

# IVINS CITY STORM DRAIN IMPACT FEE ANALYSIS

APRIL 2024

NOTICE DRAFT

PREPARED FOR:



PREPARED BY:



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## EXECUTIVE SUMMARY

### INTRODUCTION

Ivins City has retained Bowen Collins & Associates (BC&A) to prepare an Impact Fee Analysis (IFA) for its storm drain system based on a recently completed Impact Fee Facility Plan (IFFP). An impact fee is a one-time fee, not a tax, imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure. The purpose of an IFA is to calculate the allowable impact fee that may be assessed to new development in accordance with Utah code.

### WHY ASSESS AN IMPACT FEE?

As new users join a system, they add demands that must be satisfied through new facilities or use of excess capacity in existing facilities. Until all required projects are completed and new development is utilizing the full capacity of existing facilities, the City can assess an impact fee to recover its cost of latent capacity available to serve the future development. The general impact fee methodology divides the available capacity of existing and future capital projects between existing and future users based on their projected demands.

### HOW ARE IMPACT FEES CALCULATED?

A fair impact fee is calculated by dividing the cost of existing and future facilities by the amount of new growth that will benefit from the unused capacity. Only the capacity that is needed to serve the projected growth within the next ten years is included in the fee. Costs used in the calculation of impact fees include:

- New facilities required to maintain (but not exceed) the proposed level of service identified in the IFFP; only those expected to be built within ten years are considered in the final calculations of the impact fee.
- Historic costs of existing facilities that will serve new development
- Cost of professional services for engineering, planning, and preparation of the impact fee facilities plan and impact fee analysis

Costs not used in the impact fee calculation

- Operational and maintenance costs
- Cost of facilities constructed beyond 10 years
- Cost of facilities funded by grants, developer contributions, or other funds which the City is not required to repay
- Cost of renovating or reconstructing facilities which do not provide new capacity or needed enhancement of services to serve future development

### IMPACT FEE CALCULATION

Impact fees for this analysis were calculated by dividing the proportional cost of facilities required to service 10-year growth by the amount of growth expected over the next 10 years. This is done for each of the major component categories in the system.

To facilitate calculation, impact fees are often defined in terms of impervious acre. Calculated impact fees by component are summarized in Table ES-1.

**Table ES-1  
Impact Fee Calculation per Impervious Area**

Storm Drain Collection System Components	Total Cost of Component	% Serving 10-year Growth	Cost Serving 10-year Growth	10-year Impervious Acres Served	Cost Per Impervious Acre
<b>Collection Facilities</b>					
Existing Facilities	\$8,873,241	27.2%	\$2,415,888	271	\$8,902.05
Existing Facilities Interest Costs	\$1,161,989	34.9%	\$405,135	271	\$1,492.84
10-year Projects	\$5,705,000	23.9%	\$1,362,966	271	\$5,022.25
<b>Subtotal</b>	<b>\$15,740,230</b>		<b>\$4,183,988</b>		<b>\$15,417.14</b>
<b>Other</b>					
Credit For User Fees Paid Toward Existing	(\$656,696.92)	100%	(\$656,696.92)	271	(\$2,419.79)
Impact Fee Studies	\$40,000.00	100%	\$40,000.00	271	\$147.39
<b>Subtotal</b>	<b>(\$616,696.92)</b>		<b>(\$616,696.92)</b>		<b>(\$2,272.40)</b>
<b>Total</b>	<b>\$15,123,533</b>		<b>\$3,567,291</b>		<b>\$13,144.74</b>

The total impact fee per developed impervious area can be calculated by adding up the fee for each type of system component. This is separate from any additional charges levied by the City for hookup costs or for other reasonable permit and application fees. Please note that Table ES-1 calculates the fee per impervious acre for 2024 only. The fee will change gradually in future years as the credit for user fees paid slowly decreases. See the main body of the report for additional details.

