



2014 CULINARY WATER IMPACT FEES

SOUTH SALT LAKE CITY, UTAH

OCTOBER 2014





WHAT ARE IMPACT FEES

- A fee assessed to new development activity to recoup the cost of historic capital investment and/or to pay for future projected capital needs.
- Impact fees are assessed on a per unit basis to ensure development activity is paying its “fair share”.
- The process requires the completion of an Impact Fee Facilities Plan (IFFP) for entities serving populations greater than 5,000 and a Proportionate Share Analysis, or Impact Fee Analysis (IFA).



PURPOSE OF IMPACT FEES

- Identify the anticipated impact on or consumption of any existing capacity of a public facility by anticipated development activity.
- Identify the anticipated impact on system improvements required by future development activity to maintain the established level of service for each public facility.
- Demonstrate how the anticipated impacts are reasonably related to the anticipated development activity through a proportionate share analysis.





IMPACT FEE METHODOLOGY CHANGES

- Recent legislative changes or legal clarification:
 - Definition of “Original Value”
 - Definition of “Level of Service”
 - List of elements that must be considered in the IFFP
 - Definition of a “Private Entity”
 - Certification requirements added and clarified
- Our analysis complies with these changes



IFFP AND IFA METHODOLOGY

1. Define Service Area
2. Determine Demand Created by Development Activity
3. Provide Inventory of Existing Facilities
4. Establish Existing and Future Level of Service
5. Identify Existing and Future Capital Facilities Necessary to Serve New Growth
6. Consider All Revenue Resources to Finance System Improvements
7. Proportionate Share Analysis





SERVICE AREA & DEMAND

- Service Area:
 - Zone 1 Service Area.
- Demand Analysis:
 - Growth in ERCs is expected to reach 12,677 at buildout.
 - The City anticipates 2,071 additional ERCs in the IFFP planning horizon (through 2024), all within Zone 1.

	Existing	Build-Out	Change
Zone 1	5,542	11,882	6,340
Zone 2	795	795	-
Total ERCs	6,337	12,677	6,340

	ERCs	Change in ERCs
2013	5,542	
2014	5,704	162
2015	5,871	167
2016	6,043	172
2017	6,220	177
2018	6,402	182
2019	6,589	187
2020	6,782	193
2021	6,981	199
2022	7,185	204
2023	7,395	210
2024	7,613	218
IFFP ERCs (2013-2024)		2,071



EXISTING FACILITIES

Source

- Total Zone 1 Capacity: 7,175 gpm
- **Total Less Redundancy = 4,275 gpm**

Storage

- **Total Zone 1 Capacity: 7.0 MG**



LEVEL OF SERVICE

I. Source

Source	Total	Indoor	Outdoor
Average Demand (gpm/ERC)	0.445		
Peak Day (gpm/ERC)	0.912	0.556	0.356
Instantaneous (gpm/ERC)	1.459		

Redevelopment is not expected to increase the amount irrigated acreage in the City.

Accordingly, only indoor demands were considered in calculating the number of ERCs that will be served by the added flow.

II. Storage

Storage	
Indoor	400*
Outdoor	256
Total	656

*Plus 20 percent for emergency storage.

Storage	Existing	Build-Out
Equalization (gal)	656.00	563.88
Fire Suppression (gal)	236.71	126.24
Emergency (gal)	209.88	154.86
Total	1,102.58	844.98



EXCESS CAPACITY

- Source:

	Zone 1	Zone 2
Existing Source Requirements	5,054	725
Physical Capacity	7,175	1,450
Total Less Redundancy	4,275	NA
Latent Capacity (1)	(779)	725
Percent Latent Capacity	(11%)	50%
ERCs Served by Latent Capacity(1)	(1,403)	2,034
ERCs In IFFP Window	2,071	-
ERCs Exceeding Excess Capacity	2,071	(2,034)

1. Based on indoor water usage only

Source: SSL Master Plan p.III-4, Table III-4

Source: HAL, Memo Dated May 16 2014 (Project No. 126.01.100)



EXCESS CAPACITY

- Storage:

