



PUBLIC  
FINANCE  
ADVISORS

# **PERRY, UTAH**

## **WATER IMPACT FEES**

**FEBRUARY 2024**

# INTRODUCTION TO IMPACT FEES

- **Before imposing an impact fee, each local political subdivision or private entity shall prepare:**



## IMPACT FEE FACILITIES PLAN (IFFP)

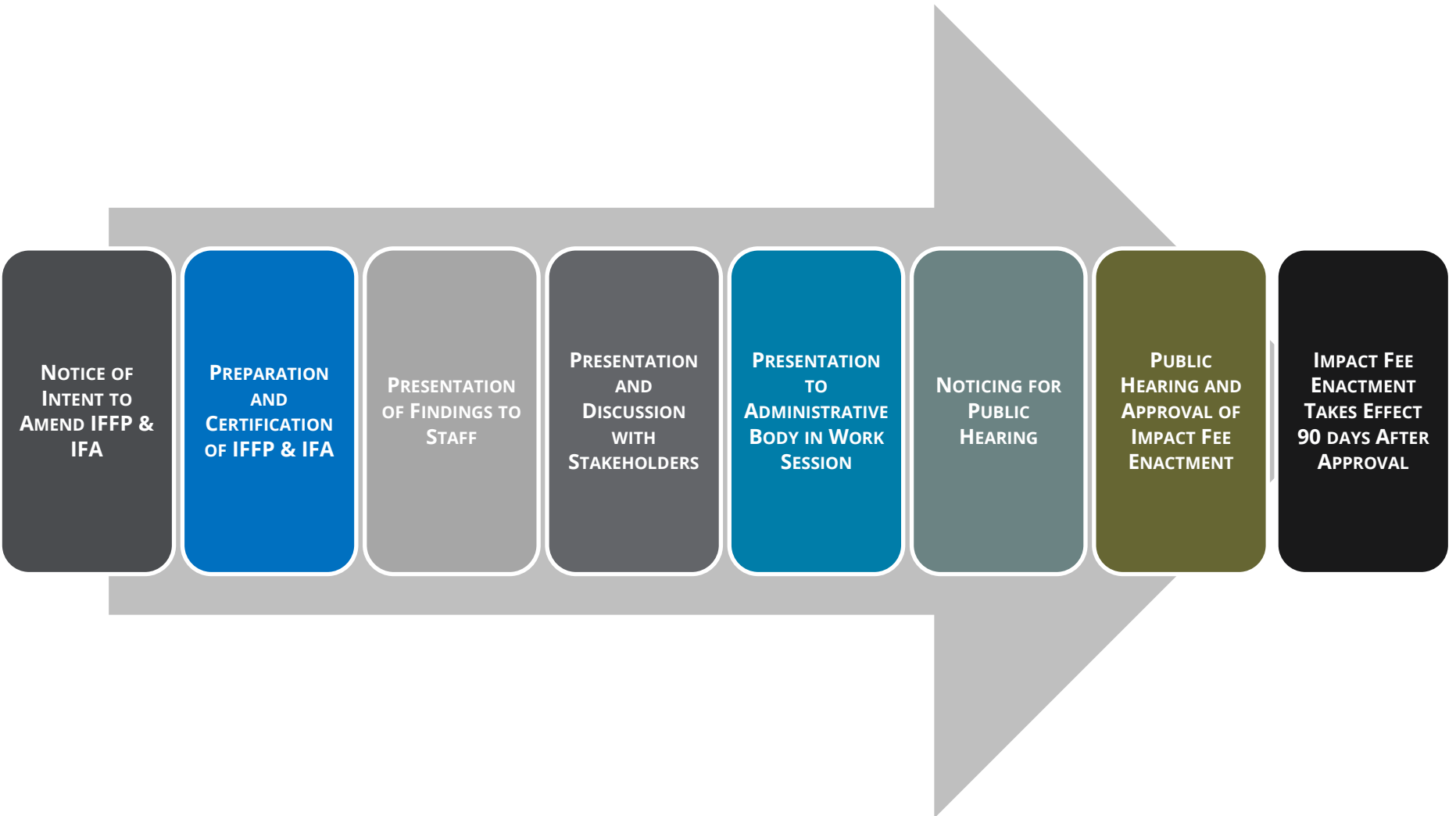
Identifies the demands placed upon the City's existing facilities by future development and evaluates how these demands will be met by the City. Outlines the improvements which are intended to be funded by impact fees.

## IMPACT FEE ANALYSIS (IFA)

Proportionately allocates the cost of the new facilities and any excess capacity to new development, while ensuring that all methods of financing are considered.

