ADOPTED
FEBRUARY 1ST
2023

IMPACT FEE FACILITIES PLAN

SALEM CITY

WALL CONSULTANT GROUP

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I. Introduction

A. OVERVIEW

The purpose of the Salem City Transportation Impact Fee Facilities Plan (IFFP) is to identify public roadway improvements that are needed to accommodate anticipated development and to evaluate the amount that is impact fee eligible. Utah law requires cities to prepare an IFFP prior to preparing an impact fee analysis (IFA) and establishing an impact fee. According to Utah State Code Title 11, Chapter 36a, Section 302, the IFFP is required to accomplish the following:

- Identify the existing level of service (LOS)
- Establish a proposed LOS
- Identify any excess capacity to accommodate future growth at the proposed LOS
- Identify demands placed upon existing public facilities by new development activity at the proposed LOS
- Identify the means by which the political entity will meet those growth demands
- Include a general consideration of all potential revenue sources to finance system improvements

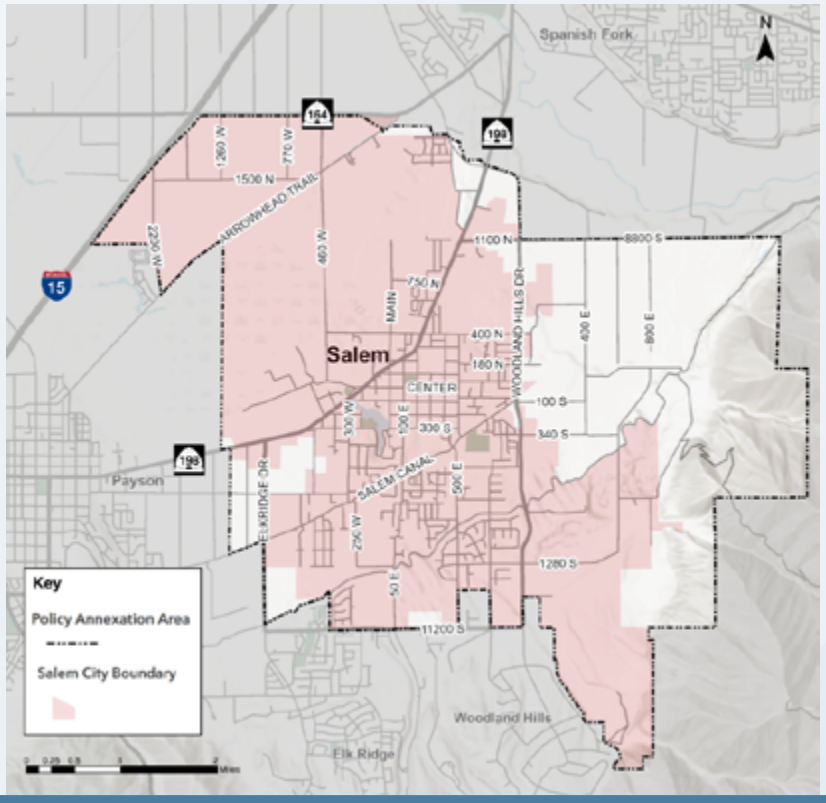
This analysis incorporates information from the Salem Transportation Master Plan (TMP) (2022), which was completed by Wall Consultant Group (WCG). The TMP includes information regarding the existing and future demands on the transportation infrastructure and the proposed improvements to provide acceptable levels of service. The TMP provides additional detail regarding the methodology used to determine future travel demand.

This document focuses on the improvements that will be needed over the next six years. Utah law requires that any impact fees collected for these improvements be spent within six years of being collected. Only capital improvements are included in this plan; all other maintenance and operation costs are assumed to be covered through the City's General Fund as tax revenues increase due to additional development. The city council may choose to adopt a fee lower than the maximum impact fee identified, but not higher.

B. SERVICE AREA

The planning area for the transportation impact fee is the city of Salem. Figure 1 shows the policy annexation area of Salem City, which function as the service area for the impact fee analysis.

Figure 1: Service Area — Salem City



II. Analysis Methodology

A. PURPOSE

The purpose of this chapter is to discuss the Level of Service (LOS) methodology and the proposed LOS threshold for Salem City roadways. According to Utah State Code Title 11, Chapter 36a, Section 102, LOS is defined as "the defined performance standard or unit of demand for each capital component of a public facility within a service area." The LOS of a roadway segment or intersection is used to determine if capacity improvements are necessary. LOS is measured on a roadway segment using its daily traffic volume and at an intersection based on a high-level analysis of the intersection.

B. PROPOSED LOS

Level of Service (LOS) is a term that describes the operating performance of an intersection or roadway. LOS is measured quantitatively and reported on a scale from A to F, with A representing the best performance and F the worst. A visual representation of each LOS is shown in Figure 2.

The Highway Capacity Manual (HCM), 7th ed. (2022) methodology was used in this analysis to remain consistent with "state of the practice" professional standards. The capacity of roadway segments is determined based on the number of lanes and/or functional classification of the roadway. The roadway LOS is then determined by comparing the actual traffic volumes with the capacity. Salem City determined that LOS A – C is acceptable for roadway segments within the City. LOS D – F are considered failing and are evaluated for mitigation measures to bring the level of service up to an acceptable level. Table 1 and Table 2 summarizes the maximum acceptable daily capacities (LOS C) for arterial and collector roadway segments used in the Salem TMP (2022).

