



North Davis Fire District

Public Safety IFA

DRAFT

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Utah Code Legal Requirements - Impact Fee Analysis

Preparation of Impact Fee Analysis. Utah Code requires that “each local political subdivision... intending to impose an impact fee shall prepare a written analysis of each impact fee” (*Utah Code 11-36a-303*).

Requirements of Impact Fee Analysis. Section 11-36a-304 of the Utah Code outlines the requirements of an impact fee analysis which is required to identify the following:

- (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 anticipated impacts 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 improvement that are reasonably related to the new development activity; and
- (a) based on the requirements of this chapter, identify how the impact fee was calculated.

Further, 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 means such 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.

Calculating Impact Fees. Utah Code states that for purposes of calculating an impact fee, a local political subdivision or private entity may include:

- (a) the construction contract price;
- (b) the cost of acquiring land, improvements, materials, and fixtures;
- (c) the cost for planning, surveying, and engineering fees for services provided for and directly related to the construction of the system improvements; and
- (d) for political subdivision, debt service charges, if the political subdivision might use impact fees as a revenue stream to pay the principal and interest on bonds, notes or other obligations issued to finance the costs of the system improvements.

Additionally, the Code states that each political subdivision or private entity shall base impact fee amounts on realistic estimates and the assumptions underlying those estimates shall be disclosed in the impact fee analysis.

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

Impact Fee Enactment. Utah Code states that a local political subdivision or private entity wishing to impose impact fees shall pass an impact fee enactment in accordance with Section 11-36a-402. Additionally, an impact fee imposed by an impact fee enactment may not exceed the highest fee justified by the impact fee analysts. An impact fee enactment may not take effect until 90 days after the day on which the impact fee enactment is approved.

Executive Summary

The North Davis Fire District provides fire and EMS services to all areas within Clearfield and West Point cities as well as the unincorporated area adjacent to West Point City. The District provides fire/EMS services to residential and non-residential development.

This IFA is organized based on the requirements of Utah Code 11-36a-304.

Impact on Consumption of Existing Capacity

Utah Code 11-36a-304(1)(a): an impact fee analysis shall identify the anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity

The North Davis Fire District currently occupies two fire stations including a 16,410 square foot facility in West Point and a 9,050 square foot facility in Clearfield. The West Point Fire Station serves development in West Point City and the adjacent unincorporated area. The Clearfield Fire Station services development in Clearfield City.

The current level of service for the North Davis Fire District is 0.988 fire facility building square feet per household for residential development and 1.356 fire facility building square feet per 1,000 square feet of non-residential development. There is currently excess fire station capacity to accommodate growth over the next six years. The proposed level of service is 0.854 building square feet per household and 1.169 building square feet per 1,000 square feet of non-residential development.¹

The District purchased a 2009 Spartan Aerial in 2011 for \$600,000. This vehicle has a projected ten-year life span from the year of purchase with excess capacity to service new growth over the next six years.

Impact on System Improvements by Anticipated Development Activity -

Utah Code 11-36a-304(1)(b): an impact fee analysis shall identify the anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility;

The District intends to maintain its proposed level of fire service. There is currently sufficient excess fire station capacity to accommodate residential and non-residential growth over the next six years.

As growth occurs from increased development activity, additional public safety equipment will be necessary to service new development. The District intends to purchase an ambulance/pumper apparatus at a cost of \$636,500² to service new development in the next six years.³

¹ The District plans to build a new 18,000 square foot Clearfield City Fire Station in 2025 in place of the existing fire station. Additionally, the District is proposing to build an additional 7,400 square foot Fire Station in West Point in 2030 to maintain NFPA fire response times.

² Source: North Davis Fire District

³ Source: North Davis Fire District Capital Facilities Plan, Horrocks Engineering, April 2015

Relationship of Anticipated Impacts to Anticipated Development Activity

Utah Code 11-36a-304(1)(c): an impact fee analysis shall 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 demand placed on existing public safety facilities by new development activity is attributed to both residential and non-residential growth. The number of households in the North Davis Fire District is projected to grow from 14,795 in 2015 to 16,096 in 2021. Non-residential square feet are projected to increase from 7,998,957 square feet in 2015 to 8,973,524 square feet in 2021.

