

Pursuant to Utah Code 52-4-207 Electronic Meetings – Authorization – Requirements the following notice is hereby given:

- Providence City Ordinance Modification 015-2006, adopted 11/14/2006, allows City Council member(s) to attend by teleconference.
- The anchor location for this meeting is: Providence City Office Building, 15 South Main, Providence, UT.
- Member(s) will be connected to the electronic meeting by teleconference.

1 **PROVIDENCE CITY COUNCIL MEETING MINUTES**

2 **July 26, 2016 6:00 PM**

3 **Providence City Office Building**

4 **15 South Main, Providence UT**

5
6 Call to Order: Mayor Calderwood

7 Roll Call of City Council Members: Mayor Calderwood

8 Attendance: Kirk Allen, Jeff Baldwin, John Drew, Dennis Giles, Roy Sneddon

9 Pledge of Allegiance: Mayor Calderwood

10
11 **Approval of the Minutes:**

12 **Item No. 1.** The Providence City Council will consider approval of the minutes of July 12, 2016 City Council meeting.

13 **Motion to approve the minutes with the following corrections: J Baldwin, second – K Allen**

14 Page 1, line 52 - plan for roads, not just resurfacing

15 **Vote: Yea: K Allen, J Baldwin, J Drew, D Giles, R Sneddon**

16 **Nay: None**

17 **Abstained: None**

18 **Excused: None**

19 **Public Comments:** Citizens may appear before the City Council to express their views on issues within the City's jurisdiction. Comments will be addressed to the Council. Remarks are limited to 3 minutes per person. The total time allotted to public comment is 15 minutes. The City Council may act on an item, if it arose subsequent to the posting of this agenda and the City Council determines that an emergency exists.

- 23 • Danny Macfarlane, commented that as a citizen and as a civil engineer, he has concerns with the proposed rezones to SFE that will be discussed in Item No. 6 for certain portions of the city. Providence Hollows was zoned SFT, but many of the lots are a third acre, half acre or much larger. Only so many people can afford SFE lots, they are mostly paid for in cash since banks are reluctant to make large lot loans. Because of that, most of people had their builder buy their lots. All the large lots in Providence Hollows were purchased by local residents, not wealthy people from out of town, as was suggested would happen in Planning Commission meeting. The majority of the lots in Providence Hollows (SFT) and Little Baldy (SFL) subdivisions were larger than what they were zoned for, but that decision was based on market conditions. However, many home builders do not want large one acre lots; they want the smallest lots they can get. They don't want to spend extra money on the lot; they want the money to go into the house. Maintenance costs are also a concern. Tax base is not as much for large estate lots as it is for smaller lots and the city still has to maintain the same amount of road with less tax money. Finally, this is in opposition to the vision of Cache valley in trying to reduce footprint, impact and water use and preserve open space.
- 37 • J Drew said council members cannot dictate to developers how to develop the lots. There have been requests by residents for estate sized lots.
- 39 • D Macfarlane said people aren't willing to pay a proportional increase for a large lot than they would pay for a smaller lot. He feels market conditions should dictate lot sizes. Larger lots do not always translate to nicer homes either. Cities that have estate lots also dictate what types of house exteriors will be allowed on larger lots in order to maintain a certain standard.
- 43 • Mayor Calderwood asked if there was any formula that would dictate the size of a home based on the size of the lot.
- 45 • D Macfarlane said it depends upon earning capabilities, etc. Lot costs eat into the budget for building a home.
- 47 • Mayor Calderwood asked how many lots have sold in Providence Hollows subdivision.
- 48 • D Macfarlane said they are all under contract.
- 49 • Sharell Eames agrees with what D Macfarlane has said. She was concerned at Planning Commission meeting and their proposed SFE zone in this area for the general plan. She appreciates that it is very difficult to determine what the public wants and very difficult to zone. Public hearings and voting are good ways to make that determination.
- 52 • R Sneddon said Stan's property has very large lots and he feels Stan is doing the city a favor as those lots

1 along the deer fence will create a greenbelt.

- 2 • D Macfarlane said going north, Stan wants to continue estate sized lots because of the topography and
3 the fault line, but he does not want to be limited to SFE.
- 4 • Paula Anderson asked if the council was going to vote tonight to change the ATV ordinance. It isn't being
5 enforced now, so what will changing the ordinance do? Zero enforcement equals 90% violation. The
6 ordinance should be enforced before it is changed.
- 7 • Mayor Calderwood said this is to make sure state law is being followed for vehicles. If the council wants to
8 change the ordinance, they can do that tonight, but they can also leave it as is.
- 9 • J Drew said the proposed resolution only addresses snowmobiles and safety flags. The last time this was
10 discussed, there was an immediate change for about a week. Now, it is back to the same issues as before.
11 If word gets around the Sheriff is writing citations; then the change may be more long lasting.
- 12 • K Allen said many people park in the church parking lot, unload their snowmobiles and then ride them on
13 the street up to the canyon.
- 14 • Mayor Calderwood said he has visited with the Sheriff and there has already been an increase in
15 enforcement.

16 Mayor Calderwood closed public comments.

17 **Public Hearing(s):**

18 **Item No. 1 Vacate Public Utility Easement (6:15 PM):** Prior to making a decision on the proposed vacation and
19 relocation of the Public Utility Easements (PUE) located between Lots 4 and 5 of the Edgehill Drive Estates
20 Subdivision, and located between Lot 5 of the Edgehill Drive Estates Subdivision and Lot 34 East Edgehill Estates
21 Phase 2, located at 292 Edgehill Drive, the City Council is holding a public hearing. The purpose of the public
22 hearing is to provide an opportunity for anyone interested to comment on the proposal before action is taken. The
23 City Council invites you to attend the hearing in order to offer your comments.

24 **Motion to open public hearing to discuss vacation of public utility easement on the described properties: K**
25 **Allen, second – J Baldwin**

- 26 • S Bankhead said Cory Smith and Josh Maughan would like to take lot 5 and split it between them. Josh
27 Maughan owns lot 4 and Cory Smith owns lot 34. They would like to vacate the PUE in order to landscape,
28 build, etc. Notices have been sent to utility companies.
- 29 • D Macfarlane, civil engineer for this project, drew a sketch to show how this lot division would go.

30 **Public hearing for the vacation of the public utility easement closed at 6:38 pm.**

31 **Item No. 2 Budget Adjustments (6:30 PM):**

32 Prior to making adjustments to the 2017 Budgets for Capital Project Fund, the City Council is holding a public
33 hearing. The purpose of the public hearing is to provide an opportunity for anyone interested to comment on the
34 adjustments before action is taken. The City Council invites you to attend the hearing in order to offer your
35 comments.

36 **Motion to open public hearing for budget adjustments: J Baldwin, second – J Drew**

- 37 • S Bankhead said this is not a request for new money, it has already been transferred into the capital fund,
38 but projects were not completed. She reviewed those projects not completed prior to June 30, 2016.
- 39 • Paula Anderson asked when the tennis court lights would be done.
- 40 • S Bankhead said the council needs to grant Rocky Mountain Power an additional right of way easement
41 and Cache County School District needs to do the same. It should be advertised in the next two weeks.

42 **Public hearing for budget adjustments closed at 6:44 pm.**

43 **Business Items:**

44 **Item No. 1. Ordinance 2016-017.** The Providence City Council will consider for adoption an ordinance vacating and
45 relocating the Public Utility Easements (PUE) located between Lots 4 and 5 of the Edgehill Drive Estates
46 Subdivision, and located between Lot 5 of the Edgehill Drive Estates Subdivision and Lot 34 East Edgehill Estates
47 Phase 2, located at 292 Edgehill Drive.

48 **Motion to approve Ordinance 2016—017: R Sneddon, second – D Giles**

49 **Vote: Yea: K Allen, J Baldwin, J Drew, D Giles, R Sneddon**
50 **Nay: None**
51 **Abstained: None**
52 **Excused: None**

53 **Item No.2. Ordinance 2016-013.** The Providence City Council will consider for adoption an ordinance amending

1 Providence City Code Title 2 Boards and Commissions, Chapter 1 Planning Commission to allow planning
2 commission members (including alternate members) to be compensated for meeting attendance.

3 **Motion to approve Ordinance 2016-013: J Drew, second – J Baldwin**

- 4 • J Baldwin commented that the Appeals Board should also be compensated. He feels there should be
5 compensations across the board.
- 6 • K Allen said he agrees with J Baldwin to a certain extent. However, Planning Commission makes decisions
7 that require depth of study, understanding and preparation and those decisions impact the entire city. He
8 does not feel like the Historical Preservation Committee should be compensated and compensation for
9 Planning Commission should not be delayed in order to later discuss compensation for the Appeals Board.
10 He also feels the commissioners should receive training.
- 11 • R Sneddon feels compensation should only be considered after commissioners receive training. Planning
12 Commission's recent position on SFE is contradictory to the State of Utah and Cache Valley's visions for
13 growth. He felt those visions should be cornerstones of the training. He also suggested someone be
14 brought in to do the training rather than waiting to send commissioners to training when it becomes
15 available. Commissioners need to be educated so they can make informed decisions on waste water,
16 pavement requirements, etc.
- 17 • S Bankhead said there may be members who sit on the Planning Commission for months before any
18 trainings are available.
- 19 • J Drew said if commissioners are going to be compensated, then there should be some training required.
20 He also felt there should be a checklist of information that commissioners need to read and review the
21 first few months they sit on the Commission. Perhaps council members should also be trained.
- 22 • J Baldwin felt commissioners should be compensated immediately, but also be required to receive
23 training within 6 months of being sworn in. He does not want to delay compensation while the council
24 decides which training should be required.
- 25 • S Bankhead said the open meetings training is the only training that is required by the state, and it is
26 provided once a year. Also, while some training involves state code, some of the training is purely
27 philosophical. She would like to see workshops every 6 months that include the City Council and Planning
28 Commission so they are on the same page and have the same philosophical vision for Providence.
- 29 • K Allen said some training is available electronically.
- 30 • J Drew said a general philosophy needs to be written. The general plan should encompass that vision.

