



Payson City

Notice of Public Hearing to Adopt Public Safety Impact Fee Enactment Ordinances, Impact Fee Facilities Plans (IFFP) and Impact Fee Analyses (IFA)

Notice is hereby given that the Payson City Council, a local municipality council located in Utah County, Utah, will hold a public hearing prior to adopting new Public Safety Impact Fee Enactment Ordinances, Impact Fee Facilities Plans and Impact Fee Analyses. The public hearing will take place at **6:00 p.m. on October 7, 2026** at 439 W. Utah Ave., Payson, Utah.

The public is hereby invited to attend the hearing. For information about the impact fee facilities plans or impact fee analyses or to ask any questions, please contact:

Amalie R. Ottley
City Recorder
City Office
439 West Utah Avenue
Payson, UT 84651
(801) 465-5200

In compliance with the Americans with Disabilities Act, persons in need of special accommodations or services to participate shall notify the City and we will seek to provide assistance.



ZIONS PUBLIC FINANCE, INC.

DRAFT Public Safety Impact Fee Analysis

Payson City

July 2026



Executive Summary

The Public Safety Impact Fee Analysis (IFA) was prepared to meet the requirements of Utah Code §11-36a. Impact fees are a one-time fee charged to new development to help offset the capital costs associated with growth in a community. Payson has determined that there is one city-wide service area for public safety services in the City. Therefore, all development in the City will be charged the same public safety impact fee regardless of where the new development takes place.

Payson City (“City”) is experiencing rapid growth. This growth in population results in new residential (dwelling units) and non-residential (commercial and institutional) development. From 2026-2035, the City’s population is expected to increase by 7,951 persons and will be accompanied by other nonresidential development.

TABLE 1: PROJECTED POPULATION, HOUSEHOLD, AND NON-RESIDENTIAL SQUARE FEET GROWTH SUMMARY, 2026-2035

Year	Population	Residential Units	Non-Residential SF
2026	24,788	7,144	6,135,428
2035	32,739	9,435	8,103,344
Growth 2026-2035	7,951	2,291	1,967,917

Source: Mountainlands Association of Governments; US Census Bureau; Utah County Assessor’s Office; ZPFI

Growth will result in more calls for public safety services, thereby creating demand for more personnel and more facility space to house the personnel, vehicles and equipment.

TABLE 2: PROJECTED GROWTH IN CALLS FOR SERVICE, 2026-2035

Calls for Service	2026	2035	Growth 2026-2035
Police	15,160	20,023	4,863
Fire	3,193	4,217	1,024

Due to projected growth, the City will need additional public safety facilities to maintain its proposed level of service (PLOS). Service levels are measured as qualifying public safety facility square feet (SF) per call for service. If more facility space isn’t constructed, the PLOS will decrease as new development occurs in the City.

TABLE 3: 10-YEAR IMPACTS TO PUBLIC SAFETY LEVELS OF SERVICE WITHOUT NEW CONSTRUCTION

Description	Existing Level of Service (ELOS, 2026)	Proposed Level of Service (PLOS, 2029 Police; 2027 Fire) ¹	Projected Level of Service with No New Facilities (2035)
Police			
Police Building Square Feet per Call	0.58	0.54	0.44
Fire			
Fire Building Square Feet per Call	6.35	6.18	4.81

¹ The police proposed service level will be reached in 2029 and the fire proposed service level will be reached in 2027 when new construction is anticipated.

New police facilities are anticipated to be built by 2029; therefore, the 2029 service level is the PLOS for police. The new police station of 33,910 sf will replace the existing station which has 8,810 sf. New fire facilities are anticipated to be built by 2027. This will add 16,867 sf to the current 20,272 sf of space.

The cost of impact-fee eligible future improvements to maintain the PLOS is anticipated to be \$1,329,089 for police facilities and \$4,940,281 for fire facilities for the time period from 2026 to 2035.

TABLE 4: COST OF FUTURE POLICE AND FIRE FACILITIES

Cost of New Facilities	Cost
Police	\$1,329,089
Fire	\$4,940,281
TOTAL	\$6,269,370

The maximum public safety impact fees change yearly for the police portion of the fee due to the need to make credits for the replacement space that will serve existing development in the new police facility. The fire fees have no credits and therefore the fire portion of the fee remains constant each year. There are no public safety bonds outstanding for which credits must be made.

TABLE 5: MAXIMUM PUBLIC SAFETY IMPACT FEES

Maximum Impact Fees	Police Residential	Police Non-Residential	Fire Residential	Fire Non-Residential	Public Safety TOTAL Residential	Public Safety TOTAL Non-Residential
2026	\$286.56	\$0.04	\$767.95	\$0.98	\$1,054.51	\$1.02
2027	\$296.43	\$0.04	\$767.95	\$0.98	\$1,064.38	\$1.02
2028	\$306.26	\$0.05	\$767.95	\$0.98	\$1,074.21	\$1.02
2029	\$316.05	\$0.05	\$767.95	\$0.98	\$1,084.00	\$1.02
2030	\$325.83	\$0.05	\$767.95	\$0.98	\$1,093.78	\$1.02
2031	\$335.60	\$0.05	\$767.95	\$0.98	\$1,103.55	\$1.03
2032	\$345.26	\$0.05	\$767.95	\$0.98	\$1,113.21	\$1.03
2033	\$354.82	\$0.05	\$767.95	\$0.98	\$1,122.77	\$1.03
2034	\$364.29	\$0.05	\$767.95	\$0.98	\$1,132.24	\$1.03
2035	\$373.69	\$0.06	\$767.95	\$0.98	\$1,141.64	\$1.03

Utah Code Legal Requirements

Utah Code allows cities to include only public safety buildings in the calculation of impact fees. This IFA is organized based on the legal requirements of Utah Code 11-36a-304.

