across the network. This factor is necessary because it is difficult (or impossible) to exactly size the transportation facilities to match the increment of growth that Santaquin will need based on growth. This allows for the IFFP and the IFA to be updated on continuing basis to fund the remaining 9 percent (based on a capacity utilization factor of 91 percent). The capacity utilization factor ensures that development is not paying more than their fair share compared to ongoing development over time and reduces the transportation impact fee for the anticipated growth by the year 2024 by 9 percent. Taking this factor into account, along with the cost of the IFFP, the buy-in cost, and the growth in trips by 2040, a maximum allowable impact fee was calculated at \$135.19 per new trip.

Table 6: Maximum Allowable Impact Fee Calculation

	Roadway
Total Cost of IFFP (Upsize)	\$3,348,530
# of new trips in 2024	23,135
Capacity Utilization Factor	0.91
Cost/Trip	\$131.84
Buy-In Cost	\$77,358
Buy-In Cost/Trip	\$3.34
Maximum Allowable Impact Fee/ Per Trip	\$135.19

Source: InterPlan

*Based on the MAG Traffic Demand Model

Appendix A:

99' Arterial				
ITEM	COST	UNIT	Quantity	COST
Roadway Excavation (28" depth)	\$0.29	ft ³	77 x 1 x 2.3 = 177.1 ft ³	\$51.36
Clearing and Grubbing	\$1,036.00	Acres	99 x 1 / 43,560 = 0.00227 ac	\$2.35
Subgrade Finishing	\$0.18	ft ²	77 x 1 = 77 ft ²	\$13.86
Untreated Base Course (16" thick)	\$0.79	ft ³	77 x 1 x 0.67 = 51.59 ft ³	\$40.76
Bituminous Surface Course (12" thick)*	\$4.72	ft ³	77 x 1 x 0.5 = 38.5 ft ³	\$181.72
Concrete Curb and Gutter Type B1	\$6.23	ft	2 ft	\$12.46
Pavement Marking Paint	\$1.83	ft	2 ft	\$3.66
Parkstrip	\$6.00	ft ²	12 ft	\$72.00
Clearing and Grubbing for Sidewalk	\$0.22	ft ²	10 ft	\$2.20
Excavation	\$0.29	ft ³	10 x 1 x 0.67 = 6.7 ft ³	\$1.94
Concrete Base Course, 4" inch thick	\$2.06	ft ²	10 ft	\$20.60
5' Concrete Sidewalk, 4" Thick	\$4.47	ft ²	10 ft	\$44.70
			Subtotal	\$447.61
Signage	calculated @ 5% of subtotal			\$22.38
Drainage (Inc. Structures)	calculated @ 15% of subtotal			\$67.14
Environmental & Design	calculated @ 20% of subtotal			\$89.52
			Subtotal	\$626.66
Mobilization and Traffic Control	calculated @ 10% of subtotal			\$62.67
Contingency	calculated @ 20% of subtotal			\$125.33
			Subtotal	\$814.66
Contingency for Price Increases	calculated @ 20% of subtotal			\$162.93
TOTAL COST / FOOT				\$977.59

* Assumes UDOT Bid of \$69.90 per ton and in place density of 135 lbs per ft³

90' Arterial				
ITEM	COST	UNIT	Quantity	COST
Roadway Excavation (28" depth)	\$0.29	ft ³	62 x 1 x 2.3 = 142.6 ft ³	\$41.35
Clearing and Grubbing	\$1,036.00	Acres	90 x 1 / 43,560 = 0.00227 ac	\$2.14
Subgrade Finishing	\$0.18	ft ²	62 x 1 = 62 ft ²	\$11.16
Untreated Base Course (16" thick)	\$0.79	ft ³	62 x 1 x 0.67 = 41.54 ft ³	\$32.82
Bituminous Surface Course (12" thick)*	\$4.72	ft ³	62 x 1 x 0.5 = 31 ft ³	\$146.32
Concrete Curb and Gutter Type B1	\$6.23	ft	2 ft	\$12.46
Pavement Marking Paint	\$1.83	ft	2 ft	\$3.66
Parkstrip	\$6.00	ft ²	18 ft	\$108.00
Clearing and Grubbing for Sidewalk	\$0.22	ft ²	10 ft	\$2.20
Excavation	\$0.29	ft ³	10 x 1 x 0.67 = 6.7 ft ³	\$1.94
Concrete Base Course, 4" inch thick	\$2.06	ft ²	10 ft	\$20.60
5' Concrete Sidewalk, 4" Thick	\$4.47	ft ²	10 ft	\$44.70
			Subtotal	\$427.35
Signage	calculated @ 5% of subtotal			\$21.37
Drainage (Inc. Structures)	calculated @ 15% of subtotal			\$64.10
Environmental & Design	calculated @ 20% of subtotal			\$85.47
			Subtotal	\$598.29
Mobilization and Traffic Control	calculated @ 10% of subtotal			\$59.83
Contingency	calculated @ 20% of subtotal			\$119.66
			Subtotal	\$777.78
Contingency for Price Increases	calculated @ 20% of subtotal			\$155.56
TOTAL COST / FOOT				\$933.33