Figure 2: Level of Service (LOS) categories

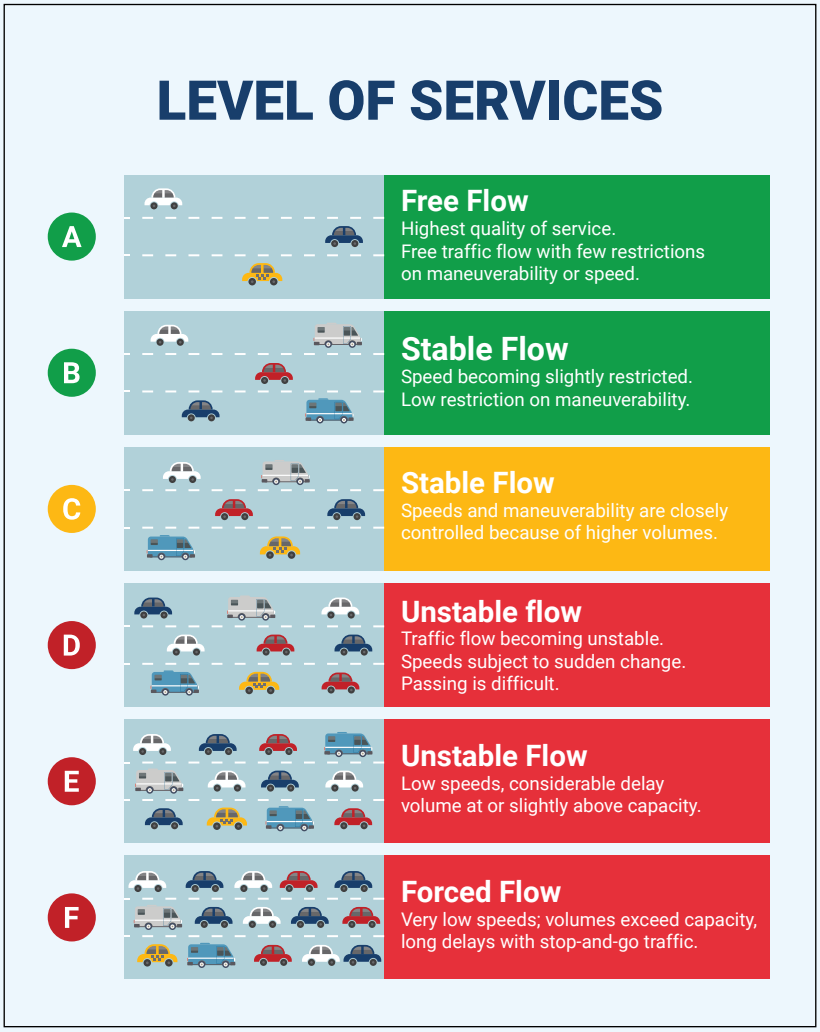


TABLE 1: ARTERIAL DAILY MAXIMUM CAPACITIES (TWO WAY DAILY TRIPS)			
Suburban Arterial LOS Capacity Criteria (veh per day)			
Lanes	LOS A - B	LOS C	LOS D - F
3	≤ 11,500	11,500 - 13,900	≥ 13,900
5	≤ 26,500	26,500 - 30,500	≥ 30,500

TABLE 2: COLLECTOR DAILY MAXIMUM CAPACITIES (TWO WAY DAILY TRIPS)			
Suburban Collector LOS Capacity Criteria (veh per day)			
Lanes	LOS A - B	LOS C	LOS D - F
2	≤7,500	7,500 - 9,700	≥ 9,700
3	≤ 10,800	10,800 - 13,400	≥ 13,400

The The proposed LOS provides a standard of evaluation for roadway conditions. This standard will determine whether or not a roadway will need improvements. According to Utah State Code Title 11, Chapter 36a, Section 302:

"(b) A proposed level of service may diminish or equal the existing level of service.

(c) A proposed level of service may:

(i) exceed the existing level of service if, independent of the use of impact fees, the political subdivision or private entity provides, implements, and maintains the means to increase the existing level of service for existing demand within six years of the date on which new growth is charged for the proposed level of service; or

(ii) establish a new public facility if, independent of the use of impact fees, the political subdivision or private entity provides, implements, and maintains the means to increase the existing level of service for existing demand within six years of the date on which new growth is charged for the proposed level of service."

As noted in the Salem TMP (2022), the proposed LOS threshold for Salem is LOS C. Therefore, improvements are recommended and eligible for impact fees for roadways that are projected to operate at LOS D, E or F in the future.

C. EXCESS CAPACITY

An important element of the IFFP is the determination of excess capacity on the roadway network. Excess capacity is defined as the amount of available capacity on any given street in the roadway network under existing conditions. This capacity is available for new development in the City before additional infrastructure will be needed. This represents a buy-in component from the City if the existing residents and businesses have already paid for these improvements.

New roads do not have any existing excess capacity, and roads that are not under city jurisdiction have their capacity information removed from the calculations. The excess capacity for roadways that are identified as needing improvements in the IFFP was calculated and accounted for in the impact fee calculations.

D. TRIPS

The unit of demand for transportation impact is the vehicle trip. A vehicle trip is defined by the Institute of Transportation Engineers (ITE) as a "single or one-direction vehicle movement with either the origin or the destination (exiting or entering) inside a study site". The total traffic impact of a new development can be determined by the sum of the total number of vehicle trips generated by a development in a typical weekday. This trip generation number or impact can be estimated for an individual development using the ITE Trip Generation Manual, 11th ed. (2021). ITE's trip data is based on data collection at numerous sites over several decades.

An additional consideration is that certain developments generate pass-by trips. Pass-by trips are trips taken on the way from one development to another. An example of this is someone stopping at a gas station on the way home from work. The pass-by trip is still counted at the gas station access. However, the pass-by trip was completed by a vehicle already on the road due to other developments.

Pass-by trips do not add additional traffic to the roadway and, therefore, do not create additional impact. Many land-use types in the ITE Trip Generation Manual have a suggested reduction for pass-by trips where applicable. In each case, the trip reduction rate will be applied to the trip generation rate used in the IFA.

E. CUT-THROUGH TRIPS

Trips that do not have an origin or destination within Salem City need to be removed from the impact fee calculation. For example, if a vehicle starts a trip in Woodland Hills, travels through Salem City, and ends that trip in Spanish Fork, this trip adds traffic to a Salem roadway. However, the cost of the incremental congestion it adds to Salem City roadways cannot be recovered through impact fees. The details behind these calculations are described in Chapter 4 of this document.