Preparation of Impact Fee Analysis. Utah Code requires that “each local political subdivision... intending to impose an impact fee shall prepare a written analysis (Impact Fee Analysis or IFA) of each impact fee” (Utah Code 11-36a-303). This IFA follows all legal requirements as outlined below.

Section 11-36a-304 of the Utah Code outlines the requirements of an impact fee analysis which is required to identify the following:

- Anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity;
- Anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility;
- How anticipated impacts are reasonably related to the anticipated development activity the proportionate share of:
 - o costs for existing capacity that will be recouped; and
 - o costs of impacts on system improvement that are reasonably related to the new development activity; and
- How the impact fee was calculated.

Further, in analyzing whether or not the proportionate share of the costs of public facilities are reasonably related to the new development activity, the local political subdivision or private entity, as the case may be, shall identify, if applicable:

- The cost of each existing public facility that has excess capacity to serve the anticipated development resulting from the new development activity;
- The cost of system improvements for each public facility;
- Other than impact fees, the manner of financing for each public facility such as user charges, special assessments, bonded indebtedness, general taxes, or federal grants;
- The relative extent to which development activity will contribute to financing the excess capacity of and system improvements for each existing public facility, by means such as user charges, special assessments, or payment from the proceeds of general taxes
- The relative extent to which development activity will contribute to the cost of existing public facilities and system improvements in the future;
- The extent to which the development activity is entitled to a credit against impact fees because the development activity will dedicate system improvements or public facilities that will offset the demand for system improvements, inside or outside the proposed development;
- Extraordinary costs, if any, in servicing the newly developed properties; and
- The time-price differential inherent in fair comparisons of amounts paid at different times.

Calculating Impact Fees. Utah Code 11-36a-305 states that for purposes of calculating an impact fee, a local political subdivision or private entity may include the following:

- Construction contract price;
- Cost of acquiring land, improvements, materials, and fixtures;
- Cost for planning, surveying, and engineering fees for services provided for and directly related to the construction of the system improvements; and
- For a political subdivision, debt service charges if the political subdivision might use impact fees as a revenue stream to pay the principal and interest on bonds, notes or other obligations issued to finance the costs of the system improvements.

Additionally, the Code states that each political subdivision or private entity shall base impact fee amounts on realistic estimates and the assumptions underlying those estimates shall be disclosed in the impact fee analysis.

Certification of Impact Fee Analysis. Utah Code 11-36a-306 states that an impact fee analysis shall include a written certification from the person or entity that prepares the impact fee analysis. This certification is included at the conclusion of this analysis.

Impact Fee Enactment. Utah Code 11-36a-202 states that a local political subdivision or private entity wishing to impose impact fees shall pass an impact fee enactment in accordance with Section 11-36a-402. Additionally, an impact fee imposed by an impact fee enactment may not exceed the highest fee justified by the impact fee analysts. An impact fee enactment may not take effect until 90 days after the day on which the impact fee enactment is approved.

Notice of Intent to Prepare Impact Fee Analysis. A local political subdivision must provide written notice of its intent to prepare an IFA before preparing the Analysis (Utah Code 11-36a-503(1)). This notice must be posted on the Utah Public Notice website.

Impact on Consumption of Existing Capacity

Utah Code 11-36a-304((1)(a))

Identify the anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity

Impacts on public safety facilities will come from both residential and non-residential growth. This growth is projected as follows:

TABLE 6: GROWTH PROJECTIONS, 2026-2035

Year	Population	Residential Units	Non-Residential SF
2026	24,788	7,144	6,135,428
2027	25,463	7,338	6,302,347
2028	26,155	7,538	6,473,807
2029	26,867	7,743	6,649,932
2030	27,598	7,953	6,830,849
2031	28,557	8,230	7,068,261
2032	29,550	8,516	7,313,925
2033	30,577	8,812	7,568,128
2034	31,639	9,118	7,831,165
2035	32,739	9,435	8,103,344
Growth 2026-2035	7,951	2,291	1,967,917

Source: Payson City; U.S. Census Bureau; Mountainlands AOG; Utah County Assessor's Office; ZPFI

Residential and non-residential growth will increase the demand for public safety services as demonstrated by the increased calls for service that are projected to occur.

Police and fire calls are projected to grow at the same ratio as currently exists for households and non-residential sf.²

TABLE 7: CALLS PER UNIT

Calls per Unit	Police	Fire
Households	6,770	6,770
Residential Calls 2024	11,716	1,341
Calls per Residential Unit	1.7305	0.1981
Nonresidential SF	5,814,735	5,814,735
Non-residential Calls 2024	1,515	1,251
Calls per Non-Residential 1,000 sf	0.26053	0.2152

Police calls are anticipated to grow from 15,160 total calls in 2026 to 20,023 calls in 2035.