* Assumes UDOT Bid of \$69.90 per ton and in place density of 135 lbs per ft³

99'/62' Collector				
ITEM	COST	UNIT	Quantity	COST
Roadway Excavation (14" depth)	\$0.29	ft ³	40 x 1 x 1.167 = 46.68 ft ³	\$13.54
Clearing and Grubbing	\$1,036.00	Acres	99 x 1 / 43,560 = 0.00156 ac	\$2.35
Subgrade Finishing	\$0.18	ft ²	40 x 1 = 40 ft ²	\$7.20
Untreated Base Course (6" thick)	\$0.79	ft ³	40 x 1 x 0.67 = 26.8 ft ³	\$21.17
Bituminous Surface Course (4" thick)*	\$4.72	ft ³	40 x 1 x 0.5 = 20 ft ³	\$94.40
Concrete Curb and Gutter Type B1	\$6.23	ft	2 ft	\$12.46
Pavement Marking Paint	\$1.83	ft	1 ft	\$1.83
Parkstrip	\$6.00	ft ²	12 ft	\$72.00
Clearing and Grubbing for Sidewalk	\$0.22	ft ²	10 ft	\$2.20
Excavation	\$0.29	ft ³	10 x 1 x 0.67 = 6.7 ft ³	\$1.94
Concrete Base Course, 4" inch thick	\$2.06	ft ²	10 ft	\$20.60
5' Concrete Sidewalk, 4" Thick	\$4.47	ft ²	10 ft	\$44.70
			Subtotal	\$294.39
Signage	calculated @ 5% of subtotal			\$14.72
Drainage (Inc. Structures)	calculated @ 15% of subtotal			\$44.16
Environmental & Design	calculated @ 20% of subtotal			\$58.88
			Subtotal	\$412.15
Mobilization and Traffic Control	calculated @ 10% of subtotal			\$41.21
Contingency	calculated @ 20% of subtotal			\$82.43
			Subtotal	\$535.79
Contingency for Price Increases	calculated @ 20% of subtotal			\$107.16
TOTAL COST / FOOT				\$642.95

* Assumes UDOT Bid of \$69.90 per ton and in place density of 135 lbs per ft³

55' Local				
ITEM	COST	UNIT	Quantity	COST
Roadway Excavation (10" depth)	\$0.29	ft ³	29 x 1 x 0.83 = 24.1 ft ³	\$6.98
Clearing and Grubbing	\$1,036.00	Acres	55 x 1 / 43,560 = 0.00126 ac	\$1.31
Subgrade Finishing	\$0.18	ft ²	29 x 1 = 29 ft ²	\$5.22
Untreated Base Course (6" thick)	\$0.79	ft ³	29 x 1 x 0.5 = 14.5 ft ³	\$11.46
Bituminous Surface Course (4" thick)*	\$4.72	ft ³	29 x 1 x 0.33 = 9.6 ft ³	\$45.17
Concrete Curb and Gutter Type B1	\$6.23	ft	2 ft	\$12.46
Parkstrip	\$6.00	ft ²	12 ft	\$72.00
Clearing and Grubbing for Sidewalk	\$0.22	ft ²	10 ft	\$2.20
Excavation	\$0.29	ft ³	10 x 1 x 0.67 = 6.7 ft ³	\$1.94
Concrete Base Course, 4" inch thick	\$2.06	ft ²	10 ft	\$20.60
5' Concrete Sidewalk, 4" Thick	\$4.47	ft ²	10 ft	\$44.70
			Subtotal	\$224.04
Signage	calculated @ 5% of subtotal			\$11.20
Drainage (Inc. Structures)	calculated @ 10% of subtotal			\$22.40
Environmental & Design	calculated @ 15% of subtotal			\$33.61
			Subtotal	\$291.25
Mobilization and Traffic Control	calculated @ 5% of subtotal			\$14.56
Contingency	calculated @ 15% of subtotal			\$43.69
			Subtotal	\$349.50
Contingency for Price Increases	calculated @ 15% of subtotal			\$52.43
TOTAL COST / FOOT				\$401.93