As growth occurs as a result of increased development activity, no new building facilities are required within the next six to ten years, but a new ambulance/pumper is required to maintain proposed standards.

The City plans to purchase a new ambulance/pumper apparatus in 2015 to meet the demands of new residential and non-residential growth. The cost of the ambulance/pumper apparatus is \$636,500.⁴

Proportionate Share Analysis - *Utah Code 11-36a-304(1)(d)(i)(ii)*

Utah Code 11-36a-304(1)(d)(i)(ii): an impact fee analysis shall estimate the proportionate share of 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;

Costs Reasonably Related to Excess Capacity - The buy-in cost for excess fire station capacity consumed by growth over the next six years is \$123.52 per unit for residential growth and \$0.22 per square foot for non-residential growth.

The fire suppression vehicle buy-in cost is \$0.15 per square foot for non-residential development.

Costs Reasonably Related to New Development Activity - The non-residential cost per square foot for the new fire suppression vehicle purchased to service new growth is \$0.16.

In 2008, the District issued \$3.1 million of revenue bonds to finance the construction of the West Point Fire Station. In calculating an impact fee, a local political subdivision or private entity may include debt service charges, if the political subdivision might use impact fees as a revenue stream to pay the principal and interest on bonds, notes, or other obligations issued to finance the costs of the system improvements. The principal and interest on these bonds are being paid with a combination of impact fee revenue and ambulance fee revenue. As such, a portion of the debt service charges may be included in the impact fee calculation. The debt service charge per residential unit is \$16.77 and the debt service charge per non-residential unit is \$15.00.

⁴ North Davis Fire District IFFP, Horrocks Engineers, 2015

Summary of Impact Fee

Utah Code 11-36a-304(1)(e): an impact fee analysis shall be based on the requirements of this chapter, identify how the impact fee was calculated;

The total maximum allowable public safety impact fee per household is \$136.68.

TABLE E1 MAXIMUM ALLOWABLE IMPACT FEE PER HOUSEHOLD

Description	Amount
Per Household Buy-In Cost for Fire Station Excess Capacity	\$123.52
Per Household Debt Interest Cost for 2008 Fire Station Bond	\$16.77
Per Household Consultant Cost	\$7.59
Impact Fee Fund Balance Credit	(\$11.20)
Total Maximum Allowable Public Safety Impact Fee Per Household	\$136.68

The total non-residential public safety impact fee is \$0.56 per square foot before credits are made for payments on outstanding debt and lease obligations.

TABLE E2: TOTAL IMPACT FEE PER NON-RESIDENTIAL SQUARE FOOT

Description	Amount
Fire Station Buy-In Cost per 1,000 SF of Non-Residential	\$224.75
Existing Apparatus Buy-In Cost per 1,000 SF of Non-Residential	\$152.12
New Apparatus Buy-In Cost per 1,000 SF of Non-Residential	\$161.30
Debt Interest Cost for 2008 Fire Station Bond per 1,000 SF of Non-Residential	\$15.00
Consult Cost per 1,000 SF of Non-Residential	\$7.52
Impact Fee Fund Balance Credit per 1,000 SF of Non-Residential	(\$19.69)
Total Public Safety Impact Fee per 1,000 SF of Non-Residential	\$560.68
Total Public Safety Impact Fee per Non-Residential Square Foot	\$0.56

The capital lease payments for the fire suppression vehicles included in the impact fee calculation are being made with property tax revenue. As such a credit is issued based on the net present value of the future stream of property tax capital lease payments. Table E3 shows the maximum allowable non-residential impact fee per square foot through 2021.

