



PUBLIC
FINANCE
ADVISORS



ELK RIDGE CITY, UTAH

JANUARY 2026

IMPACT FEE FACILITIES PLAN (IFFP) & IMPACT FEE ANALYSIS (IFA)

PARKS AND RECREATION, CULINARY WATER,
AND WASTEWATER

PREPARED BY:

LRB PUBLIC FINANCE ADVISORS
FORMERLY LEWIS YOUNG ROBERTSON & BURNINGHAM INC.



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IMPACT FEE CERTIFICATION

IFFP CERTIFICATION

LRB Public Finance Advisors (formerly Lewis Young Robertson & Burningham, Inc.) and Elk Ridge City jointly certify that the Impact Fee Facilities Plan (IFFP) prepared for parks and recreation, culinary water, and wastewater:

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 each impact fee is paid;
2. does not include:
 - a. costs of operation and maintenance of public facilities; or
 - 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; and
3. complies in every relevant respect with the Impact Fees Act.

LRB PUBLIC FINANCE ADVISORS & ELK RIDGE CITY

IFA CERTIFICATION

LRB Public Finance Advisors certifies that the Impact Fee Analysis (IFA) prepared for parks and recreation, culinary water, and wastewater:

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; or
 - 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;
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.

LRB Public Finance Advisors makes this certification with the following caveats:

1. All the recommendations for implementation of the IFFP made in the IFFP documents or in the IFA documents are followed by City staff and elected officials.
2. If all or a portion of the IFFP or IFA are modified or amended, this certification is no longer valid.
3. All information provided to LRB is assumed to be correct, complete, and accurate. This includes information provided by the City as well as outside sources.

LRB PUBLIC FINANCE ADVISORS



DEFINITIONS

The following acronyms or abbreviations are used in this document:

ERC: Equivalent Residential Connection

GPD: Gallon Per Day

GPM: Gallon per Minute

HH: Household

IFA: Impact Fee Analysis

IFFP: Impact Fee Facilities Plan

LOS: Level of Service

SF: Square Feet

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SECTION 1: EXECUTIVE SUMMARY

The purpose of this Impact Fee Facilities Plan (IFFP), with supporting Impact Fee Analysis (IFA), is to fulfill the requirements established in Utah Code Title 11 Chapter 36a, the "Impact Fees Act," and assist Elk Ridge City (the "City") in planning and funding capital improvements necessary to serve future growth. This document will address the future parks and recreation, culinary water, and wastewater infrastructure needed to serve the City through the next ten years, as well as the appropriate impact fees the City may charge to new growth to maintain the level of service (LOS) for parks and recreation, culinary water, and wastewater.

- **Impact Fee Service Area:** The Service Area for the parks and recreation, culinary water, and wastewater impact fees includes all areas within the City. **Figure 3.1** illustrates the proposed, City-wide Service Area. This document identifies the necessary future system improvements for the Service Area that will maintain the existing LOS into the future.
- **Demand Analysis:** The demand units utilized in this analysis include population and household growth, acreage, and equivalent residential connections (ERCs). As development and redevelopment occur within the City, it generates increased demand on City infrastructure. The system improvements identified in this study are designed to maintain the existing LOS for any new or redeveloped property within the City.
- **Level of Service:** The existing LOS is defined throughout each section of this document. Through the inventory of existing facilities, combined with the growth assumptions, this analysis identifies the LOS that is provided to a community's existing residents and ensures that future facilities maintain these established standards. Any excess capacity identified within existing facilities can be apportioned to new development.
- **Excess Capacity:** The demand analysis, existing facility inventory, and LOS analysis allow for the development of a list of capital facilities necessary to serve new growth and to maintain the existing level of service. This analysis identifies both excess capacity in existing facilities and the future system improvements necessary to maintain the LOS. The inclusion of excess capacity is known as a "buy-in." Any demand generated from new development that overburdens the existing system beyond the existing capacity justifies the construction of new facilities. This analysis calculates the buy-in component where applicable.
- **Outstanding Debt/Prior Financing Mechanisms:** There is not existing debt included in this analysis.
- **Capital Facilities Analysis:** Due to the projected new development and redevelopment within the City, additional capital improvements will be necessary as they relate to parks and recreation, culinary water, and wastewater infrastructure.
- **Funding of Future Facilities:** This analysis assumes future growth-related facilities will be funded through a combination of impact fee revenues and other funds. The analysis does not currently incorporate future debt-related expenses.



SUMMARY OF CITY-WIDE IMPACT FEES

The impact fees proposed in this analysis will be assessed within the designated Service Areas. The calculated impact fees are summarized below. **Table 1.1** presents the impact fees for parks and recreation by household. Culinary water, and wastewater impact fees by ERC are shown in **Table 1.2**.

TABLE 1.1: MAXIMUM IMPACT FEE PER HOUSEHOLD

	SINGLE FAMILY	MULTI-FAMILY
Parks and Recreation	\$8,172	\$4,418

TABLE 1.2: MAXIMUM IMPACT FEE PER ERC

	ERC
Culinary Water	\$5,817
Wastewater	\$132

The calculated impact fees represent the maximum allowable amounts necessary to maintain the City's existing level of service and ensure that new development pays its proportionate share of growth-related infrastructure costs.

NON-STANDARD IMPACT FEES

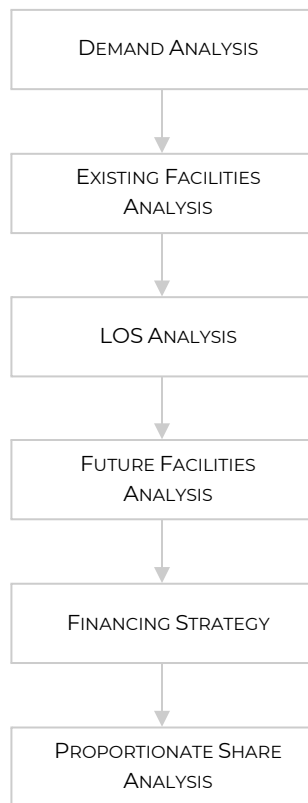
The City reserves the right under the Impact Fees Act to assess an adjusted fee that more closely matches the true impact that the land use will have upon public facilities.¹ This adjustment could result in a different impact fee if the City determines that a particular user may create a different impact than what is standard for its land use. The City may also decrease the impact fee if the developer can provide documentation, evidence, or other credible analysis that the proposed impact will be lower than what is proposed in this analysis.