The travel demand model developed specifically for the Salem Transportation Master Plan was utilized to determine cut-through percentages on Salem City roadways. A "select link" analysis was performed to determine cut-through percentages. This analysis examines a specific roadway link and traces the origins and destinations of every vehicle trip on that link. All vehicle trips that had both an origin and destination outside of Salem City were totaled, then divided by the total link volume to obtain the cut-through percentage. This analysis was performed on all major roadways within Salem City that had the potential for cut-through vehicle trips.

Given Salem's location between I-15 to the west and a mountain range to the east means cut-through trips are generally minimal. Most roadways within Salem City were found to have cut-through rates of 5% or less, with many roadways having no cut-through vehicles. Roadways that will connect adjacent municipalities, such as 1100 North and 750 North, had higher cut-through rates due to connectivity to other jurisdictions.

F. RE-ROUTED EXISTING TRIPS

New roadways may result in existing trips being re-routed from existing roadways to the new road. Therefore, the future volume on the roadway may not represent only trips from new development. Therefore, the amount of existing trips that will be re-routed to the new road is estimated and accounted for in the impact fee eligible calculations. These trips are removed from the new capacity used calculation, thus reducing the percent of the project cost that is impact fee eligible.

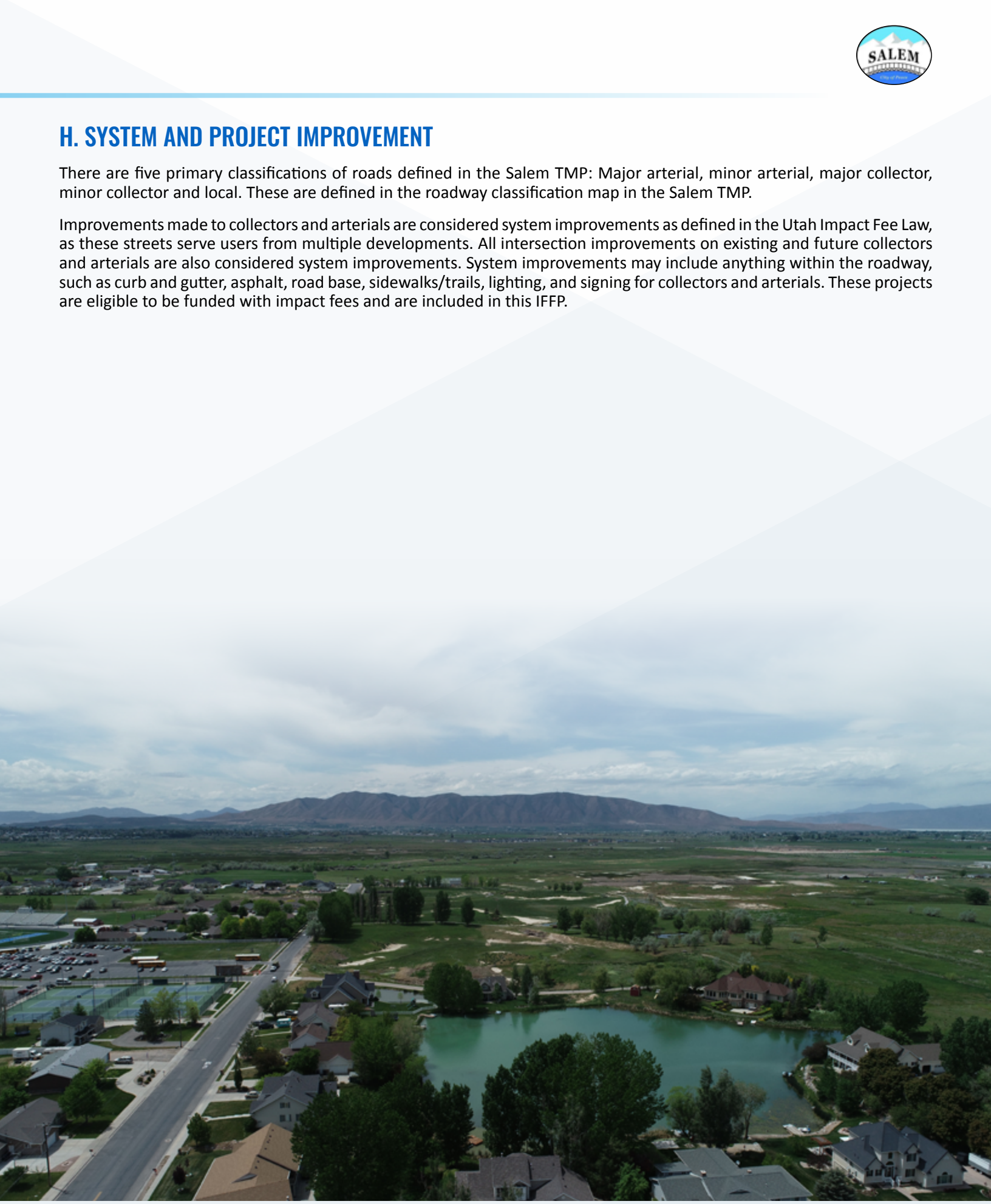
G. INTERSECTION PROJECTS

If trips resulting from new growth require an intersection to be upgraded, the full cost of the intersection is impact fee eligible. If it weren't for new development, the existing intersection configuration would be adequate. Thus, excess capacity is not accounted for with intersection projects.

H. SYSTEM AND PROJECT IMPROVEMENT

There are five primary classifications of roads defined in the Salem TMP: Major arterial, minor arterial, major collector, minor collector and local. These are defined in the roadway classification map in the Salem TMP.

Improvements made to collectors and arterials are considered system improvements as defined in the Utah Impact Fee Law, as these streets serve users from multiple developments. All intersection improvements on existing and future collectors and arterials are also considered system improvements. System improvements may include anything within the roadway, such as curb and gutter, asphalt, road base, sidewalks/trails, lighting, and signing for collectors and arterials. These projects are eligible to be funded with impact fees and are included in this IFFP.