TABLE E3: NET IMPACT FEE PER NON-RESIDENTIAL SQUARE FOOT

Year	Gross Impact Fee per 1,000 SF of Non-Residential	NPV of Capital Lease Payments	Net Impact Fee per 1,000 SF of Non-Residential	Impact Fee per Non-Residential Square Foot
2015	\$560.68	\$41.49	\$519.19	\$0.52
2016	\$560.68	\$35.86	\$524.82	\$0.52
2017	\$560.68	\$30.14	\$530.54	\$0.53
2018	\$560.68	\$24.32	\$536.36	\$0.53
2019	\$560.68	\$18.41	\$542.27	\$0.54
2020	\$560.68	\$12.39	\$548.29	\$0.54
2021	\$560.68	\$6.25	\$554.43	\$0.55

Manner of Financing

Utah Code 11-36a-304(2)(c)(d)(e)(f)(g)(h): an impact fee analysis shall identify, if applicable: other than impact fees, the manner of financing for each public facility such as user charges, special assessments, bonded indebtedness, federal taxes, or federal grants;

An impact fee is a one-time fee that is implemented by a local government on new development to help fund and pay for all or a portion of the costs of public facilities that are needed to serve new development. Additionally, impact fees allow new growth to share in the cost of existing facilities that have excess capacity.

Impact Fee Credits - The Impact Fees Act requires credits to be paid back to development for future fees that may be paid to fund system improvements found in the IFFP so that new development is not charged twice.

Extraordinary Costs and Time Price Differential - It is not anticipated that there will be any extraordinary costs in servicing the proposed public safety facility. Current costs have been used to compute impacts on system improvements required by anticipated development activity to maintain the established public safety level of service.

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Impact Fee Analysis

The North Davis Fire District provides fire and EMS services to all areas within Clearfield and West Point cities as well as the unincorporated area adjacent to West Point City. The District provides fire/EMS services to residential and non-residential development. The calculations in this analysis are based on one service area.

Public safety facilities as defined by Utah Code include:

- (i) a building constructed or leased to house police, fire or other public safety entities, or
- (ii) a fire suppression vehicle costing in excess of \$500,000.

This IFA is organized based on the requirements of Utah Code 11-36a-304.

1 Impact on Consumption of Existing Capacity

Utah Code 11-36a-304(1)(a): an impact fee analysis shall identify the anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity

The North Davis Fire District currently occupies two fire stations including a 16,410 square foot facility in West Point and a 9,050 square foot facility in Clearfield. The West Point Fire Station serves development in West Point City and the adjacent unincorporated areas. The Clearfield Fire Station services development in Clearfield City. The number of households in the North Davis Fire District is projected to grow from 14,795 in 2015 to 16,096 in 2021.⁵ Non-residential development is projected to increase from 7,998,957 square feet in 2015 to 8,973,524 square feet in 2021.⁶

TABLE 1: PROJECTED GROWTH

Year	Households	Non-Residential Square Feet
2015	14,795	7,998,957
2016	15,002	8,153,197
2017	15,212	8,310,613
2018	15,427	8,471,278
2019	15,645	8,635,267
2020	15,868	8,802,656
2021	16,096	8,973,524
Growth	1,301	974,567

The current level of service for the North Davis Fire District is 0.988 fire facility building square feet per household for residential development and 1.356 fire facility building square feet per 1,000 square feet of non-residential development.

⁵ Source: North Davis Fire District Public Safety Impact Fee Facilities Plan, Horrocks Engineers, 2015

⁶ Non-residential square foot growth for Clearfield and West Point cities was calculated assuming each city's current average square feet per developed non-residential acre (8,000 for Clearfield and 7,000 for West Point), and assuming 75 percent of undeveloped non-residential acreage will be developed as non-residential at build-out. Using these assumptions, the average annual non-residential growth rate for Clearfield is 1.8 percent and 3.9 percent for West Point.

