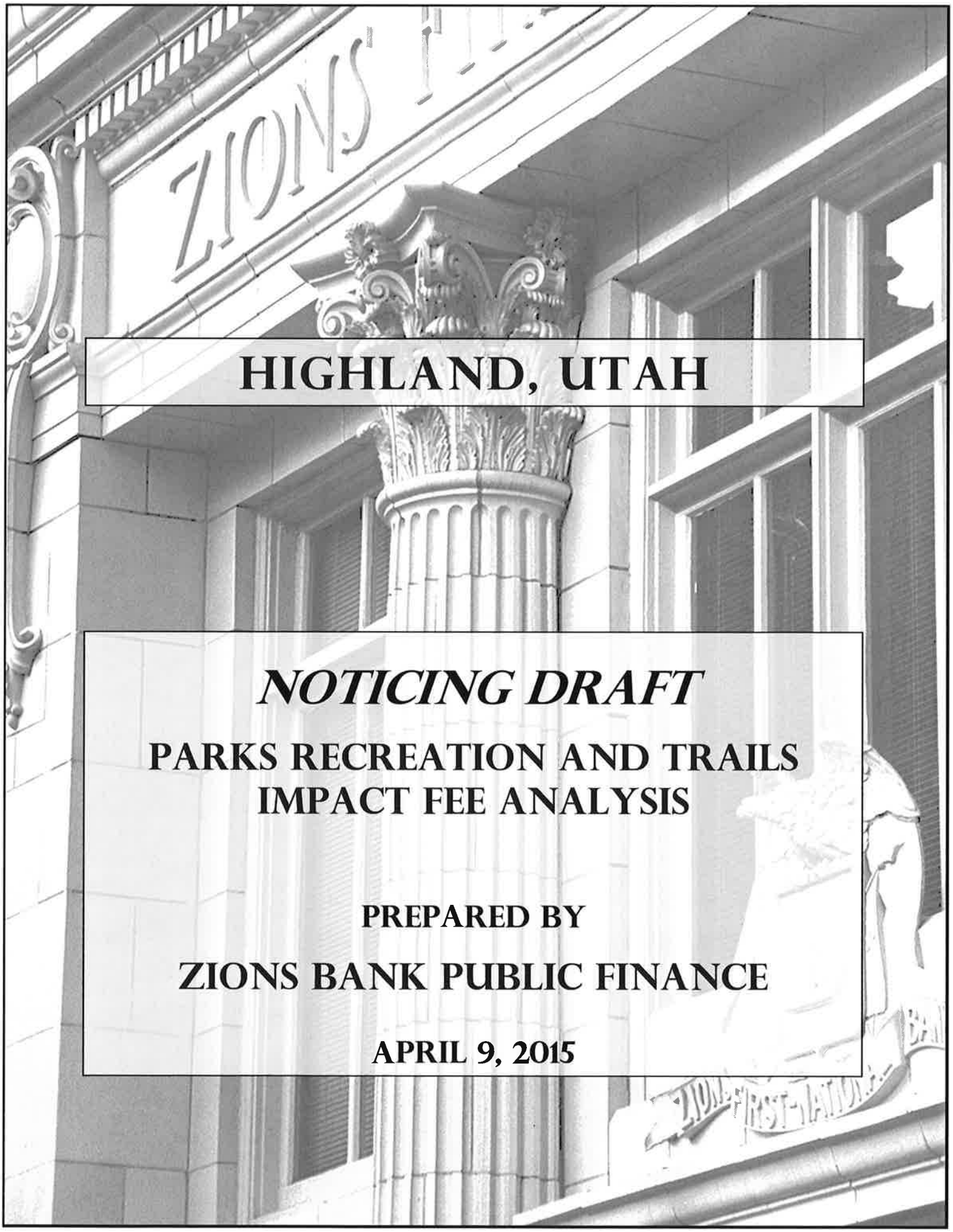

HIGHLAND, UTAH

NOTICING DRAFT

PARKS RECREATION AND TRAILS IMPACT FEE ANALYSIS

PREPARED BY

ZIONS BANK PUBLIC FINANCE

APRIL 9, 2015

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EXECUTIVE SUMMARY OF IMPACT FEE ANALYSIS

Section 11-36a-304 of the Utah Code outlines the requirements of an Impact Fee Facilities Plan which is required to identify the following:

(a) The anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity;
(b) The anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility;
(c) Costs for existing capacity that will be recouped; and
(d) Costs of impacts on system improvements that are reasonably related to the new development activity.

Highland residents enjoy the benefits from: 1) parks and recreation facility improvements that they have purchased; and 2) those that have been gifted to the community. The City will define the level of service based on dollar investment into the parks, recreation and trail facilities. Gifted, donated or grant related items are not included in the analysis. Therefore, assuming a 2014 population of 17,093[1], the current level of service (dollars invested) is $540.39 per capita. This is made up of a park land, and trail land and associated improvements for each. This is combined for an overall park LOS to be perpetuated into the future.

Therefore, in order to achieve an equitable allocation of costs and benefits, new development needs only pay to maintain the level of service (LOS) that has been purchased by existing development.

Impact on Consumption of Existing Capacity

UTAH CODE 11-36A-304(1)(A)

The City has determined that it would not like to see an increase, nor a decrease in its current level of service. Therefore, there is no excess capacity in the system. The City will continue to invest the same dollar per capita as it has historically.

Impact on System Improvements by Anticipated New Development

UTAH CODE 11-36A-304(1)(B)

The City has incurred a historic cost per capita for parks, recreation and trails. The parks level of service is defined by dollars invested, or $853.24 per capita. If the City does not construct future park facilities, the LOS would decline from $853.24 to $739.83 dollars invested by the year 2024.[2]

[1] Calculated using the Census 2010 Data and Hansen Allen & Luce projections
[2] $14,584,357 dollars invested divided by population

TABLE ES.1 POPULATION PROJECTIONS AND PARK LEVEL OF INVESTMENT – IMPACT FROM DEVELOPMENT[3]

Year	Population	Level of Investement	Percent Decrease
2014	17,093	$ 853.24	
2015	17,355	840.35	1.51%
2016	17,617	827.86	1.49%
2017	17,879	815.73	1.47%
2018	18,141	803.94	1.44%
2019	18,403	792.50	1.42%
2020	18,665	781.37	1.40%
2021	18,927	770.56	1.38%
2022	19,189	760.04	1.37%
2023	19,451	749.80	1.35%
2024	19,713	739.83	1.33%

Relation of Anticipated Development Activity to Impacts on Existing Capacity and System Improvements

UTAH CODE 11-36A-304(1)(C)

The demand placed on existing public park facilities by new development activity is attributed to population growth. Highland City has a 2014 population of 17,093 persons and, as a result of anticipated development activity, will grow to a projected 19,713 persons by 2024 – an increase of 2,620 persons. Highland City's population is expected to grow to approximately 27,849 and slow as it approaches buildout. As growth occurs, more parks and trails spending is needed to maintain existing standards.

Proportionate Share Analysis and Impact Fee Calculation

UTAH CODE 11-36A-304(1)(D)(E) AND (2)(A)(B)

COSTS OF EXISTING FACILITIES

In order to achieve "an equitable allocation to the costs borne in the past and to be borne in the future, in comparison to the benefits already received and yet to be received,"[4] The total historical cost for parks, trails, land and recreation facility improvements paid for by the City is $14,584,357. Table ES.2 shows the *historic* cost and cost per capita.