This analysis is based on current assumptions and projections and should be updated periodically to reflect changes in growth, costs, and infrastructure needs.

¹ 11-36a-402(1)(c)

SECTION 2: GENERAL IMPACT FEE METHODOLOGY

FIGURE 2.1: IMPACT FEE METHODOLOGY



The purpose of this study is to fulfill the requirements of the Impact Fees Act regarding the establishment of an IFFP and IFA. The IFFP identifies the demands placed upon the City's existing facilities by future development and evaluates how these demands will be met by the City. The IFFP also outlines the improvements that are intended to be funded by impact fees. The purpose of an IFA is to allocate the cost of the new facilities and any excess capacity to new development, while ensuring that all methods of financing are considered. The Impact Fees Act requires that the IFFP and IFA consider the historic level of service provided to existing development and ensure that the proposed impact fees maintain the existing level of service. The following elements are important considerations when completing an IFFP and IFA.

DEMAND ANALYSIS

The demand analysis serves as the foundation for the IFFP and IFA. This element focuses on a specific demand unit related to each public service – the existing demand on public facilities and the future demand because of new development that will affect system facilities.

EXISTING FACILITY INVENTORY

In order to quantify the demands placed upon existing public facilities by new development activity, to the extent possible the IFFP provides an inventory of the City's existing system facilities. The inventory valuation should include the original construction cost and estimated useful life of each facility. The inventory of existing facilities is important to determine the excess capacity of existing facilities and the utilization of excess capacity by new development.

LEVEL OF SERVICE ANALYSIS

"Level of service" or LOS means the defined performance standard or unit of demand for each capital component of a public facility within a service area. Through the inventory of existing facilities, combined with the growth assumptions, this analysis identifies the existing LOS that is provided to a community's existing residents and ensures that future facilities maintain these established standards.

EXCESS CAPACITY AND FUTURE CAPITAL FACILITIES ANALYSIS

The demand analysis, existing facility inventory and LOS analysis allow for the development of a list of capital projects necessary to serve new growth and to maintain the existing level of service. This list includes any excess capacity of existing facilities as well as future system improvements necessary to maintain the LOS. Any excess capacity identified within existing facilities can be apportioned to new development. Any demand generated from new development that overburdens the existing system beyond the existing capacity justifies the construction of new facilities.

FINANCING STRATEGY

This analysis must also include a consideration of all revenue sources, including impact fees, future debt costs, alternative funding sources, and the dedication of system improvements, which may be used to finance system

improvements.² In conjunction with this revenue analysis, there must be a determination that impact fees are necessary to achieve an equitable allocation of the costs of the new facilities between the new and existing users.³

PROPORTIONATE SHARE ANALYSIS

The written impact fee analysis is required under the Impact Fees Act and must identify the impacts placed on the facilities by development activity and how these impacts are reasonably related to the new development. The written impact fee analysis must include a proportionate share analysis, clearly detailing each cost component and the methodology used to calculate each impact fee. A local political subdivision or private entity may only impose impact fees on development activities when its plan for financing system improvements establishes that impact fees are necessary to achieve an equitable allocation of the costs borne in the past and to be borne in the future (UCA 11-36a-302).

IMPACT FEE METHODOLOGIES

There are two methods employed in this analysis to determine the maximum allowable impact fees: the Growth-Driven Approach and Plan Based Approach.

GROWTH-DRIVEN (PERPETUATION OF EXISTING LOS)

The growth-driven method utilizes the existing level of service and perpetuates that level of service into the future. Impact fees are then calculated to provide sufficient funds for the entity to expand or provide additional facilities as growth occurs within the community. Under this methodology, impact fees are calculated to ensure new development provides sufficient investment to maintain the current LOS standards in the community. This approach is often used for public facilities that are not governed by specific capacity limitations and do not need to be built before development occurs (e.g., park facilities).

NEW FACILITY – PLAN BASED (FEE BASED ON DEFINED CIP)

Impact fees can be calculated based on a defined set of capital costs specified for future development. The improvements are identified in a capital plan or impact fee facilities plan as growth-related system improvements. The total cost is divided by the total demand units the improvements are designed to serve. Under this methodology, it is important to identify the existing level of service and determine any excess capacity in existing facilities that could serve new growth. Impact fees are then calculated based on many variables centered on proportionality and level of service.

² 11-36a-302(2)