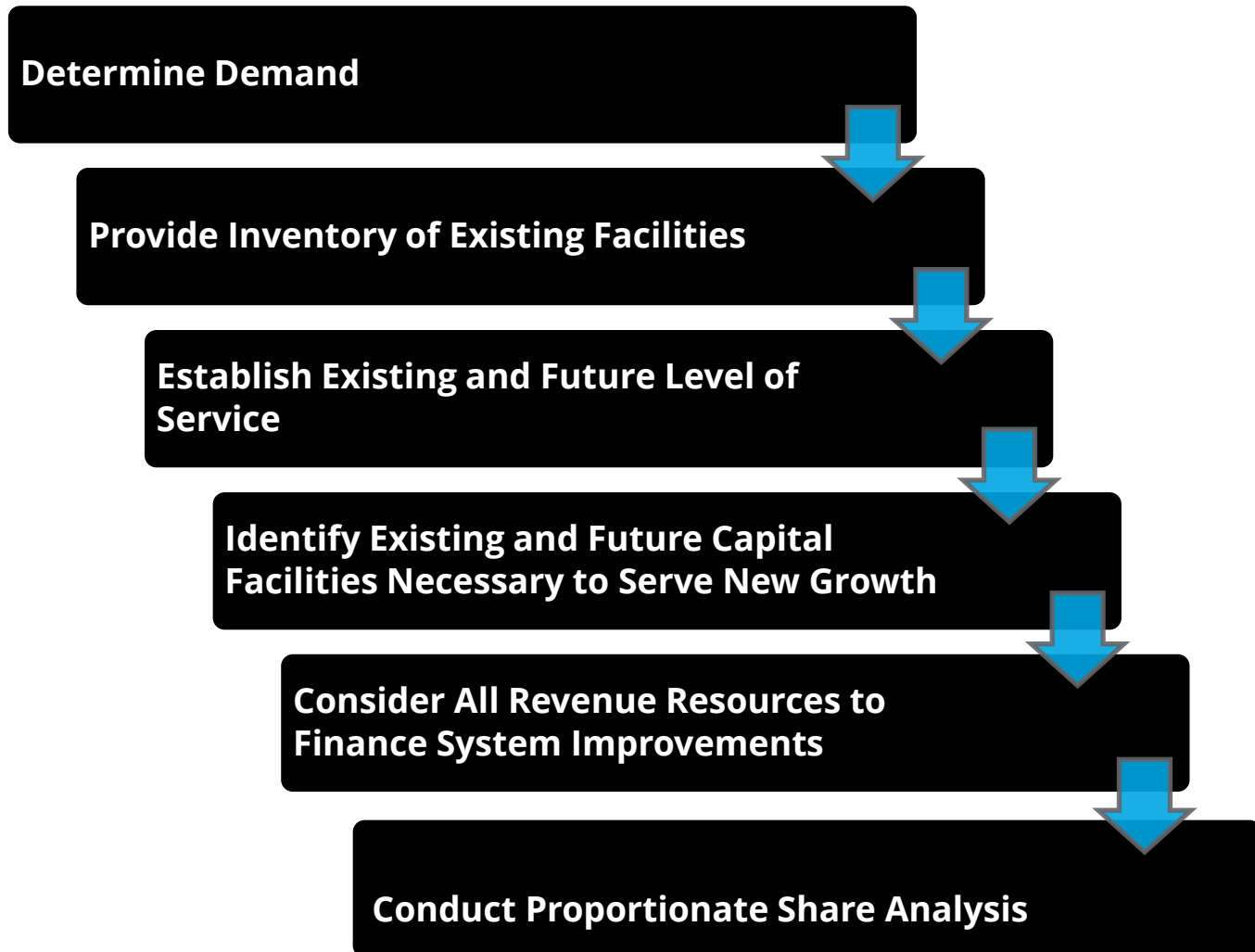


# IMPACT FEE PROCESS



# CRAFTING A WORKING IFFP & IFA

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- ❑ FEES CONSIDERED

- ❑ WATER

- ❑ PARKS

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# WATER IMPACT FEE ANALYSIS



# METHODOLOGY

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- ❑ BASED ON TWO SCENARIOS
  - ❑ SCENARIO 1: INDOOR ONLY – NO IRRIGATION PROVIDED WITHIN CULINARY CITY'S SYSTEM
  - ❑ SCENARIO 2: INDOOR AND OUTDOOR –NEW DEVELOPMENT WILL HAVE ACCESS TO IRRIGATION PROVIDED WITHIN CULINARY CITY'S SYSTEM

# SERVICE AREA

- ❑ **All areas within the City**

# DEMAND ANALYSIS

- ❑ **Equivalent residential connections (ERCs)**
- ❑ **IFFP ERCs: 866**

# LEVEL OF SERVICE

- ❑ **Gallons per day (GPD)**



# EXISTING FACILITIES

- ❑ **Assumes Well #1 & #3 are offline**
- ❑ **Contemplates buy-in for source, storage, and distribution**

