

**CITY COUNCIL
WORK SESSION TO DISCUSS
IMPACT FEE STUDY
October 17, 2024
6:15 p.m.**

PRESENT:	D.J. Bott	Mayor
	Dave Hipp	Councilmember
	Dave Jeffries	Councilmember
	Matthew Jensen	Councilmember
	Ryan Smith	Councilmember
	Robin Troxell	Councilmember
ALSO PRESENT:	Troy Dahlgren	Power Superintendent
	Tom Kotter	Finance Director
	Paul Larsen	Community and Economic Development Director
	Derek Oyler	City Administrator
	Tyle Pugsley	Public Works Director
	Kristina Rasmussen	City Recorder
	Chad Reyes	Police Chief
	Brandon Thueson	Fire Chief

Mayor Bott called the meeting to order at 6:15 p.m. Mayor turned the time over to Tom Kotter. Mr. Kotter stated currently the City has impact fees for storm drain, parks and recreation, electric, sewer, water, fire and transportation/roads. When all current impact fees are added together for a single family dwelling, they equal \$9,950.00. He stated that the City is required to put together an impact fees facility plan to identify future infrastructure needs. Fees that are collected are required to be spent within six years of collection and can only be spent on projects identified in the facilities plan.

Fred Philpot from LRB Public Finance Advisors joined via Zoom. Mr. Philpot stated the six key elements that all impact fees have to cover:

- Demand
- Inventory of existing facilities
- Establish a level of service
- Identify existing and future facilities that may be necessary to serve growth
- Consider all revenue past and future revenue resources
- Conduct the impact fee analysis.

Proposed services being looked at for the impact study include:

- Parks and Recreation, Fire, Police, Storm, Wastewater, Water, Transportation and Power.

He explained the Value per Capita regarding facilities for parks. The City may already have the land, but need to add a park and that would be the eligible expense. Mr. Oyler stated that impact fees can only be used on additional costs to upgrade, not on what is currently at the facility, only on the additional capacity to maintain the level of service. Mr. Philpot stated the impact fee analysis can be amended to add additional facilities/elements.

Mr. Philpot discussed the potential of a new fire facility, estimated at 10,000 square feet. The square footage to the growth would remain the same based on the current level of service. He stated that two options are being discussed for the fire station when expanding the square footage:

1. A station with a training tower and an additional station

2. Transition the police to the current station and build two new stations, which would be the greater expense but you are reallocating space and not having to build a new police station.

Mr. Philpot discussed the impact fees for Police, He stated that the impact fee is set by the current level of service for a new facility, sizing it at 25,000 square feet, would be approximately \$17,000,000 in two years. The impact fee would be from the current level of service. He then discussed the Storm, waste water, water and transportation and how the impact fees will only cover a portion of the cost within the 10-year window for the projects. He stated that utility funds can help with the water, sewer and storm projects.

Mr. Philpot shared the price per capita is about a 50% increase for home owners for the parks. With fire, if new facilities are built, the impact fee per residential unit would be approximately \$1,100. Police impact fee per residential unit would be approximately \$1,044. Storm would be \$1,232, waste water would be \$2,472, water would be \$3,575 and transportation fees would be \$1,718.

COMPARISON

Proposed Fees				Existing Fees			
	Single Family (Unit)	Multi-family (Unit)	Non-Residential (KSF)		Single Family (Unit)	Multi-family (Unit)	Non-Residential (KSF)
Parks	\$4,601	\$2,564	-	Parks	\$3,115	\$1,746	-
Fire	\$1,096	\$1,096	\$1,451	Fire	\$171	\$171	\$350
Police	\$1,044	\$1,044	\$1,159	Police	\$10	\$10	\$13
Storm	\$1,232	\$1,232	\$1,232	Storm	\$1,026	\$1,026	\$1,026
Wastewater	\$2,472	\$2,472	\$2,472	Wastewater	\$1,689	\$1,689	\$1,689
Water	\$3,575	\$3,575	\$3,575	Water	\$2,366	\$2,366	\$2,366
Transportation	\$1,718	\$1,718	\$4,783	Transportation	\$354	\$249	\$981
Power				Power			
Total	\$15,738	\$13,701	\$14,672	Total	\$8,731	\$7,257	\$6,425
% Change	80%	89%	128%				
\$ Change	\$7,007	\$6,444	\$8,247				

Mayor Bott asked for clarification on what the council should be thinking about to know what questions to ask. Mr. Philpot stated the first question that the Council should ask is “are we willing to build additional facilities” and if we are then “how are we going to fund the projects”? He stated if the second question cannot be answered then the impact fee study calculation would need to be relooked at to remove it from the projects listed.

Discussion about future projects not being included in the impact fee. Reference to the fire facilities was used. If approved and included in the impact fees, 81% of project could be paid for by the impact fees but if not included then zero percent would be paid for by new development and 100% would be paid for by existing residents through property tax.

Councilmember Troxell asked if previous impact fees have been based on projects that were committed to. Mr. Oyler stated that a new fire station or police station have never been included in previous studies, with

one exception, the existing buy-in on fire, that can be used to pay off the previous bond that was used to pay for the existing fire station. Councilmember Troxell asked about the value per capita being dependent of growth and the need for facilities. Clarification on the total cost and percentage of the new fire station was given.

Councilmember Jeffries asked how annexations would affect the impact fees. Mr. Oyler clarified that existing homes in annexation areas do not pay impact fees. This would only affect new development. Discussion occurred about the percentages that are collected and by parcel and that is how it is allocated by project. Councilmember Jeffries stated the need to vote on this so soon and educating the public before voting on anything. Mr. Oyler gave options of doing an analysis on location size and funding possibilities and bringing that back to the council. Mayor Bott asked how long the City would have to use the impact fees once collected. Mr. Oyler stated six years and if they are not used for the project stated, then the fees are reimbursed. Discussion about looking at ways to outsource or remote working to save space in current buildings. It was stated that there is constant movement to fit employees where the need is and remodeling of current buildings to fix employees.

Councilmember Troxell asked about the increased cost to those that want to build a new home. Construction costs are high and this fee will be put on the home builder, not the contractor. Mr. Philpot stated that would depend on the market, if it allows for price increases through appreciation then the increase of the impact could be passed on through the home value, but if the market is tight and it's difficult to increase prices then the impact fees would affect the profit margin. Mr. Oyler used the example of the 12th West storm drain pipe and detention project in the presentation stating if the impact fee is not assessed and development allowed to continue, the 21,000 current residents of Brigham City will be paying the impact fee, not the new development that will be there in the future.

Councilmember Jeffries recommended that the Council meet again when a plan is ready to be presented with dates and years that these projects will happen. He understands the need for development but would like a more firm timeline brought before the Council. Councilmember Smith asked what happens with the impact fees at the next study once projects are completed. Mr. Oyler stated that there will be the buy-ins, like at the current fire station, due to over building.

Mr. Oyler asked the Council to approve property in the approval of analysis. If the Council will do that, the City will have six years to purchase the land for the police and fire projects. Discussion was done about committing and if the projects do not happen then the money will be given back. Councilmember Troxell asked if they were to approve these fees, if the projects would be included in the next year budget. Mr. Oyler stated if it was approved then the design and study plan would be all that would be included in the next couple years.

A decision was made to hold another work session during the next City Council meeting.

The meeting adjourned at 8:09 p.m.

The undersigned duly appointed Recorder for Brigham City Corporation hereby certifies that the foregoing is a true, accurate and complete record of the October 17, 2024 City Council Work Session.

Dated this 17 day of October, 2024.

Kristina Rasmussen

Kristina Rasmussen, City Recorder