III. Transportation Demands

A. PURPOSE

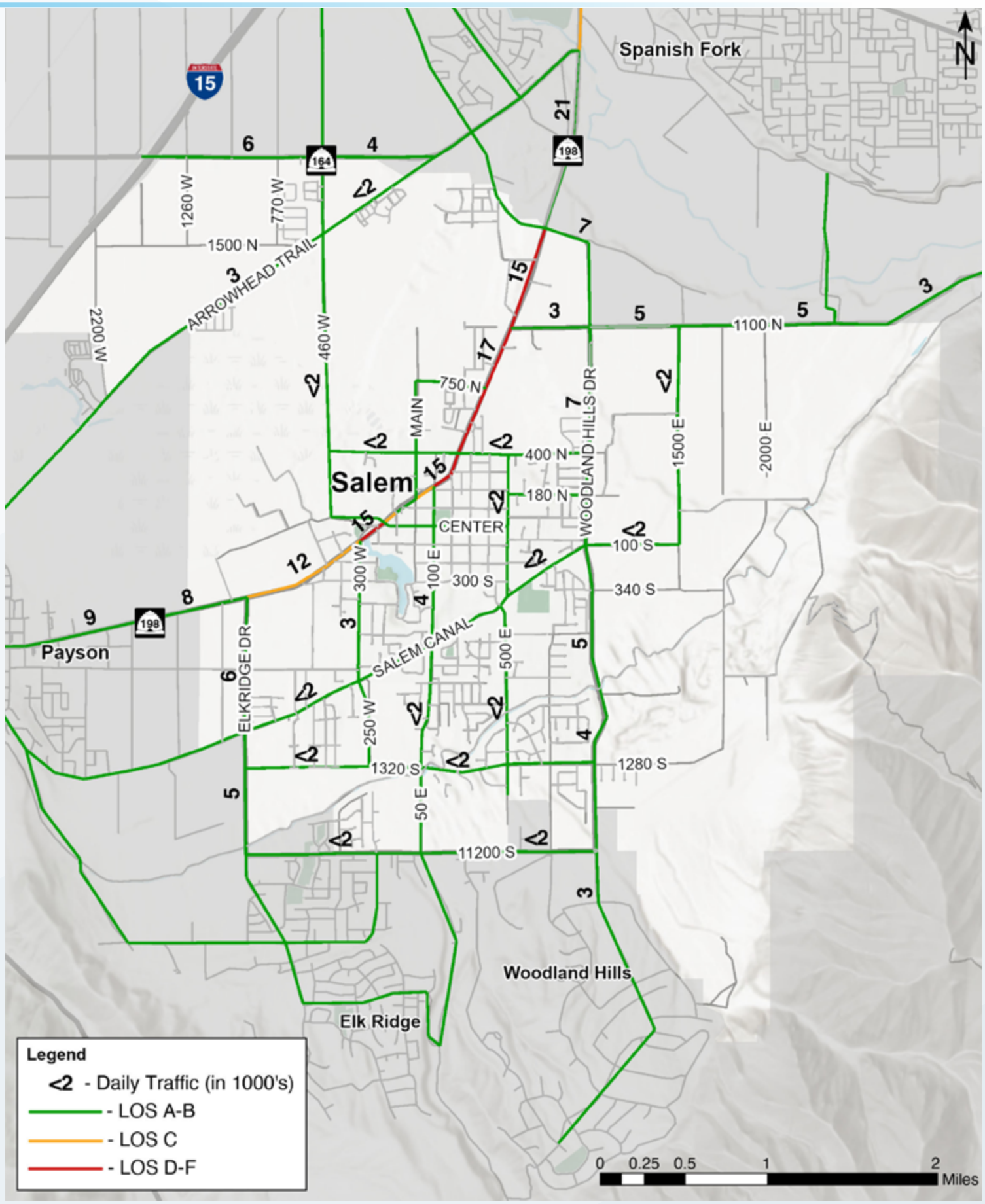
The purpose of this chapter is to identify the existing and future transportation demands on Salem roadway facilities. Future transportation demands are based on new development in the City. Once defined, the transportation demands help identify roadways that have excess capacity and those that require additional capacity due to high transportation demands.

B. EXISTING ROADWAY CONDITIONS

Existing roadway conditions were determined by collecting traffic data on major roadways in the City, as well as from a variety of traffic data sources. These additional sources include data collected by Salem City, the Utah Department of Transportation (UDOT), the 2019 Transplan50 developed by Mountainland Association of Governments (MAG), and the previous TMP. The traffic volumes were compared with each roadway capacity to identify the LOS of each segment.

The existing LOS of major roadways in Salem City is shown in Figure 3. As shown, all the major City roadways are currently operating at an acceptable LOS (C or better).

