



## DRAFT Transportation Impact Fee Analysis



## Transportation Impact Fee Analysis

### Summary

This Impact Fee Analysis (IFA) is based on the information provided in the City’s Roadway Impact Fee Facilities Plan (“IFFP”) dated October 2022 and prepared by Horrocks Engineers.

Projected Growth. The IFFP projects that new development in Cedar Hills is very limited and is estimated to grow by only 179 PM peak hour trips<sup>1</sup> between 2022 and 2030 – from 3,170 one-way PM peak hour trips in 2022 to 3,349 trips in 2030. This growth will require the construction of new transportation improvements in order to maintain the existing levels of service.

Service Levels. The IFFP states that the current level of service (LOS) is LOS D and that the proposed service level will remain at LOS D (IFFP, p. 2).

Service Areas. Cedar Hills (“City”) includes one roadway service area as recommended by the City’s engineers in the IFFP.

Excess Capacity. The IFFP does not identify any existing, excess capacity in the roadway system.

New Construction. Cedar Hills’ IFFP identifies a total of 2 projects necessitated by new development at a total cost of \$2,642,000. However, a large portion of one of the projects will be funded by MAG and the City is therefore responsible for only \$925,000 of the total costs. This number is further adjusted to reflect the fact that new development is not responsible for pass-through traffic and for the excess capacity remaining in these new projects after 2030. Therefore, the total cost attributable to new development over the next ten years is \$520,000.

Proportionate Share Analysis. A summary of the proportionate share analysis is as follows:

TABLE 1: PROPORTIONATE SHARE ANALYSIS

Summary of Cost per Trip	Amount per PM Peak Hour Trip
Existing Excess Capacity	\$0.00
New Construction	\$2,905.03
Consultant Costs	\$88.27
Impact Fee Fund Balance Credit	(\$1,179.37)
<b>TOTAL Cost per Trip</b>	<b>\$1,813.92</b>

The cost per PM peak hour trip is \$1,813.92. The cost per trip is then applied to standards set by the Institute of Transportation Engineers (ITE) to evaluate the number of PM peak hour trips per development type. Table 2 below shows basic categories from the ITE manual, 11<sup>th</sup> edition for which the City can charge impact fees and illustrates how fees are calculated based on the number of trips generated by land use type and trips per unit. For a land use type that does not fit easily into the categories in Table 2, the City

<sup>1</sup> A PM peak hour trip is defined as a single or one-directional vehicle movement to or from a site between the hours of 4 p.m. and 6 p.m.

may choose, at its discretion, to refer to additional land use categories as found in the ITE manual, 11<sup>th</sup> edition.

TABLE 2: RECOMMENDED MAXIMUM TRANSPORTATION IMPACT FEES INTO MAJOR GROUPINGS

ITE Code	Category	Units; Per	ITE Trips	Pass-By Trips	Adjusted Trips	Maximum Fee PM Peak Fee
210	Single-Family Detached Housing	Dwelling Units	0.94		0.47	\$852.54
220	Multi-Family / (Low-Rise 1-2 Levels)	Dwelling Units	0.51		0.255	\$462.55
223	Affordable Housing	Dwelling Units	0.46		0.23	\$417.20
252	Senior Adult Housing-Multifamily -	Dwelling Units	0.25		0.125	\$226.74
312	Business Hotel	Rooms	0.31		0.155	\$281.16
520	Elementary School	Students	0.16		0.08	\$145.11
522	Middle School / Junior High School	Students	0.15		0.075	\$136.04
525	High School	Students	0.14		0.07	\$126.97
530	Private School (K-8)	Students	0.26		0.13	\$235.81
532	Private School (K-12)	Students	0.17		0.085	\$154.18
560	Church	1000 Sq. Feet Gross Floor Area	0.49		0.245	\$444.41
710	General Office Building	1000 Sq. Feet Gross Floor Area	1.44		0.72	\$1,306.02
770	Business Park	1000 Sq. Feet Gross Floor Area	1.22		0.61	\$1,106.49
821	Shopping Plaza	1000 Sq. Feet Gross Leasable Area	9.03	40%	2.709	\$4,913.91

## Utah Code Legal Requirements

Utah law requires that communities prepare an Impact Fee Analysis (IFA) before enacting an impact fee. Utah law also requires that communities give notice of their intent to prepare and adopt an IFA. This IFA follows all legal requirements as outlined below. The City has retained Zions Public Finance Inc., to prepare this Impact Fee Analysis in accordance with legal requirements.

### Notice of Intent to Prepare Impact Fee Analysis

A local political subdivision must provide written notice of its intent to prepare an IFA before preparing the Plan (Utah Code §11-36a-503). This notice must be posted on the Utah Public Notice website. The City has complied with this noticing requirement for the IFA.