31 **Vote: Yea: K Allen, J Baldwin, J Drew, D Giles, R Sneddon**
32 **Nay: None**
33 **Abstained: None**
34 **Excused: None**

35 **Item No. 3. Resolution 034-2016:** The Providence City Council will consider for adoption a resolution establishing
36 compensation for planning commission members (including alternate members) at the rate of \$50 per meeting, for
37 meetings actually attended.

38 **Motion to approve Resolution 034-2016: J Baldwin, second – J Drew**

- 39 • K Allen asked if this is based on attendance.
- 40 • S Bankhead said according to state code, commissioners have to attend the meetings in order to be
41 compensated.

42 **Vote: Yea: K Allen, J Baldwin, J Drew, D Giles, R Sneddon**
43 **Nay: None**
44 **Abstained: None**
45 **Excused: None**

46 **Item No. 4. Resolution 035-2016:** The Providence City Council will consider for adoption a resolution adjusting the
47 2017 Capital Project Fund Budget.

48 **Motion to approve Resolution 035-2016: R Sneddon, second – J Drew**

49 **Vote: Yea: K Allen, J Baldwin, J Drew, D Giles, R Sneddon**
50 **Nay: None**
51 **Abstained: None**
52 **Excused: None**

1 **Item No. 5. Resolution 036-2016:** The Providence City Council will consider for adoption a resolution granting an
2 Underground Right of Way Easement to Rocky Mountain Power at Zollinger Park for the Providence Ball Park
3 Lights project.

4 **Motion to approve Resolution 036-2016: J Baldwin, second – J Drew**

5 **Vote: Yea: K Allen, J Baldwin, J Drew, D Giles, R Sneddon**
6 **Nay: None**
7 **Abstained: None**
8 **Excused: None**

9 **Item No. 6. Resolution 037-2016:** The Providence City Council will consider for approval a resolution amending the
10 Providence City Master Plan Sheet No 5-B Future Re-Zone of existing Districts. This Map is the plan for future
11 rezoning of existing districts within the Providence City Corporate limits.

12 **Motion to approve Resolution 037-2016: J Baldwin, second – J Drew**

- 13 • S Bankhead said the rezone was conditional upon the updating of this general plan map. The Planning
14 Commission will continue to discussion additional changes to the general plan. This is for the property
15 located at 1000 South and 400 East, commonly known as the Baker property to SFL, which is in harmony
16 with the ordinance that was approved a couple of weeks ago. The map will be before the council again.
- 17 • K Allen commented that when this came up a few weeks ago he abstained. He asked if the council could
18 vote in opposition in order to slow this process down. He does not feel this should be zoned SFL.

19 **Vote: Yea: J Baldwin, J Drew, D Giles, R Sneddon**
20 **Nay: K Allen**
21 **Abstained: None**
22 **Excused: None**

- 23 • J Drew commented on when abstaining is appropriate according to state code. There was further
24 discussion about abstaining. It is not necessarily a no vote.

25 **Item No. 7. Ordinance 2016-018:** The Providence City Council will consider for adoption an ordinance amending
26 Providence City Code Title 5 Chapter 9 Off-Highway Vehicles.

27 **Motion to approve Ordinance 2016-018: K Allen, second – J Baldwin**

- 28 • Mayor Calderwood suggested snowmobiles not be permitted on city streets and vehicles with two-stroke
29 engines must be street legal (turn signals, horn, proof of insurance, no modified mufflers).
- 30 • J Drew felt the ordinance was well written with safety in mind and intentionally left out “street legal” in
31 order that residents could ride their vehicles to the canyon. Street legal or not street legal will make no
32 difference on our city streets. The ordinance is fine if it is enforced.
- 33 • S Bankhead said Larry Anderson is the one who brought this to the city’s attention and this is as close to
34 state code as possible at that point in time. Depute Black, Deputy Nyberg and Sheriff Jensen said there is a
35 contradiction in stating that a safety flag may be used in lieu of headlights and taillights, then later in the
36 ordinance it says headlights and taillights must be used if the vehicle is operated before daylight or after
37 dusk. They suggested the strikeout shown regarding safety flags.
- 38 • K Allen said the flags are required on the sand dunes, but that does not pertain to streets in Providence.
- 39 • There was discussion about dirt bikes and four wheelers.
- 40 • K Allen commented that he had looked at ordinances for other cities in Cache Valley regarding off-
41 highway vehicles. He said whatever is decided, it needs to be enforced. He feels the present ordinance is
42 sufficient and just needs to be enforced. Citizens need to be informed of the changes then it needs to be
43 enforced.
- 44 • J Drew said about 80% of the complaints received will be resolved by enforcement.
- 45 • S Bankhead asked the council to continue this in order for her to make this more compliant with state
46 code and make changes recommended by the Sheriff’s Department regarding safety flags.
- 47 • Paula Anderson and Andrea Diamond both commented that educating the public is important, as well as
48 enforcement.
- 49 • K Allen suggested signs be posted for HOV’s.
- 50 • J Baldwin felt the suggested safety flag strikeouts should be removed and this could be voted on.

51 **Motion to continue discussion on Ordinance 2016-018 and remove the safety flag strikeouts: K Allen, second – J**
52 **Baldwin**

1 **Vote: Yea: K Allen, J Baldwin, J Drew, D Giles, R Sneddon**
2 **Nay: None**
3 **Abstained: None**
4 **Excused: None**

5 **Item No. 8. Discussion:** The Providence City Council will discuss zoning enforcement for accessory buildings.

- 6 • Mayor Calderwood suggested council members drive around town and notice accessory buildings and review the ordinance.
- 7
- 8 • S Bankhead said this is very enforceable if the accessory building is a shop or a garage. The ones that are difficult to enforce are the small utility sheds that require a zoning permit, but not a building permit. If the setback is changed for small utility sheds, it needs to be called out in the ordinance.
- 9
- 10 • J Baldwin feels three feet off the property line is acceptable, but no less than three feet.
- 11 • Steve Jenson asked why a smaller shed would require a 5' utility easement.
- 12 • D Giles said the easement is for utilities. A smaller shed could be moved to access the utility and then moved back.
- 13 • A Diamond recommends a simple punch list of safety points for building a shed, and grandfathering in sheds that may be in violation, but that are non-issue violations.
- 14
- 15
- 16

17 **Item No. 9. Discussion:** The Providence City Council will discuss impact fees.

- 18 • Mayor Calderwood reviewed impact fees for other local cities compared to Providence.
- 19 • S Bankhead said this is generally for single family homes, 1" meters, but there are always variables involved when comparing cities.
- 20 • J Baldwin asked if there was a formula the state requires.
- 21 • J Drew said an outside engineering firm has to review this based on state guidelines. Our impact fees haven't changed in 19 years.
- 22 • S Bankhead said the council needs to discuss capacity related projects in regards to impact fees. That is the first thing a professional firm will look at.
- 23 • J Baldwin felt water should be first on the list.
- 24 • S Bankhead commented on a prior analysis that had been done. Providence City isn't in the deficit for parks as much as it may appear. There are many open-space or wooded areas that are part of our parks system. The park over at Providence Elementary is a city park. The idea of open park space versus manicured park space needs to be discussed.
- 25 • J Drew suggested having a professional come and discuss this with the council.
- 26
- 27
- 28
- 29
- 30
- 31

32 **Item No. 10. Discussion:** The Providence City Council will discuss park improvements for property located at 800 South 400 East.

- 33 • S Bankhead said developing groomed park property is expensive. She reviewed ideas and costs for park development.
- 34 • Morris Poole, a resident living in Hillcrest subdivision, suggested a walking trail, a play area, covered area, bathrooms, etc. for the park.
- 35 • D Giles said many parks are designed with xeriscape.
- 36 • S Bankhead said a small splash pad design was discussed. Xeriscape can be done if that is what the city wants, but it has been difficult getting xeriscape designers.
- 37 • J Baldwin suggested university students could help.
- 38 • Mayor Calderwood said this will cost about \$100,000 for installation.
- 39 • A Diamond said a plan that can be replicated on a smaller or larger scale is a good idea. She also thought work out equipment for adults would be a good idea.
- 40 • R Stapley said it is difficult to get people who want to design xeriscape.
- 41 • Steve Jenson asked about using secondary water for the park.
- 42 • S Bankhead said water storage is a problem.
- 43 • J Baldwin will see if there are any students at USU that can help with xeriscape park design.
- 44
- 45
- 46
- 47
- 48

49 **Staff Reports:** Items presented by Providence City Staff will be presented as information only.

50 Rob Stapley:

- 51 • Streets:

PROVIDENCE CITY LAND USE APPLICATION

15 South Main * Providence UT 84332

435-752-9441 * Fax: 435-753-1586 * email: sbankhead@providence.utah.gov

Please note that each request has a checklist which specifies what information is required in order for your application to be complete and ready for processing. Please check the appropriate box for your type of application. Check only one box. Each application type requires a separate application. If you have questions, please ask.

INCOMPLETE APPLICATIONS WILL NOT BE PROCESSED.

Development Review Committee, and/or Planning Commission, and/or City Council		
Annexation	Exception to Title	Rezone
Code Amendment	Final Plat	Right-of-way Vacation
Concept Plan	General Plan Amendment	Site Plan
Conditional Use	Preliminary Plat	
Appeal Authority		
Appeal		Variance

PLEASE NOTE: FILING FEES DO NOT INCLUDE PROFESSIONAL FIRM FEES. THESE WILL BE BILLED SEPARATELY.

