



IMPACT FEE DISCUSSION



QUESTIONS

- What is an impact fee?
 - Is our Level of Service correct?
 - Do we take more risk on future costs?
 - Do we care about the “competition?”
 - Do we fully fund impact fees at the maximum allowable fee?
-
- You may not be able to answer any of these questions today - we are seeking your impressions and thoughts.



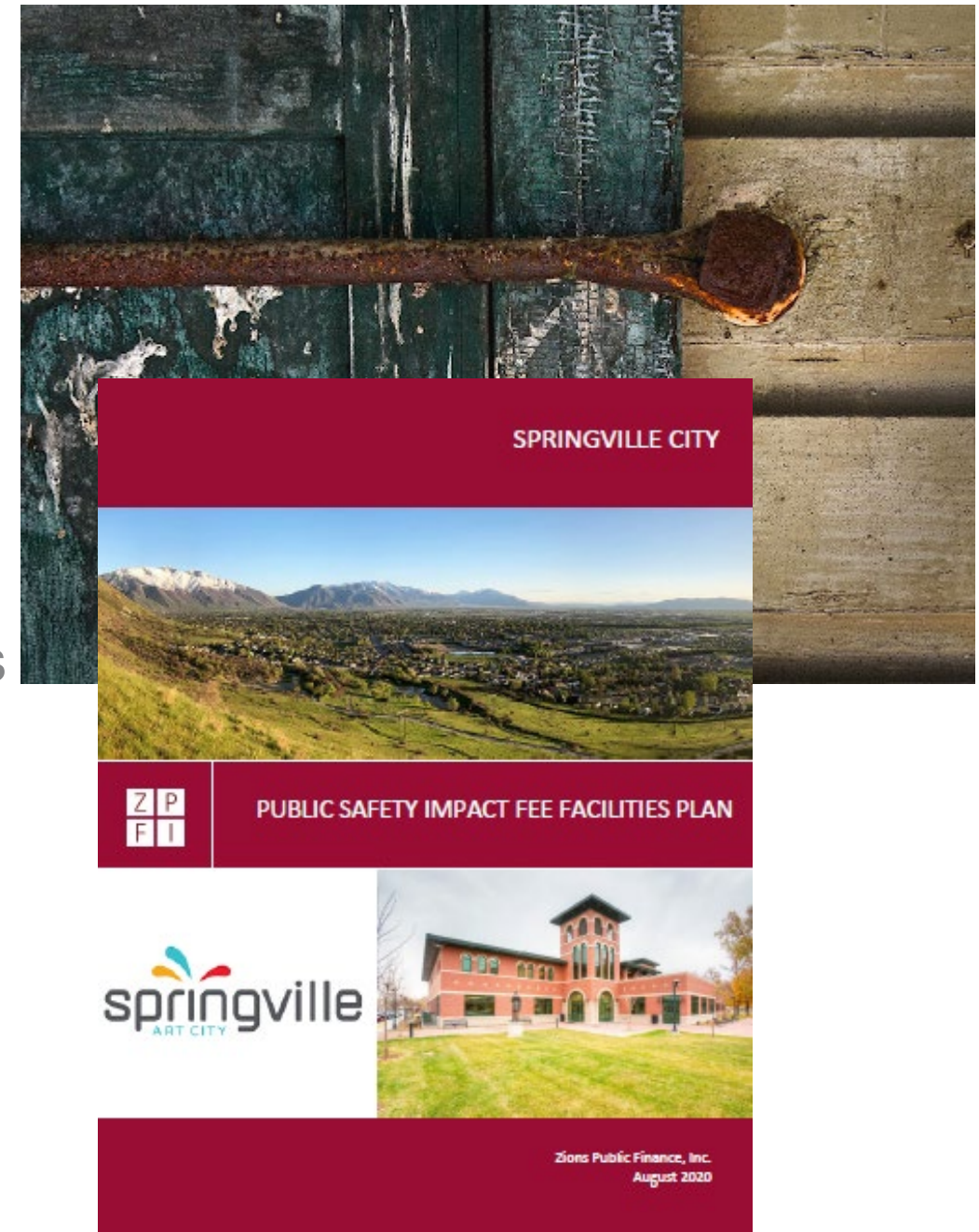
CONSTRUCTION INFLATION





WHAT IS AN IMPACT FEE?

- What if we bar the door?
- An attempt to calculate the costs of adding a home or business to our systems
- City chooses a level of service
- Process determines a cost for providing
- Anyone coming to Springville pays





QUESTIONS

- Should new development pay 100% of their impact to join our community?
- How does this balance with the housing shortage and the desire for new businesses and homes?



EXISTING DEFICIENCY





LEVEL OF SERVICE

- Adopted by the Council with input from staff and consultants.
- All connections to the water system have at least 50 pounds of pressure.
(peak day)
- Storm drain pipes sized for 10 year storm





QUESTIONS

- Generally, how are the engineers going to design the system?
- As we complete the master plans, should we reconsider any service levels?
 - Hard to answer now
 - Raise/Lower (Implications)





FUTURE COSTS

- Generally, how are the engineers going to design the system?
- Current Water Master Plan
- 20% for contingency
- 15% for design
- Units costs by 2018 RS Means Heavy Construction Cost Data
- Adjusted by Utah City Cost Indices
- Assumption is +/- 50% of estimate
- Do you want to take more risk in future costs? (Need data on performance)



COMPETITION

City	Total Impact Fees
American Fork	\$11,929.73+\$3,559
Spanish Fork	\$17,647.65
Pleasant Grove	\$6,741+\$3,559
Provo	\$16,048.48
Mapleton	\$14,663.43
Lehi	\$7,625.56+\$3559
Springville	\$14,934.70
Payson	\$16,113
Salem	\$22,369.83
HBA Data - \$700,000 home on 10,000 sq ft lot	

Does it matter where we are on this list?



FULLY FUNDING IMPACT FEES

- The impact fee process returns a “Maximum Allowable Fee.”
- Parks Maximum Allowable Fee for a single family home is **\$8,235.**
- The current adopted fee is \$6,062.70.
- Where does the difference come from?
- Thoughts or comments on this?



REVISIT

- Should new development pay 100% of their impact to joining our community?
- How does this balance with the housing shortage and the desire for new businesses?
- Restate position:
 - Is our Level of Service correct?
 - Do we take more risk on future costs?
 - Do we care about the “competition?”
 - Do we fully fund impact fees at the maximum allowable fee?
- Remember that fees are going up significantly!