TABLE 8: POLICE – PROJECTED GROWTH IN CALLS FOR SERVICE BY DEVELOPMENT TYPE

Year	Residential Calls*	Non-Residential Calls*	Exempt Calls**	Total Calls for Service	Residential Units	Non-Residential SF
2026	12,362	1,598	1,200	15,160	7,144	6,135,428
2027	12,699	1,642	1,232	15,573	7,338	6,302,347
2028	13,044	1,687	1,266	15,997	7,538	6,473,807
2029	13,399	1,733	1,300	16,432	7,743	6,649,932
2030	13,763	1,780	1,336	16,879	7,953	6,830,849
2031	14,242	1,842	1,382	17,465	8,230	7,068,261
2032	14,737	1,906	1,430	18,072	8,516	7,313,925
2033	15,249	1,972	1,480	18,701	8,812	7,568,128
2034	15,779	2,040	1,531	19,351	9,118	7,831,165
2035	16,327	2,111	1,585	20,023	9,435	8,103,344
Growth, 2026-2035	3,965	513	385	4,863	2,291	1,967,917

*Adjusted total calls includes traffic calls. Traffic calls net of pass-through calls are allocated proportionally based on the ratios of residential and non-residential calls to total calls.

** Includes pass-through calls, calls from public buildings and mutual aid calls.

Fire calls are anticipated to grow from 3,193 total calls in 2026 to 4,217 calls in 2035.

TABLE 9: FIRE – PROJECTED GROWTH IN CALLS FOR SERVICE BY DEVELOPMENT TYPE

Year	Residential Calls*	Non-Residential Calls*	Exempt Calls**	Total Calls for Service	Residential Units	Non-Residential SF
2026	1,415	1,320	458	3,193	7,144	6,135,428
2027	1,453	1,356	471	3,280	7,338	6,302,347
2028	1,493	1,393	483	3,369	7,538	6,473,807
2029	1,533	1,431	496	3,461	7,743	6,649,932
2030	1,575	1,470	510	3,555	7,953	6,830,849
2031	1,630	1,521	528	3,678	8,230	7,068,261

² 2024 call data was used in this study as it was the most recent data available at the time this study commenced.

Year	Residential Calls*	Non-Residential Calls*	Exempt Calls**	Total Calls for Service	Residential Units	Non-Residential SF
2032	1,687	1,574	546	3,806	8,516	7,313,925
2033	1,745	1,628	565	3,938	8,812	7,568,128
2034	1,806	1,685	585	4,075	9,118	7,831,165
2035	1,869	1,743	605	4,217	9,435	8,103,344
Growth, 2026-2035	454	423	147	1,024	2,291	1,967,917

*Adjusted total calls; includes traffic calls. Traffic calls net of pass-through calls are allocated proportionally based on the ratios of residential and non-residential calls to total calls.

** Includes pass-through calls and mutual aid calls.

The growth will create the need for more public safety facilities.

Identify the Anticipated Impact on System Improvements Required by the Anticipated Development Activity

Utah Code 11-36a-304(1)(b)

Identify the anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility;

Police

The police department projects 20,023 calls by 2035 – an increase of 4,863 calls over the calls received in 2026 (15,160). The current service level is 0.58 sf of police facility space per call. However, this service level will decline to 0.54 square feet per call by 2029 when new police construction is anticipated. Based on a service level of 0.54 sf per call, and projected growth of 4,863 calls, the police department will need an additional 2,607 sf of building space.³ If no new building space is added, the service level will decrease to 0.44 sf per call.

TABLE 10: POLICE SERVICE LEVELS

Year	Total Calls for Service	SF to Maintain PLOS	Excess Capacity (Deficit)	Projected Level of Service if No Improvements
2026	15,160	8,128	682	0.58
2027	15,573	8,350	460	0.57
2028	15,997	8,577	233	0.55
2029	16,432	8,810	-	0.54
2030	16,879	9,050	(240)	0.52
2031	17,465	9,364	(554)	0.50
2032	18,072	9,690	(880)	0.49
2033	18,701	10,026	(1,216)	0.47
2034	19,351	10,375	(1,565)	0.46
2035	20,023	10,736	(1,926)	0.44

³ Calculated by multiplying the growth in calls (4,863) by the proposed service level of 0.54 sf per call.

Fire

The fire department projects 4,217 calls by 2035 – an increase of 1,024 over the calls received in 2026 (3,193). The current service level is 6.35 sf of fire facility space per call calculated by dividing the current fire space (20,272 sf) by the 2026 calls for service (3,193). However, this service level will decline to 6.18 square feet per call by 2027 when new fire construction is anticipated, calculated by dividing the current fire space (20,272 sf) by the 2027 calls for service (3,280). If no new building space is added, the service level will decline to 4.81 sf per call by 2035.

TABLE 11: FIRE SERVICE LEVELS

Year	Total Calls for Service	SF to Maintain PLOS	Excess Capacity (Deficit)	Projected Level of Service if No Improvements
2026	3,193	19,735	537	6.35
2027	3,280	20,272	-	6.18
2028	3,369	20,824	(552)	6.02
2029	3,461	21,390	(1,118)	5.86
2030	3,555	21,972	(1,700)	5.70
2031	3,678	22,736	(2,464)	5.51
2032	3,806	23,526	(3,254)	5.33
2033	3,938	24,343	(4,071)	5.15
2034	4,075	25,190	(4,918)	4.97
2035	4,217	26,065	(5,793)	4.81

Relationship of Anticipated Impacts to Anticipated Development Activity

Utah Code 11-36a-304(1)(c)

Demonstrate how the anticipated impacts are reasonably related to the anticipated development activity

As stated above, the City's existing police and fire stations do not have excess capacity. The City plans on constructing a new police facility (33,910 sf) to replace the existing police station (8,810 sf) by 2029. The City plans on constructing a new fire station (16,867 sf) by 2027.