TABLE 2: CURRENT LEVEL OF SERVICE

Description	Total Calls	% of Total Calls	HH/1,000 SF	Calls per Unit (HH/1,000 SF)	Fire Station. SF Allocation	Fire SF per Unit ⁷
Residential	1,358	57.4%	14,795	0.092	14,614	0.988
Non-Residential	1,006	42.6%	7,999	0.126	10,846	1.356
Total	2,364	100%			25,460	

There is currently excess fire station capacity to accommodate growth over the next six years. The proposed level of service is 0.854 building square feet per household and 1.169 building square feet per 1,000 square feet of non-residential development.⁸ Tables 3 and 4 show the consumption of excess fire station capacity over the next six years.

TABLE 3: RESIDENTIAL CONSUMPTION OF EXCESS CAPACITY

Year	Residential LOS SF per HH	Proposed Residential LOS SF per HH	Residential Excess Capacity
2015	0.988	0.854	0.134
2016	0.974	0.854	0.120
2017	0.961	0.854	0.107
2018	0.947	0.854	0.093
2019	0.934	0.854	0.080
2020	0.921	0.854	0.067
2021	0.908	0.854	0.054

TABLE 4: NON-RESIDENTIAL CONSUMPTION OF EXCESS CAPACITY

Year	Non-Residential LOS per 1,000 SF	Proposed Non-Residential LOS Per 1,000 SF	Non-Residential Excess Capacity
2015	1.356	1.169	0.187
2016	1.330	1.169	0.161
2017	1.305	1.169	0.136
2018	1.280	1.169	0.111
2019	1.256	1.169	0.087
2020	1.232	1.169	0.063
2021	1.209	1.169	0.040

A total of 2,763 square feet of excess capacity will be consumed by growth over the next six years.

⁷ A non-residential "unit" is described as per 1,000 SF

⁸ The District plans to build a new 18,000 square foot Clearfield City Fire Station in 2025 in place of the existing fire station. Additionally, the District is proposing to build an additional 7,400 square foot Fire Station in West Point in 2030 to maintain NFPA fire response times.

TABLE 5: SQUARE FEET OF FIRE STATION CAPACITY CONSUMED OVER THE NEXT SIX YEARS

Year	Residential Fire Building Allocation/SF	Residential Excess Capacity per HH	Residential Excess Capacity	Non-Residential Fire Building Allocation/SF	Non-Residential Excess Capacity per 1,000 SF	Non-Residential Excess Capacity	Total Excess Capacity
2015	14,614	0.134	1,958	10,846	0.187	2,028	3,986
2016	14,614	0.120	1,754	10,846	0.161	1,746	3,500
2017	14,614	0.107	1,564	10,846	0.136	1,475	3,039
2018	14,614	0.093	1,359	10,846	0.111	1,204	2,563
2018	14,614	0.080	1,169	10,846	0.087	944	2,113
2020	14,614	0.067	979	10,846	0.063	683	1,662
2021	14,614	0.054	789	10,846	0.040	434	1,223
Excess Capacity Consumed			1,169			1,594	2,763

Utah Code allows fire suppression vehicles costing in excess of \$500,000 to be included in the impact fee analysis.⁹ Utah Code further states that “a political subdivision or private entity may not impose an impact fee on residential components of development to pay for a public safety facility that is a fire suppression vehicle.”¹⁰

The District purchased a 2009 Spartan Aerial in 2011 for \$600,000. This vehicle has a projected ten-year life span from the year of purchase and excess capacity to service new growth over the next six years.

2 Impact on System Improvements by Anticipated Development Activity

Utah Code 11-36a-304(1)(b): an impact fee analysis shall identify the anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility;

The District intends to maintain its proposed level of fire service. There is currently sufficient excess fire station capacity to accommodate residential and non-residential growth over the next six years.