* Assumes UDOT Bid of \$69.90 per ton and in place density of 135 lbs per ft³

Certification

I certify that the attached impact fee facilities plan:

1. Includes only the costs of public facilities that are:
 - a. Allowed under the Impact Fees Act; and
 - b. Actually incurred; or
 - c. Projected to be incurred or encumbered within six years after the day on which each impact fee is paid.

2. Does not include:
 - a. Costs of operation and maintenance of public facilities;
 - b. Costs for qualifying public facilities that will raise the level of service for the facilities, through impact fees, above the level of service that is supported by existing residents; or
 - c. An expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement; and

3. complies in each and every relevant respect with the Impact Fees Act.

(Andrea Olson, InterPlan)

Santaquin City
Impact Fee Analysis

Executive Summary

The impact fees calculated in this analysis have been developed in accordance with Section 11-36A-304 of the Impact Fees Act. The basic process for adoption of an impact fee is illustrated in Figure 1.

The analysis in this document is based on the cost of projects identified in the Impact Fee Facilities Plan and quantifies the cost of providing system infrastructure facilities to anticipated new development at a proposed level of service that is comparable to the current level of service enjoyed by Santaquin City's current property owners.

Transportation infrastructure is addressed in this analysis and the accompanying Impact Fee Facilities Plan.

The data used in this analysis were obtained from Santaquin City, the U.S. Census Bureau and the Utah State Governor's Office of Management and Budget, Demographics and Economic Analysis Division. Cost estimates on which the 2014 cost of facilities is based were obtained from designers, planners, engineers and architects working in the field.

An impact fee is a one-time fee, not a tax, charged to new development to pay for the cost of infrastructure to serve that development. The fee is charged at the time a building permit is issued. Impact fees are calculated based on strict guidelines laid out in the Utah Impact Fees Act. Following the guidelines in the Act ensures that there is a well-established and understood relationship between the impacts of new development and the need for new infrastructure AND that the cost of that infrastructure is fairly apportioned to the different types of anticipated development.

This analysis and the accompanying IFFP show the impact that anticipated new growth in Santaquin City (3,130 new residents and 1,091 new jobs requiring nonresidential development) in the study period 2014-2024 will require additional road capacity to serve areas where development is expected to occur. According to the Mountainland Association of Governments (MAG) traffic demand model, the existing road network has sufficient capacity to serve the anticipated 23,135 new trips in 2024 generated by new development; however, some areas of development do not have adequate existing infrastructure. The IFFP identifies the improvements necessary to serve anticipated new development and incorporate new development areas into the network. There is also available excess capacity on several existing roads in Santaquin City.

Table ES-1 provides the maximum allowable impact fee. The maximum allowable fee is adjusted in the fee schedule to reflect the proportional impact of different land use types on facility infrastructure. Adjustments may also be made to account for new development's contributions to the cost of existing infrastructure.

Table ES-1: Maximum Allowable Impact Fee

	Roadway
Total Cost of IFFP (Upsize)	\$3,348,530
# of new trips in 2024*	23,135
Capacity Utilization Factor	0.91
Cost/Trip	\$131.84
Buy-In Cost	\$77,358
Buy-In Cost/Peak Trip	\$3.34
Maximum Allowable Impact Fee/ Per Trip	\$135.19

Source: InterPlan

*Based on the MAG Traffic Demand Model

The formula to calculate the impact fee is:

$$(ITE \text{ Daily Trips}/2) \times (\text{Primary Trip Factor}) \times \$135.19 = \text{Impact Fee per Use}$$

* Trips and primary trip generation factor are based on specified uses provided in the latest ITE manual.