TABLE ES.2 PER CAPITA HISTORIC INVESTMENT (PARKS)

Parks, Recreation and Trails		
Year	Improvements	Original Cost
Total Improvements		$ 14,584,357
LOS Improvements per Capita		$ 853.24

[3] Full growth projection and details found in Appendix 1 of this document
[4] Utah Code 11-36a-302(3)

COSTS OF SYSTEM IMPROVEMENTS RELATED TO NEW DEVELOPMENT ACTIVITY

The City intends to at least maintain its existing level of service in the parks system. Based on the per capita park acreage and recreation facility improvement spending required to maintain the existing level of park services, Table ES.3 shows the total park spending requirement of $2,235,477.45 required to maintain the established level of purchased park and recreation facility services over the next ten years (through 2024).

TABLE ES.3 PER CAPITA COST FOR SYSTEM IMPROVEMENTS RELATED TO NEW DEVELOPMENT – PARKS

Per Capita Cost	Growth In Population	Total Cost of Future Park System Spending Requirements
$ 853.24	2,620	$ 2,235,477

OUTSTANDING DEBT

The City has a 2007 Sales Tax Revenue Bond that funded recreation facilities that will serve all users in Highland, and therefore will be spread across the buildout population. The bond financed the two large parks intended to serve all of the Highland population. Principal amount totals $7.315M and total proceeds equal $11.223M. The full debt service schedule can be found in the appendix of this document.

IMPACT FEE CALCULATION

Based on the per capita cost for buy-in to existing capacity and the per capita cost of impacts on system improvements related to new development to maintain the established parks LOS, Figure ES.4 shows the impact fee per household. With an average household size of 4.39[5] persons, the fee per residential single family household equals $4,378.

TABLE ES.4 PARKS IMPACT FEE CALCULATION

Parks & Recreation Impact Fee Assessment		
Impact Fee per Single Family Residential Unit	$	4,378
Impact Fee per Multi-Family Residential Unit		4,239

The City may, on a case by case basis, work directly with a developer to adjust the standard impact fee to respond to unusual circumstances and ensure that impact fees are imposed fairly. This adjusted impact fee calculation is detailed below.

TABLE ES.5 NON-STANDARD IMPACT FEE CALCULATION

Parks & Recreation Non-Standard Impact Fee Formula
Multiply Number of Persons per Household by Impact Fee per Capita of $997.34

**Parks & Recreation fee is assessed to residential land uses only*

Manner of Financing for Public Facilities

UTAH CODE 11-36A-304(2)(C)(D)(E)

Impact fees will be used to fund the established purchased level of park services, but will not fully fund the level of park services currently enjoyed by Highland City residents due to donated park land and donated improved recreation facilities. Therefore, additional system-wide park land and recreation facility improvements beyond those funded through impact fees that are desired to maintain this "higher" level of service will be paid for by the community through other funding mechanisms such as GO bonds, special assessments, user charges, general taxes, etc.

[5] 2010 Census

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 twice. 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 the improvements are constructed.

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.

CHAPTER 1: IMPACT FEE OVERVIEW

WHY IS THE CITY UPDATING THE PREVIOUS ANALYSIS?

The City has commissioned this Parks, Recreation and Trails Impact Fee Analysis amendment to accomplish the following:

- Determine the maximum impact fee that may be assessed to new development;
- Update capital need projections and account for historic costs of facilities;
- Put the analysis in compliance with the changes to the Impact Fees Act effective May 2011;
- Include an Impact Fee Facilities Plan (IFFP) with a ten year capital planning horizon; and
- More clearly define the current level of service and the future level of service that the City will provide.

The primary goal of the Impact Fee Analysis is to ensure the fee meets the requirements of the Impact Fees Act, Utah Code 11-36a-101 *et seq.* The sections and subsections of the Impact Fee Analysis will directly address the following items, required by the code:

- Impact Fee Analysis Requirements (Utah Code 11-36a-304)
  - Identify existing capacity to serve growth
    - Proportionate Share Analysis
  - Identify the level of service
  - Identify the impact of future development on exisitng and future improvements
- Calculated fee (Utah Code 11-36a-305)
- Certification (Utah Code 11-36a-306)

WHAT IS AN IMPACT FEE?

An impact fee is a one-time fee, not a tax, charged to new development to recover the City's cost of park facilities with capacity that new growth will utilize. The fee is assessed at the time of building permit issuance as a condition of development approval. The calculation of the impact fee must strictly follow the Impact Fees Act to ensure that the fee is equitable and fair.

This analysis show that there is a fair comparison between the impact fee charged to new development and the impact the new development will have upon the system in terms of taking available capacity. Impact fees are charged to development according to single family or multi-family land use classifications.

HOW WILL NEW GROWTH AFFECT THE CITY?

Growth in Demand

Based on the most recent Census, Highland City had a 2010 population of 15,523 and currently has an estimated population of 17,093. The City projects a population of approximately 27,849 by 2053 and slows in growth as it approaches buildout. This growth in residential population will generate demand for additional parks and improved recreation facilities. Figure 1 shows the projected growth in Highland City through 2024. It is anticipated that future commercial growth will not place any additional demand on park facilities. Therefore, this demand analysis considers only future population growth.

FIGURE 1: POPULATION PROJECTION[6]

Year	Population	% Increase
2014	17,093	
2015	17,355	1.53%
2016	17,617	1.51%
2017	17,879	1.49%
2018	18,141	1.47%
2019	18,403	1.44%
2020	18,665	1.42%
2021	18,927	1.40%
2022	19,189	1.38%
2023	19,451	1.37%
2024	19,713	1.35%

WHY ARE IMPACT FEES NECESSARY?

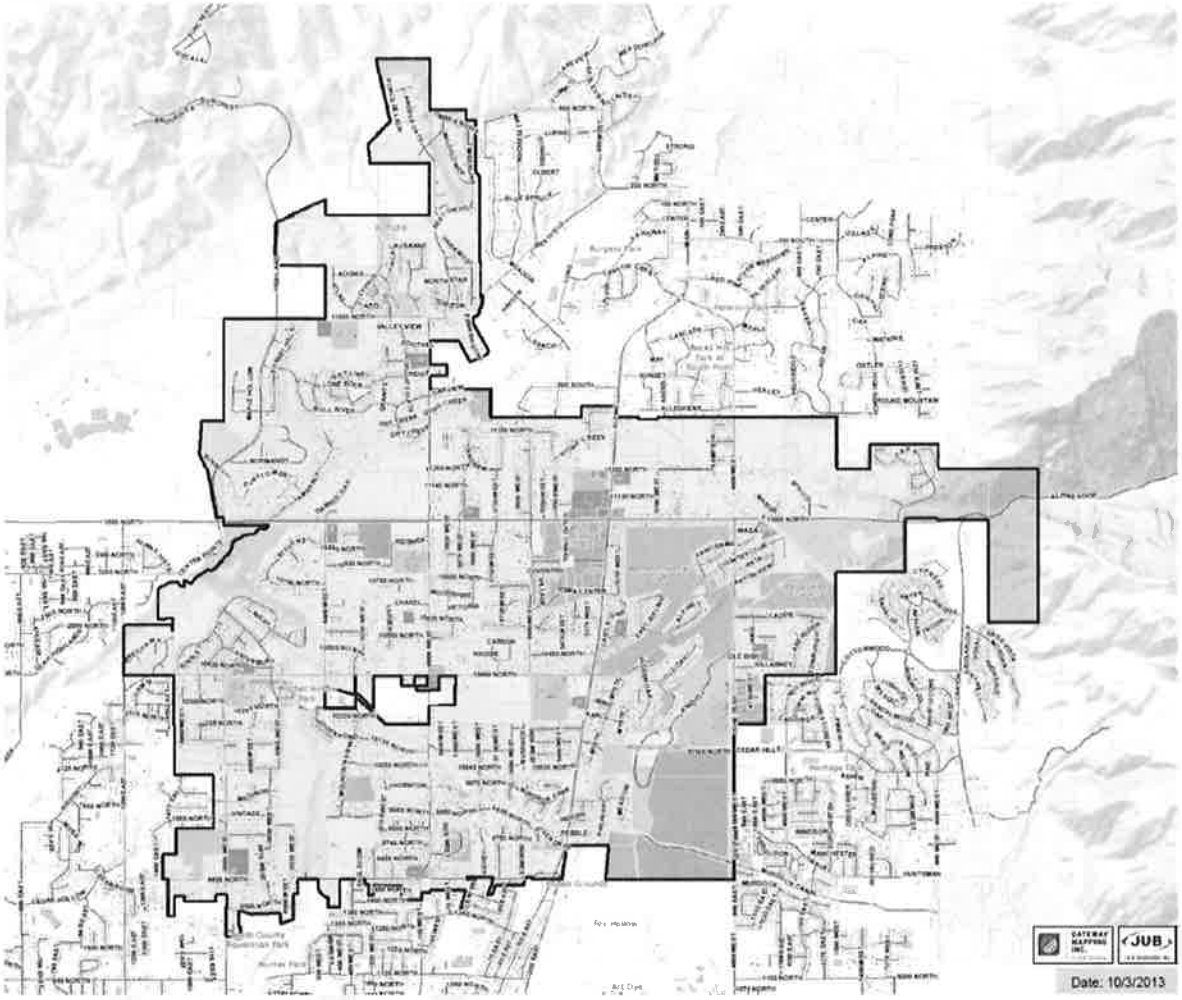
Impact fees are necessary to allocate the costs of maintaining the existing level of service to the new growth that will benefit from it. Impact fees help to shield existing users from shouldering the burden of paying not only for the capacity that they use but also from funding the cost of capacity needed for new development to occur.