**RECOMMENDED IMPACT FEE**

The total calculated impact fee is summarized in Tables ES-2 and ES-3. This is the legal maximum amount that may be charged as an impact fee. A lower amount may be adopted if desired, but a higher fee is not allowable under the requirements of Utah Code.

**Table ES-2  
Recommended Impact Fee – Single Family Residential  
(\$/unit)**

Zoning Type	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Low Impact Development (LID)	\$920.13	\$943.09	\$964.35	\$984.08	\$1,002.42	\$1,019.49
Low Density Residential	\$1,659.69	\$1,701.11	\$1,739.46	\$1,775.03	\$1,808.11	\$1,838.91
Medium Density Residential	\$1,373.02	\$1,407.28	\$1,439.00	\$1,468.44	\$1,495.80	\$1,521.28
High Density Residential	\$980.73	\$1,005.20	\$1,027.86	\$1,048.88	\$1,068.43	\$1,086.63

\*To qualify as LID development, a property may have no more than 15 percent impervious and must have sufficient detention/retention to reduce the effective impervious area to no greater than 7 percent.

**Table ES-3  
Recommended Impact Fee – Other Zoning Types  
(\$/1000 Impervious SF)**

Zoning Type	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Non-Residential	\$301.76	\$309.29	\$316.26	\$322.73	\$328.75	\$334.35

## **SECTION 1 INTRODUCTION**

Ivins City has retained Bowen Collins & Associates (BC&A) to prepare an Impact Fee Analysis (IFA) for its storm drain system based on a recently completed impact fee facility plan. An impact fee is a one-time fee, not a tax, imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure. The purpose of an IFA is to calculate the allowable impact fee that may be assessed to new development in accordance with Utah code.

Requirements for the preparation of an IFA are outlined in Title 11, Chapter 36a of the Utah code (the Impact Fees Act). Under these requirements, an IFA shall accomplish the following for each facility:

1. Identify the impact of anticipated development activity on existing capacity
2. Identify the impact of anticipated development activity on system improvements required to maintain the established level of service
3. Demonstrate how the impacts are reasonably related to anticipated development activity
4. Estimate the proportionate share of:
  - a. Costs of existing capacity that will be recouped
  - b. Costs of impacts on system improvements that are reasonably related to the new development activity
5. Identify how the impact fee was calculated
6. Consider the following additional issues
  - a. Manner of financing improvements
  - b. Dedication of system improvements
  - c. Extraordinary costs of servicing newly developed properties
  - d. Time-price differential

The following sections of this report have been organized to address each of these requirements.

**SECTION 2  
IMPACT ON SYSTEM - 11-36a-304(1)(a)(b)**

Growth within the City’s service area, and projections of storm water flows resulting from said growth is discussed in detail in the City’s Master Plan and Impact Fee Facilities Plan. For the purposes of impact fee calculation, growth in the system has been expressed in terms of developed impervious acres. Growth in developed impervious acres is projected for the service area is summarized in Table 2-1.

**Table 2-1  
Developed Acreage for Existing and Future Development  
(Impervious Acres)**

<b>Development Type</b>	<b>Impervious Acreage</b>
Existing Development	530
10-Year Development	271
Greater than 10-Year Development	268
<b>Total Developed Impervious Acreage at Buildout</b>	<b>1,070</b>

As indicated in the table, projected growth for the 10-year planning window of this impact fee analysis is 271 developed impervious acres. To maintain the established level of service, projected future growth will be met through a combination of available excess capacity in existing facilities and construction of additional capacity in new facilities.

### **SECTION 3**

## **RELATION OF IMPACTS TO ANTICIPATED DEVELOPMENT**

### **11-36a-304(1)(c)**

To satisfy the requirements of state law, it is necessary to show that all impacts identified in the impact fee analysis are reasonably related to the anticipated development activity. This has been documented in detail in the Impact Fee Facilities Plan. In short, only that capacity directly associated with demand placed upon existing system facilities by future development has been identified as an impact of the development. The steps completed to identify the impacts of anticipated development are as follows.