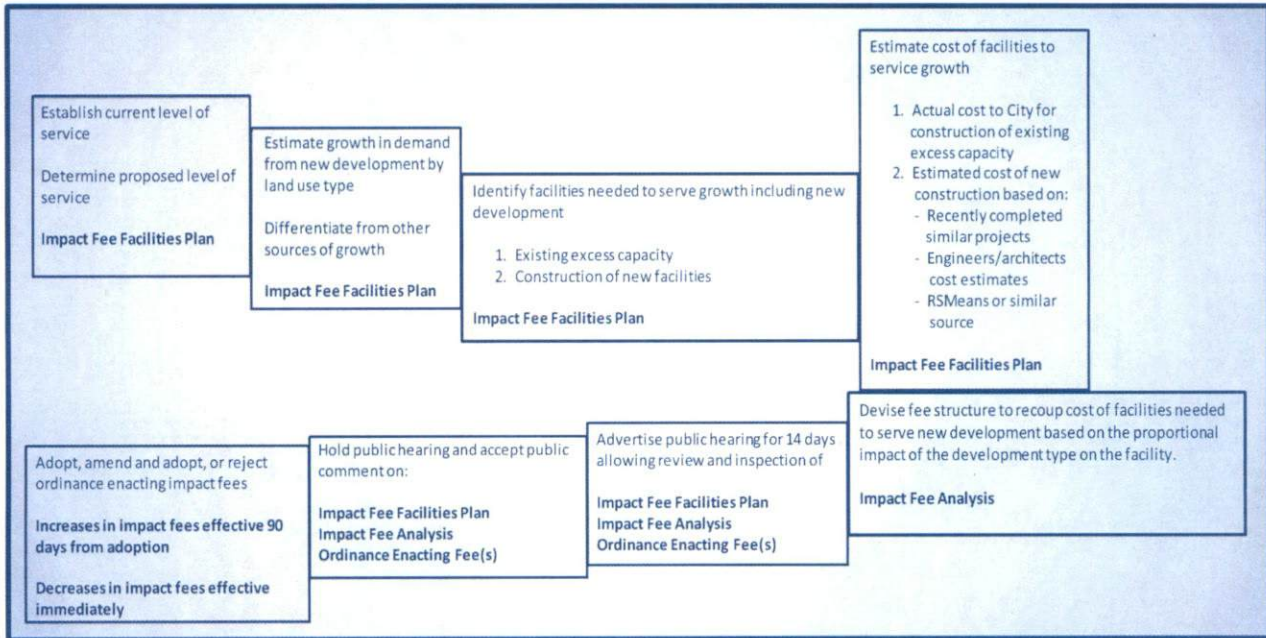


Figure 1 – Impact Fee Process

Certification

I certify that the attached impact fee analysis:

1. includes only the costs of public facilities that are:
 - a. allowed under the Impact Fees Act; and
 - b. actually incurred; or
 - c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid;
2. does not include:
 - a. costs of operation and maintenance of public facilities;
 - b. costs for qualifying public facilities that will raise the level of service for the facilities, through impact fees, above the level of service that is supported by existing residents; or
 - c. an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement; and
3. offsets costs with grants or other alternative sources of payment; and
4. complies in each and every relevant respect with the Impact Fees Act.

(Christine C. Richman, GSBS Richman Consulting)

Statutory Summary

The Utah Impact Fees Act includes several requirements relating to the completion of an Impact Fee Analysis. This section is a summary, by section of the Impact Fee Act, of the analysis included in this document.

11-36a-304. Impact fee analysis requirements.

(1) An impact fee analysis shall:

(a) identify the anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity;

The existing capacity of the transportation network was established through an evaluation of existing facilities and the MAG transportation model. The travel demand model was run using the current road network and 2014 traffic information. The capacity of the system and current level of service were established based on the current population and current facilities. The level of service was then calculated using anticipated future development levels to estimate anticipated impact of anticipated development on the identified infrastructure. The system-wide future LOS remains LOS C. However, the model did reveal that areas of future development are not adequately served. The IFFP proposes projects intended to serve areas of new development.

(b) identify the anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility;

Although the city-wide LOS remains at LOS C in the future scenario, an LOS is proposed for all system-level roads serving new development. The proposed LOS is LOS C as with the existing roadway network. In addition, there are several existing facilities within the Santaquin roadway system with excess existing capacity available to new development. Table ES-2 identifies the value of existing excess capacity available to new development and required improvements needed to achieve the proposed level of service.