Applicant's Name: <u>STAN Checketts</u>	
Address: <u>805 E Canyon Rd PRV</u>	
Phone(s): <u>435 257 4989</u>	Fax: _____ E-Mail: _____

Party Responsible for Payment: <u>SAME</u>	
Billing Address: _____	
Phone(s): _____	Fax: _____ E-Mail: _____

Property Owner's Name (how it appears on a legal document): _____	
Address: <u>SAME</u>	
Phone(s): _____	Fax: _____ E-Mail: _____

Architect/Engineer/Surveyor's Name: _____	
Address: _____	
Phone(s): _____	Fax: _____ E-Mail: _____

Cache County Property Number(s): _____	
Total Acreage: _____	Project Name: _____
City Address of Project (if applicable): _____	

I declare under penalty of perjury that I am the owner or authorized agent for the property which is the subject of application, and that the statements, answers, and documents submitted in connection with this application are true and correct to the best of my knowledge.

Signature of Applicant: Stan Checketts Date: July 22-16
 Do not complete below this line, for office use only.

Application Fee:
General Plan:
Zone:

Receipt Number:
Received By:
Date Stamp:



For the Little Baldy
Subdivision, I have the funds
available to the City for
\$2,640,000⁰⁰. The cost
plus 10%.

I would like to
discuss with the Council
the warranty bonds.

Charles Starr



PROVIDENCE CITY
Executive Staff Report
Review Date: 07/27/2016

Request: Stan Checketts is requesting an Exception to Title 11-3-3:F. all security bonds must be in place, and 11-5-7:A. Warranty Bond. The code requires the bond be in place at the time the final plat is recorded. Stan would like to put the Performance Security in place, record the plan, begin construction, at an a point when the Performance Security is reduced, put the warranty bond in place.

Item Type: Exception to Title 11-3-3:F and 11-5-7:A	Applicant: Stan Checketts	Agent: NA
Prepared by: S Bankhead	General Plan: SFT	Zone: SFL
Parcel ID #: Address:	Acres: Density per acre: Gross: Net:	Number of Properties: Proposed Lots:

Background Information:

1. The application was received 07/22/2016
2. Executive Staff reviewed the application on 07/27/2016
3. The code requires the bond be in place at the time the final plat is recorded. Stan would like to put the Performance Security in place, record the plat, begin construction, at a point when the Performance Security is reduced, put the warranty bond in place.

FINDINGS OF FACT:

11-3-3: FINAL PLAT:F. Approval: The final plat shall be approved by the Land Use Authority. The construction drawings shall be approved by the City staff. The development agreement shall be approved by the City Council. Prior to submitting the final plat for recording, the final plat shall be signed by the developer(s) and utility companies or a letter submitted with the final plat from the utility companies. All security bonds must be in place and the development agreement shall be signed by the developer(s). The City does not consider the final plat to be approved until the construction drawings are signed, the development agreement has been signed and all signatures are on the final plat. At this point, the developer(s) shall submit an electronic copy of the approved final plat and approved construction drawings.

11-5-7: SECURITY OF PERFORMANCE: (Ordinance Modification 003-00 1/25/00)

The security of performance required by this Section is to assure the City that all improvements are constructed in conformance with all relevant City ordinances, regulations and standards, and to assure the City that all expenses incurred for labor and materials used in the construction of the same are paid for by the developer.

- A. Warranty Bond. A three (3) year warranty bond of ten percent (10%) of the reasonable value of all the public improvements required herein, as verified by the City Engineer’s estimate, shall be in place at the time the final plat is recorded.

11-2-7: ADMINISTRATIVE PROVISIONS:

- D. The City Council may grant an exception to the requirements of this Title after receiving the recommendations of the Planning Commission and the Development Review Committee; provided that approving such exception will not substantially impair the intent of this Title.

1. When considering, granting, or denying an exception to title, the City Council is acting as a land use authority.
2. The consideration of and action upon an application for an exception to this title is an administrative act and is not an ordinance or a code amendment. An administrative record shall be kept of the

- decision. The decision will be supported by appropriate findings of fact and conclusions of law whether the application is approved or denied
3. When approving a request for an exception to this title, the City Council shall specifically identify conditions that exist that support a determination that complete compliance with the requirement(s) of this Code is unnecessary to serve the public interest and the goals and objectives of the Code and the General Plan.
 4. Approval of an exception shall not materially increase the burden on the municipality to maintain its infrastructure.
 5. In approving an exception, conditions may be imposed which will, as determined by the City Council, better serve the public interest than the strict application of the provisions of this Title.
 6. The applicant, a board or officer of the municipality, or any person adversely affected by a decision to approve or deny an exception may, using the procedure in Title 2 Chapter 5 of this Code, appeal the decision to the Appeal Authority by alleging that there is error in any order, requirement, decision, or determination made by the City Council, acting as a land use authority, in the administration or interpretation of this Code. The appeal shall be a record review and the decision of the City Council will be upheld if it is legal and supported by substantial evidence in the record.

CONCLUSIONS OF LAW:

1. The following conditions exist that support a determination that complete compliance with the requirement(s) of this Code is unnecessary to serve the public interest and the goals and objectives of the Code and the General Plan:

CONDITIONS:

1. Executive Staff discussed the request and could not find conditions that would support a determination that complete compliance with the requirement(s) of this Code is unnecessary to serve the public interest and the goals and objectives of the Code and the General Plan.
2. Executive Staff felt if the City Council decided to allow the warranty to be submitted at a later date, the city code should be changed rather than allowing it as an exception.

EXECUTIVE STAFF RECOMMENDATION:

The Executive Staff is recommending that the City Council deny the request according to the Findings of Fact, Conditions of Law, and Conclusions listed above.

PLANNING COMMISSION RECOMMENDATION:

On July 27, 2016 the Providence City Planning Commission discussed Item No. 3. Exception to 11-5-7:A. Warranty Bond: The Providence City Planning Commission will consider for recommendation to City Council a request for an exception to Providence City Code 11-5-7:A. Warranty Bond, requested by Stan Checketts. The Planning Commission took the following action:

Motion to recommend that City Council provide an exception to Providence City Code 11-5-7:A as requested by S Checketts: R Cecil, second – J Parker

Vote: Yea: A Diamond, R Cecil, M Harbin, J Parker

Nay: None

Abstained: None

Excused: R James, W Simmons

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52

Ordinance No. 2016-019

AN ORDINANCE AMENDING PROVIDENCE CITY CODE TITLE 2 Chapters 1 and 4, Title 10 Chapters 15 and 16, and Title 11 Chapter 3 by changing the words “city administrator” to “administrative services director”

WHEREAS UCA § 10-3-702 states “The governing body may pass any ordinance to regulate, require, prohibit, govern, control or supervise any activity, business, conduct or condition authorized by this act or any other provision of law. . .” and

WHEREAS the Providence City Council desires to change “city administrator” to “administrative services director”

- In April 2016, the City Council made changes to the administrative structure of the City.
- On April 26, 2016, the Providence City Council adopted Ordinance No. 2016-009. An ordinance establishing a temporary land use regulation for the administration of land use ordinances, changing “city administrator” to “administrative services director”.
- A temporary land use regulation has a period of limited effect not to exceed six months. See UCA§10-9a-504(2)
- Providence City staff has prepared the following code amendments:
 - 2-1-3: PLANNING COMMISSION STAFF – ORGANIZATION:
 - A. The Planning Commission shall have the following staff:
 - 1. Administrative Director. The Administrative Director to the Planning Commission shall be the ~~City Administrator~~ **Administrative Services Director** or her/his designee.
 - a. Duties of Administrative Director. The Administrative Director shall be responsible for providing staff services to the Planning Commission as provided in Titles 2, 10 and 11 of the Providence City Code within the provision of budget authority appropriated by the Providence City Council.
 - 2-4-1: ESTABLISHED: There is created a Land Use Authority which shall consist of the Planning Commission for all subdivisions; and a body, Administrative Land Use, to include the ~~City Administrator~~ **Administrative Services Director**, Public Works Director, and City Engineer for all other land use applications.
 - 2-4-2: ORGANIZATION: The Planning Commission shall appoint a chairperson and the ~~City Administrator~~ **Administrative Services Director** shall serve as the chairperson of their respective Land Use Authorities. Public meetings and hearings of the Authority shall be held at the call of the chairperson.
 - 10-15-7: PENALTY, CONFISCATION OF SIGNS:
 - A. Penalty: Any person who fails to abide by the provisions of this Chapter shall be guilty of a Class C misdemeanor and subject to penalty as provided in Title 1 Chapter 4 Section 1 of this Code.
 - B. Confiscation of Signs: The ~~City Administrator~~ **Administrative Services Director**, or designee, may confiscate any sign located on public property in violation of this Chapter or any other City ordinance. Confiscated signs shall be stored at a location determined by the ~~City Administrator~~ **Administrative Services Director**, or designee, for a period of thirty (30) days; during which time, the owner or person having charge, control, or benefit of the confiscated sign, may redeem the sign after payment of any applicable penalties. The City shall not be liable for damages incurred to signs as a result of their confiscation. Signs not redeemed within thirty (30) days may be destroyed.
 - 10-16-5: PERMIT REQUIRED:
 - B. The Land Use Authority (made up of the ~~City Administrator~~ **Administrative Services Director**, City Engineer, and Public Works Director) as defined by Title 2 Chapter 4 is

1 hereby designated the Floodplain Manager to administer and implement the provisions
2 of this Chapter; ensure that the City's Records Officer maintains and holds open for
3 public inspection a record of all records pertaining to the provisions of this Chapter;
4 review permit application to determine whether proposed building site, including the
5 placement of manufactured homes, will be reasonably safe from flooding; and review,
6 approve or deny all applications for development permits required by this Chapter.
7 Approval or denial of a Permit shall be based on all of the provisions of this Chapter and
8 the following relevant factors:
9

10 11-3-1: **CONCEPT PLAN:** A concept plan shall be submitted to the city executive staff (which
11 may include the ~~city administrator~~ **administrative services director**, public works director, city
12 engineer, public works secretary, zoning personnel, mayor and council member) for review and
13 compliance with the Providence City General Plan, and Title 10 and 11 of the Providence City
14 Code.