WHERE WILL THE IMPACT FEES BE ASSESSED?

The impact fees will be assessed within the City's current service area which includes the current City boundaries and future annexation areas to which the City will provide park land and improvements. A detailed map of the service area is included in the attached Appendix and in the figure below.

[6] Source: Hansen Allen & Luce Growth Projections

FIGURE 2: SERVICE AREA MAP



WHAT COSTS ARE INCLUDED IN THE IMPACT FEE?

Impact fee revenues may not be spent on capital projects or associated costs, such as financing interest expense, that constitute repair and replacement, cure any existing deficiencies, or raise the existing level of service for current users. Impact fees cannot fund operational expenses. The proposed impact fees will be assessed throughout the entire Impact Fee Service Area.

The impact fees proposed in this analysis are calculated based upon:

- The investment in park land (dollars) per capita
- The historic cost investment for park improvements per capita;
- The investment in trail land (dollars) per capita;
- The historic cost investment for trail improvements per capita;
- Growth projections over the next ten years
- Average household size (from 2010 Census) for the Single Family and Multi-Family land uses.

WHAT COSTS ARE NOT INCLUDED IN THE IMPACT FEE?

The costs, both direct capital and financing, that cannot be included in the impact fee are as follows:

- Projects that increase the level of service above that which is currently provided;
- Operations and maintenance costs;
- Costs of facilities funded by grants or other funds that the City does not have to repay; and
- Costs of reconstruction of facilities that do not have capacity to serve new growth.

HOW ARE THE IMPACT FEES CALCULATED?

To calculate a fair impact fee we determine the existing level of investment for parks, recreation and trails per capita. The level of service is perpetuated into the future. As the City grows over the next ten years, it will continue to provide new growth with the same investment per capita. The historic cost for land and improvements for parks and trails per capita are added together with any future/existing bond finance expenses. This is multiplied by future growth and that becomes the impact fee qualifying costs. The impact fee qualifying cost per capita is then multiplied by the Census provided persons per household for single family residential and multi-family residential land uses respectively.

WHAT IS THE CURRENT LEVEL OF SERVICE?

Utah Code allows cities to include only system-wide parks for the purpose of calculating impact fees. Project-wide parks cannot be used to establish levels of service eligible to be maintained through impact fees. Based on input from Highland City, a system-wide park is defined as a park that serves more than one local development area, therefore only , Regional (City Funded), Community and Neighborhood Parks are included into the "core" park level of service.

Highland City's system-wide park lands consist of land that was purchased by the City. The City funded $14.5M in park lands, improvements and trails. The total detailed inventory is found in Appendix C of this document. The total investment per capita is detailed in the table below.

FIGURE 3: ESTABLISHED LEVEL OF SERVICE

Parks, Recreation and Trails		
Year	Improvements	Original Cost
	Total Improvements	$ 14,584,357
	LOS Improvements per Capita	$ 853.24

HOW ARE SCHOOLS CONSIDERED IN THIS ANALYSIS?

Schools are not assessed a park impact fee. The Utah State Code 11-36a-202(2)(a)(ii) prohibits the imposition of an impact fee on a school district or charter school for a park, recreation facility, open space or trail. The park impact fees are assessed to single family and multi-family residential homes.

CHAPTER 2: CAPITAL PROJECTS AND LEVEL OF SERVICE DEFINITION

IMPACT FEE ANALYSIS REQUIREMENTS

Consumption of existing capacity, impact on system improvements and how impacts are related to anticipated development activity Utah Code 11-36a-304(1)(a)(b)(c)

Growth in Demand

Based on the most recent Census, Highland City had a 2010 population of 15,523 and currently has an estimated population of 17,093. This growth in residential population will generate demand for additional parks and improved recreation facilities and increased park spending. Figure 5 shows the projected growth in Highland City through 2024 as well as the decrease in the LOS if no future park land is added. It is anticipated that future commercial growth will not place any additional demand on parks facilities. Therefore, this demand analysis considers only future population growth.

FIGURE 4: PROJECTED POPULATION GROWTH

Year	Population	% Increase
2014	17,093	
2015	17,355	1.53%
2016	17,617	1.51%
2017	17,879	1.49%
2018	18,141	1.47%
2019	18,403	1.44%
2020	18,665	1.42%
2021	18,927	1.40%
2022	19,189	1.38%
2023	19,451	1.37%
2024	19,713	1.35%

Park and Trail Lands

CONSUMPTION OF EXISTING CAPACITY BY ANTICIPATED NEW DEVELOPMENT

The City has determined that it desires to maintain its current level of park, recreation and trails services and there is no excess capacity in the system.

IMPACT ON SYSTEM IMPROVEMENTS BY ANTICIPATED NEW DEVELOPMENT

Because the City has determined that it desires to maintain its current level of park services and does not have excess capacity at any system-wide park, the City will need to purchase additional park lands to maintain the established purchased park land LOS. As shown in Figure 6, the existing established level of service of $853.24 per capita drops to $739.83 acres per capita over the next ten years (through 2024) and continues to drop if ***no*** additional park improvements are developed or no additional park system money is spent to serve future anticipated development.

FIGURE 5: IMPACT ON ESTABLISHED PARK LOS BY ANTICIPATED DEVELOPMENT ACTIVITY (WITH NO FUTURE PARK/TRAIL EXPENDITURES)

Year	Population	Level of Investement	Percent Decrease
2014	17,093	$ 853.24	
2015	17,355	840.35	1.51%
2016	17,617	827.86	1.49%
2017	17,879	815.73	1.47%
2018	18,141	803.94	1.44%
2019	18,403	792.50	1.42%
2020	18,665	781.37	1.40%
2021	18,927	770.56	1.38%
2022	19,189	760.04	1.37%
2023	19,451	749.80	1.35%
2024	19,713	739.83	1.33%

Figure 6 shows the annual park expenditures that the City will need to be purchased by the City through 2024 to maintain the established level of service.