1. **Existing Development** – The demand existing development places on the system was estimated based on GIS records and available aerial photography.
2. **Existing Capacity** – The capacities of existing facilities were calculated based on the level of service criteria established for each type of facility in the Impact Fee Facilities Plan.
3. **Existing Deficiencies** – Existing deficiencies in the system were looked for by comparing defined levels of service against calculated capacities. Where existing deficiencies existed, projects were identified to eliminate the deficiencies. Costs associated with existing deficiencies were not assigned to impacts of development.
4. **Future Development** - The demand future development will place on the system was estimated based on development projections as discussed in Section 2.
5. **Future Demand Use of Existing Capacity** – Whenever possible, excess capacity in existing facilities has been used to serve future demands. Where this occurs, the amount of capacity used by future growth has been calculated as described in detail in the Impact Fee Facilities Plan.
6. **Future Deficiencies** – Where excess capacity is inadequate to meet projected demands, future deficiencies in the system were identified using the same established level of service criteria used for existing demands.
7. **Recommended Improvements** – Needed system improvements were identified to meet demands associated with future development.

**SECTION 4  
PROPORTIONATE SHARE ANALYSIS - 11-36a-304(d)**

A comprehensive proportionate share analysis associated with anticipated future development and its impact on the system was completed as part of the Impact Fee Facilities Plan. A summary of that analysis is contained here with additional discussion of the costs of facilities impacted by growth.

**EXCESS CAPACITY TO ACCOMMODATE FUTURE GROWTH**

As part of the Impact Fee Facilities Plan, the calculated percentage of existing capacity in system facilities used by existing users, growth during the 10-year planning window, and growth beyond the 10-year planning window is summarized in Table 4-1.

**Table 4-1  
Use of Existing Capacity**

	<b>Percent Use of Capacity in Existing Facilities</b>
<b>Existing</b>	48.2%
<b>10-year Growth</b>	27.2%
<b>Growth Beyond 10 Years</b>	24.6%
<b>Total</b>	100%

**EXISTING SYSTEM INFRASTRUCTURE COSTS**

To calculate the value of excess capacity in the existing system, BC&A first looked at the value of all existing facilities. Ivins City has recorded the actual construction costs of existing components of the City’s storm drain system since 2003, which totals \$8,873,241.11. These are actual costs and were obtained from a storm drain fund report for the City through 2023. This cost excludes interest accrued which was paid as part of the bond associated with these projects and it excludes the costs the City paid that were subsequently reimbursed by grants. This cost will be addressed subsequently.

Note that the impact fee eligible cost identified above represents only a portion of the total system value. System costs not included in the total include facilities with a service life of less than 10 years, project level improvements serving single developments, and improvements not paid for by the City (e.g., projects funded through grants, developer dedications, etc.). In this study, public facility costs already incurred by the City will be included in the impact fee only to the extent that new growth will be served by the previously constructed improvements.

**REIMBURSEMENT AGREEMENTS**

No reimbursement agreements exist within the system that will affect the impact fee calculation.

**FUTURE IMPROVEMENTS**

In addition to using available existing capacity, demand associated with projected future development will be met through the construction of additional capacity in new facilities. A primary focus of the Impact Fee Facilities Plan was the identification of projects required to serve new

development. The results of the Impact Fee Facilities Plan are summarized in Table 4-2. Included in the table are the costs of each required project and the portion of costs associated with development.