Table ES-2: Summary of Cost of Facilities to Achieve Proposed LOS

	Existing Excess Capacity	New Facilities	Total
Transportation	\$77,358	\$3,348,530	\$3,425,888

Source: InterPlan

(c) subject to Subsection (2), demonstrate how the anticipated impacts described in Subsections (1)(a) and (b) are reasonably related to the anticipated development activity;

The analysis included in the Impact Fee Facilities Plan identified the proportion of existing facilities attributable to current land uses and development types. The IFFP also identified anticipated development, by land use type for the 2014 to 2024 planning horizon. Based on anticipated new population of 3,130 people in 1,442 new households and 1,091 new jobs existing excess capacity will be used and new facilities required providing the proposed LOS. The City has used several funding sources in the past to pay for existing infrastructure including general fund, bond proceeds, grants, developer exactions and impact fees. The analysis evaluates the availability of all funding sources in determining the appropriateness of impact fees to fund future facilities. The existing roadway system was funded through exactions, state provided road tax and general fund sources. The City does not have outstanding bonds for the roadway system.

(d) estimate the proportionate share of:

(i) the costs for existing capacity that will be recouped; and

Existing capacity is available for utilization by new development. Table ES-3 provides the original cost of the infrastructure, remaining available capacity and capacity used by anticipated new development.

Table ES-3: Existing Excess Capacity Buy-In

Street	Limits		2014 Vol	2024 Vol	Project Cost	2024 Buy-In Eligible Cost
	From	To				
Center Street	450 North	550 North	1,510	2,320	\$14,100	\$8,540.99
Highland Drive	500 East	300 East	3,990	4,620	\$7,500	\$4,024.39
Canyon	400 South	900 South	840	3,150	\$71,400	\$56,368.42
Highland Drive	Canyon	300 East	990	2,850	\$11,350	\$8,423.83
Total Buy-In					\$104,350	\$77,358

Source: InterPlan

(ii) the costs of impacts on system improvements that are reasonably related to the new development activity; and

In addition to the existing infrastructure capacity available to new development, there are new transportation facilities required to achieve the proposed LOS. The projects were identified from larger lists of projects needed to maintain current infrastructure or address existing deficiencies. The IFFP for each facility type includes only the projects needed to serve new development at the proposed LOS. The cost for each of the system improvements were determined based on recently completed projects, current engineering or architectural estimates or based on values identified in RSMMeans.

(e) based on the requirements of this chapter, identify how the impact fee was calculated.

Each section in this report identifies the steps take to calculate the impact fee in accordance with the requirements of the Impact Fees Act. The analysis in this report is based on the analysis and information contained in the Impact Fee Facilities Plan report.

(2) In analyzing whether or not the proportionate share of the costs of public facilities are reasonably related to the new development activity, the local political subdivision or private entity, as the case may be, shall identify, if applicable:

(a) the cost of each existing public facility that has excess capacity to serve the anticipated development resulting from the new development activity;

The basis of the value of existing excess capacity available to serve new development is based on actual cost of the facility. In the event that actual cost information was not available or the facility was funded by an entity other than the City the value of the facility was not included in the analysis although the capacity was taken into account in the evaluation of needed facilities.

(b) the cost of system improvements for each public facility;

Using actual cost of construction, where available or estimates based on engineering or architectural estimates or RSMMeans as appropriate, the cost of system improvements was identified.

(c) other than impact fees, the manner of financing for each public facility, such as user charges, special assessments, bonded indebtedness, general taxes, or federal grants;

For each facility type the source of funding for existing improvements was identified and reviewed. The applicability of available funding sources was reviewed and alternative sources of funding were identified.

(d) the relative extent to which development activity will contribute to financing the excess capacity of and system improvements for each existing public facility, by such means as user charges, special assessments, or payment from the proceeds of general taxes;

A combination of federal and state funds as well as other local sources including general funds and developer exactions has funded the current transportation network. Santaquin City will continue to

fund transportation needs from a variety of sources including the share of road capacity costs associated with new development.

(e) the relative extent to which development activity will contribute to the cost of existing public facilities and system improvements in the future;

Four projects that provide capacity directly associated with new development were included on the IFFP. The remaining projects will be funded with Class C road and other similar sources. New development does not directly contribute to these funds (although drivers of vehicles do).

(f) the extent to which the development activity is entitled to a credit against impact fees because the development activity will dedicate system improvements or public facilities that will offset the demand for system improvements, inside or outside the proposed development;

This evaluation will occur as development proposals are reviewed by the City and at the request of the developer. The process and basis for establishing the impact fees in this analysis will be the basis for evaluating the extent to which new development activity should receive a credit.