TABLE 12: COST OF NEW FACILITIES TO MAINTAIN SERVICE LEVELS

	Impact Fee Eligible Cost 2026-2035	Total Cost	Total SF
Police	\$1,329,089	\$17,286,877	33,910
Fire	\$4,940,281	\$13,164,068	16,867
TOTAL	\$6,269,370	\$30,450,945	50,777

Proportionate Share Analysis

Utah Code 11-36a-304((1)(d) and (e))

Estimate the proportionate share of the costs for any existing excess capacity, the costs of new system improvements and identify how the impact fee was calculated

The proportionate share analysis includes the following steps:

- 1) Project increased population and non-residential growth
- 2) Project increased calls for service, keeping the ratio of calls for service for residential units and non-residential square feet constant with existing ratios
- 3) Project the need for increased building floor space
- 4) Calculate the cost per call
- 5) Allocate the cost per call to residential and non-residential units based on the number of calls per residential unit and non-residential square feet, respectively

Police

As previously stated, new development will help pay for construction of the new police station. As stated in the IFFP and previously in the IFA, the new building is projected to cost \$17,286,877 including land, with \$1,329,089 attributable to new growth by 2035.

TABLE 13: POLICE NEW CONSTRUCTION COST PER CALL

New Station Cost	
Station Cost	\$15,486,877
SF	33,910
Station Cost per SF	\$456.71
Land Cost	\$1,800,000.00
Total Station Cost + Land	\$17,286,877.00
Cost per SF + Land	\$509.79
SF to Existing	8,128
SF to 2026-2035	2,607
% of Use to 2026-2035	7.7%
Cost to 2026-2035	\$1,329,089.26
Growth in Calls, 2026-2035	4,863
Cost per Call	\$273.33

In addition to new construction costs, consultant costs per call can be included.

TABLE 14: POLICE GROSS COST PER CALL

Summary of Gross Fee	Amount
New Construction	\$273.33
Consultant Costs	\$0.93
Gross Cost per Call	\$274.25

A credit must be made for the portion of the new building that will replace the space previously used for the benefit of existing development. This credit must be made so that new development doesn't pay more than its fair share – once through an impact fee and then through higher taxes over time to help pay for the portion of the building that benefits existing development.

The credit is based on a cost of \$4,143,738 for 8,128 sf of space.⁴ The cost is then reduced by the actual cost of the building (\$783,200) which can now be repurposed by the City for other uses; and further reduced by cash on hand (\$148,656). This leaves \$3,221,882 that must be credited. Over a period of 20 years, this results in an average credit of \$160,594 per year.

TABLE 15: POLICE REPLACEMENT STATION SPACE

	Amount
Building SF to Existing	8,128
Cost per SF	\$509.79
Total Cost to Existing	\$4,143,738
City Purchase for Other Use	\$783,200
Impact Fee Fund Balance	\$148,656
Remaining Cost	\$3,211,882
Years for Payment	20
Payment per Year	\$160,594
Discount Rate	4.5%

The average cost per year of \$160,594 is divided by the total calls per year to arrive at an average cost per call. The net present value of the yearly costs are then subtracted from the maximum cost per call of \$274.25 as shown in Table 14. The cost per call is then multiplied by the average calls per unit as shown in Table 16 to arrive at the maximum fees that may be charged as shown in Table 17.

TABLE 16: POLICE CALLS PER UNIT

	Calls per Unit/SF
Residential	1.7305
Non-Residential	0.00026

TABLE 17: MAXIMUM POLICE FEE AFTER CREDITS

Year	Payment	Calls per Year	Cost per Call	NPV*	Max Cost per Call	Max Res Fee per Unit	Max Non-Res Fee per SF
2026	\$160,594	15,160	\$10.59	\$108.66	\$165.59	\$286.56	\$0.04
2027	\$160,594	15,573	\$10.31	\$102.96	\$171.29	\$296.43	\$0.04
2028	\$160,594	15,997	\$10.04	\$97.28	\$176.97	\$306.26	\$0.05
2029	\$160,594	16,432	\$9.77	\$91.62	\$182.63	\$316.05	\$0.05
2030	\$160,594	16,879	\$9.51	\$85.97	\$188.29	\$325.83	\$0.05
2031	\$160,594	17,465	\$9.19	\$80.32	\$193.93	\$335.60	\$0.05

⁴ The space allocation for existing development is based on 15,160 service calls in 2026, multiplied by the proposed service level of 0.54 sf per call.

Year	Payment	Calls per Year	Cost per Call	NPV*	Max Cost per Call	Max Res Fee per Unit	Max Non-Res Fee per SF
2032	\$160,594	18,072	\$8.89	\$74.74	\$199.51	\$345.26	\$0.05
2033	\$160,594	18,701	\$8.59	\$69.22	\$205.03	\$354.82	\$0.05
2034	\$160,594	19,351	\$8.30	\$63.74	\$210.51	\$364.29	\$0.05
2035	\$160,594	20,023	\$8.02	\$58.31	\$215.94	\$373.69	\$0.06

*NPV = net present value discounted at 4.5 percent

Fire

The new fire station planned for 2027 is projected to cost \$13,164,068, including land. New development between 2026 and 2035 will require 6,330 square feet of space, calculated by multiplying the growth in calls (1,024) by the PLOS of 6.18 sf per call.