**Table 4-2  
Impact Fee Eligible Capital Projects**

<b>Project ID</b>	<b>Project Location</b>	<b>Project Expense - 2023 Dollars</b>	<b>Percent Attributable to 10-Year Future Growth</b>	<b>Cost Attributable to 10-Year Future Growth</b>
P-08	400 West, Center St.	\$517,000	5.6%	\$29,198
P-15	100 West/200 South	\$50,000	9.6%	\$4,818
P-19	250 East, 200 South	\$593,000	15.2%	\$90,299
P-20	250 East, 400 South	\$473,000	7.4%	\$34,938
P-23	Park Avenue Way	\$437,000	10.5%	\$45,699
P-24	Hwy 91 and Red Mtn. Blvd.	\$70,000	56.0%	\$39,199
P-25	Hwy 91 and Red Mtn. Blvd.	\$707,000	56.0%	\$395,913
P-26	Flood Street (400 East)	\$609,000	3.5%	\$21,569
P-28	RV Park @ Hwy 91	\$70,000	100.0%	\$70,000
P-29	200 North, 400 West	\$319,000	30.0%	\$95,700
P-30	265 West, Center Street	\$190,000	25.0%	\$47,500
DB-4	400 East, 400 South	\$445,000	7.4%	\$32,870
DB-6	600 West, 200 North	\$272,000	32.9%	\$89,385
C-4	450 South, Wash	\$100,000	100.0%	\$100,000
C-5	Dry Wash (West Side)	\$200,000	50.0%	\$100,000
Inlets	450 North, 400 West	\$50,000	0.0%	\$0
PW	Public Works Yard*	\$603,000	27.5%	\$165,878
<b>Total</b>		<b>\$5,705,000</b>		<b>\$1,362,966</b>

\* Cost for Public Works Yard is based on the portion of the total project that is attributable to storm drain (5%).

**SECTION 5  
IMPACT FEE CALCULATION 11-36a-304(1)(e)**

Using the information contained in the previous sections, impact fees can be calculated by dividing the proportional cost of facilities required to service 10-year growth by the amount of growth expected over the next 10 years. This is done for each of the major system components identified previously. Calculated impact fees by component are summarized in Table 5-1.

**Table 5-1  
Impact Fee Calculation per Impervious Acre**

<b>Storm Drain Collection System Components</b>	<b>Total Cost of Component</b>	<b>% Serving 10-year Growth</b>	<b>Cost Serving 10-year Growth</b>	<b>10-year Impervious Acres Served</b>	<b>Cost Per Impervious Acre</b>
<b>Collection Facilities</b>					
Existing Facilities	\$8,873,241	27.2%	\$2,415,888	271	\$8,902.05
Existing Facilities Interest Costs	\$1,161,989	34.9%	\$405,135	271	\$1,492.84
10-year Projects	\$5,705,000	23.9%	\$1,362,966	271	\$5,022.25
<b>Subtotal</b>	<b>\$15,740,230</b>		<b>\$4,183,988</b>		<b>\$15,417.14</b>
<b>Other</b>					
Credit For User Fees Paid Toward Existing	(\$656,696.92)	100%	(\$656,696.92)	271	(\$2,419.79)
Impact Fee Studies	\$40,000.00	100%	\$40,000.00	271	\$147.39
<b>Subtotal</b>	<b>(\$616,696.92)</b>		<b>(\$616,696.92)</b>		<b>(\$2,272.40)</b>
<b>Total</b>	<b>\$15,123,533</b>		<b>\$3,567,291</b>		<b>\$13,144.74</b>

The total impact fee per impervious acre can be calculated by adding up the fee for each type of system component. This is separate from any additional charges levied by the City for hookup costs or for other reasonable permit and application fees.

**BONDING INTEREST COSTS**

In addition to construction costs, Table 5-1 includes rows for the cost of bond interest expense where applicable. This includes any outstanding interest costs on existing facilities where new growth will benefit from excess capacity and future interest costs for bonds required to build projects needed for growth as identified in the Impact Fee Facilities Plan. Similar to project construction costs, only that portion of interest expense associated with capacity for growth should be included in the impact fee calculation.

**CREDIT FOR USER FEES**

Not all existing deficiencies identified in the plan can be paid for from existing cash reserves. As a result, the plan includes some bonding for projects that have at least a portion of their costs that benefit existing users. In this situation, a credit is needed to ensure that future users are not paying twice for the same project, once for their own capacity through impact fees and a second time for existing users' capacity through user rates. Included in Table 5-1 are credits for user fees projected

to be paid toward projects benefiting existing users in the future. Calculation of the fee is summarized in Table 5-2. Note that the user fee credit decreases over time. For each year that passes, less will be paid by new users through user fees toward existing deficiencies.