FIGURE 6: ADDITIONAL PARK AND TRAIL EXPENDITURES REQUIRED TO MEET DEMANDS PLACED ON EXISTING PARK BY NEW DEVELOPMENT ACTIVITY

Year	Population	Spending Per Year
2014	17,093	
2015	17,355	223,547.74
2016	17,617	223,547.74
2017	17,879	223,547.74
2018	18,141	223,547.74
2019	18,403	223,547.74
2020	18,665	223,547.74
2021	18,927	223,547.74
2022	19,189	223,547.74
2023	19,451	223,547.74
2024	19,713	223,547.74
	Total	$ 2,235,477.45

Recreation/Trails Facility Improvements

Highland City's system-wide parks include a wide variety of recreation facility improvements that were purchased by the City and recreation facility improvements that were donated to the City. However, in order to assure an equitable allocation of costs borne in the past to costs borne in the future,[7] only recreation facility improvements that were purchased by the City will be used in determining impact fees. Recreation facility improvements that were donated to the City are assumed to have been donated to the City's system of parks through build-out. Future residents will not be expected to pay for a level of park service that current residents have not purchased through impact fees or other means.

[7] Utah Code 11-36a-302(3)

CHAPTER 3: PROPORTIONATE SHARE ANALYSIS

Costs for Existing Capacity and System Improvements Related to New Development Activity

UTAH CODE 11-36A-304(1)(D)(I)(II)

The Impact Fees Act requires that the Impact Fee Analysis estimate the proportionate share of the costs for existing capacity that will be recouped; and the costs of impacts on system improvements that are reasonably related to the new development activity.

Part of the proportionate share analysis is a consideration of the manner of funding existing public facilities. Historically the City has funded existing infrastructure through several different funding sources including:

- General Fund Revenues
- Grants
- Bond Proceeds
- Developer Exactions
- Impact Fees
- RAP Tax

In calculating the value and any potential buy-in component (for existing infrastructure capacity) of this analysis, no grant funded infrastructure has been included. A good deal of the park infrastructure included in the analysis was all bond funded projects. Bond funded projects are impact fee eligible expenses. In order to ensure fairness to existing users, impact fees are an appropriate means of funding future capital infrastructure because using impact fees places a burden on future users that is equal to the burden that was borne in the past by existing users. (Utah Impact Fees Act, 11-36a-304(2) (c) (d))

Just as the existing infrastructure was funded through different means it is required by the Impact Fees Act to evaluate all means of funding future capital. There are positive and negative aspects to the various forms of funding. It is important to evaluate each.

General Fund

The general fund has been funded in one form or another by existing users. It would be an additional burden to existing users to use this revenue source to fund future capital to meet the needs of future users. This is not an equitable policy and can place too much stress on the tight budgets of the general fund.

Property Taxes

It is true that property taxes may be a stable source of income. However, property taxes are not based on the tax payer's impact upon a system. Property taxes are based upon property valuation. Using property taxes to fund future capital again places too much burden on existing users and subsidizes growth.

Impact Fees

Impact fees are a fair and equitable means of providing infrastructure for future development. They provide a rational nexus between the costs borne in the past and the costs required in the future. The Impact Fees Act ensures that future development is not paying any more than what future growth will demand. Existing users and future users receive equal treatment; therefore impact fees are the optimal funding mechanism for future growth related capital needs.

Developer Credits

If projects included in the Impact Fee Facilities Plan (or a project that will offset the demand for a system improvement that is listed in the IFFP) are constructed by developers, that developer is entitled to a credit against impact fees owed. (Utah Impact Fees Act, 11-36a-304(2) (f)).

RAP Tax

A RAP Tax fund is a collection of money accrued through sales taxes on purchases made within the limits of the city or county that has voted to adopt the program. Since this funding source is subject to popular vote, this is not a guaranteed, stable revenue stream.

Time-Price Differential

It is not anticipated that there will be any extraordinary costs in servicing newly developed park properties. To account for the time-price differential inherent in fair comparisons of amounts paid at different times, historical costs have been used to compute buy-in costs to public facilities with excess capacity and current costs have been used to compute impacts on system improvements required by anticipated development activity to maintain the established level of service for each public facility.

Other

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 for the recreation facilities must be identified.

COSTS FOR EXISTING FACILITIES

The existing improvements were funded by the general fund. Only the historic cost of improvements is used in this analysis.

OUTSTANDING DEBT

The City has a 2007 Sales Tax Revenue Bond that funded recreation facilities that will serve all users in Highland, and therefore will be spread across the buildout population. The bond financed the two large parks intended to serve the Highland population. Principal amount totals $7.315M and total proceeds equal $11.223M. The debt service schedule is found is the following table.

FIGURE 7: DEBT SERVICE SCHEDULE

Date	Principal	Interest Rate	Interest Payment	FY Payment
3/1/2008	-	-	220,531	220,531
3/1/2009	225,000	4.50%	309,981	534,981
3/1/2010	230,000	4.50%	299,744	529,744
3/1/2011	240,000	4.50%	289,169	529,169
3/1/2012	250,000	4.50%	278,144	528,144
3/1/2013	260,000	4.50%	266,669	526,669
3/1/2014	275,000	4.50%	254,631	529,631
3/1/2015	285,000	4.50%	242,031	527,031
3/1/2016	300,000	4.50%	228,869	528,869
3/1/2017	320,000	4.50%	214,919	534,919
3/1/2018	330,000	5.25%	199,056	529,056
3/1/2019	350,000	4.00%	183,394	533,394
3/1/2020	360,000	4.00%	169,194	529,194
3/1/2021	375,000	4.05%	154,400	529,400
3/1/2022	385,000	4.05%	139,010	524,010
3/1/2023	395,000	4.13%	123,067	518,067
3/1/2024	425,000	4.15%	106,101	531,101
3/1/2025	430,000	4.15%	88,360	518,360
3/1/2026	445,000	4.20%	70,093	515,093
3/1/2027	480,000	4.20%	50,668	530,668
3/1/2028	955,000	4.25%	20,294	975,294
	7,315,000		3,908,323	11,223,323

COSTS OF SYSTEM IMPROVEMENTS RELATED TO NEW DEVELOPMENT ACTIVITY

The City intends to at least maintain its existing level of service through construction of additional parks and recreational facility improvements or continued annual spending on the park system through bond payments. For the purpose of quantifying the need for *additional* park, recreation and trails land and recreational facilities, this study uses the City's established purchased park land and recreational facilities cost per capita for parks without excess capacity. As growth occurs as a result of increased development activity, more parks and recreational spending is needed to maintain existing standards.

Based on the investment per capita required to maintain the existing level of park, recreation and trail services, Figure 8 shows the total additional park expenses and associated costs for park lands and recreation facility improvements required to maintain the current level of park and recreation services each year through 2025. The "*Per Capita Cost*" is the "*LOS*" multiplied by growth in population. The result is the "*Total Cost for Future Park System Spending Requirements*".

FIGURE 8: ADDITIONAL COST TO MAINTAIN LOS - PARKS

Per Capita Cost	Growth In Population	Total Cost of Future Park System Spending Requirements
$ 853.24	2,620	$ 2,235,477

Based on the per capita cost of impacts on system improvements, related to new development to maintain the established parks LOS, and consideration of interest on the outstanding bond, Figure 9 shows the impact fee per household. With an average single family household size of 4.39[8] persons, the fee per household equals $4,378. Multi-family households are typically smaller, and Highland is no exception at 4.25 persons per household. Therefore, the fee for multi-family is $4,239

FIGURE 9: RECOMMENDED LEGAL PARKS IMPACT FEE

Parks & Recreation Impact Fee Assessment		
Impact Fee per Single Family Residential Unit	$	4,378
Impact Fee per Multi-Family Residential Unit		4,239

The Highland City Council has the discretion to set the actual impact fees to be assessed, but they may not exceed the maximum allowable fee calculated. The City may, on a case by case basis, work directly with a developer to adjust the standard impact fee to respond to unusual circumstances and ensure that impact fees are imposed fairly. This adjusted impact fee calculation will be based on the cost per unit defined above, multiplied by the number of units created by the applicable development type.

