

ITEM 5A:ORDINANCE 25-48

Topic: Adopting the Impact Fee Facilities Plan (IFFP), Impact Fee Analysis (IFA), and impact fees for transportation

Applicant:

Staff Contact: Danyce Steck, Administrative Services Director

WHAT ARE IMPACT FEES?

One-time fees charged by local governments to developers to offset the financial impact that new development has on public infrastructure.

They are designed to ensure that the costs associated with new development are borne by the development rather than existing taxpayers.

UTAH CODE 11-36A (IMPACT FEE ACT)

Before imposing an impact fee, the following shall be prepared:



Impact Fee Facilities Plan (IFFP)

- Demand on the City from new development
- Projects resulting from the demand



Impact Fee Analysis (IFA)

- Cost of the projects
- All financing sources for the projects

OUTSIDE CONSULTANTS

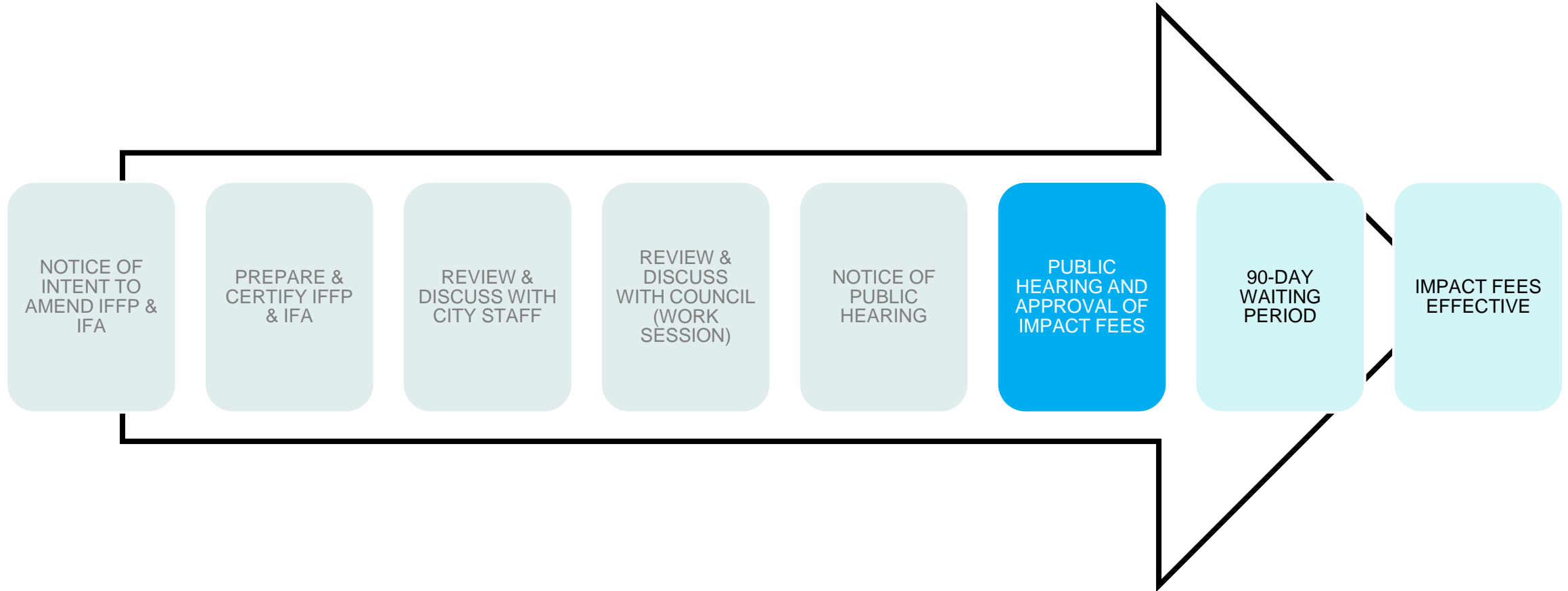
Impact Fee Facilities Plan (IFFP)



Impact Fee Analysis (IFA)



PROCESS



METHODOLOGY

Service area	Entire city
Inventory of existing infrastructure	Depreciation schedule
Level of service	Level of Service D for arterial and collector roadways <i>Source: IFFP and Transportation Master Plan</i>
Projects	Study: Combined buy-in to existing roads and new roads Staff Proposed: Remove buy-in component
Financing sources	No bonding considered Other financing considered

COST ANALYSIS & RECOMMENDATION

	Total Cost	% to Development	Cost to Development	New Trips	Cost per Trip
Existing Roads (Buy-in)	\$ 115,436,821	12.9%	\$ 14,917,703	106,687	\$ 139.83
Future Roads	44,180,659	52.5%	23,172,976	106,687	217.21
Future Intersections	31,301,160	68.5%	21,433,079	106,687	200.90
Study Updates	36,160	100.0%	36,160	106,687	0.34
Study-supported Maximum Impact Fee					\$ 558.27
Proposed Impact Fee					\$ 418.44

= 75% of study-supported max

INCREASING CONSTRUCTION COSTS

Previous study was conducted in 2016

The National Highway Construction Cost Index
(NHCCI) increased
by over 92%
between 2016 – 2025.