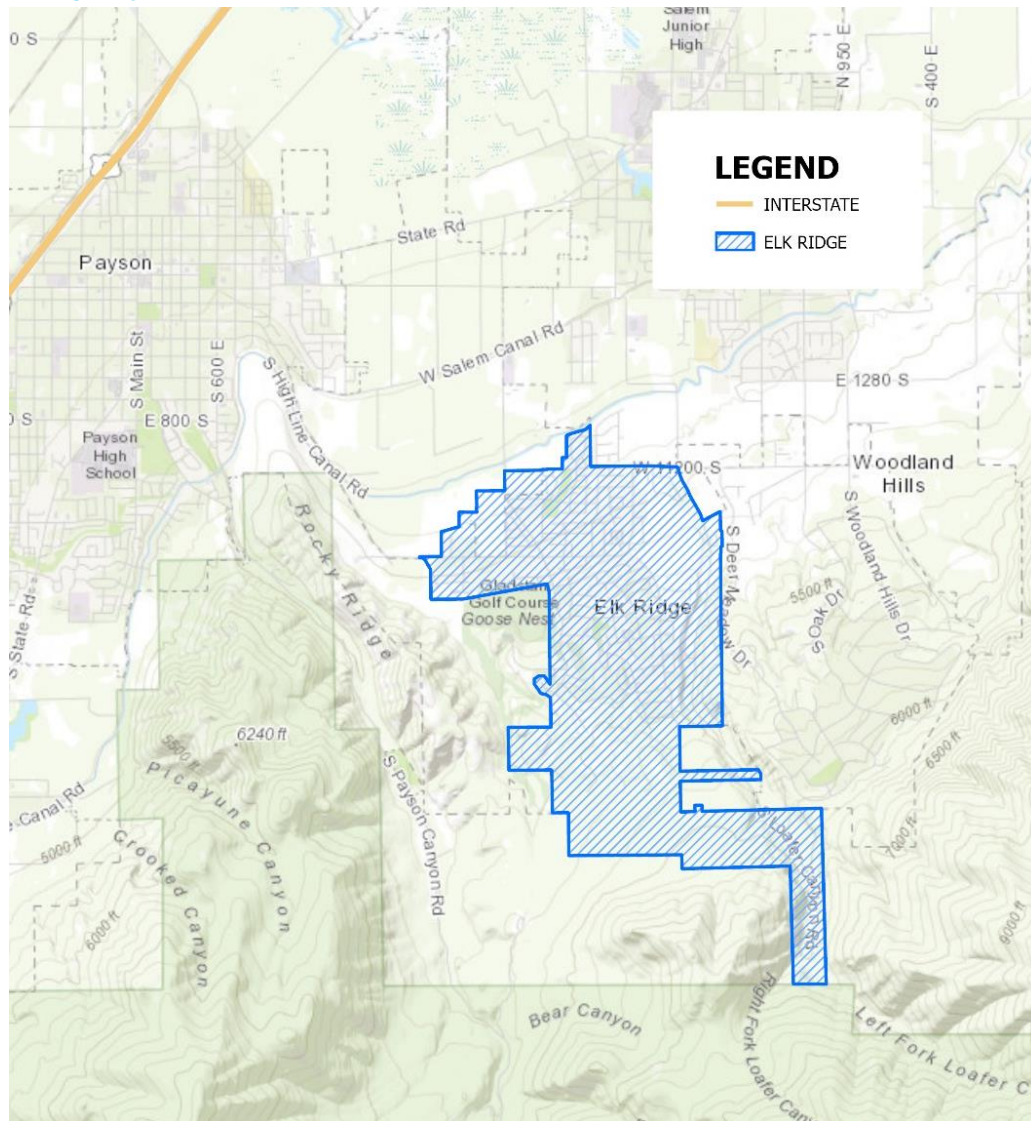
³ 11-36a-302(3)

SECTION 3: OVERVIEW OF SERVICE AREA AND GENERAL DEMAND FIGURES

SERVICE AREAS

Utah Code requires the impact fee enactment to establish one or more service areas within which impact fees will be imposed.⁴ The Service Area for the future parks and recreation, culinary water, and wastewater impact fees includes all areas within the current municipal boundaries of the City, as shown in **Figure 3.1**. This document identifies the necessary future system improvements for the Service Area that will maintain the existing LOS in the future.

FIGURE 3.1: CITY-WIDE SERVICE AREA



⁴ UC 11-36a-402(1)(a)

DEMAND ANALYSIS

The demand units utilized in this analysis include population and household growth, water ERCs, and wastewater ERCs. As new development and redevelopment occur within the City, it generates increased demand on City infrastructure. The system improvements identified in this study are designed to maintain the existing LOS for any new or redeveloped property within the City. As of 2024, the City's population was estimated at 5,191 based on the 2024 master plans population.

TABLE 3.1: POPULATION AND UNIT PROJECTIONS

YEAR	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Census	4,925	5,103	5,288	5,479	5,677	5,882	6,095	6,315	6,543	6,780	7,025	7,279	7,542
WW CIP Population	5,049	5,191	5,331	5,469	5,601	5,724	5,844	5,961	6,074	6,190	6,307	6,421	6,536
Water MP Population	5,049	5,191	5,331	5,469	5,601	5,724	5,844	5,961	6,074	6,190	6,307	6,421	6,536
WW ERCs	1,352	1,390	1,427	1,464	1,500	1,533	1,565	1,596	1,626	1,657	1,689	1,719	1,750
Water ERCs	1,352	1,390	1,427	1,464	1,500	1,533	1,565	1,596	1,626	1,657	1,689	1,719	1,750

TABLE 3.2: HOUSING UNITS

	TOTAL HOUSING UNITS	% OF TOTAL	POPULATION IN UNITS	HH SIZE
Single Family	1,297	99.5%	4,762	3.7
Multi-Family	6	0.5%	12	2.0
Total	1,303		4,774	

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SECTION 4 : PARKS AND RECREATION IFFP AND IFA

The purpose of this section is to address the parks and recreation IFFP, with supporting IFA, and to help the City plan for capital improvements necessary for future growth. This section will address the future parks and recreation infrastructure needed to serve the City through the next ten years, as well as the appropriate parks and recreation impact fees the City may charge to new growth to maintain the existing LOS.

DEMAND ANALYSIS

The specific demand unit used for the parks and recreation IFFP and IFA is population. As of 2024, the City's population was estimated at 5,191, based on the population projections adopted in the wastewater and culinary water master plans. The analysis evaluated fully occupied population levels using residential permit data. The City is at or near full occupation, and it was determined that no occupancy population adjustments are necessary. It is anticipated that the City's population will increase by 1,230 people within the 10-year planning horizon.

The future population in the City is used to determine the additional parks and recreation needs. The LOS standards for each type of improvement have been calculated, with a combined LOS determined for the future population, giving the City flexibility to provide future residents with the types of improvements that are desired. If growth projections and land use change significantly in the future, the City will need to update the demand projections, the IFFP, and the impact fees.