- 15 • On July 27, 2016, the Providence Planning Commission held a public hearing is to provide an
16 opportunity for anyone interested to comment on the proposed amendments to Providence City
17 Code Title 2 Chapters 1 and 4, Title 10 Chapters 15 and 16, and Title 11 Chapter 3 by changing
18 the words "city administrator" to "administrative services director", before action is taken.
- 19 • On July 27, 2016, after the public hearing, the Providence Planning Commission took the
20 following action:

21 *Motion to recommend to City Council to adopt the proposed code amendments: J Parker, second*
22 *– R Cecil*

23 *Vote: Yea: A Diamond, R Cecil, M Harbin, J Parker*
24 *Nay: None*
25 *Abstained: None*
26 *Excused: R James, W Simmons*
27

28 THEREFORE be it ordained by the Providence City Council

- 29 • The code amendments listed above shall be approved as recommended by the Providence
30 Planning Commission.
- 31 • This ordinance shall become effective immediately upon passage and posting or 30 days after
32 final passage, whichever is closer to the date of final passage.

33
34 Ordinance adopted by vote of the Providence City Council this 9 day of August 2016.

35 Council Vote:

36 Allen, Kirk	() Yes	() No	() Excused	() Abstained	() Absent
37 Baldwin, Jeff	() Yes	() No	() Excused	() Abstained	() Absent
38 Drew, John	() Yes	() No	() Excused	() Abstained	() Absent
39 Giles, Dennis	() Yes	() No	() Excused	() Abstained	() Absent
40 Sneddon, Roy	() Yes	() No	() Excused	() Abstained	() Absent

41
42 Signed by Mayor Don W Calderwood this day of August 2016.

43
44 Providence City

45
46 _____
47 Don W. Calderwood, Mayor

48
49 Attest:

50
51 _____
52 Skarlet Bankhead, Recorder

CHAPTER 9

OFF HIGHWAY VEHICLES

- 5-9-1: Purpose
- 5-9-2: Definitions
- 5-9-3: Operation on City Streets
- 5-9-4: Equipment
- 5-9-5: Punishment and Fines

5-9-1: **PURPOSE.** This chapter is intended to regulate the operation of Off Highway Vehicles (OHVs) on the streets of Providence.

5-9-2: **DEFINITIONS.**

Adult Supervision:	Direct visual supervision by a licensed driver who is at least 18 years of age.
Golf Cart:	A (3) or (4) wheeled-vehicle with a seating capacity of (2) to (4) persons, originally designed and produced for operation on golf courses.
Implement of husbandry:	Every vehicle designed or adapted and used exclusively for an agricultural operation and only incidentally operated or moved upon the highways.
Off Highway Vehicle or OHV:	Any snowmobile, all-terrain vehicle (ATV) or off-road motorcycle as defined by Utah Code 41-22-2. NOTE: This term DOES NOT include any vehicle designed to carry a disabled person, any vehicle not specifically designed for recreational use, any vehicle licensed by the state of Utah for on-highway use, or farm machinery including OHVs registered as an implement of husbandry when operated in accordance with Utah Code 41-22-5.5.
Operate:	To control the movement of or otherwise use an off highway vehicle.
Operator:	The person who is in actual physical control of an off highway vehicle.
Owner:	A person, other than a person with a security interest, having a property interest or title to an off highway vehicle and entitled to the use and possession of that vehicle.

Street: A public right-of-way, including a highway, avenue, boulevard, parkway, road, lane

Utah OHV Education Certificate: An OHV operator's license issued by the State of Utah to OHV operators age 8 and older that have successfully completed a prescribed course of instruction on OHV use. Note: There are different certificates for each type of OHV (motorcycle, ATV, snowmobile, etc).

5-9-3: OPERATION OF OHVS ON PROVIDENCE CITY STREETS:

- A. Any person operating an OHV or golf cart on the streets of Providence City is subject to the provisions of all applicable traffic ordinances, except where superseded by this ordinance.
- B. Any person operating an OHV or golf cart on the Providence City streets must meet one of the following licensure requirements:
1. Operators age 16 and older must have in their possession a valid state driver's license/learner's permit **OR** Utah OHV Education Certificate for the OHV type they are operating.
 2. Operators under the age of 16 must have in their possession a Utah OHV Education Certificate for the OHV type they are operating **AND** be accompanied by an adult. This section pursuant to Utah Code 41-22-30. Operators age 15 may substitute a valid Utah Driver Learner's Permit for the adult supervision requirement.
 3. Golf carts may be operated with a valid state driver's license **OR** learner's permit.
 4. Operators whose OHV is registered as an implement of husbandry are exempt from these licensure requirements, provided said operation is in accordance with Utah Code 41-22-5.5.
- C. This ordinance designates all Providence City Streets as OHV routes per Utah Code 41-22-10.5.1 with the following exceptions:
1. State Road 165
 2. County Road 238 (200 West, 100 North from 100 West to 200 West, 100 West north of 100 North)
 3. 100 North west of 200 West
- NOTE: Crossing exception streets is permitted pursuant to Utah Code 41-22-10.3.1.
- D. An OHV shall not be operated on Providence City streets in excess of the posted speed limit.
- E. Operating an OHV on cultivated, landscaped, or otherwise developed property is prohibited unless allowed by the property owner.
- F. OHV use within the boundaries of Providence City parks is restricted to the parking lots.

- G. Operating an OHV on a sidewalk is prohibited.
- H. No person under the age of (18) shall operate or ride as a passenger on an OHV within Providence City without wearing protective headgear pursuant to Utah Code 41.22.10.8.
- I. Operating an OHV between one half-hour after sunset to one half-hour before sunrise without a headlight and taillight functioning is not permitted. Proper signaling must be used when stopping or turning.
- J. Snowmobiles may only be operated on Providence City Streets when sufficient snow or ice is present to preclude damage to roadways and shoulders by the snowmobile's steering and propulsion systems.

5-9-4: OHV EQUIPMENT. An OHV operated on Providence City Streets must be equipped with:

(a) Brakes adequate to control the movement of and to stop and hold the vehicle under normal operating conditions.

(b) Headlights and taillights.

(c) An unmodified noise suppression device and United States Forest Service approved spark arrestor. Spark arrestors are not applicable for snowmobiles. This subsection is not applicable to vehicles relying solely on electricity for propulsion.

5-9-5: LICENSING AND INSURANCE. At all times a registration card and proof of liability insurance shall be kept with the OHV and shall be available for inspection by a law enforcement officer.

5-9-6: PUNISHMENT AND FINES. Any person who violates any provision of this ordinance, upon conviction, is guilty of a Class C Misdemeanor. The fine for any violation of this ordinance is \$75. Punishments related to this ordinance may not take precedence over punishments and fines charged for violating other Providence City, county, state or federal ordinances, but may be assessed in addition to the fines levied for violating this ordinance.

Information for accessory building discussion.

Definition from Providence City Code (PCC) 10-1-4

ACCESSORY BUILDING:	A subordinate building, detached, and used for a purpose customarily incidental to the main structure on a lot, such as a private garage, offices, storage or repair facilities, etc. An accessory building may be constructed simultaneously with, but not prior to the main building.
ACCESSORY BUILDING (SMALL)	A small subordinate building, detached, and used for a purpose customarily incidental to the main structure on a lot, such as: storage. An accessory building (small) may be constructed simultaneously with, but not prior to the main building. An accessory building is considered small if: <ol style="list-style-type: none"> 1. It is less than 200 square feet; and 2. Is not on a permanent foundation; and 3. Does not have plumbing or electrical features.

Zoning from PCC 10-8-1

	AGR	SFE	SFL	SFT	SFR	SFM	SFH	SMH
Min. lot area, square feet	5 ac	1 ac	20,500	12,000	10,000	8,000	6,000	5,000
Min. lot width (measured at setback line)	150	120	100	95	80	70	60	50
Min. lot area increase ea. add'l unit, square feet	5 ac	1 ac	No add'l units	No add'l units	2,000	4,000		
Max. unites / ac excluding ROW, infrastructure^	0.2	1	2.13	3.75	4.5	5.5	5.5	8.5
Max. lot area per ea. twin home, square feet^^					6,000	6,000		
Min. lot width, each unit (measured at setback line)					47.5'	47.5'		
Setbacks								
Principal uses								
Front yard, ft.	25	^^^	^^^	^^^	^^^	25	20	20
Side yard, interior	25	20	10	10	10*	10	5###	5###
Side yard, Street (OM 33-2004)	25	20	20	20	20	20	15	15
Rear yard	25	^^^	^^^	^^^	^^^	20	20	10
Detached Accessory Uses								
Front yard, ft.	25	30	30	30	30	25	25	20
Side yard, interior	10	5	5	5	5	5	5	5
Side yard, street	20	20	20	20	20	20	20	20
Rear yard	10	5	5	5	5	5	5	5
Detached Accessory Building (Small)								
Front yard, ft.	25	30	30	30	30	25	25	20
Side yard, interior	MUST be placed in such a manner that it runoff from the roof does not spill onto adjacent property.							
Side yard, street	20	20	20	20	20	20	20	20
Rear yard	MUST be placed in such a manner that it runoff from the roof does not spill onto adjacent property.							
Distance between residential structures on same lot	20	10		10				
Height								
Principal Use, Max. hgt. ft.	35	35	35	35	35	35	35	35
Principal Use, ft. min.	10	10	10	10	10	10	10	10
Accessory Use, ft. max.	35	35	35	35	35	35	35	35
Accessory Bldg (Small)	15	15	15	15	15	15	15	15
Fences – non-game (max. height)								
Front yard, ft.	4	4	4	4	4	4	4	4
Side yard, interior	8	6	6	6	6	6	6	8

Impact Fee Schedule

Effective 7/30/97, amended 01/25/2008, 07/12/2011

Park \$2,336.14 - single-family dwelling unit (OM 27-2007)
 \$2,169.79 - multi-family dwelling unit (OM 27-2007)

Street \$500 - residential unit
 \$250 - commercial

Wastewater (sewer)

The Wastewater (sewer) impact fee was removed effective July 1, 2011 by Resolution 11-017

Size of Water Meter in Inches	Capacity Ratio to 1" Line	Impact Fee
1	1	0
1.5	2.25	0
2	4	0
3	9	0
4	16	0
6	36	0

Water

Size of Water Meter in Inches	Capacity Ratio to 1" Line	Impact Fee
1	1	2,084
1.5	2.25	4,689
2	4	8,336
3	9	18,756
4	16	33,344
6	36	75,024

Approved 08 January 2008
Ordinance No. 027-2007


LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.
INVESTMENT BANKERS
MEMBERS: NASD AND SIPC

IMPACT FEE ANALYSIS
FOR THE SERVICES OF:
PARKS AND RECREATION

FOR

PROVIDENCE

CACHE COUNTY, UTAH

NOVEMBER 27, 2007

Submitted by:

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.


LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.
INVESTMENT BANKERS
MEMBERS: NASD AND SIPC

CITY OF PROVIDENCE, CACHE COUNTY, UTAH

EXECUTIVE SUMMARY	2
OVERVIEW OF THE CITY OF PROVIDENCE	2
<i>Table 1: Total Developed and Undeveloped Land Within the City.....</i>	<i>2</i>
PROJECTED DEMAND BY SERVICE	3
<i>Table 2: Services, Related Measure of Demand, and Level of Service Standard.....</i>	<i>3</i>
GENERAL IMPACT FEE CALCULATION	3
<i>Project Costs and Financing.....</i>	<i>3</i>
PARKS AND RECREATION IMPACT FEES.....	3
PARK DEVELOPMENT IMPACT FEES.....	4
<i>Figure 3: Parkland Impact Fee per Capita.....</i>	<i>4</i>
<i>Figure 4: Parks Improvements and Amenities Fee per Capita.....</i>	<i>4</i>
<i>Figure 5: Parks and Recreation Impact Fees per Residential Unit.....</i>	<i>4</i>
CHAPTER 1 OVERVIEW OF IMPACT FEES.....	5
IMPACT FEES AS A SOURCE OF REVENUE.....	5
REQUIRED ELEMENTS FOR THE ADOPTION OF IMPACT FEES.....	6
(1) <i>Capital Facilities Plan</i>	<i>6</i>
(2) <i>Written Impact Fee Analysis</i>	<i>6</i>
(3) <i>Proportionate Share Analysis.....</i>	<i>6</i>
(4) <i>Executive Summary</i>	<i>6</i>
(5) <i>Impact Fee Enactment.....</i>	<i>6</i>
IMPACT FEE NOTICING AND ADOPTION PROCEDURES – 11-36-202.....	7
ACCOUNTING FOR, EXPENDITURE OF, AND REFUND OF IMPACT FEES.....	7
<i>Accounting For Impact Fees – 11-36-301</i>	<i>7</i>
<i>Expenditure of Impact Fees – 11-36-302.....</i>	<i>8</i>
<i>Refunds of Impact Fees – 11-36-303.....</i>	<i>8</i>
CHALLENGING IMPACT FEES – 11-36-401-402.....	8
FUTURE CAPITAL FINANCING COSTS.....	9
<i>Debt Financing</i>	<i>9</i>
CHAPTER 2 FUTURE IMPACT FROM GROWTH UPON CITY INFRASTRUCTURE	10
PROJECTED POPULATION GROWTH.....	10
CURRENT LAND USE PLANNING.....	10
<i>Table 2.1: Developed and Undeveloped Land.....</i>	<i>10</i>
CHAPTER 3 PARK LAND AND IMPROVEMENT IMPACT FEES	11
BACKGROUND	11
DEMAND.....	11
CURRENT PARKLAND INVENTORY.....	11
<i>Table 3.1 Park Inventory.....</i>	<i>12</i>
CURRENT PARK IMPROVEMENT INVENTORY.....	12
<i>Table 3.3 Park Amenities Inventory.....</i>	<i>13</i>
OTHER CREDITS	14
ACCOUNTING.....	15
CHAPTER 4 PROPORTIONATE SHARE ANALYSIS.....	16
MANNER OF FINANCING EXISTING PUBLIC FACILITIES – 201(5)(B)(II-III)	16
CONSIDERATION OF ALL REVENUE SOURCES – 201(5)(B)(IV).....	16
PROPOSED CREDITS OWED TO DEVELOPMENT – 201(5)(B)(V)	17
SUMMARY OF TIME PRICE DIFFERENTIAL – 201(5)(B)(VII)	18

EXECUTIVE SUMMARY
REQUIRED BY (11-36-201(5)(c))

Providence (the "City") has commissioned this Impact Fee Analysis to satisfy requirements predicated by the Utah Impact Fees Act. This analysis is intended to justify the proposed impact fees which will be implemented to fund necessary infrastructure that will accommodate future growth within the City. This analysis will cover the services of Parks and Recreation. The impact fees proposed in this analysis are calculated based upon the costs of constructing new capital infrastructure and costs of bond financing said improvements. The proposed impact fees will be assessed throughout the City-Wide Impact Fee Service Area (the "Service Area") which includes the City, as currently incorporated.

To ensure sufficient and proper funding, the City has retained Lewis Young Robertson & Burningham, Inc. ("LYRB") to calculate the maximum equitable impact fees that the City may legally assess under the requirements of the Utah Impact Fees Act to distinct land-uses within the City. Each land-use category will be evaluated based upon the demand that it creates for Parks and Recreation.

The recommended impact fee structure presented in this analysis has been prepared to satisfy the Utah Impact Fees Act. The maximum impact fees are structured to provide sufficient impact fee revenues to fund the portion of capital improvements that are necessitated to serve new growth, the City will be required to use other revenue sources to fund projects for the same systems that constitute repair and replacement or maintain the existing level of service for current users.

OVERVIEW OF THE CITY OF PROVIDENCE

The City of Providence anticipates a population increase of approximately 4,700 through build-out. The remaining land to be developed will add 1,466 new residential dwelling units and 86,000 Sf of commercial floorspace to the City as it is currently incorporated. This analysis is based on build-out projections.

TABLE 1: TOTAL DEVELOPED AND UNDEVELOPED LAND WITHIN THE CITY

	Unit	Developed	Undeveloped	Total
Residential	Dwelling Unit	1,792	1,466	3,258
Commercial	1k Sf Floorspace	129	86	215
Institutional	Acre	-	-	-
Assisted Living	Rooms	18	15	33
Other	Acre	-	-	-
TOTALS:		1,939	1,567	3,506

PROJECTED DEMAND BY SERVICE

The proposed impact fees are based upon the growth in demand based on the conservative growth projections that the City has provided

TABLE 2: SERVICES, RELATED MEASURE OF DEMAND, AND LEVEL OF SERVICE STANDARD

Services	Demand Units	Level of Service
Parks	Acres	5.62 acres per 1,000 Residents

GENERAL IMPACT FEE CALCULATION

PROJECT COSTS AND FINANCING

The proposed impact fees are intended to recover the costs of future capital projects, professional expenses pertaining to the regular update of the Capital Facilities Plans and impact fee analysis, and the growth-driven portion of the principal and interest payments of any outstanding bonds which are issued to provide the City with funds to adequately cover the costs of several projects that cannot be sufficiently funded through impact fee revenues.

The City is planning to fund the growth-related improvement costs through future impact fee revenues. Future impact fee cash flows for each service are projected based upon the annual schedule of capital and professional expenses and upon the projected growth for each services respective demand units.

PARKS AND RECREATION IMPACT FEES

Currently the City offers a level of service of 5.62 acres per 1,000 residents. This is just short of the National Recreation & Parks Association (NRPA) guideline of 7 acres per 1,000 residents. If the City chooses to increase the level of service ("LOS"), the City will have to pay for the additional costs through property taxes from the general fund. In order to maintain the current level of service that the City has historically maintained, while also accommodating the needs generated by new growth, Providence must expand its existing park facilities.

Historically parks and recreation have only been a benefit to residential units within the City; for this reason the impact fees for parks and recreation are assessed only to single and multi-family dwelling units. It is projected that the population in Providence will grow from the present 6,050 residents to a buildout population of 10,750; this is an absolute growth of approximately 4,700. This growth will require the City to increase the number of parks that it currently has in its inventory. Figure 3 shows the impact fees for parks and recreation.

PARK DEVELOPMENT IMPACT FEES

To perpetuate the City's current parkland level of service the City must fund 5.62 acres per 1,000 residents. The current estimated cost per acre is \$100,000 for land that would be suitable for new parks. The total land cost per 1,000 future residents is \$561,652 which equates to \$561.65 per new resident as shown in Figure 3.

FIGURE 3: PARKLAND IMPACT FEE PER CAPITA

Park Land Value per Resident	
2007 Population	6,050
Current Acres	33.98
Acres per 1,000	5.61653
Cost per Acre	\$ 100,000
Value per 1,000	\$ 561,652.89
Cost per Resident	\$ 561.65

To perpetuate the City's current investment in park improvements and amenities the City must fund \$161.61 per new resident. The current investment is estimated to be \$977,749 for all improvements within the City's eight existing parks. Dividing this figure by 6,050 residents equates to \$161.61 per new resident as shown in Figure 4.