### Preparation of Impact Fee Analysis

Utah Code requires that each local political subdivision, before imposing an impact fee, prepare an impact fee analysis. (Utah Code 11-36a-304).

Section 11-36a-304 of the Utah Code outlines the requirements of an impact fee analysis as follows:

- (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;

- (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;
  - (c) demonstrate how the anticipated impacts described in Subsections (1)(a) and (b) are reasonably related to the anticipated development activity;
  - (d) estimate the proportionate share of:
    - (i) the costs for existing capacity that will be recouped; and
    - (ii) the costs of impacts on system improvements that are reasonably related to the new development activity; and
  - (e) identify how the impact fee was calculated.
- (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;
  - (b) the cost of system improvements for each public facility;
  - (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;
  - (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;
  - (e) the relative extent to which development activity will contribute to the cost of existing public facilities and system improvements in the future;
  - (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;
  - (g) extraordinary costs, if any, in servicing the newly-developed properties; and
  - (h) the time-price differential inherent in fair comparisons of amounts paid at different times.

### Certification of Impact Fee Analysis

Utah Code states that an Impact Fee Analysis shall include a written certification from the person or entity that prepares the Impact Fee Analysis. This certification is included at the conclusion of this analysis.

## Anticipated Impact on or Consumption of Any Existing Capacity of a Public Facility by the Anticipated Development Activity

*Utah Code 11-36a-304(1)(a)*

### Consumption of Existing Capacity

Development activity in Cedar Hills is based on both residential and nonresidential growth. Growth projections are then used by the City's engineers as inputs in the MAG Travel Demand Model to forecast trip generation. Growth projections are as follows:

TABLE 3: GROWTH PROJECTIONS – PM PEAK HOUR TRIPS

PM Peak Hour Trips	PM Peak Hour Trips
PM Peak Hour Trips 2022	3,170
PM Peak Hour Trips 2030	3,349
Growth in Trips, 2022-2030	179

The engineers have not identified any excess capacity in the existing City-owned roads for which impact fees should be charged as a “buy-in” component.

## Identify the Anticipated Impact on System Improvements Required by the Anticipated Development Activity to Maintain the Established Level of Service for Each Public Facility and Demonstrate How the Anticipated Impacts are Reasonably Related to the New Development Activity

*Utah Code 11-36a-304(1)(b)(c)*

In order to maintain a LOS D, Cedar Hills' IFFP identifies a total of 2 projects necessitated by new development at a total cost of \$2,642,000. However, a large portion of one of the projects will be funded by MAG and the City is therefore responsible for only \$925,000 of the total costs. This number is further adjusted to reflect the fact that new development is not responsible for pass-through traffic and for the excess capacity remaining in these new projects after 2030. Therefore, the total cost attributable to new development over the next ten years is \$520,000 as shown in Table 5.

TABLE 4: CEDAR HILLS PORTION OF NEW CONSTRUCTION COSTS

Project	Location	Total Price	Funding Source	Cedar Hills %	Cedar Hills Total
1	North Country Blvd Update & Cedar Hills Blvd/4700 West Roundabout	\$800,000	Cedar Hills	100.00%	\$800,000
2	Cedar Hills Harvey Blvd/4000 North	\$1,842,000	MAG/Cedar Hills	6.77%	\$125,000
<b>TOTAL</b>		<b>\$2,642,000</b>			<b>\$925,000</b>

TABLE 5: NEW GROWTH PORTION OF NEW CONSTRUCTION COSTS

Project	Location	Cedar Hills Total	Existing Deficiency User Share	Reduction for Pass-Through	Reduction for Excess Capacity	Portion Attributable to Growth	Cost Attributable to New Growth
1	North Country Blvd Update & Cedar Hills Blvd/4700 West Roundabout	\$800,000	0%	1%	34%	65%	\$520,000

Project	Location	Cedar Hills Total	Existing Deficiency User Share	Reduction for Pass-Through	Reduction for Excess Capacity	Portion Attributable to Growth	Cost Attributable to New Growth
2	Cedar Hills Harvey Blvd/4000 North	\$125,000	0%	1%	100%	0%	\$0
<b>TOTAL</b>		<b>\$925,000</b>					<b>\$520,000</b>

The total cost of \$520,000 attributable to new development between 2022 and 2030 must be shared proportionately between the additional PM peak hour trips projected for that time period. PM peak hour trip demand citywide is projected to grow from 3,170 PM peak hour trips in 2022 to 3,349 PM peak hour trips in 2030 – an increase of 179 PM peak hour trips over the 10-year period. While volume on some existing roads may actually decrease, volume will increase on new roads constructed. Therefore, the increased volume and capacity impacts need to be viewed as part of an overall system of roads.