As growth occurs from increased development activity, additional public safety equipment will be necessary to service new development. The district intends to purchase an ambulance/pumper apparatus in the next six years at a cost of approximately \$636,500 to service new development.¹¹

⁹ Utah Code 11-36a-102

¹⁰ Utah Code 11-36a-202

¹¹ Source: North Davis Fire District Capital Facilities Plan, Horrocks Engineering, North Davis Fire District

3 Relationship of Anticipated Impacts to Anticipated Development Activity

Utah Code 11-36a-304(1)(c): an impact fee analysis shall 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 demand placed on existing public safety facilities by new development activity is attributed to both residential and non-residential growth. The number of households in the North Davis Fire District is projected to grow from 14,795 in 2015 to 16,096 in 2021. Non-residential square feet are projected to increase from 7,998,957 square feet in 2015 to 8,973,524 square feet in 2021 or an estimated 974,567 total square feet.

As growth occurs as a result of increased development activity, no new building facilities are required, but a new ambulance/pumper is required to maintain proposed standards.

The City plans to purchase a new ambulance/pumper apparatus in 2015 to meet the demands of new residential and non-residential growth. The total cost of the ambulance/pumper apparatus is \$636,500.

4 Proportionate Share Analysis

Utah Code 11-36a-304(1)(d)(i)(ii): an impact fee analysis shall estimate the proportionate share of 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;

Costs for Existing Capacity

The buy-in cost for excess fire station capacity consumed by growth over the next six years is \$124 per unit for residential growth and \$0.22 per square foot for non-residential growth.

TABLE 6: BUY-IN COST FOR FIRE STATION EXCESS CAPACITY

Description	SF of Excess Capacity Consumed	Cost per SF	Cost	Unit Growth	Cost per Unit (HH/1,000 SF)	Cost per SF
Residential	1,169	\$137.47	\$160,702	1,301	\$123.52	
Non-Residential	1,594	\$137.47	\$219,127	975	\$224.75	\$0.22
Total	2,763		\$379,829			

The fire suppression vehicle buy-in cost is \$0.15 per square foot for non-residential development.

TABLE 7: NON-RESIDENTIAL BUY-IN COST FOR FIRE SUPPRESSION VEHICLE EXCESS CAPACITY

Description	% of Calls	Cost Allocation	% Allocated to Growth (2015 - 2021)	Amount Allocated to Growth (2015 - 2021)	Cost per Unit (per 1,000 SF)	Cost per SF
Residential	57.4%	\$344,400	NA	NA	NA	NA
Non-Residential	42.6%	\$255,600	58%	\$148,248	\$152.12	0.15
Total	100%	\$600,000				

Costs Reasonably Related to New Development Activity

The non-residential cost per square foot for the new fire suppression vehicle purchased to service new growth is \$0.16.

TABLE 8: NON-RESIDENTIAL COST ALLOCATED TO NEW GROWTH FOR NEW FIRE SUPPRESSION VEHICLE

Description	% of Calls	Cost Allocation	% Allocated to Growth (2015 - 2021)	Amount Allocated to Growth (2015 - 2021)	Non-Residential Growth (SF)	Cost per Unit (per 1,000 SF)	Cost per SF
Residential	57.4%	\$365,351	NA	NA		NA	
Non-Residential	42.6%	\$271,149	58%	\$157,266	974,567	\$161.30	\$0.16
Total	100%	\$636,500					

In 2008, the District issued \$3.1 million of revenue bonds to finance the construction of the West Point Fire Station. In calculating an impact fee, a local political subdivision or private entity may include debt service charges, if the political subdivision might use impact fees as a revenue stream to pay the principal and interest on bonds, notes, or other obligations issued to finance the costs of the system improvements.¹² The principal and interest on these bonds are being paid with a combination of impact fee revenue and ambulance fee revenue. As such, a portion of the debt service charges may be included in the impact fee calculation. The debt service charge per residential unit is \$16.77 and the debt service charge per non-residential 1,000 square feet is \$15.00.