# FUTURE FACILITIES

- ❑ **Scenario 1: \$8.7M IFFP Cost**
- ❑ **Scenario 2: \$17.9M IFFP Cost**

# PROPORTIONATE SHARE ANALYSIS

## Scenario 1 Proposed Water Impact Fee

	TOTAL COST	% TO IFFP DEMAND	COST TO GROWTH	ERCs SERVED	COST PER ERC
<b>Buy-In</b>					
Source	\$483,841	4%	\$21,175	866	\$24
Storage	\$1,261,352	<b>24%</b>	\$301,333	866	\$348
Distribution	\$3,105,231	9%	\$290,090	866	\$335
<b>Future Facilities</b>					
Source	\$9,597,650	<b>60%</b>	\$5,765,255	866	\$6,657
Storage	\$3,265,660	<b>0%</b>	\$0	866	\$0
Distribution	\$4,210,704	70%	\$2,967,626	866	\$3,427
Professional Expense	\$7,500	100%	\$7,500	866	\$9
<b>TOTAL</b>	<b>\$21,931,938</b>		<b>\$9,352,978</b>		<b>\$10,800</b>

# PROPORTIONATE SHARE ANALYSIS

## Scenario 2 Proposed Water Impact Fee

	TOTAL COST	% TO IFFP DEMAND	COST TO GROWTH	ERCs SERVED	COST PER ERC
<b>Buy-In</b>					
Source	\$483,841	4%	\$21,175	866	\$24
Storage	\$1,261,352	<b>52%</b>	\$655,903	866	\$757
Distribution	\$3,105,231	9%	\$290,090	866	\$335
<b>Future Facilities</b>					
Source	\$16,880,269	<b>82%</b>	\$13,851,081	866	\$15,994
Storage	\$3,265,660	<b>35%</b>	\$1,136,123	866	\$1,312
Distribution	\$4,210,704	70%	\$2,967,626	866	\$3,427
Professional Expense	\$7,500	100%	\$7,500	866	\$9
<b>TOTAL</b>	<b>\$29,214,557</b>		<b>\$18,929,498</b>		<b>\$21,858</b>

# PROPORTIONATE SHARE ANALYSIS

## Water Impact Fee Summary

	<b>COST PER ERC</b>
<b>Scenario 1 (Indoor Only)</b>	<b>\$10,800</b>
<b>Scenario 2 (Indoor + Outdoor)</b>	<b>\$21,858</b>

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# PARK IMPACT FEE ANALYSIS



# SERVICE AREA

- ❑ **All areas within the City**

# DEMAND ANALYSIS

- ❑ **Population**
- ❑ **IFFP Population: 1,336**

# LEVEL OF SERVICE

- ❑ **Acres per 1,000 population**

# EXISTING FACILITIES

	<b>CITY OWNED ACREAGE</b>	<b>EST. LAND VALUE</b>	<b>LAND VALUE PER ACRE</b>	<b>EST. IMPROV. VALUE</b>	<b>IMP. VALUE PER ACRE</b>	<b>TOTAL VALUE PER ACRE</b>
All Facilities	44.80	\$8,825,000	\$196,987	\$2,376,705	\$53,051	\$250,038
Per Capita	0.01	\$1,527	\$34	\$411	\$9	\$1,938

# FUTURE FACILITIES

<b>TYPE OF IMPROVEMENT</b>	<b>UNIT OF MEASURE</b>	<b>POPULATION INCREASE IFFP HORIZON</b>	<b>TOTAL VALUE PER CAPITA</b>	<b>ESTIMATED FUTURE INVESTMENT</b>
Total Facilities	Per Capita	1,336	\$1,938	<b>\$2,589,401</b>

# PROPORTIONATE SHARE ANALYSIS

**Table: Proposed Park Impact Fee**

TYPE OF IMPROVEMENT	PROPOSED LOS PER 1,000	LAND COST PER CAPITA	IMPROVEMENT VALUE PER CAPITA	TOTAL VALUE PER CAPITA
All Parks	7.75	\$1,527	\$411	\$1,938
OTHER COMPONENTS TO FEE		ADDITIONAL VALUE	DEMAND SERVED	TOTAL VALUE PER CAPITA
Buy-In		\$0	1,336	\$0
Impact Fee Credit		\$0	1,336	\$0
Professional Expense		\$7,920	1,336	\$6
<b>Estimate of Impact Fee Per Capita</b>				<b>\$1,944</b>

	AVERAGE HH SIZE	FEE PER HH	EXISTING FEE PER HH	% CHANGE
Residential	3.34	<b>\$6,493</b>	\$2,000	225%



# NEXT STEPS

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- Hold public hearing
- Adopt, modify, or reject Impact Fees
- 90-day wait period before fees are effective

# QUESTIONS

FRED PHILPOT | VICE PRESIDENT/COO

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