### Estimate the Proportionate Share of (i) the Costs for Existing Capacity That Will Be Recouped; and (ii) The Costs of Impacts on System Improvements That Are Reasonably Related to the New Development Activity; and Identify How the Impact Fee was Calculated

*Utah Code 11-36a-304(1)(d)(e)*

The proportionate share analysis can legally include the proportionate share of any buy-in costs associated with the excess capacity in the existing system that will be consumed as a result of new development activity, as well as the proportionate share of new construction costs necessitated by new development. The IFFP does not identify any existing excess capacity for which buy-in costs can be calculated but it does identify two projects for new construction as shown in Tables 4 and 5.

#### New Construction Cost Calculation

In order to maintain its LOS D, Cedar Hills will need to construct additional facilities, as identified previously. New construction costs are calculated as follows:

TABLE 6: PROPORTIONATE SHARE CALCULATION – NEW CONSTRUCTED COST

New Improvement Costs, 2022-2030	\$520,000
Growth in Trips, 2022-2030	179
<b>New Construction Cost per PM Peak Hour Trip</b>	<b>\$2,905.03</b>

#### Other Cost Calculations

Utah law allows for the cost of developing the Impact Fee Facility Plan and Impact Fee Analysis to be included in the calculation of impact fees. These costs are then shared proportionately among the additional trips generated between 2022 and 2030.

TABLE 7: PROPORTIONATE SHARE CALCULATION – CONSULTING COSTS

Description	Amount
Total Consultant Cost	\$15,800
Growth in Trips, 2022-2030	179
<b>Consultant Cost per PM Peak Hour Trip</b>	<b>\$88.27</b>

Cedar Hills has a balance of \$211,108 in its transportation impact fee fund.<sup>2</sup> Therefore, the following credit needs to be made against the impact fee fund balance.

TABLE 8: IMPACT FEE FUND BALANCE CALCULATION

Description	Amount
Impact Fee Fund Balance	\$211,108
Growth in Trips, 2022-2030	179
<b>Credit per PM Peak Hour Trip</b>	<b>(\$1,179)</b>

## Summary of Impact Fees

TABLE 9: SUMMARY OF COST PER TRIP

Summary of Cost per PM Peak Hour Trip	Amount
Existing Excess Capacity	\$0.00
New Construction	\$2,905.03
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<b>TOTAL Cost per Trip</b>	<b>\$1,813.92</b>

The cost per PM peak hour trip is \$1,813.92. The cost per trip is then applied to standards set by the Institute of Transportation Engineers (ITE) to evaluate the number of PM peak hour trips per development type. Table 2 below shows basic categories from the ITE manual, 11<sup>th</sup> edition for which the City can charge impact fees and illustrates how fees are calculated based on the number of trips generated by land use type and trips per unit. For a land use type that does not fit easily into the categories in Table 10, the City may choose, at its discretion, to refer to additional land use categories as found in the ITE manual, 11<sup>th</sup> edition.

TABLE 10: SUMMARY OF MAXIMUM ALLOWABLE IMPACT FEES

ITE Code	Category	Units; Per	ITE Trips	Pass-By Trips	Adjusted Trips	Maximum Fee PM Peak Fee
210	Single-Family Detached Housing	Dwelling Units	0.94		0.47	\$852.54
220	Multi-Family / (Low-Rise 1-2 Levels)	Dwelling Units	0.51		0.255	\$462.55
223	Affordable Housing	Dwelling Units	0.46		0.23	\$417.20
252	Senior Adult Housing-Multifamily -	Dwelling Units	0.25		0.125	\$226.74
312	Business Hotel	Rooms	0.31		0.155	\$281.16

<sup>2</sup> Source: Cedar Hills

ITE Code	Category	Units; Per	ITE Trips	Pass-By Trips	Adjusted Trips	Maximum Fee PM Peak Fee
520	Elementary School	Students	0.16		0.08	\$145.11
522	Middle School / Junior High School	Students	0.15		0.075	\$136.04
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### Calculation of Credits

The City does not have any outstanding road bonds and does not anticipate issuing any within the timeframe of this analysis. Therefore, no credits must be made for bonding. Further, the IFFP does not identify any current deficiencies in transportation projects for which improvements must be made and therefore no credits need to be made to offset the cost of curing deficiencies.

The City may choose to credit certain development types, including affordable housing, but these credits are at the discretion of the City. Further, a City may choose to allow a developer to put in a transportation facility listed in the IFFP and reduce impact fees accordingly. Again, this is at the discretion of the City.

## Certification

Zions Public Finance, Inc. certifies 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;
  
3. Offsets costs with grants or other alternate sources of payment; and
  
4. Complies in each and every relevant respect with the Impact Fees Act.