FIGURE 4: PARKS IMPROVEMENTS AND AMENITIES FEE PER CAPITA

Park Improvement Value per Resident	
Current Value	\$ 977,749.38
Value per 1,000	\$ 161,611.47
Value per Resident	\$ 161.61

The calculation of the final fee per residential household is made by combining the fee for parkland and amenities for a total fee of \$723.26 per new resident. The cost per resident is applied to the number of persons per household for single family dwelling units (SFDU) and multi-family dwelling units (MFDU). A parks impact fee is not to be paid by non-residential development.

FIGURE 5: PARKS AND RECREATION IMPACT FEES PER RESIDENTIAL UNIT

Total Impact Fee	
Total Costs per Resident	\$ 723.26
SFDU @ 3.23 pph	\$ 2,336.14
MFDU @ 3.0 pph	\$ 2,169.79

CHAPTER 1 OVERVIEW OF IMPACT FEES

Impact fees are controversial fees that have had significant legal consequences on cities and developers within Utah. Impact fees have been debated extensively, and until 1997 there were few stringent legal guidelines that municipalities and special service districts were required to follow when implementing impact fees. The current legislation regarding the implementation of impact fees is set forth in the Impact Fees Act found in Utah State Code Title 11, Chapter 36, Sections 1-5.

With the passage of the Impact Fees Act, the State of Utah became one of twenty-two states to adopt legislation regulating the imposition of impact fees. This legislation gives certainty to the ability of Providence and other local governments to impose equitable and “fair” impact fees on new development.

The Impact Fees Act has been shaped and molded over time by various court cases that have established precedents that have been incorporated into the latest amendments to the Impact Fees Act. Of all the court cases, Banberry Development Corp. vs. City of South Jordan¹ has likely been the most influential. This case established the requirements of the proportionate share tests and identification of a rational nexus between fees and project costs and capacities.

IMPACT FEES AS A SOURCE OF REVENUE

An impact fee is distinctly different from a tax, special assessment, building permit fee, hook-up fee, or other reasonable permit or application fees, such as conditional use or subdivision application fees.

Impact fees serve three main purposes: (1) proportionally allocate the costs of future projects to the new development that they will be constructed to serve, (2) allow new customers to purchase equity in the existing system, and (3) perpetuate the historic level of service paid to growth-related facilities.

Cities generally cannot pay for all needed improvements using only revenues generated by property taxes, user fees or other revenue sources. This situation raises the question of whether current residents should be required to pay for new capital facilities serving only new growth, or should the responsibility of paying for these facilities be passed on to new residents and businesses? Although the growth of industry and residences within a city is a positive occurrence for the city as a whole since it ultimately leads to increased user fee revenues and property tax revenues, the incoming entities, not existing residents, must be responsible for improvements that increase capacity.

¹ 631 P. 2d 899, 903-4 (Utah 1981.)

REQUIRED ELEMENTS FOR THE ADOPTION OF IMPACT FEES

As mentioned earlier, local governments must pay strict attention to the requirements enumerated in the Impact Fees Act regarding the assessment of impact fees. The following five documents must be prepared and completed before the City can legally commence public notice and adopt the proposed impact fees.

(1) CAPITAL FACILITIES PLAN

The Impact Fees Act requires a city serving a population of 5,000 or greater, as of the last Federal Census, to prepare a Capital Facilities Plan (“CFP”) in coordination and compliance with the City’s General Plan. The CFP must identify the demands that will be placed upon the current and existing facilities by new development and the means that will be used to meet that need.² City has met this requirement with the Parks & Recreation Capital Facilities Plan which has been prepared by Lewis Young Robertson & Burningham, Inc.

(2) WRITTEN IMPACT FEE ANALYSIS

The written Impact Fee Analysis, required under the Impact Fees Act, must identify the impacts placed on the facilities by development activity and how these impacts are reasonably related to the new development. The written Impact Fee Analysis must include a Proportionate Share Analysis, as described below, and must clearly detail all cost components and the methodology used to calculate each impact fee.³

(3) PROPORTIONATE SHARE ANALYSIS

The Impact Fees Act requires the written analysis to include a Proportionate Share Analysis which is intended to equitably divide the capacity and costs of each project identified in the CFP between future and existing users relative to the benefit each group will receive from the project. The Proportionate Share Analysis, included in Chapter 6 of this analysis, satisfies this requirement.⁴

(4) EXECUTIVE SUMMARY

The Impact Fees Act requires an Executive Summary of the impact fee analysis to be prepared that clearly and concisely provides a brief overview of the proposed impact fee structure and the methodology and cost basis used to calculate the maximum allowable impact fees.⁵ This requirement has been met and is included at the beginning of this analysis.

(5) IMPACT FEE ENACTMENT

The impact fee enactment, referred to as the ordinance in this analysis, must be adopted by the City Council to enact the proposed fees. The ordinance may not impose a fee

² 11-36-201(2)(e)

³ 11-36-201(5)(a)

⁴ 11-36-201(5)(b)

⁵ 11-36-201(5)(c)

higher than the maximum legal fee defined in the written analysis, but the ordinance may adopt a fee that is lower than the fee proposed in this analysis.⁶

IMPACT FEE NOTICING AND ADOPTION PROCEDURES – 11-36-202

To impose any impact fee, the City must adopt an ordinance governing impact fees. This ordinance must include the following elements enumerated in Utah State Code Title 11, Chapter 36, Sections 1-5:

- ▮ A provision that establishes one or more service areas. It has been determined that a City-wide service area provides the most equitable distribution of costs for Providence;
- ▮ A schedule of impact fees for each type of system improvement that shows the formula by which the impact fee was derived;
- ▮ Provisions that will allow local governments to adjust or modify the existing impact fee to take into account any changes or unusual circumstances to ensure that the impact fee is administered fairly; and
- ▮ Provisions that will allow local governments to adjust and modify the impact fee if following studies or research determines that it should be different.

A reasonable notice of the public hearing must be published in a local newspaper at least 14 days before the actual hearing. A copy of the proposed Impact Fee Ordinance, the written Impact Fee Analysis, Executive Summary and Capital Facilities Plan must be made available to the public during the 14-day noticing period for public review and inspection. Copies of these four items must be posted in designated public places which include each public library within the jurisdiction of the City and the City offices. Following the 14-day noticing period, a public hearing may be held, at which point the City Council may adopt, amend and adopt, or reject the impact fee ordinance and proposed fee schedule. Following the adoption, Utah Code Section 10-3-711 and 712 requires that a summary of the ordinance be published in order for the ordinance to become effective.

ACCOUNTING FOR, EXPENDITURE OF, AND REFUND OF IMPACT FEES

ACCOUNTING FOR IMPACT FEES – 11-36-301

The Impact Fees Act requires any entity imposing impact fees to establish an interest bearing ledger account for each type of public facility for which an impact fee is collected. All impact fee receipts must be deposited into the appropriate account. Any interest earned in each account must remain in that account. At the end of each fiscal year, the City must prepare a report for each fund or account showing the source and amount of all monies collected, earned and received by each account and all expenditures made from each account.

⁶ 11-36-202(1)(a-b)

EXPENDITURE OF IMPACT FEES – 11-36-302

The City may only expend impact fees for system improvements identified in the Capital Facilities Plan.⁷ All funds collected must be spent or encumbered within six years of collection, or the City must provide an extraordinary or compelling reason why the fees must be held longer or provide an ultimate date by which the impact fees collected will be expended.⁸ The improvements that are financed through impact fees must be owned and operated by the City or another local public entity with which the City has contracted or will contract for services and improvements that will be operated on the City's behalf.

REFUNDS OF IMPACT FEES – 11-36-303

The City is required to refund any impact fees collected plus interest earned since their collection if 1) a developer who has paid impact fees does not proceed with the development activity and has filed a written request for a refund, 2) the fees have not been spent or encumbered within the six year period, or 3) the new development which has paid impact fees has not created an impact upon the system.⁹

CHALLENGING IMPACT FEES – 11-36-401-402

The Impact Fees Act allows any person, entity, or property owner within the service area, or any organization, association, or corporation owning property within the service area to challenge the accuracy of the calculated fee or procedure by which the fee was adopted.¹⁰ Any person or entity challenging the impact fee may file a written request for information including the written Impact Fee Analysis, Capital Facilities Plan, ordinance and other information related to the fee calculation from the City imposing the fee. This information must be provided within two weeks.

An individual has the right to challenge the noticing or procedures of enacting any impact fee adopted on or after July 1, 2000. To remedy any adoption procedure found to be faulty, the City must repeat the process of noticing and adoption. If the fees are found to be inaccurate, the City must revise the fee structure to correct any miscalculation and repeat the adoption process. If the fees are found to be incorrect and have already been collected, the City must refund the difference between what was collected and what should have been collected plus interest earned since their collection on these funds. The parties may settle any impact fee dispute through arbitration.

The Impact Fees Act allows for the inclusion of four cost components when recovering future project costs. These cost components are (1) the construction costs of growth-driven improvements, (2) appropriate professional services inflated from current dollars to construction year costs, (3) the outstanding costs of issuance and interest that relate to bonds used to finance projects with unused capacity, and 4) the future costs of issuance

⁷ 11-36-302(1a)

⁸ 11-36-302(2b)

⁹ 11-36-303(1-3)

¹⁰ 11-36-402

and interest that relate to future financing with bonds or inter-fund loans to finance growth-driven capital projects that cannot be cash funded.

FUTURE CAPITAL FINANCING COSTS

DEBT FINANCING

In the event the City has not amassed sufficient impact fees to pay for the construction of time sensitive or urgent capital projects needed to accommodate new growth, the City must look to revenue sources other than impact fees for funding. The Impact Fees Act allows for the costs related to the financing of future capital projects, including costs of issuance and interest costs, to be legally included in the impact fee. This allows the City to finance and quickly construct infrastructure for new development and reimburse itself later from impact fee revenues for the costs of principal and interest.

Based upon the projected annual fund balances within each of the impact fee funds, no future financings have been contemplated in the proposed impact fees.