TABLE 18: FIRE NEW CONSTRUCTION COST PER CALL

Description	Amount
Cost per SF	\$780.46
Total SF Needed by New Dev, 2026-2035	6,329.96
Cost of New Capacity	\$4,940,280.99
Capacity Calls	1,024
Cost per Call	\$4,823.99

In addition to new construction costs, consultant costs per call can be included. A reduction must be made, however, for the City's current impact fee fund balance of \$973,775.55 which can be used to offset some of the new construction costs. Therefore, the total cost per call is reduced to \$3,877.53.

TABLE 19: FIRE COST PER CALL

	Amount
Excess Capacity in Facilities	\$0.00
New Construction	\$4,823.99
Consultant Costs	\$4.39
Fund Balance Credit	(\$950.85)
Cost per Call	\$3,877.53

The City has or will acquire within the timeframe of this study, four fire vehicles that are impact-fee eligible (i.e., cost in excess of \$500,000). The cost of these vehicles can be added to the cost per call for nonresidential development only. Therefore, total cost per call is \$3,877.53 for residential development and \$4,533.14 for nonresidential development.

TABLE 20: FIRE VEHICLE COSTS

Description	Year Acquired	Year Expires	Cost	Remaining Life	Adjusted Cost (Salvage and Remaining Value)	Capacity Calls	Cost per Call
2015 Smeal Engine	2015	2035	\$538,000	9	\$193,680	4,217	\$45.93
2026 Smeal Engine	2025	2045	\$1,172,049	19	\$890,757	6,228	\$143.03
2029 Smeal Arial	2029	2049	\$2,750,000	20	\$2,200,000	7,420	\$296.48
2032 Smeal Engine	2032	2052	\$1,800,000	20	\$1,440,000	8,462	\$170.16
TOTAL							\$655.61

The fire costs per call are then multiplied by the average calls per residential unit and nonresidential square foot to arrive at the following maximum fire public safety fees.

TABLE 21: MAXIMUM FIRE FEES

	Calls per Unit/SF	Cost per Call 2025	Buildings Fee per Unit/SF	Vehicle Cost	TOTAL Maximum Fee per Unit/SF
Residential	0.1981	\$3,877.53	\$767.95	N/A	\$767.95
Non-Residential	0.0002	\$4,533.14	\$0.83	\$0.14	\$0.98

Summary of Maximum Public Safety Impact Fees

Maximum public safety fees are shown in the shaded columns in the table below.

TABLE 22: MAXIMUM PUBLIC SAFETY IMPACT FEES, 2025-2035

Maximum Impact Fees	Police Residential	Police Non-Residential	Fire Residential	Fire Non-Residential	Public Safety TOTAL Residential	Public Safety TOTAL Non-Residential
2026	\$286.56	\$0.04	\$767.95	\$0.98	\$1,054.51	\$1.02
2027	\$296.43	\$0.04	\$767.95	\$0.98	\$1,064.38	\$1.02
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2034	\$364.29	\$0.05	\$767.95	\$0.98	\$1,132.24	\$1.03
2035	\$373.69	\$0.06	\$767.95	\$0.98	\$1,141.64	\$1.03

Certification

Zions Public Finance, Inc. certifies that the attached impact fee analysis:

1. includes only the cost 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. cost 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. offset costs with grants or other alternate sources of payment; and
4. complies in each and every relevant respect with the Impact Fees Act.



ZIONS PUBLIC FINANCE, INC.

DRAFT Public Safety Impact Fee Facilities Plan

Payson City

July 2026



Executive Summary

Payson City (“City”) is experiencing rapid growth. This growth in population results in new residential (dwelling units) and non-residential (commercial and institutional) development. From 2026-2035, the City’s population is expected to increase by 7,951 persons and will be accompanied by other nonresidential development.

TABLE 1: PROJECTED POPULATION, HOUSEHOLD, AND NON-RESIDENTIAL SQUARE FEET GROWTH SUMMARY, 2026-2035

Year	Population	Residential Units	Non-Residential SF
2026	24,788	7,144	6,135,428
2035	32,739	9,435	8,103,344
Growth 2026-2035	7,951	2,291	1,967,917

Source: Mountainlands Association of Government; US Census Bureau; Utah County Assessor’s Office; ZPFI

Due to projected growth, the City will need additional public safety facilities to maintain its proposed level of service (PLOS). Service levels are measured as qualifying public safety facility square feet (SF) per call for service. If more facility space isn’t constructed, the proposed level of service will decrease as new development is created in the City.

TABLE 2: 10-YEAR IMPACTS TO PUBLIC SAFETY LEVELS OF SERVICE WITHOUT NEW CONSTRUCTION

Description	Existing Level of Service (ELOS, 2026)	Proposed Level of Service (PLOS, 2029 Police; 2027 Fire) ¹	Projected Level of Service with No New Facilities (2035)
Police			
Police Building Square Feet per Call	0.58	0.54	0.44
Fire			
Fire Building Square Feet per Call	6.35	6.18	4.81

New police facilities are anticipated to be built by 2029; therefore, the 2029 service level is the PLOS for police. New fire facilities are anticipated to be built by 2027. The new police facilities will replace the existing police facilities while the new fire facility space will be additional, expanded space.

The cost of impact-fee eligible future improvements to maintain the PLOS is anticipated to be \$1,329,089 for police facilities and \$4,940,281 for fire facilities for the time period from 2026 to 2035.