TABLE 9: DEBT SERVICE CHARGE

Description	Amount
Debt Service Charge (2015 - 2021)	\$227,728
Percent Paid with Impact Fees ¹³	16%
Debt Service Charges Included in Impact Fee	\$36,436
Amount Allocated to Residential	\$21,816
Debt Service Charge per Residential Unit	\$16.77
Amount Allocated to Non-Residential	\$14,620
Non-Residential Growth in SF	974,567
Debt Service Charge per Non-Residential Unit (per 1,000 sq ft)	\$15.00

Utah Code also allows for the inclusion of consultant costs in the calculation of impact fees. The consultant cost per residential unit is \$7.59 and \$7.52 per 1,000 square feet of non-residential development.

TABLE 10: CONSULTANT COSTS

Description	Percent of Calls	Cost Allocation	Unit Growth	Cost per Unit (HH/per 1,000 SF)
Residential	57.40%	\$9,877	1,301	\$7.59
Non-Residential	42.60%	\$7,330	975	\$7.52

¹² Utah Code 11-36a-305(1)(d)

¹³ Average, estimate based on payment information from the North Davis Fire District

Description	Percent of Calls	Cost Allocation	Unit Growth	Cost per Unit (HH/per 1,000 SF)
Total		\$17,207		

Impact fees also take into consideration impact fee fund balances. North Davis Fire District has an impact fee fund balance of \$220,611.¹⁴ An impact fee fund balance credit of \$11.20 per household and \$19.69 per 1,000 square feet of non-residential development will be issued based on the total projected additional residential and non-residential development at capacity.

TABLE 11: CREDIT FOR IMPACT FEE FUND BALANCE

Description	Amount
Impact Fee Fund Balance	\$220,611
Amount Allocated to Residential	\$126,631
Credit per Household ¹⁵	\$11.20
Amount Allocated to Non-Residential	\$93,980
Credit per Non-Residential Unit (per 1,000 square feet) ¹⁶	\$19.69

5 Summary of Impact Fee

Utah Code 11-36a-304(1)(e): an impact fee analysis shall be based on the requirements of this chapter, identify how the impact fee was calculated;

The North Davis Fire District impact fee has been calculated with all the above considerations for a single service area.

The total maximum allowable public safety impact fee per household is \$136.68.

TABLE 12: MAXIMUM ALLOWABLE IMPACT FEE PER HOUSEHOLD

Description	Amount
Per Household Buy-In Cost for Fire Station Excess Capacity	\$123.52
Per Household Debt Interest Cost for 2008 Fire Station Bond	\$16.77
Per Household Consultant Cost	\$7.59
Impact Fee Fund Balance Credit	(\$11.20)
Total Maximum Allowable Public Safety Impact Fee Per Household	\$136.68

The total non-residential public safety impact fee is \$560.68 per unit (per 1,000 sf) or \$0.56 per square foot before credits are made for payments on outstanding debt and lease obligations.

¹⁴ Source: North Davis Fire District, June 2015

¹⁵ Additional projected 11,309 households at capacity

¹⁶ Additional projected 4,774,062 square feet of non-residential development at capacity

TABLE 13: TOTAL IMPACT FEE PER NON-RESIDENTIAL SQUARE FOOT

Description	Amount
Fire Station Buy-In Cost per 1,000 SF of Non-Residential	\$224.75
Existing Apparatus Buy-In Cost per 1,000 SF of Non-Residential	\$152.12
New Apparatus Buy-In Cost per 1,000 SF of Non-Residential	\$161.30
Debt Interest Cost for 2008 Fire Station Bond per 1,000 SF of Non-Residential	\$15.00
Consult Cost per 1,000 SF of Non-Residential	\$7.52
Impact Fee Fund Balance Credit per 1,000 SF of Non-Residential	(\$19.69)
Total Public Safety Impact Fee per 1,000 SF of Non-Residential	\$560.68
Total Public Safety Impact Fee per Non-Residential Square Foot	\$0.56

The capital lease payments for the fire suppression vehicles included in the impact fee calculation are being made with property tax revenue. As such a credit is issued based on the net present value of the future stream of property tax capital lease payments. Table 14 shows the non-residential net impact fee for the remaining years of the bond assuming a discount rate of four percent.