**Table 5-2  
Credit for User Fees Paid Toward Existing**

<b>Year</b>	<b>Impervious Acres</b>	<b>Future Debt Service*</b>	<b>Annual Cost per Impervious Acre</b>	<b>PV Annual Cost per Impervious Acre</b>	<b>PV Cumulative Cost per Impervious Acre</b>
FY24	558	\$188,382.07	\$337.88	\$328.04	\$2,419.79
FY25	585	\$188,382.07	\$322.20	\$303.70	\$2,091.75
FY26	612	\$188,382.07	\$307.91	\$281.78	\$1,788.05
FY27	639	\$188,382.07	\$294.83	\$261.95	\$1,506.27
FY28	666	\$188,382.07	\$282.82	\$243.96	\$1,244.32
FY29	693	\$188,382.07	\$271.74	\$227.58	\$1,000.36
FY30	720	\$188,382.07	\$261.51	\$212.63	\$772.78
FY31	748	\$188,382.07	\$252.01	\$198.94	\$560.15
FY32	775	\$188,382.07	\$243.18	\$186.38	\$361.21
FY33	802	\$188,382.07	\$234.95	\$174.83	\$174.83

\* Includes only that portion of debt service to be paid through user fees that will benefit existing users

**IMPACT FEE STUDIES**

Utah code allows for the cost of planning and engineering associated with impact fee calculations to be recovered as part of impact fee. This cost includes a portion of the cost of the master plan along with the cost of the IFFP and IFA as part of the reimbursable impact fee costs.

**RECOMMENDED IMPACT FEE**

The total calculated impact fee is summarized in Table 5-3. As is shown in Table 5-2, credits will decrease with time. Thus, while the base impact fee will stay constant, the net impact fee to be paid by new development will increase slightly each year. For this reason, the estimated impact fees for the next six years have been summarized in Table 5-3. This is the legal maximum amount that may be charged as an impact fee. A lower amount may be adopted if desired, but a higher fee is not allowable under the requirements of Utah Code.

**Table 5-3  
Recommended Impact Fee**

Year	Impact Fee Before User Fee Credit (\$/Impervious Acre)	User Fee Credit (\$/Impervious Acre)	Calculated Impact Fee (\$/Impervious Acre)	Calculated Impact Fee (\$/1000 Impervious SF)
FY24	\$15,564.54	\$2,419.79	\$13,144.74	\$301.76
FY25	\$15,564.54	\$2,091.75	\$13,472.78	\$309.29
FY26	\$15,564.54	\$1,788.05	\$13,776.49	\$316.26
FY27	\$15,564.54	\$1,506.27	\$14,058.26	\$322.73
FY28	\$15,564.54	\$1,244.32	\$14,320.22	\$328.75
FY29	\$15,564.54	\$1,000.36	\$14,564.18	\$334.35

The City has historically established impact fees based on zoning type. To keep with City’s current impact fee structure and to simplify administration of the impact fee, it is recommended that the City collect impact fees on a per lot basis for all single-family development based on zoning type and expected percent impervious. For similar reasons, it is recommended that the City collect impact fees for other zoning types based on total lot size and expected percent impervious by zoning type. The details of this proposed approach are summarized in Table 5-4. If a developer presents actual percent impervious values at building permit that are substantially different the average values, these fees could be adjusted accordingly.