TABLE 4.1: POPULATION PROJECTIONS

YEAR	POPULATION
2024	5,191
2025	5,331
2026	5,469
2027	5,601
2028	5,724
2029	5,844
2030	5,961
2031	6,074
2032	6,190
2033	6,307
2034	6,421
2035	6,536
IFFP Growth	1,230

EXISTING FACILITY INVENTORY AND EXCESS CAPACITY

The City's existing facilities value for parks and recreation is shown in **Table 4.2**. See **Appendix A** for a detailed list of facilities and amenities. The City-owned acreage and estimated City-funded improvements illustrated below will be the basis for the LOS analysis discussed later in this section.

TABLE 4.2: PARK ASSETS SUMMARY

PARK TYPE	CITY-OWNED ACREAGE	EST. LAND VALUE	EST. IMPROV. VALUE
All Parks	29.26	\$10,241,000	\$1,224,750

LAND VALUATION

Current costs are used to determine the actual cost, in today's dollars, of duplicating the current LOS for future development in the City and do not reflect the value of the existing improvements within the City. For the purposes of this analysis, the cost to acquire new land is approximately \$350,000 per acre. This is based on land value of nearby land appraisals and currently listed properties.

MANNER OF FINANCING EXISTING PUBLIC FACILITIES

The City's existing parks and public lands infrastructure has been funded through a combination of General Fund revenues, grants, other governmental funds, and donations. General Fund revenues include a mix of property taxes, sales taxes, federal and state grants, and any other available General Fund revenues. All park land and improvements funded through donations are not included in the impact fee calculations.



LEVEL OF SERVICE ANALYSIS

The LOS for this analysis is based on maintaining the existing level of investment in current parks and recreation amenities. The LOS consists of two components: land value per capita and improvement value per capita and the improvement value per capita funded by the City (or the cost to purchase the land and make improvements in today's dollars), resulting in a total value per capita for parks and recreation. This approach uses current construction costs to determine the current value and allows the City to maintain the current LOS standard through the collection and expenditure of impact fees. **Table 4.3** shows the LOS for parks and recreation within the Service Area.

TABLE 4.3: LEVEL OF SERVICE ANALYSIS

SUMMARY LOS (COST PER CAPITA)	LAND VALUE PER CAPITA	IMPROVEMENT VALUE PER CAPITA	TOTAL VALUE PER CAPITA
All Parks	\$1,973	\$236	\$2,209

The timing of construction for growth-related park facilities will depend on the rate of development and the availability of funding. For purposes of this analysis, a specific construction schedule is not required. The construction of park facilities can lag behind development without impeding continued development activity. This analysis assumes that construction of needed park facilities will proceed on a pay-as-you-go basis.

EXCESS CAPACITY

There is no buy-in component considered in this analysis.

FUTURE CAPITAL FACILITIES ANALYSIS

Future planning for parks and recreation is an ongoing process based on the changes in population and community preference. The City will purchase and improve parks and recreation amenities to maintain the LOS defined in this document. Actual future improvements will be determined as development occurs and the opportunity to acquire and improve parks and recreation amenities arise. Impact fees will only be assessed to maintain the existing LOS.

Based on the expected changes in population over the planning horizon, the City will need to invest approximately \$2.7 million in parks, including amenities, to maintain the existing LOS as shown in **Table 4.4**. The City may invest in parks and recreation at a higher level; however, impact fees cannot be used to increase the existing LOS.

TABLE 4.4: INVESTMENT NEEDED TO MAINTAIN LOS

PARK TYPE	TOTAL VALUE PER CAPITA	IFFP POPULATION INCREASE	NEW VALUE
All Parks	\$2,209	1,230	\$2,716,793

The estimated future investment in **Table 4.4** excludes buy-in to existing facilities. Future investment may be used to acquire additional parks and recreation land and fund new park improvements and amenities or make improvements to existing park facilities to add capacity to the system. The following types of improvements may be considered:

- Land Acquisition
- Sod and Irrigation Improvements
- Pavilions
- Restrooms and other Parks and Recreation Buildings
- Picnic Tables
- Playgrounds

- Trailways/Walkways
- Volleyball Courts
- Tennis Courts
- Basketball Courts
- Other Recreational Courts and Facilities
- Baseball/Softball Field Facilities
- Multi-Purpose Fields
- Field Lighting
- Concession/Buildings
- Parking
- Skate Parks
- Other Park and Recreation Amenities

SYSTEM VS. PROJECT IMPROVEMENTS

System improvements are defined as existing and future public facilities designed to provide services to the community at large.⁵ Project improvements are improvements and facilities that are planned and designed to provide service for a specific development (resulting from a development activity) and considered necessary for the use and convenience of the occupants or users of that development.⁶ The Impact Fee Analysis may only include the costs of impacts on system improvements related to new growth within the proportionate share analysis. Only Park facilities that serve the entire community are included in the LOS.

PROPOSED PARKS AND RECREATION IMPACT FEE

The calculation of the park impact fee is based on the growth-driven approach, which is based on the **growth** in residential demand. The growth-driven methodology utilizes the existing LOS and perpetuates that LOS into the future. Impact fees are then calculated to provide sufficient funds for the entity to expand or provide additional facilities, as growth occurs within the community. Under this methodology, impact fees are calculated to ensure new development provides sufficient investment to maintain the current LOS standards in the community. This approach is often used for public facilities that are not governed by specific capacity limitations and do not need to be built before development occurs (i.e. park facilities). Utilizing the estimated per capita land value and per capita improvement value by park type, the total fee per capita is shown in **Table 4.5** below.

TABLE 4.5: ESTIMATE OF IMPACT FEE VALUE PER CAPITA

TYPE OF IMPROVEMENT	LAND VALUE PER CAPITA	IMPROVEMENT VALUE PER CAPITA	TOTAL VALUE PER CAPITA
Parks and Recreation	\$1,973	\$236	\$2,209
Buy-In			\$0
Estimate of Impact Fee Per Capita			\$2,209

Based on the per capita fee, the proposed impact fee per household is summarized in **Table 4.6**.