TABLE 14: NET IMPACT FEE PER NON-RESIDENTIAL SQUARE FOOT

Year	Gross Impact Fee per 1,000 SF of Non-Residential	NPV of Capital Lease Payments	Net Impact Fee per 1,000 SF of Non-Residential	Impact Fee per Non-Residential Square Foot
2015	\$560.68	\$41.49	\$519.19	\$0.52
2016	\$560.68	\$35.86	\$524.82	\$0.52
2017	\$560.68	\$30.14	\$530.54	\$0.53
2018	\$560.68	\$24.32	\$536.36	\$0.53
2019	\$560.68	\$18.41	\$542.27	\$0.54
2020	\$560.68	\$12.39	\$548.29	\$0.54
2021	\$560.68	\$6.25	\$554.43	\$0.55

6 Manner of Financing

Utah Code 11-36a-304(2)(c)(d)(e)(f)(g)(h): an impact fee analysis shall identify, if applicable: other than impact fees, the manner of financing for each public facility such as user charges, special assessments, bonded indebtedness, federal taxes, or federal grants;

An impact fee is a one-time fee that is implemented by a local government on new development to help fund and pay for all or a portion of the costs of public facilities that are needed to serve new development. These fees are usually implemented to help reduce the economic burden on local jurisdictions that are trying to deal with residential and non-residential growth within the area. As a matter of policy and legislative discretion, a City or District may choose to have new development pay the full cost of its share of new public facilities if the facilities would not be needed except to service new development. However, local governments may use other sources of revenue to pay for the new facilities required to service new development and use impact fees to recover the cost

difference between the total cost and the other sources of revenue. Additionally, impact fees allow new growth to share in the cost of existing facilities that have excess capacity.

Impact Fee Credits - The Impact Fees Act requires credits to be paid back to development for future fees that may be paid to fund system improvements found in the IFFP so that new development is not charged twice. Credits may also be paid back to developers who have constructed or directly funded items that are included in the IFFP or donated to the District in lieu of impact fees, including the dedication of land for system improvements. This situation does not apply to developer exactions or improvements required to offset density or as a condition for development. Any item for which a developer receives credit must be included in the IFFP and must be agreed upon with the District before construction begins.

In the situation that a developer chooses to construct facilities found in the IFFP in lieu of impact fees, the arrangement must be made through the developer and the District.

The standard impact fee can also be decreased to respond to unusual circumstances in specific cases in order to ensure that impact fees are imposed fairly. In certain cases, a developer may submit studies and data that clearly show a need for adjustment.

At the discretion of the District, impact fees may be modified for low-income housing, although alternate sources of funding for the recreation facilities must be identified.

Extraordinary Costs and Time Price Differential - Current costs have been used to compute impacts on system improvements required by anticipated development activity to maintain the established level of service for the fire facilities.

Certification

Zions Bank Public Finance 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;
 - 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.

Appendix A

NORTH DAVIS FIRE DISTRICT NOTICE OF INTENT TO ADOPT

DRAFT

Appendix B – Fee as a Condition of Development

The North Davis Fire District has indicated that a new petroleum storage facility may be built within the North Davis Fire District. This facility would pose potential risks and hazards such as explosion and petroleum fire. Current standards and practices within the fire fighting and fire suppression community recommend that fire departments with petroleum storage facilities have available within their departments a foam generator to deal with and extinguish petroleum fires.¹⁷ The cost of this piece of equipment is approximately \$70,000.¹⁸ The District asked the law firm of King & King to provide them with an opinion regarding possible methods of obtaining the funds for this piece of equipment and their conclusion is as follows:

“The District cannot allocate the cost of the foam generator as part of an impact fee. However, the District may impose a charge on the developer as a condition of development approval if the fee or charge for the foam generator is determined to be reasonable. We recommend that if the District intends to impose such charge that a resolution authorizing such charge be adopted by the Administrative Control Board to amend District policies.”

¹⁷ Source: North Davis Fire District

¹⁸ Source: North Davis Fire District