**Table 5-4  
Sample Impact Fee Calculation Based on 2024 Values**

Zoning Type	Average Lot Size	Percent Impervious	Impact Fee/1000 SF	Recommended Impact Fee
Low Impact Development (LID)*	43,560	7%	\$301.76	\$920.13/unit
Low Density Residential	22,000	25%	\$301.76	\$1659.68/unit
Medium Density Residential	13,000	35%	\$301.76	\$1373.01/unit
High Density Residential	6,500	50%	\$301.76	\$980.72/unit
Apartments	-	55%	\$301.76	\$165.97/1000 SF total lot size
Commercial	-	85%	\$301.76	\$256.5/1000 SF total lot size
Church	-	60%	\$301.76	\$181.06/1000 SF total lot size
Office	-	70%	\$301.76	\$211.23/1000 SF total lot size

\*To qualify as LID development, a property may have no more than 15 percent impervious and must have sufficient detention/retention to reduce the effective impervious area to no greater than 7 percent.

Based on this approach, recommended impact fees for the City are summarized in Tables 5-5 and 5-6.

**Table 5-5  
Recommended Impact Fee – Single Family Residential  
(\$/unit)**

Zoning Type	FY24	FY25	FY26	FY27	FY28	FY29
Low Impact Development (LID)*	\$920.13	\$943.09	\$964.35	\$984.08	\$1,002.42	\$1,019.49
Low Density Residential	\$1,659.69	\$1,701.11	\$1,739.46	\$1,775.03	\$1,808.11	\$1,838.91
Medium Density Residential	\$1,373.02	\$1,407.28	\$1,439.00	\$1,468.44	\$1,495.80	\$1,521.28
High Density Residential	\$980.73	\$1,005.20	\$1,027.86	\$1,048.88	\$1,068.43	\$1,086.63

\*To qualify as LID development, a property may have no more than 15 percent impervious and must have sufficient detention/retention to reduce the effective impervious area to no greater than 7 percent.

**Table 5-6  
Recommended Impact Fee – Other Zoning Types  
(\$/1000 Impervious SF)**

Zoning Type	FY24	FY25	FY26	FY27	FY28	FY29
Non-Residential	\$301.76	\$309.29	\$316.26	\$322.73	\$328.75	\$334.35

**IMPACT FEE ACCOUNTING**

An important part of the Impact Fee Act is the future accounting of impact fees received and spent. As detailed in the Act, all collected funds must be spent or encumbered within six years after the impact fee is collected. A detailed ledger must be assembled to identify when and where the funds were collected and when and where they will be spent.

As discussed in the Act, a significant portion of the impact fee may be attributable to excess capacity in the existing system. Receipt of funds collected for this purpose should be documented in accordance with the Act but should then be transferred out of the impact fee fund account to reimburse existing users for the value of the excess capacity. This should also be documented in accordance with the Act. As with the overall fee, the value of the reimbursement will vary slightly depending on the remaining user fee credit (i.e. the reimbursement value should be reduced by any user fee credit associated with bonding on the existing infrastructure). The appropriate portion of the impact fee to be reimbursed for existing excess capacity is documented in Table 5-7.

**Table 5-7  
Excess Capacity Reimbursement Schedule**

	Reimbursement Portion of Impact Fee (Per Acre of Impervious Area, by year)					
	FY24	FY25	FY26	FY27	FY28	FY29
Reimbursement for Excess Existing Capacity	\$8,122.49	\$8,450.53	\$8,754.23	\$9,036.01	\$9,297.96	\$9,541.92
Future Projects	\$5,022.25	\$5,022.25	\$5,022.25	\$5,022.25	\$5,022.25	\$5,022.25
Total Overall Fee	\$13,144.74	\$13,472.78	\$13,776.49	\$14,058.26	\$14,320.22	\$14,564.18

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## **SECTION 6 ADDITIONAL CONSIDERATIONS - 11-36a-304(2)**

### **MANNER OF FINANCING - 11-36a-304(2)(a-e)**

As part of this Impact Fee Analysis, it is important to consider how each facility has been or will be paid for. Potential infrastructure funding includes a combination of different revenue sources.

### **USER CHARGES**

Because infrastructure must generally be built ahead of growth, there often arise situations in which projects must be funded ahead of expected impact fee revenues. In some cases, the solution to this issue will be bonding. In others, funds from existing user rate revenue will be loaned to the impact fee fund to complete initial construction of the project and will be reimbursed later as impact fees are received. Consideration of interfund loans should be considered in subsequent accounting of impact fee expenditures.