TABLE 4.6: PARK IMPACT FEE SCHEDULE

IMPACT FEE PER HH	PERSONS PER HH	FEE PER HH
Average	3.75	\$8,283
Single Family	3.70	\$8,172
Multi-Family (Including Mobile Homes)	2.00	\$4,418

⁵ 11-36a-102(22)

⁶ 11-36a-102(15)



NON-STANDARD IMPACT FEE

The proposed fees are based upon population growth. The City reserves the right, consistent with the Impact Fees Act⁷, to assess adjusted impact fees that more closely match the true impact that the land use will have upon park facilities.⁸ This adjustment could result in a different impact fee if the City determines that a particular user may create a different impact than what is standard for its land use. The City may also decrease the impact fee if the developer can provide documentation, evidence, or other credible analysis that the proposed impact will be lower than what is proposed in this analysis. The formula for determining a non-standard impact fee is found below.

FORMULA FOR NON-STANDARD PARKS AND RECREATION IMPACT FEES:

Estimate Population x \$2,209 = Impact Fee

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⁷ 11-36a-402(1)(c)

⁸ 11-36a-402(1)(c)



SECTION 5: CULINARY WATER IFFP AND IFA

The purpose of this section is to address the culinary water IFFP, with supporting IFA and to help the City plan for the necessary capital improvements for future growth. This section will address the future culinary water infrastructure needed to serve the City through the next ten years, as well as address the appropriate culinary water impact fees the City may charge to new growth to maintain the existing LOS. The information utilized in this analysis is based off the City's existing 2024 Water Master Plan.

DEMAND

The primary demand unit related to the water IFA is equivalent residential connections (ERCs). It is anticipated that 329 ERCs will be added to the system in the next ten years. **Table 5.1** contains the current and projected ERCs.

TABLE 5.1: PROJECTED GROWTH IN EQUIVALENT RESIDENTIAL CONNECTION DEMAND

2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	BUILDOUT	IFFP DEMAND
1,352	1,390	1,427	1,464	1,500	1,533	1,565	1,596	1,626	1,657	1,689	1,719	1,750	2,310	329

EXISTING FACILITIES INVENTORY

Tables 5.3 and 5.4 illustrate the existing source and storage facilities by component. The City's culinary water is supplied by 3 wells. All sources have a combined design production capacity of 2,530 GPM. The City's tanks have a combined total storage capacity of 2 million gallons. The analysis includes \$8,381,250 in original system value and interest expense when determining buy-in value as shown in **Table 5.2**.

TABLE 5.2: EXISTING FACILITIES VALUE

	DEPRECIATION COST
Source	\$3,148,045
Storage	\$2,011,881
Transmission	\$3,221,324
Total	\$8,381,250

TABLE 5.3: EXISTING STORAGE CAPACITY

	GALLONS
Tank 1	500,000
Tank 2	500,000
Tank 3	1,000,000
Total Capacity	2,000,000
Less Fire Storage	180,000
Less Emergency Storage	-
Remaining Capacity	1,820,000

TABLE 5.4 EXISTING SOURCE CAPACITY

	PUMP CAPACITY	TEST CAPACITY	SAFE YIELD*	UNIT
Cloward Well	850	1,500	1,000	GPM
Loafer Canyon Well	800	1,650	1,100	GPM
Sky Hawk Well	880	1,000	667	GPM
Total	2,530	4,150	2,767	GPM

*Safe yield capacity calculated as 2/3 the well test capacity (Rule R309-515-6(10)(c))



LEVEL OF SERVICE

Impact fees cannot be used to finance an increase in the level of service (LOS) for current or future users of capital improvements. Therefore, it is important to identify the water LOS to ensure that the new capacities of projects financed through impact fees do not exceed the established standard. The City's provided LOS, as defined in the water IFFP, is 1.47 gpm/ERC for source and 777 gallons per ERC for storage.

TABLE 5.5: EXISTING LEVELS OF SERVICE

	STANDARD	UNIT
Source	1.47	gpm/ERC
Indoor + Outdoor Storage	777	gal/ERC
Fire Suppression	180,000	gal

EXCESS CAPACITY

The intent of the equity buy-in component is to recover the costs of the unused capacity in existing infrastructure from new development. The IFFP evaluates the use of collection capacity to determine the percentage of existing collection capacity used by existing and future development. The tables below illustrate the calculated percentages defined in the analysis.

TABLE 5.6: EXISTING DISTRIBUTION/TRANSMISSION FACILITIES ALLOCATED TO GROWTH

		% ALLOCATION	NEW ERCs
Existing ERCs	1,390	60%	
IFFP ERCs	1,719	74%	329
BO ERCs	2,310	100%	920
New ERCs in IFFP	329	14.2%	

TABLE 5.7: EXISTING SOURCE CAPACITY ALLOCATED TO GROWTH

	PUMP CAPACITY	TEST CAPACITY	SAFE YIELD*	
Cloward Well	850	1,500	1,000	GPM
Loafer Canyon Well	800	1,650	1,100	GPM
Sky Hawk Well	880	1,000	667	GPM
Total	2,530	4,150	2,767	GPM
ERC Capacity	1,719	2,820	1,880	
Current ERCs			1,390	
Remaining ERC Capacity			490	
IFFP Demand			329	
Additional Need			-	
Buy-In Allocation			17.5%	

TABLE 5.8: EXISTING STORAGE FACILITIES ALLOCATED TO GROWTH

Total Capacity	2,000,000
Less Fire Storage	180,000
Less Emergency Storage	-
Remaining Capacity	1,820,000
Current ERC Capacity	2,342
Current ERCs	1,390
Remaining ERC Capacity	952
IFFP Demand	329
Additional Need	-
Buy-In Allocation	14.0%

MANNER OF FINANCING EXISTING PUBLIC FACILITIES

The City has funded its existing culinary water capital infrastructure through a combination of different revenue sources including general utility fund revenues, governmental funds, and revenues received from other governmental agencies. Any funding that has come from federal grants and donations from non-resident citizens are not included in the level of service analysis. Currently there is no outstanding debt for the city's culinary water system.