(g) extraordinary costs, if any, in servicing the newly developed properties; and

No extraordinary costs are anticipated.

(h) the time-price differential inherent in fair comparisons of amounts paid at different times.

The time horizon for the improvements anticipated in this analysis is six years. The time price differential is anticipated to be minimal given current inflation and interest rates. The current inflation rate on construction materials and activities is approximately 3 percent. The current interest generated on impact fee funds held in the impact fee accounts is the PTIF rate. Interest generated on impact fee accounts is held in the account and used to fund impact fee projects included on the IFFP.

Transportation Impact Fee

Service Area

The transportation network in Santaquin City is interconnected. System level improvements are focused on capacity on arterials and collectors and intersection improvements. For this reason a single, city-wide service area is used to calculate the Santaquin City Transportation Impact Fee. However, because the systemwide LOS remains at C in the future scenario with new development, the cost of increased capacity on existing roads was not included in the IFFP. Only the capacity needed to serve new development on new roads intended to provide access to new development areas is included in the impact fee calculation.

Impact Fee Facilities Plan

The Transportation IFFP identified a total of approximately \$77,358 in existing excess capacity and \$3.3 million in new impact fee funded projects to achieve the proposed level of service for new development. The Transportation IFFP has two parts. Table 1 is the Transportation IFFP for increased road capacity to accommodate projected new development in Santaquin City.

Table 1: Transportation IFFP

Street	From	To	Total Cost	IFFP Cost
Summit Ridge	US 6	Mountain View Dr	\$8,592,911	\$2,332,012.15
East Boundary Road	Highland	840 East	\$855,329	\$232,125.84
840 East	Main Street	150 S	\$1,214,827	\$329,689.39
500 West	Lark Rd	US 6	\$1,675,472	\$454,702.92
<i>Total Roads</i>			<i>\$12,338,539</i>	<i>\$3,348,530</i>

Source: InterPlan

Table 2 is the cost of existing infrastructure with excess capacity available for new development. The actual cost to Santaquin City for each of the facilities was used to establish the "buy-in" cost. There are other roads with available capacity for use by new development, however the City did not contribute general or impact fee funds to the infrastructure, therefore the facilities are not included in the impact fee analysis.

Table 2: Existing Excess Capacity Buy-In

Street	Limits		2014 Vol	2024 Vol	Project Cost	2024 Buy-In Eligible Cost
	From	To				
Center Street	450 North	550 North	1,510	2,320	\$14,100	\$8,541
Highland Drive	500 East	300 East	3,990	4,620	\$7,500	\$4,024
Canyon	400 South	900 South	840	3,150	\$71,400	\$56,368
Highland Drive	Canyon	300 East	990	2,850	\$11,350	\$8,424
<i>Total Buy-In</i>					<i>\$104,350</i>	<i>\$77,358</i>

Source: InterPlan

Proportionality

Existing Facilities

The Impact Fees Act requires that the impact fee achieve an equitable allocation of costs borne in the past and to be borne in the future in comparison to the benefits already received and yet to be received. Current

Santaquin City residents have paid for the existing transportation infrastructure through impact fees and taxes. Property owners of vacant, undeveloped land have paid property taxes at a level necessary to fund ongoing operations. Santaquin City does not allocate property taxes revenues to fund capital infrastructure. A credit for past property tax payments on vacant undeveloped property is not appropriate.

System Improvements Related to New Development/Impact Fee Calculation

The City intends to achieve the proposed LOS calculated for transportation facilities. The impact of new development is driven by trip generation of various land use types. Table 3, identifies the impacts of various development types relative to a single family home. For example single family residential is 1.0 per unit and multi-family is 0.6 per unit indicating that each multi-family unit generates only 60 percent as many peak trips as a single-family unit according to the Institute of Transportation Engineers (ITE) guidelines. Table 3 is offered as a guide based on nationally accepted trip rate averages. This table aids in administrative efficiency for Santaquin City and predictability for new development. However, there may be cases where national averages are insufficient to address the relative share of trips of a proposed development. The City should exercise discretion in the use of Table 3.