Figure 3: Existing LOS

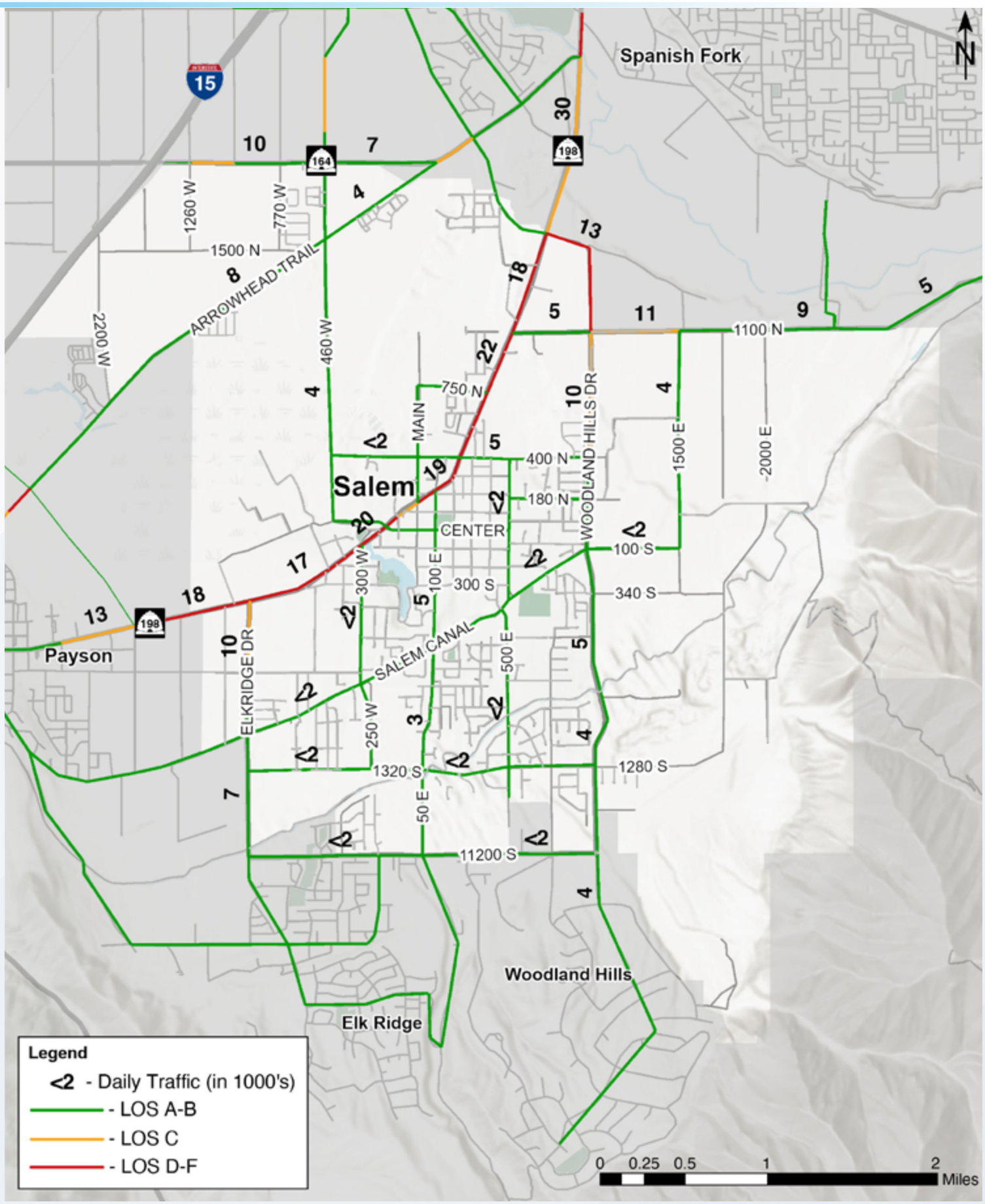


C. FUTURE ROADWAY CONDITIONS

There Future traffic volumes were projected using the travel demand model. WCG used the latest model from Mountainland Association of Governments (MAG), which is the local metropolitan planning organization (MPO), and refined it to better reflect conditions in Salem and the surrounding areas. The existing traffic volumes and data from planned developments and land uses were used to adjust the model to estimate future traffic volumes. The model was developed to estimate future volumes in 2032, assuming a no-build condition, meaning that no City roadway improvements were assumed. A no-build scenario is intended to show what the roadway network would be like in the future if no action is taken to improve the City roadway network. The future (2032) no-build LOS is shown in Figure 4. As shown, there are a number of roadways that are anticipated to deteriorate to LOS D, E or F. In addition, there are several new roads that will be needed to accommodate future development.

Based on the analysis in the Salem TMP, the anticipated growth resulting from new development in Salem City from 2022 to 2032 is **62,950** daily trips.

Figure 4: Future 2032 No Build LOS



IV. Mitigation Projects

A. PURPOSE

The purpose of this chapter is to discuss the recommended improvements and new roadways that will mitigate capacity deficiencies on City roadways, as well as the cost of those improvements. The cost of the recommended improvements is critical in the calculation of the impact fees.

B. FUTURE PROJECTS

Poor levels of service on roadways are generally mitigated by building new roads or adding travel lanes. In some cases, additional lanes can be gained by re-striping the existing pavement width. This can be accomplished by eliminating on-street parking, creating narrower travel lanes, or adding two-way left-turn lanes where they don't currently exist. Improvements can also be made at intersections to improve LOS by adding turn lanes or by changing the intersection type or the intersection control. At signalized intersections, methods to improve intersection LOS include additional left- and right-turn lanes and signal-timing improvements.

The existing and future (2032) no-build scenarios were used as a basis to predict the necessary projects to include in the IFFP. For the purposes of this IFFP, only projects that are planned to be completed by 2032 will be considered. Table 3 and Table 4 shows all City projects expected to be constructed by 2032 to meet the demands placed on the roadway network by new development. These projects are included in the IFFP analysis. UDOT projects will be funded entirely with state funds and are therefore not eligible for impact fee expenditure and are not included in this analysis.

The Impact Fees Act allows for the inclusion of a time price differential to ensure the future value of costs incurred at a later date are accurately calculated to include the costs of construction inflation. This analysis includes an inflation component to reflect the future cost of facilities. The impact fee analysis should be updated regularly to account for changes in cost estimates over time.