FUTURE CAPITAL FACILITIES ANALYSIS

The estimated costs attributed to new growth were analyzed based on existing development versus future development needs. From this analysis, a portion of future development costs were attributed to new growth and included in this impact fee analysis. Capital projects related to curing existing deficiencies were not included in the calculation of the impact fees. The costs of projects related to curing existing deficiencies cannot be funded through impact fees. The main projects needed to maintain LOS include new lengths of pipe. Total future project costs equal \$2.3M with \$1.7M included in the IFFP. A summary is shown in **Table 5.9**.

TABLE 5.9: FUTURE FACILITIES

MAP ID	IMPROVEMENT NAME	DESCRIPTION	COST	PURPOSE	% TO IFFP	IFFP COST	% TO NEW GROWTH
Distribution							
P-1	11200 South	New 10" pipe installation	\$247,773	Capacity	100%	\$247,773	\$88,703
P-2	Elk Ridge Drive	New 10" pipe installation	\$140,451	Capacity	100%	\$140,451	\$50,281
P-3	Upper Tank Line	Replace existing 8" pipe with 10" pipe	\$382,470	Capacity	100%	\$382,470	\$136,924
P-4	Sunset Ave	Replace existing 6" pipe with 10" pipe	\$133,323	Capacity	100%	\$133,323	\$47,730
P-5	Park Drive Connection	Loop Park Drive	\$492,123	Capacity	100%	\$492,123	\$176,180
P-6	Loafer Canyon Drive	Replace existing 6" pipe with 8" pipe	\$458,640	Fire Flow/Capacity	50%	\$229,320	\$82,097
PRV-1	Golden Eagle Way PRV	New 8" PRV	\$96,000	High Pressures	0%	\$0	\$0
PRV-2	South Elk Ridge Drive PRV	New 8" PRV	\$96,000	High Pressures	0%	\$0	\$0
PRV-3	Sky Hawk Way PRV	New 8" PRV	\$96,000	High Pressures	0%	\$0	\$0
PRV-4	Canyon View PRV	New 8" PRV	\$96,000	High Pressures	0%	\$0	\$0
PRV-5	New Subdivision PRV	New 8" PRV	\$96,000	High Pressures	100%	\$96,000	\$34,368
Subtotal: Transmission/Distribution			\$2,334,779			\$1,721,459	\$616,282

PROPOSED CULINARY WATER IMPACT FEE

This analysis has identified the future demand, the existing and proposed LOS, the availability of excess capacity, and summarizes the future facilities needed to serve new development. The following section identifies the appropriate impact fee to be assessed to new development to maintain the existing LOS.

The 2024 Sewer Master Plan outlines the recommended capital projects that will maintain the established LOS. The total project costs are divided by the total demand units the projects are designed to serve. Under this methodology, it is important to identify the existing LOS and determine any excess capacity in existing facilities that could serve new growth. Impact fees are then calculated based on many variables centered on proportionality share and LOS.

The culinary water impact fees proposed in **Table 5.10** will be assessed throughout the City. The “total impact fee” shown—**\$5,817** per ERC—illustrates the maximum allowable per-unit impact fee to maintain the existing LOS, based on the assumptions identified in this document, including the applicable buy-in, future facility, and other costs.

TABLE 5.10: CULINARY WATER IMPACT FEE PER UNIT

	TOTAL COST	% TO IFFP	COST TO IFFP	COST TO IFA	IFA Cost	FUTURE ERCs	COST PER ERC
Buy-In							
Source Buy-In	\$3,148,045	17.5%	\$550,908	100.0%	\$550,908	329	\$1,674
Storage Buy-In	\$2,011,881	14.0%	\$281,663	100.0%	\$281,663	329	\$856
Distribution Buy-In	\$3,221,324	14.2%	\$457,428	100.0%	\$457,428	329	\$1,390
Subtotal	\$8,381,250		\$1,289,999		\$1,289,999		\$3,920
Future Facilities							
Future Source	\$0	0%	\$0	0.0%	\$0	329	\$0
Future Storage	\$0	0%	\$0	0.0%	\$0	329	\$0
Future Transmission/Distribution	\$2,334,779	74%	\$1,721,459	35.8%	\$616,282	329	\$1,873
Subtotal	\$2,334,779		\$1,721,459		\$616,282		\$1,873
Other							
Professional Expense	\$8,010	100%	\$8,010	100.0%	\$8,010	329	\$24
Interest Credit	\$0	100%	\$0	100.0%	\$0	329	\$0
Impact Fee Fund Balance Credit	\$0	100%	\$0	100.0%	\$0	329	\$0
Subtotal	\$8,010		\$8,010		\$8,010		\$24
Total per ERC	\$10,724,039		\$3,019,468		\$1,914,292		\$5,817

NON-STANDARD CULINARY WATER IMPACT FEES

The City reserves the right, consistent with the Impact Fees Act⁹ to assess adjusted impact fees that more closely match the true impact that the land use will have upon the City’s culinary water system. This adjustment could result in a different impact fee if evidence suggests a particular user will create a different impact than what is standard for its category.

FORMULA FOR NON-STANDARD CULINARY WATER IMPACT FEES:

Number of ERCs x \$5,817 = Impact Fee

⁹ 11-36a-402(1)(c)

SECTION 6: WASTEWATER IFFP AND IFA

Impact fees are calculated based on many variables centered on proportionality and LOS. Future demands were identified previously in this document, and this section will discuss the existing and proposed level of service, the availability of excess capacity, the needed future facilities to serve new development, and the appropriate impact fee to be assessed to new development to maintain the existing LOS. This analysis focuses on the City's sewer collection system. The City currently contracts with Payson City for sewage treatment and does not own or operate their own facility. The information utilized in this analysis is based on the City's existing Sewer Master Plan. The Master Plan was created in April 2024.

DEMAND

The demand unit related to wastewater is ERCs. The City's sewer system currently serves 1,390 ERCs. It is anticipated that 329 ERCs will be added to the system in the next ten years as shown in **Table 6.1**.