FIGURE 10: NON-STANDARD CALCULATION

Parks & Recreation Non-Standard Impact Fee Formula
Multiply Number of Persons per Household by Impact Fee per Capita of $997.34

**Parks & Recreation fee is assessed to residential land uses only*

[8] 2010 Census

CHAPTER 4: CERTIFICATION AND APPENDICES

CERTIFICATION

In accordance with Utah Code Annotated, 11-36a-306(2), Zions Bank Public Finance (Zions), makes the following certification:

Zions certify 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;
   b. cost of 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;
   c. an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement;
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 makes this certification with the following caveats:

1. All of the recommendations for implementations of the Impact Fee Facilities Plans ("IFFPs") made in the IFFP documents or in the impact fee analysis documents are followed in their entirety by Highland City staff and elected officials.
2. If all or a portion of the IFFPs or impact fee analyses are modified or amended, this certification is no longer valid.
3. All information provided to Zions Bank Public Finance, its contractors or suppliers is assumed to be correct, complete and accurate. This includes information provided by Highland City and outside sources. Copies of letters requesting data are included as appendices to the IFFPs and the impact fee analysis.

Dated: April 9, 2015

ZIONS BANK PUBLIC FINANCE

Notice Date & Time: September 11, 2014 | 7:00 AM - 11:59 PM
Description/Agenda:

Notice Title: Notice of Intent to Create Impact Fee Facilities Plans and Amended Impact Fee
Written Analyses

NOTICE OF INTENT TO CREATE IMPACT FEE FACILITIES PLANS AND AMENDED IMPACT FEE WRITTEN
ANALYSES

Highland City, a municipality of the State of Utah, located in Utah County, Utah intends to commence the preparation of independent and comprehensive Impact Fee Facilities Plans and Written Impact Fee Analyses for the services of secondary water, sanitary sewer, parks, recreation and trails, roads and public safety. Therefore, pursuant to the provisions of 11-36a-501 and 503 of the Utah Code, as amended 2011, notice is hereby provided to you of the intent of Highland City to create an Impact Fee Facilities Plans and amend Highland City's Impact Fee Written Analyses. The location(s) that will be included in the Impact Fee Facilities Plans and Impact Fee Analyses are all areas within the legal Highland City limits and the declared annexation areas of Highland City.

BY ORDER OF THE CITY COUNCIL OF HIGHLAND CITY

Public Notice Website http://www.utah.gov/pmn/sitemap/notice/231435.html

APPENDIX A: POPULATION PROJECTIONS

	A	B	C	
1	Year	Population	% Increase	1
2	2014	17,093		2
3	2015	17,355	1.53%	3
4	2016	17,617	1.51%	4
5	2017	17,879	1.49%	5
6	2018	18,141	1.47%	6
7	2019	18,403	1.44%	7
8	2020	18,665	1.42%	8
9	2021	18,927	1.40%	9
10	2022	19,189	1.38%	10
11	2023	19,451	1.37%	11
12	2024	19,713	1.35%	12
	A	B	C	

APPENDIX B: PARK ACRES

	A	B	
1	Park Name	Acres	1
2	Canterbury North Park	4.12	2
3	Canterbury Park Circle	2.68	3
4	Dry Creek Bench West	3.5	4
5	Heritage Park	6.3	5
6	Highland Glen Park	76	6
7	Merlin B. Larson Park	1.89	7
8	Mitchell Hollow Park	11.6	8
9	Wimbleton Park	4.2	9
10	Windsor Meadows Park	5	10
11	Town Center Splash Pad		11
12	Town Center Plaza	3.5	12
13	Dry Creek Hollow Park	44	13
14	Beacon Hills	10	14
15	Spring Creek	12	15
16	Mountain Ridge	17.6	16
18	Dry Creek North East	2.75	18
19	Apple Blossom	1.7	19
20	Totals	206.84	20
21			21
	A	B	

APPENDIX C: PARK INVENTORY AND LEVEL OF SERVICE

Year	4800 W Soccer Fields/Park Road	Asset and Land Purchase	Beacon Hills Park	Canterbury Park	Highland Glen Park Imp	Highland Hills Open Space	Highland Wter Bldg & El Park	Hillside Land Purchase	Park Construction	Professional & Tech. Services	Spring Creek Park Construction	Town Center Park	Trails	View Point Hillside Replanting	Grand Total
FY 1992	10,615.07							32,336.03	6,039.54		9,100.00				58,090.64
FY 1993								473.75							473.75
FY 1994								3,150.02	11,705.44		50,992.00				65,847.46
FY 1995								11,000.00	5,844.21		5,000.00				21,844.21
FY 1996								1,455.76	11,306.01		(0.00)				12,761.77
FY 1997									21,384.63						21,384.63
FY 1998									30,075.00						30,075.00
FY 1999		200,280.00											2,829.23		203,109.23
FY 2000		200,000.00			1,119.69								10,047.50		211,167.19
FY 2001		200,000.00			20,718.85								52,908.92		273,627.77
FY 2002		60,000.00			4,985.41				131,239.02	12,817.53	8,350.00		128,433.79		345,825.75
FY 2003	16,677.73	57,500.00			5,270.44				260,002.47	9,106.97			31,764.13		380,321.74
FY 2004		57,500.00			14,666.11				556,770.25	8,779.17			69,907.40		707,622.93
FY 2005	1,970.00	80,000.00			32,983.59				133,489.07	65,839.67			94,586.90		408,869.23
FY 2006		514,111.62		67,300.35	32,208.99				204,442.58	51,335.33			80,177.58		949,576.45
FY 2007	59,335.36	88,857.14	15,600.76	43,917.98	7,498.02	34,821.76	8,438.39	426,636.00	91,409.92	88,935.13			204,266.58		1,069,717.04
FY 2008	140,144.82	3,007,655.20	1,800.00	11,695.78	5,782.00	6,800.00			146,950.83	23,479.59		1,000.00	58,631.54		3,403,939.76
FY 2009	104,590.43	2,563,500.00		204.22		179,679.93			127,448.97	102,753.58	104,591.20	1,221,306.08	36,983.39		4,441,057.80
FY 2010	12,877.50		3,079.66			12,280.00	5,208.93		47,472.56		887.50	716,810.26	37,602.00		836,218.41
FY 2011	331.50		69,657.50			29,740.00			14,850.00				17,609.33	15,766.04	147,954.37
FY 2012					34,009.50				2,661.00					8,352.71	45,023.21
FY 2013			731,463.50												731,463.50
FY 2014			174,691.49										(17,609.33)		157,082.16
FY 2015													61,303.27		61,303.27
Grand Total	**346,542.41**	**7,029,403.96**	**996,292.91**	**123,118.33**	**159,242.60**	**263,321.69**	**13,647.32**	**475,051.56**	**1,803,091.50**	**363,046.97**	**178,920.70**	**1,939,116.34**	**869,442.23**	**24,118.75**	**14,584,357.27**

APPENDIX D: ASSETS

	A	B	C	
	Parks, Recreation and Trails			
1	Year	Improvements	Original Cost	1
2	Total Improvements		$ 14,584,357	2
3				3
4	LOS Improvements per Capita		$ 853.24	4
	A	B	C	