TABLE 3: IMPACT FEE ELIGIBLE COST OF FUTURE POLICE AND FIRE FACILITIES

Cost of New Facilities	Cost
Police	\$1,329,089
Fire	\$4,940,281
TOTAL	\$6,269,370

¹ The police proposed service level will be reached in 2029 and the fire proposed service level will be reached in 2027 when new construction is anticipated.

Utah Code Legal Requirements

Utah law requires that communities prepare an Impact Fee Facilities Plan before preparing an Impact Fee Analysis (IFA) and enacting an impact fee. Utah law also requires that communities give notice of their intent to prepare and adopt an IFFP. This IFFP follows all legal requirements as outlined below. The City has retained Zions Public Finance, Inc. (ZPFI) to prepare this Impact Fee Facilities Plan in accordance with legal requirements.

Notice of Intent to Prepare Impact Fee Facilities Plan

A local political subdivision must provide written notice of its intent to prepare an IFFP before preparing the Plan (Utah Code §11-36a-501). This notice must be posted on the Utah Public Notice website. The City has complied with this noticing requirement for the IFFP.

Preparation of Impact Fee Facilities Plan

Utah Code requires that each local political subdivision, before imposing an impact fee, prepare an impact fee facilities plan. (Utah Code 11-36a-301).

Section 11-36a-302(a) of the Utah Code outlines the requirements of an IFFP which is required to identify the following:

- (i) identify the existing level of service
- (ii) establish a proposed level of service
- (iii) identify any excess capacity to accommodate future growth at the proposed level of service
- (iv) identify demands placed upon existing facilities by new development activity at the proposed level of service; and
- (v) identify the means by which the political subdivision or private entity will meet those growth demands.

Further, the proposed level of service may:

- (i) exceed the existing level of service if, independent of the use of impact fees, the political subdivision or private entity provides, implements, and maintains the means to increase the existing level of service for existing demand within six years of the date on which new growth is charged for the proposed level of service; or
- (ii) establish a new public facility if, independent of the use of impact fees, the political subdivision or private entity provides, implements, and maintains the means to increase the existing level of service for existing demand within six years of the date on which new growth is charged for the proposed level of service.

In preparing an impact fee facilities plan, each local political subdivision shall generally consider all revenue sources to finance the impacts on system improvements, including:

- (a) grants
- (b) bonds
- (c) interfund loans
- (d) impact fees; and

- (e) anticipated or accepted dedications of system improvements.

Certification of Impact Fee Facilities Plan

Utah Code 11-36a-306 states that an impact fee facilities plan shall include a written certification from the person or entity that prepares the impact fee facilities plan. This certification is included at the conclusion of this analysis.

Background

This Impact Fee Facilities Plan (IFFP) was prepared to meet the requirements of Utah Code §11-36a. Impact fees are a one-time fee charged to new development to help offset the capital costs associated with new growth in a community. Payson City has determined that there is one city-wide service area for public safety services and that the service area is coterminous with existing City boundaries.

The IFFP considers only *system* facilities in the calculation of impact fees. For the City, this has been determined to include: (1) building space that serves and houses police, fire, or other public safety entities (excluding detention space), and (2) fire suppression vehicles costing in excess of \$500,000.

Growth in Demand

New development places increased demand on public safety facilities. One way of measuring the increased demand is through the increased calls for service that result. This approach allows the City to identify the demands coming from within Payson, as well as the demands originating from outside of Payson (i.e., pass-through traffic). Impact fees are only calculated based on the increased growth coming from within Payson and not for increased demand originating from development outside of Payson, but for which Payson must provide services (i.e., pass-through traffic stops and mutual aid).

Impacts on public safety facilities will come from both residential and non-residential growth. The demand units for these groups are identified as residential units (household units) and non-residential square feet. Demand units increase with development which generates more calls for service and, therefore, the need for more public safety building space. This growth is projected as follows:

TABLE 4: GROWTH PROJECTIONS, 2026-2035

Year	Population	Residential Units	Non-Residential SF
2026	24,788	7,144	6,135,428
2027	25,463	7,338	6,302,347
2028	26,155	7,538	6,473,807
2029	26,867	7,743	6,649,932
2030	27,598	7,953	6,830,849
2031	28,557	8,230	7,068,261
2032	29,550	8,516	7,313,925
2033	30,577	8,812	7,568,128
2034	31,639	9,118	7,831,165
2035	32,739	9,435	8,103,344
Growth 2026-2035	7,951	2,291	1,967,917

Source: Payson City; U.S. Census Bureau; Mountainland AOG; Utah County Assessor's Office; ZPFI

Calls for Service Analysis

Call information (the number of calls and their respective classifications for a 12-month period ending in 2024) was provided by the City. Using actual data from 2024, calls were categorized as either residential or non-residential using GIS applications and analysis.² Expected growth and historical proportions of call data were then applied to determine future call projections.

After discussions with the City, it is estimated that approximately ten percent of all traffic calls are pass-through calls, meaning that the calls neither originate nor have their destination in Payson. These pass-through calls cannot be included in the calculation of impact fees. Calls for mutual aid and calls from public buildings have also been excluded from the calculation of impact fees.

Police

In 2024, the City received 14,368 police calls for service,³ with approximately 88.6 percent of calls⁴ originating from residential units and the remaining 11.4 percent from non-residential units. These proportions from actual 2024 calls were used to project calls into future years.

Additional calls are shown as exempt (pass-through traffic, public buildings and agency assists). The increased police calls for service are projected as follows for residential and non-residential development in Payson.