TABLE 6.1: PROJECTED GROWTH IN ERCs

2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	BUILDOUT	IFFP DEMAND
1,352	1,390	1,427	1,464	1,500	1,533	1,565	1,596	1,626	1,657	1,689	1,719	1,750	2,310	329

EXISTING FACILITIES INVENTORY

The collection system collects sewer flows from all areas within the service area, as well as from portions of the county served by outfall lines that the City operates and maintains. The existing system consists of approximately 21.1 miles of sewer pipes and 454 manholes. The collection system delivers the wastewater to Payson City's facilities for treatment. A total of \$2,199,130 in original system value and interest expense is included in this analysis when determining buy-in value. The table below illustrates the total value attributed to each service area as defined in the IFFP.

TABLE 6.2 VALUE OF EXISTING FACILITIES

SUMMARY	PRIOR ACCUMULATED	TOTAL COST	ACCUM. DEPRECIATION	FUTURE DEPRECIATION	BOOK VALUE
Collection	\$243,445	\$249,359	\$88,347	\$1,140,971	\$2,199,130

LEVEL OF SERVICE

Impact fees cannot be used to finance an increase in the level of service (LOS) to current or future users of capital improvements. Therefore, it is important to identify the sewer LOS to ensure that the new capacities of projects financed through impact fees do not exceed the established standard. This analysis considers the level of service at 580.1 GPD per ERC for water usage, as defined in the Sewer IFFP. Data on existing pipe depths was not available for this analysis.

EXCESS CAPACITY

For the purposes of this analysis, excess capacity has been evaluated based on the percentage of total existing collection capacity used by existing and future development in the City. The tables below illustrate the calculated percentages defined in the IFFP.



TABLE 6.3: ERCs ATTRIBUTED TO GROWTH

		%	NEW ERCs
Existing ERCs	1,390	60%	
IFFP ERCs	1,719	74%	329
BO ERCs	2,310	100%	920
New ERCs in IFFP	329	14.2%	

MANNER OF FINANCING EXISTING PUBLIC FACILITIES

The City's existing sewer infrastructure has been funded through a combination of utility rate revenues and other governmental funds. Any funding that has come from federal grants and donations from non-resident citizens are not included in the level of service analysis. Currently there is no outstanding debt for the city's wastewater system.

FUTURE CAPITAL FACILITIES ANALYSIS

The existing sewer data is limited, resulting in a limited Master Plan and Capital Improvement Plan. The projects in **Table 6.4** are identified needs. These projects are recommendations that are not attributed to growth, and their costs are not included in the IFFP analysis.

TABLE 6.4: TENTATIVE PROJECTS

IMPROVEMENT NAME	COST (2023 DOLLARS)	FINANCIAL PLANNING PERIOD
Wastewater Modeling Study	\$24,000	2024
System Video Inspection	\$130,000	5-10 years
Total Improvements Cost	\$150,000	

PROPOSED WASTEWATER IMPACT FEE

This analysis has identified the future demand, the existing and proposed LOS, the availability of excess capacity, and summarizes the future facilities needed to serve new development. The following section identifies the appropriate impact fee to be assessed to new development to maintain the existing LOS.

The 2024 Sewer IFFP Master Plan contains no recommended capital projects that will maintain the established LOS. No project costs are included in this calculation. It is important to identify the existing LOS and determine any excess capacity in existing facilities that could serve new growth. Impact fees are then calculated based on many variables centered on proportionality share and LOS.

TABLE 5.6: WASTEWATER IMPACT FEE PER UNIT

	TOTAL COST	% TO GROWTH	\$ TO IFFP GROWTH	% TO IFA	COST TO IFA	DEMAND SERVED	COST PER ERC
Buy In							
Treatment Buy-In	\$0	14.2%	\$0	100%	\$0	329	\$0
Collection Buy-In	\$249,359	14.2%	\$35,409	100%	\$35,409	329	\$108
Subtotal: Buy-In							\$108
Other							
Professional Expense	\$8,010	100%	\$8,010	100%	\$8,010	329	\$24
Interest Credit	\$0	100%	\$0	100%	\$0	329	\$0
Impact Fee Fund Balance	\$0	100%	\$0	100%	\$0	329	\$0
Subtotal: Other							\$24
Total							\$132

NON-STANDARD IMPACT FEE

The City reserves the right, consistent with the Impact Fees Act,¹⁰ to assess adjusted impact fees that more closely match the true impact that the land use will have upon the wastewater system. This adjustment could result in a lower impact fee if evidence suggests a particular user will create a different impact than what is standard for its category. The formula for a non-standard impact fee calculation is shown below.

FORMULA FOR NON-STANDARD WASTEWATER IMPACT FEES:

Estimate of ERCs x \$132 = Impact Fee per Unit

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¹⁰ 11-36a-402(1)(c)

SECTION 7: GENERAL IMPACT FEE CONSIDERATIONS

SYSTEM VS. PROJECT IMPROVEMENTS

System improvements are defined as existing and future public facilities designed to provide services to service areas within the community at large.¹¹ Project improvements are improvements and facilities that are planned and designed to provide service for a specific development (resulting from a development activity) and considered necessary for the use and convenience of the occupants or users of that development.¹² To the extent possible, this analysis only includes the costs of system improvements related to new growth within the proportionate share analysis.

FUNDING OF FUTURE FACILITIES

The IFFP must include a consideration of all revenue sources, including impact fees and the dedication of system improvements, which may be used to finance system improvements.¹³ In conjunction with this revenue analysis, there must be a determination that impact fees are necessary to achieve an equitable allocation of the costs of the new facilities between the new and existing users.¹⁴

In considering the funding of future facilities, the City has determined the portion of future projects that will be funded by impact fees as growth-related, system improvements. No other revenues from other government agencies, grants or developer contributions have been identified within the IFFP to help offset future capital costs. If these revenues become available in the future, the impact fee analysis should be revised. It is anticipated that certain project improvements will be funded by developers. These costs have not been included in the calculation of the impact fee.