APPENDIX E: DEBT SUMMARY

2007 Sales Tax Revenue Bond

	A	B	C	D	E	
1	Date	Principal	Interest Rate	Interest Payment	FY Payment	1
2	3/1/2008	$ -	-	$ 220,531	$ 220,531	2
3	3/1/2009	225,000	4.50%	309,981	534,981	3
4	3/1/2010	230,000	4.50%	299,744	529,744	4
5	3/1/2011	240,000	4.50%	289,169	529,169	5
6	3/1/2012	250,000	4.50%	278,144	528,144	6
7	3/1/2013	260,000	4.50%	266,669	526,669	7
8	3/1/2014	275,000	4.50%	254,631	529,631	8
9	3/1/2015	285,000	4.50%	242,031	527,031	9
10	3/1/2016	300,000	4.50%	228,869	528,869	10
11	3/1/2017	320,000	4.50%	214,919	534,919	11
12	3/1/2018	330,000	5.25%	199,056	529,056	12
13	3/1/2019	350,000	4.00%	183,394	533,394	13
14	3/1/2020	360,000	4.00%	169,194	529,194	14
15	3/1/2021	375,000	4.05%	154,400	529,400	15
16	3/1/2022	385,000	4.05%	139,010	524,010	16
17	3/1/2023	395,000	4.13%	123,067	518,067	17
18	3/1/2024	425,000	4.15%	106,101	531,101	18
19	3/1/2025	430,000	4.15%	88,360	518,360	19
20	3/1/2026	445,000	4.20%	70,093	515,093	20
21	3/1/2027	480,000	4.20%	50,668	530,668	21
22	3/1/2028	955,000	4.25%	20,294	975,294	22
23		$ 7,315,000		$ 3,908,323	$ 11,223,323	23
24	A	B	C	D	E	24

APPENDIX F: PER CAPITA COST PER CAPITAL EXPENSE

Parks, Recreation and Trails Historic Investment Per Capita

Total Cost per Capita

	A	B	C	
1	Per Capita Cost	Growth In Population	Total Cost of Future Park System Spending Requirements	1
2	$ 853.24	2,620	$ 2,235,477	2
3				3

APPENDIX G: IMPACT FEE CALCULATION

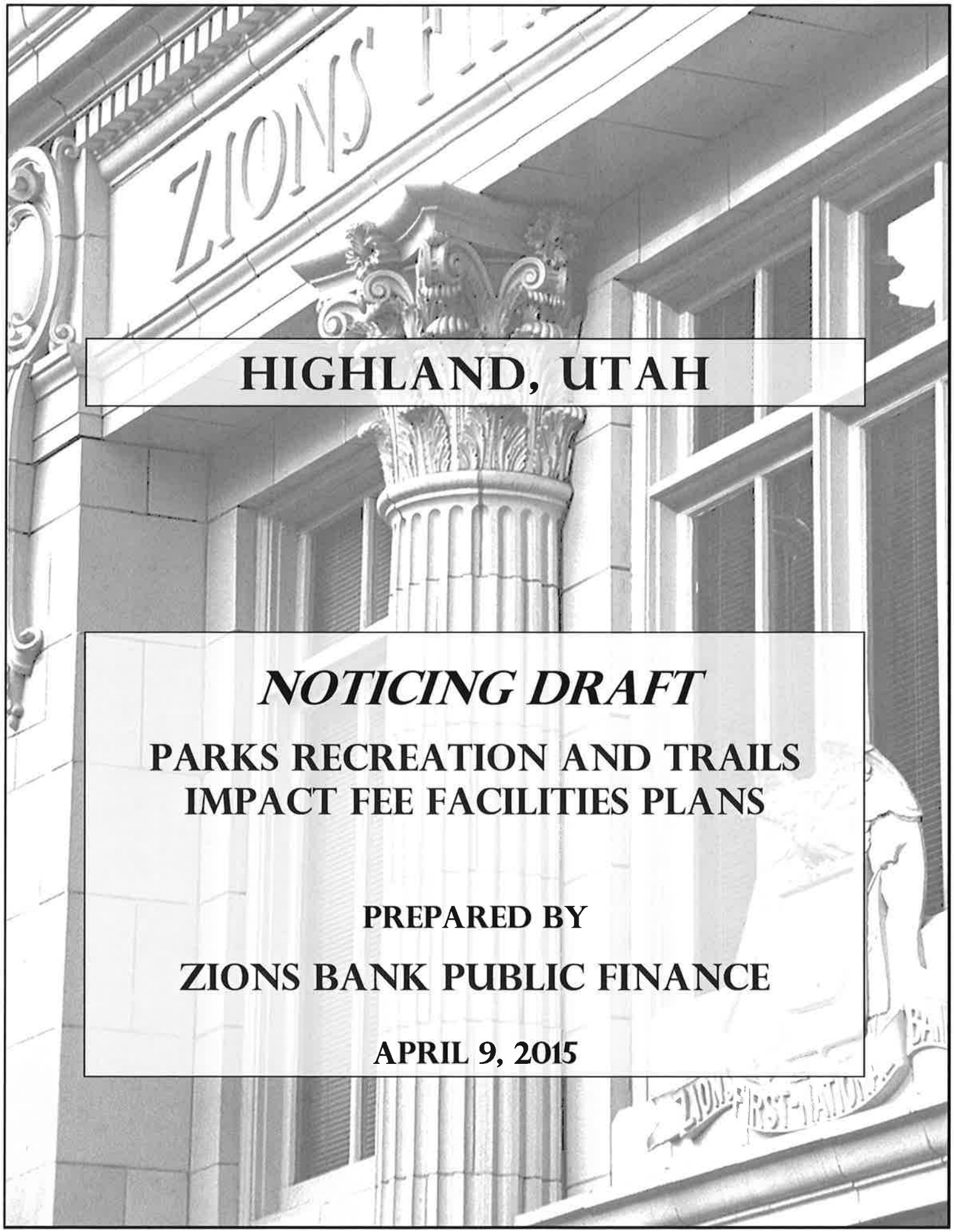
	A	B	C	D
1	**Facility**	**Cost**	**Population Served**	**Fee Per Capita**
2	Park Land and Improvement Expense	2,235,477	2,620	853
4	2007 Sales Tax Debt Service	11,223,323	27,849	403
5	2007 Sales Tax Debt Proceeds	(7,315,000)	27,849	(263)
6	Professional Expenses	9,869	2,620	4
7	Total			997
8	Average Household Size/Owner Occupied*			4.39
9	**Impact Fee per Household Unit**			**$ 4,378**
10				
11	Average Household Size/Multi Family*			4.25
12	**Impact Fee per Household/Multi Family**			**$ 4,239**
13	**Source: 2010 Census*			
14				

15	**Parks & Recreation Impact Fee Assessment**	
16	Impact Fee per Single Family Residential Unit	$ 4,378
17	Impact Fee per Multi-Family Residential Unit	4,239
18		
19		
20	**Parks & Recreation Non-Standard Impact Fee Formula**	
21	Multiply Number of Persons per Household by Impact Fee per Capita of $997.34	
22	**Parks & Recreation fee is assessed to residential land uses only*	

A B C D

APPENDIX H: PROJECTED ANNUAL EXPENSES

	A	B	C	
1	Year	Population	Spending Per Year	1
	2014	17,093		
2	2015	17,355	223,547.74	2
3	2016	17,617	223,547.74	3
4	2017	17,879	223,547.74	4
5	2018	18,141	223,547.74	5
6	2019	18,403	223,547.74	6
7	2020	18,665	223,547.74	7
8	2021	18,927	223,547.74	8
9	2022	19,189	223,547.74	9
10	2023	19,451	223,547.74	10
11	2024	19,713	223,547.74	11
		Total	$ 2,235,477.45	
	A	B	C	



HIGHLAND, UTAH

NOTICING DRAFT

PARKS RECREATION AND TRAILS IMPACT FEE FACILITIES PLANS

PREPARED BY

ZIONS BANK PUBLIC FINANCE

APRIL 9, 2015

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EXECUTIVE SUMMARY

HIGHLAND PARKS & RECREATION IMPACT FEE FACILITIES PLAN

Highland City ("City") shall calculate and impose impact fees for their service area, which is comprised of all the areas within the City's boundaries. Highland is a city in Utah County, Utah, United States. It is approximately 30 miles south of Salt Lake City and is part of the Provo–Orem Metropolitan Statistical Area.