Source: FHWA NGCCI Dashboard

PROVEN VARIATIONS

The developer may provide a trip study for the specific development and receive a discount on the impact fee if the trips generated are less than those listed in the IFFP.

RECOMMENDATIONS

- Maintain consolidated categories (shown on next slide)
- Discount the study-supported fee by 25% (removing the buy-in component)
Study-supported fee = \$558.27 per trip
Proposed fee = \$418.44 per trip
- Consider increasing the fee annually by 5-10% per year until next study update
- Conduct study updates every 2-4 years to address inflation

Land Use Group	Land Use Category	Per	Current Fee	Proposed Fee	Study Fee ³	Proposed to Current	Study to Current
Industrial	Light Industrial	Sq Ft ¹	\$392	\$2,038	\$2,719	420%	594%
	Warehouse	Sq Ft ¹	\$365	\$716	\$955	96%	162%
	Mini-Warehouse	Sq Ft ¹	\$365	\$607	\$809	66%	122%
Residential	Single Family	Dwelling	\$2,333	\$3,946	\$5,264	69%	126%
	Multifamily Housing (Low-Rise)	Dwelling	\$1,690	\$2,820	\$3,763	67%	123%
	Assisted Living	Bed	\$273	\$1,088	\$1,451	299%	432%
	Multifamily Housing (Mid-Rise)	Dwelling	\$1,690	\$1,900	\$2,535	12%	50%
Lodging	Hotel	Room	\$578	\$3,343	\$4,461	478%	672%
	Motel	Room	\$578	\$1,402	\$1,870	143%	224%
Institutional	Church ²	Sq Ft ¹	\$ 2,706	\$3,180	\$4,243	18%	57%
	Public Elementary School	Student		\$950	\$1,267		
	Public High School	Student		\$1,720	\$2,294		
	University/College	Student		\$653	\$871		
	Day Care	Sq Ft ¹	\$2,706	\$11,160	\$14,889	312%	450%
Medical	Hospital	Sq Ft ¹	\$1,359	\$4,507	\$6,013	232%	342%
	Nursing Home	Sq Ft *	\$781	\$2,824	\$3,768	262%	382%
Office	General Office	Sq Ft ¹	\$1,706	\$4,536	\$6,052	166%	255%
	Medical/Dental Office	Sq Ft ¹	\$1,706	\$15,064	\$20,098	783%	1078%
Commercial	Retail ²	Sq Ft ¹	\$2,706	\$10,997	\$14,671	306%	442%
	Convenience Market-24 hr	Sq Ft ¹	\$2,706	\$156,296	\$208,524	5676%	7606%
	Fast Food, w/Drive-Up	Sq Ft ¹	\$2,706	\$88,027	\$117,443	3153%	4240%
	Supermarket	Sq Ft ¹	\$2,706	\$29,843	\$39,816	1003%	1371%
	Drive-In Bank	Sq Ft ¹	\$2,706	\$27,295	\$36,416	909%	1246%
	Restaurant: Sit-Down ²	Sq Ft ¹	\$2,706	\$25,567	\$34,110	845%	1161%
	Pharmacy/Drugstore w/drive-thru	Sq Ft ¹	\$2,706	\$23,131	\$30,861	755%	1040%
	Free-Standing Discount Store	Sq Ft ¹	\$2,706	\$18,035	\$24,061	566%	789%
	Auto Parts Sales	Sq Ft ¹	\$2,706	\$13,014	\$17,362	381%	542%
	Automobile Sales (New)	Sq Ft ¹	\$2,706	\$11,649	\$15,542	330%	474%
	Automobile Sales (Used)	Sq Ft ¹	\$2,706	\$11,323	\$15,107	318%	458%

¹ Sq Ft = per 1,000 square feet

² Current fee uses Commercial category

³ Study fee is the maximum fee justified in the study

Land Use Group	Land Use Category	Per	Current Fee	Proposed Fee
Residential	Single Family	Dwelling	\$ 2,333	\$ 3,946
	Multifamily Housing	Dwelling	1,690	2,820
	Assisted Living	Bed	273	1,088
Lodging	Hotel	Room	578	3,343
	Motel	Room	578	1,402
Institutional	Church ²	K Sq Ft ¹	2,706	3,180
Industrial	Light Industrial	K Sq Ft ¹	392	2,038
	Warehouse	K Sq Ft ¹	365	716
Medical	Hospital	K Sq Ft ¹	1,359	4,507
	Nursing Home	K Sq Ft ¹	781	2,824
Office	General Office	K Sq Ft ¹	1,706	4,536
Commercial	Retail ²	K Sq Ft ¹	2,706	10,997

FORMULA FOR NON-STANDARD TRANSPORTATION IMPACT FEES:

Total Demand Units x Estimated Trips per Unit x Adjustment Factors x \$418.44 = Impact Fee per Demand Unit

¹ K Sq Ft = 1,000 square feet

² Current fee uses Commercial category, Include restaurants in this category

³ Study fee is the maximum fee justified in the study

QUESTIONS?