CHAPTER 2
 FUTURE IMPACT FROM GROWTH
 UPON CITY INFRASTRUCTURE
REQUIRED BY: (11-36-201(5)(a)(i-ii))

PROJECTED POPULATION GROWTH

According to the City's calculations, its build-out population will be approximately 10,750. The City's current population is 6,050 which represent approximately 56% of the buildout population. Despite the reasonable build-out projections, it is impossible to predict the exact rates at which growth will occur and periodic updates to this analysis is required to track actual growth and revise projections.

CURRENT LAND USE PLANNING

As shown in Figure 2.1, the majority of the City's land is comprised of single family dwelling units.

TABLE 2.1: DEVELOPED AND UNDEVELOPED LAND

Total Developed and Undeveloped Land Within the City

	Unit	Developed	Undeveloped	Total
Residential	Dwelling Unit	1,792	1,466	3,258
Commercial	1k Sf Floorspace	129	86	215
Institutional	Acre	-	-	-
Assisted Living	Rooms	40	30	70
Other	Acre	-	-	-
TOTALS:		1,961	1,582	3,543

CHAPTER 3 PARK LAND AND IMPROVEMENT IMPACT FEES

BACKGROUND

The Impact Fees Act allows cities and towns to charge impact fees for “parks, recreation facilities, open space and trails,”¹¹ as long as there exists a reasonable relationship between the fees imposed and the needs generated by new development [Utah Code 11-36-102 (12)(f)]. In order to maintain the current level of service that the City has historically maintained, while also accommodating the needs generated by new growth, Providence must expand its existing park facilities. Historically parks and recreation have only been a benefit to residential units within the city; for this reason the impact fees for parks and recreation are assessed only to single and multi-family dwelling units.

The City calculates its parks and recreation impact fee based upon separate fees for park lands and park improvements. These fees are calculated individually below and then combined and assessed as a single impact fee.

DEMAND

It is projected that the population in Providence will grow from the present 6,050 residents to a buildout population of 10,750; this is an absolute growth of approximately 4,700 residents. This growth will require the City to increase the park acreage that it currently has in its inventory. The average persons per single family household are estimated at 3.23 and a multi-family unit is estimated to be 3 persons per household.

CURRENT PARKLAND INVENTORY

Providence currently has 33.98 acres in park land. This calculates a total of 5.62 acres per 1,000 residents. If the City chooses to follow the NRPA guidelines for parks it will need to increase its parkland by 41.27 acres at build-out. If the City decides to continue its current level of service it will need to add 26.4 acres at build-out. The park land impact fee will only fund this level of service and will not increase the existing LOS. The current park inventory is listed in Table 3.1.

¹¹ Utah Code [11-36-102(12)(g)]

TABLE 3.1 PARK INVENTORY

Existing Park Facilities	Acreage
Community Park	
Zollinger Park	12.71
Von's Park	13.7
Neighborhood Park	
Braegger Park	2.93
Meadow Ridge	0.28
Cattle Corral	0.67
Brookside	0.9
Hampshire (Olsen)	1.43
Alma Leonhardt	1.36
Total Acreage	33.98

Level of service (“LOS”) standards should be established based upon the City’s unique characteristics. Recommendations provided by the National Recreation & Park Association (“NRPA”) are only guidelines from which the City should derive its own standards that reflect its unique geographic, climatic, and demographic attributes.

FUTURE CAPITAL PROJECT COSTS

At buildout the City will be required to have a total of 60.38 acres if it maintains its current level of service standards. At present the City has 33.98 acres of park land. In order to calculate a future cost per resident the cost per acre of \$100,000 was first derived. Table 3.2 shows the impact fee per capita given the assumptions described.

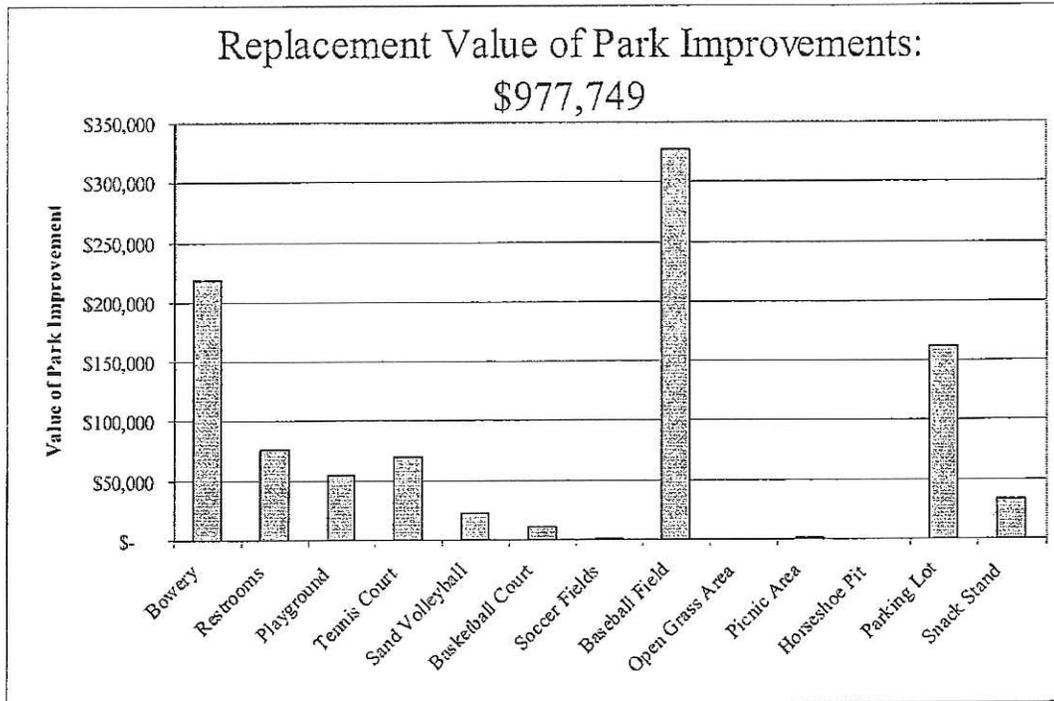
TABLE 3.2: PARK LAND—PER CAPITA COST

Park Land Value per Resident	
2007 Population	6,050
Current Acres	33.98
Acres per 1,000	5.61653
Cost per Acre	\$ 100,000
Value per 1,000	\$ 561,652.89
Cost per Resident	\$ 561.65

CURRENT PARK IMPROVEMENT INVENTORY

In addition to recovering the value of parkland, the impact fee may also recover the current investment in park amenities per capita. Throughout the eight City parks there are an estimated \$977,749 invested in amenities. Given the population of 6,050 persons the average investment per capita is \$161.61. The current park amenities inventory valuation by improvement class is listed in Table 3.3.

TABLE 3.3 PARK AMENITIES INVENTORY



Level of service (“LOS”) standards should be established based upon the City’s unique characteristics. Recommendations provided by the National Recreation & Park Association (“NRPA”) are only guidelines from which the City should derive its own standards that reflect its unique geographic, climatic, and demographic attributes.

FUTURE CAPITAL PROJECT COSTS

In order to provide a park improvements level of service of \$161.61 per resident, the City will be required to increase their current inventory of park amenities. At buildout, the LOS of \$161.61 worth of improvements for each resident, will give the entire City’s park amenities a value of approximately \$1.7 million. Table 3.4 shows that the City will need to invest and additional \$759,574 in 2007 dollars in park amenities to maintain the current level of investment.

TABLE 3.4: FUTURE INVESTMENT IN PARK IMPROVEMENT AND AMENITIES

Future Park Improvement Purchases	
Buildout Population	10,750
2007 Value per Resident	161.61
Buildout Value	\$ 1,737,323.27
Existing Value	\$ 977,749.38
Cost of Future Improvements	\$ 759,573.90

The per capita cost of these future improvements is shown below in table 3.5. In order to assess impact fees by residential unit the average persons per single family home and multi-family home have to be multiplied by the costs per capita. Table 3.6 shows the impact fee calculation.

TABLE 3.5: PARK IMPROVEMENT—PER CAPITA COST

Park Improvement Value per Resident	
Current Value	\$ 977,749.38
Value per 1,000	\$ 161,611.47
Value per Resident	\$ 161.61

According to the Impact Fees Act, three cost components may be factored into the impact fee calculations. These cost components include 1) the construction costs of growth-driven improvements, 2) appropriate professional services inflated from current dollars to construction year costs, and 3) issuance and interest expenses that relate to financing growth-driven capital projects that cannot be cash funded.

The per capita impact fees for parklands and park improvements are multiplied by 3.23, which is the average size for a single family household,¹² and then combined to return a household fee of \$2,336.14. For multi-family units the fee is somewhat lower due to the smaller than average household size, the fee is \$2,169.79.

TABLE 3.6: PARKS AND RECREATION IMPACT FEE CALCULATION

Total Impact Fee	
Total Costs per Resident	\$ 723.26
SFDU @ 3.23 pph	\$ 2,336.14
MFDU @ 3.0 pph	\$ 2,169.79

OTHER CREDITS

At the discretion of the City, a developer may choose to donate land, infrastructure, labor or supplies for the building of the park facilities in lieu of the entire impact fee or a portion thereof as long as the donation is consistent with the City's Capital Facilities Plan. The City would determine if a potential donation would meet City needs for park infrastructure and the fair market value of such donation to the City.

¹² U.S. Census 2000, Providence, Utah.

The impact fees calculated above represent the maximum supportable impact fees for parks and recreation that are allowable by law. The City may choose to adopt any impact fee that is less than that described above.

The City may also choose to enact a provision that exempts low income housing and other development activities with broad public purposes from park impact fees and establish a source or sources of funds (other than impact fees) to pay the park costs of that development activity.