SUMMARY OF IMPACT FEE FACILITIES PLAN

Section 11-36a-302 of the Utah Code outlines the requirements of an impact fee facilities plan which is required to identify the following:

(a) Demands placed upon existing public facilities by new development activity; and
(b) The proposed means by which the local political subdivision will meet those demands.

Demand Placed on Existing Facilities

The demand placed on existing public park facilities by new development activity is attributed to population growth. Highland City has a 2014 population of 17,093 persons and will grow to a projected 19,713 persons by 2024 – an increase of 2,620 persons. The population is expected to exceed approximately 27,000 persons and grow very slowly toward buildout.

Highland currently has invested $14,584,357.27 in parks, recreation and trails. Therefore, assuming a 2014 population of 17,093, the current level of service is $853.24 per capita. It is estimated the City will add future parks, recreation and trails and also add improvements to existing park land owned by the City. The City will perpetuate the level of service per capita over the next ten years.

Highland residents enjoy the benefits from parks that they have purchased; therefore, in order to achieve an equitable allocation of costs and benefits, new development needs only pay to maintain the level of service (LOS) that has been purchased by existing development. The City has incurred a historic cost per capita for parks, recreation and trails. The parks level of service is defined by dollars invested, or $853.24 per capita. If the City does not construct future park construct new park facilities, the LOS would decline from $853.24 to $739.83 dollars invested by the year 2024.[1]

Proposed Means by Which Local Subdivision Will Meet Demands

In order to maintain the current level of service of $853.24 per capita for park and amenities purchased by Highland City, new residents will need to purchase an additional $2,235,477 for parks and trails over the next ten years.

Impact fees are a fair and equitable means of requiring new development to pay its fair share of facilities and to achieve an "equitable allocation to the costs borne in the past and to be borne in the future, in comparison to the benefits already received and yet to be received." Therefore the future residents will receive the same level of service per capita as the existing residents of Highland. If the level of service is increased, other funding sources, outside of impact fees, would need to be used.

[1] $14,584,357dollars invested divided by population

Evaluation of Other Funding Sources

If the City desired a higher level of service than what is being assessed per capita via the impact fee, as mentioned above, another funding source should be considered for that higher level of service. The City will need to evaluate other funding mechanisms, such as GO bonds, special assessments, etc., in order to maintain the higher level of park service.

Utah Code Legal Requirements

Utah law requires that communities[2] prepare an Impact Fee Facilities Plan (IFFP) before preparing an impact fee analysis and enacting an impact fee. Utah law also requires that communities give notice of their intent to prepare an IFFP. This IFFP follows all legal requirements as outlined below. Highland City has retained Zions Bank Public Finance 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(1)). The required notice must:

(a) Indicate that the local political subdivision intends to prepare an impact fee facilities plan; and
(b) Describe or provide a map of the geographic area where the proposed impact fee facilities will be located.

This notice must be posted on the Utah Public Notice website. Highland has complied with this noticing requirement for the IFFP by posting notice on May 20, 2013. A copy of the notice is included in Appendix A.

Preparation of Impact Fee Facilities Plan. Utah Code requires that "before imposing an impact fee, each local political subdivision or private entity shall . . . prepare an impact fee facilities plan to determine the public facilities required to serve development resulting from new development activity" (Utah Code 11-36a-301(1)).

Section 11-36a-302 of the Utah Code outlines the requirements of an impact fee facilities plan which is required to identify the following:

a) Demands placed upon existing public facilities by new development activity; and
b) The proposed means by which the local political subdivision will meet those demands.

Further, in preparing an IFFP, the law requires that each local political subdivision shall "generally consider all revenue sources, including impact fees and anticipated dedication of system improvements, to finance the impacts on system improvements."

This IFFP first evaluates projected population growth in Highland. Growth in parks and recreation demand will be driven by residential growth rather than commercial growth. Next, the IFFP identifies Highland City's current system-wide[3] parks & recreation public facilities. The analysis then evaluates the demands placed on these facilities by new development activity and considers how Highland City will meet those demands. Finally, this analysis includes a discussion of all potential revenue sources that could be used to finance the impacts from growth on recreation system improvements.

[2] Local political subdivisions with populations of less than 5,000 as of the last federal census need not prepare an impact fee facilities plan, but their impact fees must be based on a reasonable plan. This provision does not apply to Highland with a population of 17,093 as of the last federal census (2010) and which must prepare an impact fee facilities plan [Utah Code 11-36a-301(3)(a)].
[3] Project-wide parks cannot be used to establish the current level of service that the City desires to maintain through impact fees.

CHAPTER 1: DEMANDS PLACED UPON EXISTING PUBLIC FACILITIES BY NEW DEVELOPMENT ACTIVITY

UTAH CODE 11-36A-302(1)(A)

Growth in Demand

Based on the most recent Census, Highland City had a 2010 population of 15,523 and currently has an estimated population of 17,093. The City projects a population of 20,712 by 2030. This growth in residential population will generate demand for additional parks and improved recreation facilities. Figure 1 shows the projected growth in Highland City through 2024. It is anticipated that future commercial growth will not place any additional demand on parks facilities. Therefore, this demand analysis considers only future population growth.

FIGURE 1: PROJECTED POPULATION GROWTH

Year	Population	% Increase
2014	17,093	
2015	17,355	1.53%
2016	17,617	1.51%
2017	17,879	1.49%
2018	18,141	1.47%
2019	18,403	1.44%
2020	18,665	1.42%
2021	18,927	1.40%
2022	19,189	1.38%
2023	19,451	1.37%
2024	19,713	1.35%

Park Lands

Utah Code allows cities to include only system-wide parks for the purpose of calculating impact fees. Project-wide parks cannot be used to establish levels of service eligible to be maintained through impact fees.

Highland City's system-wide park lands consist of land that was purchased by the City and land that was donated to the City. Park lands that were donated to the City are assumed to have been donated to the City's system of parks through build-out. Donated land and improvements was not included in this analysis. In order to assure an equitable allocation of costs borne in the past to costs borne in the future,[4] future residents will not be expected to pay for a level of park service that has been "gifted" to them, and that current residents have not purchased through impact fees or other means. Figure 2 lists the total acres for all parks in Highland City.

[4] Utah Code 11-36a-302(3)

FIGURE 2: HIGHLAND CITY PARKS

Park Name	Acres
Canterbury North Park	4.12
Canterbury Park Circle	2.68
Dry Creek Bench West	3.5
Heritage Park	6.3
Highland Glen Park	76
Merlin B. Larson Park	1.89
Mitchell Hollow Park	11.6
Wimbleton Park	4.2
Windsor Meadows Park	5
Town Center Splash Pad	
Town Center Plaza	3.5
Dry Creek Hollow Park	44
Beacon Hills	10
Spring Creek	12
Mountain Ridge	17.6
Dry Creek North East	2.75
Apple Blossom	1.7
Totals	206.84

The City has determined that it desires to maintain its current level of park and trail services and does not wish to decrease its current level of service per capita. Therefore, there is no excess capacity in the City parks, trails and recreation system. The City will spend a total of $997.34 ($853.24, plus interest on 2007 Sales Tax Bond) per person as development occurs.

Parks, Trails and Recreation Facility Improvements

Highland City's system-wide parks and trails also include a wide variety of recreation facility improvements that were purchased by the City and recreation facility improvements that were donated, grant or City funded. However, in order to assure an equitable allocation of costs borne in the past to costs borne in the future,[5] only parks, trails and recreation facility improvements that were purchased by the City will be used in determining impact fees. Recreation facility improvements that were donated to the City are assumed to have been donated to the City's system of parks through build-out. Future residents will not be expected to pay for a level of park service that current residents have not purchased through impact fees or other means.

The City has determined there is no excess capacity in the City's system-wide park and recreation facilities.