TABLE 3: SALEM CITY 2032 ROADWAY PROJECT LIST

Project Number	Description	Responsibility	Improvement Scope	# of Lanes	
				2022	Proposed
Phase #1 (2022 – 2032)					
1	Loafer Mountain Pkwy	Utah County	New Roadway	-	5
1	400 N; 460 West to Loafer Mountain Pkwy	Utah County	New Roadway	-	2
1	SR-164; Loafer Mountain Pkwy to I-15	UDOT	Widening	2	5
2	820 S; Woodland Hills Dr. to 810 E*	Developer	New Roadway	-	2
3	SR-198; 400 N to Spanish Fork	UDOT	Widening	3	5
4	200 N; 300 E to 400 E	Salem City	New Roadway	-	2
5	300 N; 400 E to 500 E	Salem City	New Roadway	-	2
6	1100 N; 270 E to Loafer Mountain Pkwy*	Salem City	New Roadway	-	2
7	750 N; SR-198 to 1500 E*	Salem City / Developer	New Roadway	-	3
8	Main St; 1100 N to 1640 N*	Salem City / Developer	New Roadway	-	2
9	Main St; 1100 N to 750 N*	Salem City	New Roadway	-	2
10	750 N; 1500 E to 1100 N*	Salem City / Developer	New Roadway	-	3
11	600 S; 500 E to 750 E	Salem City	Widening	-	2
12	Arrowhead Development Collectors*	Salem City / Developer	New Roadway	-	2 or 3
13	Viridian Farms Development Collectors*	Salem City / Developer	New Roadway	-	2 or 3

* IMPACT FEE ELIGIBLE PROJECT

TABLE 4: SALEM CITY 2032 INTERSECTION PROJECT LIST			
Project Number	Description	Responsibility	Improvement Scope
Phase #1 (2022 – 2032)			
1	460 W / Arrowhead Trail*	Salem	New Roundabout
2	Loafer Mountain Pkwy / SR-164	Utah County / UDOT	New Signal
3	Loafer Mountain Pkwy / SR-198	Utah County / UDOT	New Signal
4	Woodland Hills Dr / 750 N	Utah County	New Signal
5	Woodland Hills Dr / Salem Canal Rd	Utah County	New Signal
6	Elk Ridge Dr / Salem Canal Rd	Utah County	New Signal
7	Loafer Mountain Pkwy / Arrowhead Trail	Utah County	New Signal
8	1100 N / SR-198*	Salem / UDOT	New Signal
9	Woodland Hills Dr / 1100 N	MAG / Utah County	New Signal
10	Woodland Hills Dr / 400 N*	Developer / Salem	New Signal
11	Main St / 1100 N*	Developer / Salem	New Roundabout
12	1700 E / 750 N*	Developer / Salem	New Roundabout
13	750 N / 2100 E*	Developer / Salem	New Roundabout
14	1100 N / 2500 E*	Developer / Salem	New Roundabout

* IMPACT FEE ELIGIBLE PROJECT

C. PROJECT COSTS ATTRIBUTABLE TO FUTURE GROWTH

Table 5 and Table 6 represents all projects expected to be constructed by 2032 based on the analysis in the TMP. The total cost for all projects is estimated to be **$111,509,321.** Only a portion of the total cost is impact fee eligible. Some projects are expected to be partially or fully funded by developers. Funding for regional projects can also come through other sources, such as the local metropolitan planning organization, UDOT, or the County. The City will need to find funding to cover the portion of the projects that are not impact fee eligible, and are not fully funded by developers or outside sources. The cost due to future growth can be shared by new development through the assessment of transportation impact fees.

The amount of each project to be funded by impact fees varies depending on the cut-through traffic, projected traffic volumes, and capacity of each roadway. A vehicle trip is considered cut-through when the origin and the destination for a specific trip occurs outside the city limits. A cut-through traffic analysis was completed on key roadways where projects are planned in the city using a select-link analysis within the travel demand model. Specific cut-through values were assigned to each project roadway based on this analysis. The select-link analysis is described in the cut-through section in Chapter 2.

The impact fee eligibility of each project was calculated by dividing the total new development-related traffic volume of the future (2032) traffic volume by roadway capacity added by the proposed project. This eligibility percentage was then multiplied by the project cost to calculate the impact fee eligible cost for each project. The following formulas outline how the impact fee eligible cost was calculated.

$$\textit{2032 ADT in Excess of 2022 Capacity} = \textit{2032 ADT} - \textit{2022 Capacity} - \textit{Existing Trips shifted to New Road}$$

[1] *If 2032 ADT is greater than 2032 capacity, then use 2032 capacity*

$$\textit{\% Impact Fee Eligible} = \frac{\textit{(2032 ADT in Excess of 2022 Capacity)}}{\textit{(New Capacity)}} \times \textit{(1 - \% cut through)}$$

$$\textit{Impact Fee Eligible Cost} = \textit{\% Impact Fee Eligible} \times \textit{Total Project Cost}$$

A summary of the costs and impact fee eligibility of each project is shown in Table 5 and Table 6. As shown, the total impact fee eligible cost for planned Salem City projects expected to be completed by 2032 is **$18,771,006**.