The formula to calculate the impact fee is:

$$(ITE \text{ Daily Trips}/2) \times (\text{Primary Trip Factor}) \times \$135.19 = \text{Impact Fee per Use}$$

This formula should be used when the ITE schedule land use type for the proposed use is not included on Table 3. The use of ITE trip rates allows for consistency of analysis across different areas and market segments but has also been the source of confusion due to the definition of a "trip." Impact fees in Santaquin are based on a trip defined by a count on a road during a pre-defined period (the peak hour). ITE trips are defined by extensive national studies of driveway counts. Therefore, a typical trip from a home to a job is counted as a single trip in the Santaquin impact fee calculation. However, ITE trip rates count a "trip" crossing the residential driveway and a second "trip" crossing the workplace driveway. To correct for this semantic inconsistency, ITE trip rates have been divided by two in all cases, and have been reduced further in various non-residential cases by a primary trip factor, which accounts for opportunistic driveway counts of people already on the road. ITE trip rates in Table 3 are based on the ITE Trip Generation Manual, 9th Edition, 2012.

Table 3: Estimated Impact Fee by Land Use

Land Use	ITE Code	Unit	½ Daily Trips**	Primary Trips**	Daily REU	Cost/Unit+
Residential						
Single-Family	210	Dwelling Unit	4.76	100%	1.00	\$643.49
Attached Single-Family	224	Dwelling Unit	2.91	100%	0.61	\$393.39
Multi-Family	230	Dwelling Unit	3.33	100%	0.70	\$449.50
Mobile Home	240	Dwelling Unit	2.5	100%	0.52	\$337.29
Retail / Commercial						
Small Shopping Center (<90,00 sq ft)	820	1000 sq ft	55.57	43%	5.02	\$3,230.30
Large Shopping Center (>90,000 sq ft)	820	1000 sq ft	23.35	43%	2.11	\$1,357.34
Discount Superstore	813	1000 sq ft	25.38	48%	2.56	\$1,646.57
Home Improvement Superstore	862	1000 sq ft	15.37	52%	1.68	\$1,080.47
Convenience Store	851	1000 sq ft	369	24%	18.60	\$11,971.98
Convenience Store w/ Gas Pumps	853	1000 sq ft	422.8	16%	14.21	\$9,145.11
Discount Club	857	1000 sq ft	20.9	75%	3.29	\$2,119.05
Drive-In Bank	912	1000 sq ft	74.08	27%	4.20	\$2,703.77
Fast Food Restaurant w/ Drive-Thru	934	1000 sq ft	248.06	30%	15.63	\$10,060.33
Sit-Down Restaurant	932	1000 sq ft	63.58	37%	4.94	\$3,179.96
Multiplex Movie Theater	445	1000 sq ft	31.55	75%	4.97	\$3,198.53
New Car Sales	841	1000 sq ft	16.15	75%	2.54	\$1,637.45
Hotel / Motel	603	Rooms	4.09	100%	0.86	\$552.24
Office / Institutional						
General Office	710	1000 sq ft	5.52	100%	1.16	\$745.55
Business Park	770	1000 sq ft	6.22	100%	1.61	\$840.86
Medical Office	720	1000 sq ft	18.07	100%	3.80	\$2,442.15
Hospital	610	1000 sq ft	6.61	100%	1.39	\$893.58
Nursing Home / Assisted Living	620	1000 sq ft	3.8	100%	0.80	\$513.71
Church / Synagogue	560	1000 sq ft	4.56	100%	0.96	\$615.78
Day Care Center	565	1000 sq ft	37.03	10%	0.78	\$500.60
Elementary School	520	1000 sq ft	7.72	50%	0.81	\$521.48
Junior High school	522	1000 sq ft	6.89	50%	0.72	\$465.72
High School	530	1000 sq ft	6.45	50%	0.68	\$435.64
Industrial						
General Light Industrial	110	1000 sq ft	3.49	100%	0.73	\$471.13
Warehouse	150	1000 sq ft	1.78	100%	0.37	\$240.63
Mini-Warehouse	151	1000 sq ft	1.25	100%	0.26	\$168.98

Source: InterPlan

*1,000 sq ft of Gross Floor Area

** Obtained from ITE Trip Generation Manual, 9th Edition, 2012

+ Based on Formula provided above.

Manner of Financing

Impact fees will be used to achieve the proposed impact fee eligible transportation LOS. To the extent that City residents wish to improve the current LOS, system-wide improvements beyond those funded through impact fees will be paid for through other funding mechanisms such as general funds, bonds, grants and donations.