Other revenues such as utility rate revenues will be necessary to fund non-growth-related projects and to fund growth-related projects when sufficient impact fee revenues are not available. In the latter case, impact fee revenues will be used to repay utility rate revenues for growth-related projects. A brief description of alternative financing options is included below.

- **Utility Rate Revenues:** Utility rate revenues serve as the primary funding mechanism within enterprise funds. Rates are established to ensure appropriate coverage of all operations and maintenance expenses, debt service coverage, and capital project needs. Impact fee revenues are generally considered non-operating revenues and help offset future capital costs.
- **Grants, Donations, and Other Contributions:** Grants and donations are not expected as a future funding source. The impact fees should be adjusted if grant monies are received. New development may be entitled to a reimbursement for any grants or donations received for growth-related projects, or for developer-funded IFFP projects.
- **Debt Financing:** Should the City desire to fund future projects through debt financing, the Impact Fees Act allows for the costs related to the financing of future capital projects to be included in the impact fee. However, the impact fee analysis should be updated to reflect this inclusion.

¹¹ 11-36a-102(22)

¹² 11-36a-102(15)

¹³ 11-36a-302(2)

¹⁴ 11-36a-302(3)



PROPOSED CREDITS OWED TO DEVELOPMENT

The Impact Fees Act requires a local political subdivision or private entity to ensure that the impact fee enactment allows a developer, including a school district or a charter school, to receive a credit against or proportionate reimbursement of an impact fee if the developer: (a) dedicates land for a system improvement; (b) builds and dedicates some or all of a system improvement; or (c) dedicates a public facility that the local political subdivision or private entity and the developer agree will reduce the need for a system improvement.¹⁵ The facilities must either be system improvements or be dedicated to the public in a manner that offsets the need for an improvement identified in the IFFP.

EQUITY OF IMPACT FEES

Impact fees are intended to recover the costs of capital infrastructure that relates to future growth. The impact fee calculations are structured for impact fees to fund 100 percent of the growth-related facilities identified in the proportionate share analysis as presented in the impact fee analysis. Even so, there may be years that impact fee revenues cannot cover the annual growth-related expenses. In those years, other revenues, such as General Fund revenues, will be used to make up any annual deficits. Any borrowed funds are to be repaid in their entirety through impact fees.

NECESSITY OF IMPACT FEES

An entity may only impose impact fees on development activity if the entity's plan for financing system improvements establishes that impact fees are necessary to achieve parity between existing and new development. This analysis has identified the improvements to public facilities and the funding mechanisms to complete the suggested improvements. Impact fees are identified as a necessary funding mechanism to help offset the costs of new capital improvements related to new growth. In addition, alternative funding mechanisms are identified to help offset the cost of future capital improvements.

CONSIDERATION OF ALL REVENUE SOURCES

The Impact Fees Act requires the proportionate share analysis to demonstrate that impact fees paid by new development are the most equitable method of funding growth-related infrastructure.

EXPENDITURE OF IMPACT FEES

Legislation requires that impact fees should be spent or encumbered within six years after each impact fee is paid except as otherwise allowed by law¹⁶. Impact fees collected in the next six years should be spent on those projects outlined in the IFFP as growth-related costs to maintain the LOS. **Impact fees collected as a buy-in to existing facilities can be allocated to the General Fund to repay the City for historic investment.**

GROWTH-DRIVEN EXTRAORDINARY COSTS

The City does not anticipate any extraordinary costs necessary to provide services to future development.

SUMMARY OF TIME PRICE DIFFERENTIAL

The Impact Fees Act allows for the inclusion of a time price differential to ensure that the future value of costs incurred at a later date are accurately calculated to include the costs of construction inflation. This analysis includes an inflation component to reflect the future cost of facilities. The impact fee analysis should be updated regularly to account for changes in cost estimates over time.

¹⁵ 11-36a-402(2)

¹⁶ 11-36a-602(2)(b)

APPENDIX A: PARK EXISTING FACILITIES INVENTORY

Park Type	City Parks System	Total Acreage	Less Detention	Less Gifted	Final Acres	% City Owned	% City Funded	Impact Fee Eligible	City Owned Acreage	Status	Land Value	Restrooms	Large Pavilion	Multipurpose Fields	Tennis Courts	Basketball Courts	Medium Playground	Playgrounds
Average Cost per Unit												\$180,000	\$120,000	\$400,000	\$80,000	\$50,000	\$30,000	\$200,000
DP	Shuler Park	3.3	-	-	3.3	100%	100%	100%	3.3	Existing	\$1,141,000	1.00	1.00	1.00	1.00	1.00	-	1.00
DP	Sky Hawk Park	8.0	-	-	8.0	100%	100%	100%	8.0	Existing	\$2,800,000	-	-	-	-	-	1.00	-
DP	"Wild Flower" Park	8.0	-	-	8.0	100%	100%	100%	8.0	Existing	\$2,800,000	-	-	-	-	-	-	-
	Subtotal Developed Parks	19.3	-	-	19.3				19.3		\$6,741,000	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Other Owned																		
U	Loafer	2.0	-	-	2.0	100%	100%	100%	2.00		\$700,000	-	-	-	-	-	-	-
U	Goosenest	8.0	-	-	8.0	100%	100%	100%	8.00		\$2,800,000	-	-	-	-	-	-	-
	Subtotal Other Owned	10.00	-	-	10.00				10.00		3,500,000	-	-	-	-	-	-	-
TOTALS		29.3	-	-	29.3				29.3		\$10,241,000	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Improvement Value IFA Eligibility	Base Eligible Improvement Value	Design & Engineering	Total Improvement Value
100%	\$1,030,000	\$154,500	\$1,184,500
100%	\$30,000	4,500	34,500
100%	\$0	-	-
	\$1,060,000	\$159,000	\$1,219,000
100%	\$5,000	\$750	\$5,750
100%	\$0	\$0	\$0
	\$5,000	\$750	\$5,750
	\$1,065,000	\$159,750	\$1,224,750

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