TABLE 5: POLICE – PROJECTED GROWTH IN CALLS FOR SERVICE BY DEVELOPMENT TYPE

Year	Residential Calls*	Non-Residential Calls*	Exempt Calls**	Total Calls for Service	Residential Units	Non-Residential SF
2026	12,362	1,598	1,200	15,160	7,144	6,135,428
2027	12,699	1,642	1,232	15,573	7,338	6,302,347
2028	13,044	1,687	1,266	15,997	7,538	6,473,807
2029	13,399	1,733	1,300	16,432	7,743	6,649,932
2030	13,763	1,780	1,336	16,879	7,953	6,830,849
2031	14,242	1,842	1,382	17,465	8,230	7,068,261
2032	14,737	1,906	1,430	18,072	8,516	7,313,925
2033	15,249	1,972	1,480	18,701	8,812	7,568,128
2034	15,779	2,040	1,531	19,351	9,118	7,831,165
2035	16,327	2,111	1,585	20,023	9,435	8,103,344
Growth, 2026-2035	3,965	513	385	4,863	2,291	1,967,917

*Adjusted total calls includes traffic calls. Traffic calls net of pass-through calls are allocated proportionally based on the ratios of residential and non-residential calls to total calls.

** Includes pass-through calls, calls from public buildings and mutual aid calls.

² GIS data sources: Utah Geospatial Resource Center (UGRC), Utah County Assessor's Office

³ Source: Payson City Police Department

⁴ Ratio calculated based on the total of residential and nonresidential calls, excluding traffic calls, mutual aid, and calls from public buildings

Fire

In 2024, the City received 3,026 fire calls for service,⁵ with approximately 51.7 percent of the impact-fee eligible calls originating from residential units and the remaining 48.3 percent from non-residential units. These proportions from actual 2024 calls were used to project calls into the future.

Additional calls are shown as exempt (pass-through traffic, mutual aid and agency assists), as these demand units are not included in the calculation of impact fees. The increased fire calls for service are projected as follows for residential and non-residential development in Payson.

TABLE 6: FIRE – PROJECTED GROWTH IN CALLS FOR SERVICE BY DEVELOPMENT TYPE

Year	Residential Calls*	Non-Residential Calls*	Exempt Calls**	Total Calls for Service	Residential Units	Non-Residential SF
2026	1,415	1,320	458	3,193	7,144	6,135,428
2027	1,453	1,356	471	3,280	7,338	6,302,347
2028	1,493	1,393	483	3,369	7,538	6,473,807
2029	1,533	1,431	496	3,461	7,743	6,649,932
2030	1,575	1,470	510	3,555	7,953	6,830,849
2031	1,630	1,521	528	3,678	8,230	7,068,261
2032	1,687	1,574	546	3,806	8,516	7,313,925
2033	1,745	1,628	565	3,938	8,812	7,568,128
2034	1,806	1,685	585	4,075	9,118	7,831,165
2035	1,869	1,743	605	4,217	9,435	8,103,344
Growth, 2026-2035	454	423	147	1,024	2,291	1,967,917

*Adjusted total calls; includes traffic calls. Traffic calls net of pass-through calls are allocated proportionally based on the ratios of residential and non-residential calls to total calls.

** Includes pass-through calls and mutual aid calls.

This growth in calls for service will require increased fire station space to meet the demands of new development.

Identify the Existing and Proposed Levels of Service and Excess Capacity

Utah Code 11-36a-302(1)(a)(i)(ii)(iii)

Police

Facilities consist of the police station excluding any areas of incarceration. No police vehicles are included in the analysis.

The City currently has 8,810 sf of facility space which results in an existing level of service of 0.58 sf per call, calculated by dividing the 8,810 sf by the 15,160 calls received in 2026. The City intends to replace the existing police station with a new facility in 2029. Therefore, the proposed level of service will decline to 0.54 square feet per call by 2029⁶ when new police construction is anticipated. The

⁵ Source: Payson City

⁶ Calculated by dividing the 8,810 sf by the anticipated 16,432 calls in 2029.

new station will replace the existing station and will add increased square footage to serve new development.

Fire

Facilities consist of fire stations and fire suppression vehicles. There are three existing fire station facilities as follows:

Station 91 - 8,250 square feet,
 Station 92 - 7,496 square feet,
 Admin Offices - 4,526 square feet

The City currently has 20,272 sf of facility space which results in an existing level of service of 6.35 sf per call, calculated by dividing the 20,272 sf by the 3,193 calls anticipated in 2026. The proposed service level will decline to 6.18 sf per call by 2027, calculated by dividing the 20,272 sf of building space by the anticipated 3,280 calls in 2027.

Fire suppression vehicles that have been acquired previously or will be acquired within the next six years may be included in the study. The City currently has two Smeal Engines and intends to acquire another Smeal Engine and a Smeal Ariel within the timeframe of this study.

Identify Demands Placed Upon Existing Public Facilities by New Development Activity at the Proposed Level of Service

Utah Code 11-36a-302(1)(a)(iv)

Police

The police department projects 20,023 calls by 2035 – an increase of 4,863 calls over the calls received in 2026 (15,160). The current service level is 0.58 sf of police facility space per call. However, this service level will decline to 0.54 square feet per call by 2029 when new police construction is anticipated. Based on a service level of 0.54 sf per call, and projected growth of 4,863 calls, the police department will need an additional 2,607 sf of building space.⁷

TABLE 7: POLICE SERVICE LEVELS

Year	Total Calls for Service	SF to Maintain PLOS	Excess Capacity (Deficit)	Projected Level of Service if No Improvements
2025	14,759	7,913	897	0.60
2026	15,160	8,128	682	0.58
2027	15,573	8,350	460	0.57
2028	15,997	8,577	233	0.55
2029	16,432	8,810	-	0.54
2030	16,879	9,050	(240)	0.52
2031	17,465	9,364	(554)	0.50
2032	18,072	9,690	(880)	0.49

⁷ Calculated by multiplying the growth in calls (4,863) by the proposed service level of 0.54 sf per call.