Santaquin City has not, nor does it intend to bond for the construction of the transportation system.

Credits Against Impact Fees

The impact fee act requires credits to be paid back to development for future fees that may be paid to fund improvements found in the IFFP so that new development is not required to pay twice for the same improvement. The City does not intend to fund IFFP projects with other fees from new development, therefore a credit is not applicable.

Credits may also be paid to developers constructing, directly funding or donating IFFP improvements in lieu of impact fees, including the dedication of land for improvements. This situation does not apply to development exactions intended to offset density or as a condition for development. Any item that a developer funds must be included in the IFFP if a credit is to be issued and the City must agree prior to construction of the improvements.

The standard impact can also be reduced in response to specific project conditions and unusual circumstances. A developer may submit studies and data that show a need for fee adjustment based on the impact of new development on service levels.

At the discretion of the City impact fees may be adjusted for low-income housing, subject to the identification of alternative sources of funding.

Extraordinary Costs and Time/Price Differential

Extraordinary costs to service new transportation facilities are not anticipated. Current costs are used to calculate the cost of new system infrastructure required to serve new development.

Adoption, Accounting, Expenditure, and Refunds*Adoption*

The Utah Impact Fees Act requires the preparation of an impact fee facilities plan, impact fee analysis and impact fee enactment prior to adoption of an ordinance adopting or amending impact fees.

The IFFP for transportation facilities was prepared to identify existing excess capacity, existing deficiencies, current and proposed level of service and the facilities required to serve new development in Santaquin City through 2024.

The written impact fee analysis, using the analysis from the IFFP, identifies the impacts placed on facilities by development activity and how the impacts are related to new development. The analysis also calculates the roughly proportional share of costs of each facility identified in the IFFP attributable to new development and establishes the relative benefit each group will receive from the improvement. The analysis also includes an executive summary of the impact fee analysis providing a brief overview of the impact fee structure, methodology and cost basis used.

The impact fee enactment must be adopted by the City Council to enact the proposed fees. The ordinance may not impose a fee higher than the maximum legal fee defined in the written analysis, but may adopt a fee that is

lower than the maximum fee. The ordinance must establish one or more service areas, include a schedule of the impact fees or the formula by which the fee is derived and provisions allowing the City to adjust or modify the fee to take into account any changes or unusual circumstances to ensure that the fee is administered fairly. Adjustments and modifications are based on the land use definitions in the ITE manual and trip generation. The ordinance must also include provisions to adjust the fee if independent studies or research determine that it should be different. A provision allowing charter and public schools to request the inclusion of facilities on the IFFP and in the calculation of the impact fee must also be included.

The Ordinance may be adopted following a fourteen (14) day noticing period and public hearing. Copies of the proposed Ordinance, written impact fee facilities plan and impact fee analysis must be made available to the public during the 14-day noticing period for public review and inspection in designated public places including the City offices and any public libraries within the jurisdiction. A public hearing shall be held at the end of the 14-day noticing period, at which point the Council may adopt, amend and adopt, and reject the Impact Fee Ordinance and proposed fee schedule.

Accounting

The Impact Fees Act requires that any entity imposing impact fees establish an interest bearing ledger account for each type of public facility for which an impact fee is collected. All impact fee receipts must be deposited into the appropriate account. Any interest earned in each account must remain in the corresponding account. At the end of each fiscal year, the City must prepare a report on each fund or account showing the source and amount of all monies collected, earned and received by each account and each expenditure made from each account.

Expenditure

The City may only expend impact fees for system improvements identified in the IFFP. All funds collected must be spent or encumbered within six years of collection or the City must provide an extraordinary or compelling reason why the fees must be held longer and provide an ultimate date by which the impact fees collected will be expended. Any fees retained beyond the six years without an extraordinary or compelling reason must be refunded. For the purposes of this analysis, it is assumed that the ultimate date by which impact fees will be spent is 2024. The improvement financed by impact fees must be owned and operated by the City or another local public entity with which the City has contracted or will contract for services and improvements that will be operated on the City's behalf.

Refunds

The City is required to refund any impact fees collected, plus interest earned since collection if:

1. A developer who has paid impact fees does not proceed with the development and has filed a written request for a refund,
2. The fees have not been spent or encumbered within six years, or
3. The new development which has paid impact fees has not created an impact upon the system.