### **SPECIAL ASSESSMENTS**

Where special assessments exist, the impact fee calculation must consider funds contributed. No special assessments exist for this analysis.

### **BONDS**

The City has funded a portion of the existing infrastructure through bonds. Where City financial plans identify bonding will be required to finance impact fee eligible improvements, the portion of bond cost and interest expense attributable to future growth could be added to the calculation of the impact fee. Currently, no bonding is proposed for the construction of future infrastructure.

### **GENERAL TAXES**

If taxes are used to pay for infrastructure, they should be accounted for in the impact fee calculation. Specifically, any contribution made by property owners through taxes should be credited toward their available capacity in the system. In this case, no taxes are proposed for the construction of infrastructure.

### **FEDERAL AND STATE GRANTS AND DONATIONS**

Impact fees cannot reimburse costs funded or expected to be funded through federal grants and other funds that the City has received for capital improvements without an obligation to repay. Grants have been received from the NRCS to help fund the rehabilitation of the NRCS dams. Any existing or future infrastructure funded through past or future grants has been removed from the system value during the impact fee analysis. Only those costs which the City is responsible for have been included in this analysis.

### **DEDICATION OF SYSTEM IMPROVEMENTS (11-36A-304.2.F)**

Developer exactions may be considered in the inventory of current and future infrastructure. If a developer constructs a facility or dedicates land, the value of the dedication is credited against that particular developer's impact fee liability.

If the recognized value of the credit is less than the development's impact fee liability, the developer will owe the balance of the liability to the City. If the recognized value of the improvements/land

dedicated is more than the development's impact fee liability, the City must reimburse the difference to the developer.

It should be emphasized that the concept of impact fee credits pertains to system level improvements only. For project level improvement (i.e., projects not identified in the impact fee facility plan), developers will be responsible for the construction of the improvements without credit against the impact fee.

### **EXTRAORDINARY COSTS (11-36A-304.2.G)**

The impact fee act indicates the analysis should include consideration of any extraordinary costs of servicing newly developed properties. In cases where one area of potential growth may cost significantly more to service than all other growth, a separate service area may be warranted. No areas with extraordinary costs have been identified as part of this analysis.

### **TIME-PRICE DIFFERENTIAL (11-36A-304.2.H)**

Utah code requires consideration of time-price differential in order to create fairness for amounts paid at different times. Correspondingly, the cost of future projects includes consideration of inflation and the time-value of money. Per the requirements of the code, existing infrastructure value is based on actual historical costs.

### **NOTICING AND ADOPTION REQUIREMENTS (11-36A-504)**

The Impact Fees Act requires that entities must publish a notice of intent to prepare or modify any IFA. Before the resulting impact fee can be adopted, the City must:

- Provide notice in accordance with Section 10-9a-205 of State Code. This includes reasonable notice of a public hearing published in a local newspaper at least 10 days before the actual hearing.
- A copy of the IFA and proposed impact fee enactment must be made available on the City's website or posted in each public library within the service area during the notice period for public review and inspection.
- Following the noticing period, a public hearing will be held, after which the IFA and impact fee enactment may be adopted, amended and adopted, or rejected.

**SECTION 7**  
**IMPACT FEE CERTIFICATION (11-36A-306.2)**

This IFA has been prepared in accordance with Utah Code Title 11, Chapter 36a (the “Impact Fees Act”), which prescribes the laws pertaining to the imposition of impact fees in Utah. The accuracy of this report relies upon the planning, engineering, and other source data, which was provided by the City and their designees.

In accordance with Utah Code Annotated, 11-36a-306(2), Bowen Collins & Associates, makes the following certification:

I certify 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 of 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; and
3. Complies in each and every relevant respect with the Impact Fees Act.

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Cody Moultrie, P.E.