	Zone 1	Zone 2
Existing Storage Requirements	6.17	1.82
Physical Capacity	7.00	-
Latent Capacity	0.83	(1.82)
Percent Latent Capacity	12%	-
ERCs Served by Latent Capacity(1)	1,729	(4,560)
ERCs In IFFP Window	2,071	-
ERCs Exceeding Excess Capacity	342	-

1. Based on indoor storage only

Source: HAL, Memo Dated May 16 2014 (Project No. 126.01.100)

Value of Existing Storage Assets	\$1,454,229
Percent to IFFP	12%
Value to IFFP	\$172,430



FUTURE FACILITIES

#	Source	Cost	Capacity Used by Existing Demand (GPM)	Capacity to Growth	Percent to Growth	Cost to Growth
1	Construct a replacement for Bolinder Well	\$945,000	779	1,221	61%	\$576,450
6	Construct a new booster pump station at Bolinder Tank, with a rated capacity of 3,200 gpm	\$844,000	779	1,221	61%	\$514,840
15	Install 1,465 feet of 12" pipeline in Andy Ave. between 600 West and 300 West parallel to the existing 10" pipeline. This project addresses a fire Flow deficiency at 2115 W 400 S. In order to fully address the deficiency, projects 1, 5, and 6 must also be completed.	\$229,000	779	1,221	61%	\$139,690
	Total	\$2,018,000				\$1,230,980
	Storage	Cost	Capacity Used by Existing Demand (GAL)	Capacity to Growth	Percent to Growth	Cost to Growth
5	Expand the existing Bolinder Tank by 0.5 MG by either building a new 0.5 MG Tank, or by replacing the existing 1.0 MG tank with a 1.5 MG tank (cost estimate for new 0.5 MG tank).	\$540,000	-	0.5	100%	\$540,000
	Total	\$540,000				\$540,000



FUTURE FACILITIES

#	Source	Cost to Growth	ERCs Served by Growth Capacity	ERCs Remaining in IFFP	% Growth Cost to IFFP	Cost to IFFP
1	Construct a replacement for Bolinder Well	\$576,450	2,198	2,071	94%	\$541,863
6	Construct a new booster pump station at Bolinder Tank, with a rated capacity of 3,200 gpm	\$514,840	2,198	2,071	94%	\$483,950
15	Install 1,465 feet of 12" pipeline in Andy Ave. between 600 West and 300 West parallel to the existing 10" pipeline. This project addresses a fire Flow deficiency at 2115 W 400 S. In order to fully address the deficiency, projects 1, 5, and 6 must also be completed.	\$139,690	2,198	2,071	94%	\$131,309
	Total	\$1,230,980				\$1,157,121
	Storage	Cost to Growth	ERCs Served by Growth Capacity	ERCs Remaining in IFFP	% Growth Cost to IFFP	Cost to IFFP
5	Expand the existing Bolinder Tank by 0.5 MG by either building a new 0.5 MG Tank, or by replacing the existing 1.0 MG tank with a 1.5 MG tank (cost estimate for new 0.5 MG tank).	\$540,000	1,042	342	33%	\$178,200
	Total	\$540,000				\$178,200



IMPACT FEE

	Master Plan Cost	Cost to IFFP	ERCs Served	Fee per ERC
Source Buy-in	NA	-	2,071	-
Storage Buy-in	NA	\$172,430	2,071	\$83
Source Future Facilities	\$2,018,000	\$1,157,121	2,071	\$559
Storage Future Facilities	\$540,000	\$178,200	2,071	\$86
Impact Fee Fund Balance	NA	-	2,071	-
Professional Expense	\$10,200	\$10,200	2,071	\$5
			Total	\$733



NEXT STEPS

- Provide feedback regarding proposed fee
- Finalize IFFP and IFA (City/LYRB)
- Prepare Ordinance (City)
- October 10th: Complete noticing for IFFP and IFA (LYRB/City)
- October 22nd: Hold Public Hearing (ALL)
 - Adopt, modify or reject proposed impact fee (City Council)
- January 20th: Effective Date of Impact Fees (90 Day wait period)