Figure 3 shows the historic investment in park, recreation and trails per capita, or $853.24. The detail supporting the total investment is found in the appendix of this document.

[5] Utah Code 11-36a-302(3)

FIGURE 3: HISTORIC INVESTMENT IN PARK IMPROVEMENTS[6]

Parks, Recreation and Trails		
Year	Improvements	Original Cost
Total Improvements		**$ 14,584,357**
LOS Improvements per Capita		**$ 853.24**

Figure 3 shows the *historic costs*[7] for system-wide recreation facility improvements for Highland City parks without excess capacity. A detailed listing of the current costs for each of the City's system-wide parks is included in the Appendix of the document.

The City will need to purchase additional recreational facility improvements to meet the increased demands on the existing level of park services as a result of increased development activity. Figure 4 shows the parks, trails and recreation facility improvement cost per capita required to maintain the existing level of recreation facility improvements.

FIGURE 4: PARKS, TRAILS AND RECREATIONAL FACILITIES EXISTING LEVEL OF SERVICE PER CAPITA COST – PARKS WITH NO EXCESS CAPACITY

Per Capita Cost for Future Land and Improvements	Growth In Population	Total Cost of Future Park System Improvements
$ 853.24	2,620	$ 2,235,477

Figure 5 shows the annual spending on the parks system by the City through 2024 to maintain the existing LOS for parks, recreation and trails facility improvements. The cost for the recreation facility improvements that will need to be spent over the next ten years to maintain the existing level of service is $2,235,477.45.

FIGURE 5: ANNUAL SPENDING REQUIRED TO MEET DEMAND BY NEW DEVELOPMENT ACTIVITY

Year	Population	Spending Per Year
2014	17,093	
2015	17,355	223,547.74
2016	17,617	223,547.74
2017	17,879	223,547.74
2018	18,141	223,547.74
2019	18,403	223,547.74
2020	18,665	223,547.74
2021	18,927	223,547.74
2022	19,189	223,547.74
2023	19,451	223,547.74
2024	19,713	223,547.74
	Total	$ 2,235,477.45

[6] See Appendix C for the complete list of improvements and historic costs
[7]. Sources of information for current recreation facilities' costs include: Highland City

PROPOSED MEANS FOR MEETING THE DEMANDS PLACED UPON EXISTING PUBLIC FACILITIES BY NEW DEVELOPMENT

UTAH CODE 11-36A-302(1)(B)

The City intends to at least maintain its existing level of service through spending the same amount going forward per capita on the parks system as it has for existing residents. For the purpose of quantifying the need for *additional* park land and recreational facilities or per capita spending, this study uses the City's existing park land and recreational facilities cost per capita for parks. The City would like to maintain its current per capita spending level of service.

The City has plans to make potential improvements to several parks. The City may adjust their plans, but will continue to perpetuate the same level of service (spending $853.24 in parks and trails land and improvements per capita). The City will develop its parks to best serve development and is not tied to a specific plan at this time, but will perpetuate a high level of service to future development.

In order to achieve "an equitable allocation to the costs borne in the past and to be borne in the future, in comparison to the benefits already received and yet to be received,"[8] impact fees will be used to maintain the current level of park services paid for by Highland City. However, additional system-wide park land and recreation facility improvements beyond those funded through impact fees that are desired to maintain a "higher" level of service than what has been provided historically will be paid for by the community through other revenue sources.

[8] Utah Code 11-36a-302 (3)

CHAPTER 2: CONSIDERATION OF ALL REVENUE SOURCES

UTAH CODE 11-36A-302(2)

As required by Utah law, the Impact Fee Facilities Plan "shall generally consider all revenue sources, including impact fees and anticipated dedication of system improvements, to finance the impacts on system improvements." This section discusses the variety of revenue sources that may be used to finance park system improvements.

General Fund Revenues

While general fund revenues could be used to develop parks, trails and recreation capital facilities, general funds are usually used for the operating and maintenance costs associated with parks. Most cities do not have sufficient revenues to cover the capital costs of parks and recreation development through their general funds. Highland has examined its general fund and does not believe it will have excess revenues in the next six to ten years to fund park capital improvements in this manner.

General Obligation Bonds

Generally, this revenue approach is used for facilities that are widely desired across the community and that benefit all property owners. GO bonds are backed by a City's taxing power. If GO bonds were issued to pay for the demands placed on purchased parks and recreation facilities by new growth, existing property owners would be paying for the impacts of growth. Therefore, GO bonds are not viewed as an equitable means of financing the future parks and recreation facilities related to new growth.

Special Assessment Areas ("SAA") Bonds

SAA bonds place an assessment on real property. Generally these assessments are levied for specific infrastructure improvements in specific geographic areas and are tied to demand – i.e., lot size, frontage, etc. Because new development will take place throughout Highland, special assessment areas are not seen as a preferred means of financing new park facilities.

RAP Tax

A RAP Tax fund is a collection of money accrued through sales taxes on purchases made within the limits of the city or county that has voted to adopt the program. Since this type of tax is subject to an election, it is not always a stable plan for future revenues.

Grants

Grant monies are an ideal means for the City to fund future parks and recreation growth. However, the availability of grant funds has been greatly reduced over the past few years and it is not likely that the City would be able to fund its future demand based on this revenue source.

Impact Fees

Impact fees are a reasonable means of funding growth-related infrastructure. An Impact Fee Analysis is required to accurately assess the true impact of a particular user upon the City's infrastructure and to preclude existing users from subsidizing new growth.

Impact fees are calculated based upon the portion of the cost of capital infrastructure that relates to growth. This method also takes into account current deficiencies and does not place a burden on future development to solve those deficiencies.

IMPACT FEE FACILITIES PLAN CERTIFICATION

In accordance with Utah Code Annotated, 11-36a-306(2), Zions Bank Public Finance, makes the following certification:

I certify that the attached impact fee facilities plan ("IFFP"):

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;

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;

c. an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement; and

3. complies in each and every relevant respect with the Impact Fees Act.

Zions Bank Public Finance makes this certification with the following caveats:

1. All of the recommendations for implementations of the Impact Fee Facilities Plan made in the IFFP documents or in the impact fee analysis documents are followed in their entirety by Highland City staff and elected officials.
2. If all or a portion of the IFFP or impact fee analysis is modified or amended, this certification is no longer valid.
3. All information provided to Zions Bank Public Finance its contractors or suppliers is assumed to be correct, complete and accurate. This includes information provided by Highland City and outside sources. Copies of letters requesting data are included as appendices to the IFFP and the impact fee analysis.

Dated: April 9, 2015

ZIONS BANK PUBLIC FINANCE

Notice Date & Time: September 11, 2014 | 7:00 AM - 11:59 PM
Description/Agenda:

Notice Title: Notice of Intent to Create Impact Fee Facilities Plans and Amended Impact Fee
Written Analyses

NOTICE OF INTENT TO CREATE IMPACT FEE FACILITIES PLANS AND AMENDED IMPACT FEE WRITTEN
ANALYSES

Highland City, a municipality of the State of Utah, located in Utah County, Utah intends to commence the preparation of independent and comprehensive Impact Fee Facilities Plans and Written Impact Fee Analyses for the services of secondary water, sanitary sewer, parks, recreation and trails, roads and public safety. Therefore, pursuant to the provisions of 11-36a-501 and 503 of the Utah Code, as amended 2011, notice is hereby provided to you of the intent of Highland City to create an Impact Fee Facilities Plans and amend Highland City's Impact Fee Written Analyses. The location(s) that will be included in the Impact Fee Facilities Plans and Impact Fee Analyses are all areas within the legal Highland City limits and the declared
annexation areas of Highland City.

BY ORDER OF THE CITY COUNCIL OF HIGHLAND CITY

Public Notice Website http://www.utah.gov/pmn/sitemap/notice/231435.html