TABLE 5: SALEM CITY 2032 ROADWAY PROJECT IMPACT FEE ELIGIBLE COST SUMMARY

#	Project	Type	Functional Class	Cost	Outside Funding Sources[1]	'32 ADT in Excess of '22 Capacity	New Capacity	% Pass-through	% Existing Reroute	% Impact Fee Eligible Until 2032	Impact Fees Beyond 2032	Impact Fee Eligible Cost (Until 2032)
Phase #1 (2022 – 2032)												
1	Loafer Mountain Pkwy	New	Minor Arterial									
1	400 N; 460 West to Loafer Mountain Pkwy	New	Minor Collector	$12,300,000	$12,300,000				**MAG FUNDED**			
1	SR-164; Loafer Mountain Pkwy to I-15	Widening[2]	Major Arterial									
2	820 S; Woodland Hills Dr. to 810 E	New	Minor Collector	$1,200,290		2,000	9,700	0%	50%	10%	40%	$120,029
3	SR-198; 400 N to Spanish Fork	Widening[2]	Major Arterial	$17,800,000	$17,800,000				UDOT Funded			
4	200 N; 300 E to 400 E	New	Local	$804,596					Local Road - Not Eligible			
5	300 N; 400 E to 500 E	New	Local	$828,010					Local Road - Not Eligible			
6	1100 N; 270 E to Loafer Mountain Pkwy*	New	Minor Collector	$7,798,809		3,000	9,700	29%	30%	13%	28%	$1,013,845
7	750 N; SR-198 to 1500 E*	New	Major Collector	$10,883,522		6,000	13,400	29%	15%	25%	31%	$2,720,881
8	Main St; 1100 N to 1640 N*	New	Minor Collector	$5,861,571		2,000	9,700	0%	20%	16%	64%	$937,851
9	Main St; 1100 N to 750 N*	New	Minor Collector	$2,656,807		2,000	9,700	0%	20%	16%	64%	$425,089
10	750 N; 1500 E to 1100 N (Powerhouse)*	New	Major Collector	$19,068,972		6,000	13,400	29%	15%	25%	31%	$4,767,243
11	600 S; 500 E to 750 E	Widening[2]	Local	$2,392,784					Local Road - Not Eligible			
12	Arrowhead Development Collectors	New	Collector	$8,159,335		2,000	13,400	7%	5%	13%	75%	$1,060,714
13	Viridian Farms Development Collectors	New	Collector	$11,692,262		2,000	13,400	0%	0%	15%	85%	$1,753,839
			TOTAL	**$101,446,958**	**$30,100,000**							**$12,799,491**

1. MAG STIP (State Transportation Improvement Program), UDOT, adjacent cities, or other external funding sources
2. Widening costs estimates represent the cost of widening for new growth.

TABLE 6: SALEM CITY 2032 INTERSECTION PROJECT IMPACT FEE ELIGIBLE COST SUMMARY							
#	Intersection	Improvement	Cost	Other Outside Funding Sources[1]	% Pass-through	% Impact Fee Eligible	Impact Fee Eligible Cost (Until 2032)
Phase #1 (2022 – 2032)							
1	460 W / Arrowhead Trail*	New Roundabout	$1,230,850		50%	50%	$615,425
2	Loafer Mountain Pkwy / SR-164	New Signal	$300,000	$300,000	Utah Co. / UDOT Funded		
3	Loafer Mountain Pkwy / SR-198	New Signal	$300,000	$300,000	Utah Co. / UDOT Funded		
4	Woodland Hills Dr / 750 N	New Signal	$300,000	$300,000	Utah Co. Funded		
5	Woodland Hills Dr / Salem Canal Rd	New Signal	$300,000	$300,000	Utah Co. Funded		
6	Elk Ridge Dr / Salem Canal Rd	New Signal	$300,000	$300,000	Utah Co. Funded		
7	Loafer Mountain Pkwy / Arrowhead Trail	New Signal	$300,000	$300,000	Utah Co. Funded		
8	1100 N / SR-198*	New Signal / Intersection Improvements	$637,164	$300,000	29%	71%	$239,386
9	Woodland Hills Dr / 1100 N	New Signal	$300,000	$300,000	Utah Co. / UDOT Funded		
10	Woodland Hills Dr / 400 N*	New Signal	$532,994	$300,000	20%	80%	$186,395
11	Main St / 1100 N*	New Roundabout	$1,071,111		15%	85%	$910,444
12	1700 E / 750 N*	New Roundabout	$1,622,002		29%	71%	$1,151,621
13	750 N / 2100 E*	New Roundabout	$1,622,002		0%	100%	$1,622,002
14	1100 N / 2500 E*	New Roundabout	$1,246,241		0%	100%	$1,246,241
			$10,062,363	**$2,700,000**			**$5,971,515**

1. MAG STIP (State Transportation Improvement Program), UDOT, adjacent cities, or other external funding sources

V. Funding Sources

A. PURPOSE

The purpose of this chapter is to identify the funding sources that are available for roadway improvement projects. All possible revenue sources have been considered as a means of financing transportation capital improvements needed as a result of new growth. Funding sources for transportation are essential to enable the recommended improvements in Salem City to be built. This chapter discusses the potential revenue sources that could be used to fund transportation needs.

Transportation routes often span multiple jurisdictions and provide regional significance to the transportation network. As a result, other government jurisdictions or agencies often help pay for such regional benefits. Those jurisdictions and agencies could include the Federal Government, the State (UDOT), the County, and the local MPO (MAG). The City will need to continue to partner and work with these other jurisdictions to ensure adequate funds are available for the specific improvements necessary to maintain an acceptable LOS. The City will also need to partner with adjacent communities to ensure corridor continuity across jurisdictional boundaries (i.e., arterials connect with arterials, collectors connect with collectors, etc.).

B. FEDERAL FUNDING

Federal money is available to cities and counties through the federal-aid program. In Utah, UDOT administers these funds. To be eligible, a project must be listed on the five-year Statewide Transportation Improvement Program (STIP).

The Surface Transportation Program (STP) funds projects for any roadway with a functional classification of a collector street or higher as established on the Statewide Functional Classification Map. STP funds can be used for both rehabilitation and new construction. The Joint Highway Committee programs a portion of the STP funds for projects around the state in urban areas. Another portion of the STP funds can be used for projects in any area of the state at the discretion of the State Transportation Commission. Transportation Enhancement funds are allocated based on a competitive application process. The Transportation Enhancement Committee reviews all applications and then a portion of the applications are passed to the State Transportation Commission. Transportation enhancements include twelve categories ranging from historic preservation, bicycle and pedestrian facilities, and water runoff mitigation.