Year	Total Calls for Service	SF to Maintain PLOS	Excess Capacity (Deficit)	Projected Level of Service if No Improvements
2033	18,701	10,026	(1,216)	0.47
2034	19,351	10,375	(1,565)	0.46
2035	20,023	10,736	(1,926)	0.44

Fire

The fire department projects 4,217 calls by 2035 – an increase of 1,024 over the calls received in 2026 (3,193). The current service level is 6.35 sf of fire facility space per call calculated by dividing the current fire space (20,272 sf) by the 2026 calls for service (3,193). However, this service level will decline to 6.18 square feet per call by 2027 when new fire construction is anticipated, calculated by dividing the current fire space (20,272 sf) by the 2027 calls for service (3,280).

TABLE 8: FIRE SERVICE LEVELS

Year	Total Calls for Service	SF to Maintain PLOS	Excess Capacity (Deficit)	Projected Level of Service if No Improvements
2025	3,108	19,212	1,060	6.52
2026	3,193	19,735	537	6.35
2027	3,280	20,272	-	6.18
2028	3,369	20,824	(552)	6.02
2029	3,461	21,390	(1,118)	5.86
2030	3,555	21,972	(1,700)	5.70
2031	3,678	22,736	(2,464)	5.51
2032	3,806	23,526	(3,254)	5.33
2033	3,938	24,343	(4,071)	5.15
2034	4,075	25,190	(4,918)	4.97
2035	4,217	26,065	(5,793)	4.81

Identify How the Growth Demands Will Be Met

Utah Code 11-36a-302(1)(a)(v)

Police

The City anticipates constructing a new police station by 2029. The station is estimated to cost \$15,486,877, or an average cost of \$456.71 per square foot for 33,910 square feet of building space. Land costs add another \$1,800,000 to the total cost, raising the average cost per square foot to \$509.79. New development over the next 10 years will require 2,607 sf at a total cost of \$1,329,089.

Fire

The City anticipates that a new fire station will be needed by 2027. Conceptual costs for the new station are estimated to reach \$10,704,068, which equates to \$634.62 per square foot for a 16,867

square foot building. The cost per acre for land at the time of purchase was \$820,000 and 3 acres are necessary for the station. When land is added to the building costs, this results in a total cost of \$780.46 per sf. New development between 2026 and 2035 will require 6,330 sf of building space to maintain the 2027 proposed service levels. New development's fair share of the costs is therefore \$4,940,281.

In addition, the City has acquired or anticipates acquiring within the timeframe of this study the following fire vehicles that cost in excess of \$500,000.

2015 Smeal Engine	\$538,000
2026 Smeal Engine	\$1,172,049
2029 Smeal Arial	\$2,750,000
2032 Smeal Engine	\$1,800,000

Consideration of Revenue Sources to Finance System Improvements

Utah Code 11-36a-302(2)(a)(b)(c)(d)(e)

Impact fees will be used to fund the established growth-driven public safety services for police and fire.

Grants

The City is unaware of any potential grant sources for future public safety facilities. However, should it be the recipient of any such grants, it will then look at the potential to reduce impact fees.

Bonds

The City has no outstanding bonds issued for capital costs associated with public safety facilities.

Interfund Loans

To the extent that funds are available, interfund loans could be considered to cover costs.

Impact Fees

Because of the growth anticipated to occur in the City, impact fees are a viable means of allowing new development to pay for the impacts that it places on the existing system. This IFFP is developed in accordance with legal guidelines so that an Impact Fee Analysis may be prepared and the City may charge impact fees for public safety.

Anticipated or Accepted Dedications of System Improvements

Any item that a developer funds must be included in the IFFP if a credit against impact fees is to be issued and must be agreed upon with the City before construction of the improvements.

Credits Against Impact Fees

Utah Code 11-36a-304(2)(f)

The Impact Fees Act requires credits to be paid back to development for future fees that may be paid to fund system improvements found in the IFFP so that new development is not charged

disproportionately. Credits may also be paid back to developers who have constructed or directly funded items that are included in the IFFP or donated to the City in lieu of impact fees, including the dedication of land for system improvements. This situation does not apply to developer exactions or improvements required to offset density or as a condition for development. Any item that a developer funds must be included in the IFFP if a credit is to be issued and must be agreed upon with the City before construction of the improvements.

In the situation that a developer chooses to construct facilities found in the IFFP in lieu of impact fees, the arrangement must be made through the developer and the City.

The standard impact fee can also be decreased to respond to unusual circumstances in specific cases in order to ensure that impact fees are imposed fairly. In certain cases, a developer may submit studies and data that clearly show a need for adjustment.

At the discretion of the City, impact fees may be modified for low-income housing, although alternate sources of funding must be identified.

Certification

Utah Code 11-36a-306(1)

Zions Public Finance, Inc. certifies that the attached impact fee facilities plan:

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 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 each and every relevant respect with the Impact Fees Act.