MAG accepts applications for federal funds from local and regional government jurisdictions. The WFRC Technical Advisory and Regional Planning Committees select projects for funding every two years. The selected projects form the Transportation Improvement Program (TIP). In order to receive funding, projects should include one or more of the following aspects:

- **Congestion relief** – spot improvement and corridor improvement projects intended to improve levels of service and/or reduce average delay along those corridors identified in the Regional Transportation Plan as high-congestion areas
- **Mode choice** – projects improving the diversity and/or usefulness of travel modes other than single-occupant vehicles
- **Air quality improvements** – projects showing demonstrable air quality benefits
- **Safety** – improvements to vehicular, pedestrian, and bicyclist safety

C. STATE/COUNTY FUNDING

The distribution of State Class B and C program funds is established by State Legislation and is administered by UDOT. Revenues for the program are derived from State fuel taxes, registration fees, driver license fees, inspection fees, and transportation permits. Seventy-five percent of these funds are kept by UDOT for their construction and maintenance programs. The rest is made available to counties and cities. As some of the roads in Salem fall under UDOT jurisdiction, it is in the interest of the City that staff are aware of the procedures used by UDOT to allocate those funds and to be active in requesting the funds be made available for UDOT-owned roadways in the City.

Class B and C funds are allocated to each city and county based on the following formula: 50 percent based on the percentage that the population of the county or municipality bears to the total population of the state, and 50 percent based on the percentage that the B and C road weighted mileage of the county or municipality bears to the total Class B and Class C road total weighted mileage. Class B and C funds can be used for maintenance and construction projects.

D. CITY FUNDING

Some cities utilize general fund revenues for their transportation programs. Another option for transportation funding is to create special improvement districts. These districts are organized for the purpose of funding a single specific project that benefits an identifiable group of properties. Another source of funding used by cities is revenue bonding for projects intended to benefit the entire community.

Private interests often provide resources for transportation improvements. Developers construct the local streets within subdivisions and often dedicate right-of-way and participate in the construction of collector/arterial streets adjacent to their developments. Developers can also be considered a possible source of funds for projects through the use of impact fees. These fees are assessed as a result of the impacts a particular development will have on the surrounding roadway system, such as the need for traffic signals or street widening.

General fund revenues are typically reserved for operation and maintenance purposes as they relate to transportation. However, general funds can be used, if available, to fund the expansion or introduction of specific services. Providing a line item in the City budgeted general funds to address roadway improvements that are not impact fee eligible is a recommended practice to fund transportation projects, should other funding options fall short of the needed amount.

General obligation bonds are debt paid for or backed by the City's taxing power. In general, facilities paid for through this revenue stream are in high demand amongst the community. Typically, general obligation bonds are not used to fund facilities that are needed as a result of new growth because existing residents would be paying for the impacts of new growth. As a result, general obligation bonds are not considered a fair means of financing future facilities needed as a result of new growth. They may be considered as a reasonable method to address existing deficiencies.

Certain areas might have different needs or require different methods of funding than traditional revenue sources. A Special Assessment Area (SAA) can be created for infrastructure needs that benefit or encompass specific areas of the City. The municipality can create an SAA through a resolution declaring that public health, convenience, and necessity require the creation of an SAA. The boundaries and services provided by the district must be specified and a public hearing must be held before the SAA is created. Once the SAA is created, funding can be obtained from tax levies, bonds, and fees when approved by the majority of the qualified electors of the SAA. These funding mechanisms allow the costs to be spread out over time. Through the SAA, tax levies and bonding can apply to specific areas in the City needing to benefit from the improvements.

E. INTERFUND LOANS

Since infrastructure generally must be built ahead of growth, it is sometimes funded before expected impact fees are collected. Bonds are the solution to this problem in some cases. In other cases, funds from existing user rate revenue will be loaned to the impact fee fund to complete initial construction of the project. As impact fees are received, they will be reimbursed. Consideration of these loans will be included in the impact fee analysis and should be considered in subsequent accounting of impact fee expenditures.

F. DEVELOPER DEDICATIONS AND EXACTIONS

Developer dedications and exactions can both be credited against the developer's impact fee analysis. If the value of the developer's dedications and/or extractions are less than the developer's impact fee liability, the developer will owe the balance of the liability to the City. If the dedications and/or extractions of the developer are greater than the impact fee liability, the City may reimburse the developer the difference.

G. DEVELOPER IMPACT FEES

Impact fees are a way for a community to obtain funds to assist in the construction of infrastructure improvements resulting from and needed to serve new growth. The premise behind impact fees is that if no new development occurred, the existing infrastructure would be adequate. Therefore, new development should pay for the portion of required improvements that result from new growth. Impact fees are assessed for many types of infrastructure and facilities that are provided by a community, such as roadways. According to state law, impact fees can only be used to fund growth-related system improvements.

According to State statute, impact fees must only be used to fund projects that will serve needs caused by future development. They are not to be used to address present deficiencies. Only project costs that address future needs are included in this IFFP. This ensures a fair fee since developers will not be expected to address present deficiencies.

Legislation requires that impact fees should be spent or encumbered within six years after each impact fee is paid. Impact fees collected in the next six years should be spent on those projects outlined in the IFFP as growth related costs to maintain the City established LOS. Impact fees collected as buy-in to existing facilities can be allocated to the General Fund to repay the City for historic investment.

VI. Impact Fee Certification

A. OVERVIEW

This report has been prepared in accordance with Utah Code Title 11, Chapter 36a, "Impact Fees Act." This report (including its results and projections) relies upon the planning, engineering, land use, and other source data provided in the Salem City TMP (2022).

In accordance with Utah Code Annotate, 11-36a-306(1), WCG certifies that this impact fee facilities plan:

1. Includes only the cost of public facilities that are:
    a. allowed under the Impact Fees Act; and
    b. actually incurred; or
    c. are projected to be incurred or encumbered within six years of the day on which each impact fee is paid;
2. Does not include:
    a. costs of operation and maintenance of public facilities; or
    b. costs for qualifying public facilities that will raise the level of service for the facilities, through impact fees, above the LOS supported by existing residents; and
3. Complies in each and every relevant respect with the Impact Fees Act.

This certification is made with the following limitations:

- All of the recommendations for implementing this IFFP and IFA are followed in their entirety by the City.
- If any portion of the IFFP is modified or amended in any way, this certification is no longer valid.

All information presented and used in the creation of this IFFP is assumed to be complete and correct, including any information received from the City or other outside sources.