ACCOUNTING

The funds that are collected from the parks and recreation impact fees should be placed into an account specifically for these impact fees and may not be commingled with other impact fee funds.

CHAPTER 4
PROPORTIONATE SHARE ANALYSIS
REQUIRED BY (11-36-201(5)(b))

The Proportionate Share Analysis requirement was established by the case of Banberry Development Corp. v. South Jordan City¹³ to ensure that the City did not collect impact fees that placed an inequitable burden on new development relative to the impact that the development would place upon the system. Banberry has set forth that a municipality must “reasonably” provide evidence that supports the imposition of impact fees.

The Utah Supreme Court has reinforced this philosophy through subsequent cases including The Home Builders Association of the State of Utah v. City of North Logan¹⁴. It was determined that a city must have “sufficient flexibility to deal realistically with issues that do not admit of any kind of precise mathematical equality”. The Court stated that such equality is “neither feasible nor constitutionally vital”.

It has been shown that a city must prepare the Proportionate Share Analysis as accurately as possible and within the confines of the law. If the requirement is met, the burden of proof that the impact fees are inequitable lies with the challenger (the city is not responsible for proving that the fees are equitable).

MANNER OF FINANCING EXISTING PUBLIC FACILITIES – 201(5)(B)(II-III)

Providence has funded the capital infrastructure for its existing public facilities through a combination of different revenue sources which include property tax and general fund revenues. Equipment, personnel and payroll expense and vehicles which were funded through State and Federal Grants have not been included in the impact fee calculations. Therefore, the level of service that currently exists has been funded by the existing residents. By funding future improvements (which are needed to provide service to new growth) through impact fees, future users bear a financial burden similar to the financial burden placed on existing users in the past.

CONSIDERATION OF ALL REVENUE SOURCES – 201(5)(B)(IV)

The Impact Fees Act requires the Proportionate Share Analysis to demonstrate that impact fees paid by new development are the most equitable method of funding growth-related infrastructure. This statement may be supported by demonstrating through the CFP that the project costs that are included in the impact fees are growth-related and serve no users other than future users who have not yet come into the City.

¹³ 631 P. 2d 899, 903-4 (Utah 1981.)

¹⁴ 983 P. 2d 561, 565 (Utah 1999.)

The City's objective is to fairly and equitably recover the costs of new growth-related infrastructure from new development. This implies that new growth will be expected to pay its fair share of the costs that will be incurred to serve them. In accordance with this philosophy, the following paragraphs explain the pros and cons of funding mechanisms that are available to the City to pay for new infrastructure.

Property Tax Revenues or General Fund Revenues

Ad valorem taxes such as property taxes are a stable source of revenues. However, ad valorem taxes allocate new system costs to new development based upon property valuation rather than true impact. Also, the costs of new infrastructure would be borne by existing users who have already contributed to the existing infrastructure through their property taxes and other fees. This would place an unfair burden upon existing users who have already paid for existing infrastructure and will continue to subsidize growth.

Special Improvement District Bonds

SID bonds are an acceptable mechanism to recover the costs of growth-related infrastructure from new users by means of placing an assessment upon a property user's land. SID bonds are a stable funding mechanism but have two major limitations. The first limitation is that assessments are typically based upon lot size rather than by a measure of the true impact that a user will have. The second limitation of SID bonds is that they require a large amount of work to structure and administer, thus adding to the City's costs to new development.

Impact Fees

Impact fees have become an ideal mechanism for funding growth-related infrastructure. Analysis is required to accurately assess the true impact of a particular user upon the City infrastructure and the ability to prevent existing users from having to subsidize new growth.

Impact fees should be used to fund all new growth-related infrastructure planned by the City based upon the historic funding of the existing infrastructure and the intent of the City to equitably allocate the costs of growth-related infrastructure in accordance with the true impact that a user will place upon the infrastructure.

PROPOSED CREDITS OWED TO DEVELOPMENT – 201(5)(B)(V)

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 CFP. Credits may also be paid back to developers who have constructed or directly funded items that are included in the CFP or donated to the City in lieu of impact fees. 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 CFP if a credit is to be issued.

Credits are only applicable in situations where the City has specifically included a dedicated fee into property taxes to pay for the new growth-related improvements. If a capital improvement fee is included into the user fee component but does not specifically detail that these funds are used for revenue bonds, credits do not apply since those revenues will be sent to a capital improvement fund which can also pay for repair and replacement of existing infrastructure.

In addition, if a specific property tax line item is not dedicated to bond issues and the debt service on the bonds is paid through excess General Fund revenues, a credit will not apply as property taxes is not the only source of revenue to the General Fund.

In the situation that a developer chooses to construct facilities found in the CFP in lieu of impact fees, the arrangement must be made through the developer and the City and are not contemplated in this analysis.

SUMMARY OF TIME PRICE DIFFERENTIAL – 201(5)(B)(VII)

The Impact Fees Act allows for the inclusion of a time price differential to ensure that the future value of costs incurred at a later date are accurately calculated to include the costs of construction inflation. An inflation component is included in all capital project costs that are to be constructed in fiscal year 2007 and beyond. A time price differential is not contemplated for the costs of bond debt service that are included in the impact fees as the payments do not increase over time with inflation.

Because all improvements have been adjusted for inflation, it is not equitable for new development paying impact fees ten years from now to be charged an impact fee that is higher than a fee paid today as the costs of inflation have been included into the costs basis. There is no correlation between an inflation-adjusted cost in projects and an inflated impact fee.

Approved 08 January 2008

Ordinance No. 027-2007


LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.
INVESTMENT BANKERS
MEMBERS: NASD AND SIPC

*PARKS & RECREATION
CAPITAL FACILITIES PLAN*

FOR

PROVIDENCE CITY

CACHE COUNTY, UTAH

NOVEMBER 27, 2007

Submitted by:

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.



PROVIDENCE CITY, CACHE COUNTY, UTAH

PARKS & RECREATION CAPITAL FACILITIES PLAN

EXECUTIVE SUMMARY	3
PARKLAND TARGET AND ACTUAL LEVELS OF SERVICE	3
PROJECTED POPULATION GROWTH.....	4
EXISTING PARK INVENTORY (ACTUAL LEVEL OF SERVICE)	4
ACQUISITION PLAN.....	5
PROPOSED IMPROVEMENTS	5
CONCLUSION	6
CHAPTER 1 DEFINITIONS AND LEVEL OF SERVICE STANDARDS	7
PURPOSE OF A CAPITAL FACILITIES PLAN	7
PARKS & RECREATION GOALS AND OBJECTIVES.....	7
PURPOSE OF DEFINITIONS AND LEVEL OF SERVICE STANDARDS	8
PROJECT AND SYSTEM IMPROVEMENTS.....	8
NATIONAL RECREATION & PARKS ASSOCIATION PARK DEFINITIONS	8
PARKLAND STANDARDS	8
IMPACT FEE CREDITS	9
CHAPTER 2 EXISTING PARK AND RECREATION IMPROVEMENTS	10
CITY POPULATION PROJECTIONS	10
EXISTING PARKS INVENTORY	10
ACTUAL LEVEL OF SERVICE.....	11
CHAPTER 3 PROPORTIONATE SHARE ANALYSIS AND FUNDING ANALYSIS.....	12
PROPORTIONATE SHARE OF COSTS	12
FUNDING OPTIONS.....	13
CHAPTER 4 CONCLUSION.....	15



EXECUTIVE SUMMARY

Cities often overlook the importance of parklands. Culinary water, sewer, storm water and roads infrastructure are typically deemed more critical than improvements to parks, open spaces. However, culinary water, sewer, storm water and roadway infrastructure are commodities that do not differ or distinguish one community from another or add to a community's perceived value. Parks, on the other hand, provide recreational opportunities, revitalize neighborhoods, build healthy communities, and improve and enrich the lives of a community's residents. In order to provide these benefits to its residents, Providence City (the "City") has retained Lewis Young Robertson & Burningham, Inc. ("LYRB") to develop the Parks & Recreation Capital Facilities Plan ("CFP").

PARKLAND TARGET AND ACTUAL LEVELS OF SERVICE

The purpose of a CFP is to establish an adequate level of service standard for parks, and park improvements for the City as well as guidelines for planning for the future. The standards proposed herein are based upon standards, or guidelines, provided by the National Recreation & Park Association ("NRPA") balanced with the policies previously set by the Providence through the City's General Plan, and land use and planning ordinances. The standards, which are typically expressed in terms of need per 1,000 residents, define where the City should be in terms of park investment. This is not necessarily the case since actual inventories may be deficient or in excess of the ideal standard. **Throughout this analysis the level of park investment that the City should strive to meet is referred to as the Target Level of Service.**

The second focus of the CFP is to inventory existing recreation facilities and identify the future projects that the City is considering. Impact fees can only be based upon the level of investment that the City has made in their existing parks and not the target standards that define where the City should be in terms of park investment. **Throughout this analysis the actual amount of parks that the City owns or has contributed to is referred to as the Actual Level of Service.**

Figure 1 below shows the target and actual levels of service for parks and recreation areas. Figure 2 is an inventory of existing parks that currently exist within the City today and meet the standards of system improvements. System improvements are projects that serve the City as a whole rather than a local project area.



FIGURE 1: RECOMMENDED PARKS STANDARDS AND EXISTING FACILITIES

Level of Service Standards per 1,000 Residents		
Parks and Open Spaces	Target Level of Service	Actual Level of Service
Community Parks*	5.50	4.37
Neighborhood Parks*	1.50	1.25
Total Acreage:	7.00	5.62

*based upon NRPA standards

FIGURE 2: EXISTING PARKS AND RECREATION FACILITIES

Existing Park Facilities	Acreage
Community Park	
Zollinger Park	12.71
Von's Park	13.7
Neighborhood Park	
Braegger Park	2.93
Meadow Ridge	0.28
Cattle Corral	0.67
Brookside	0.9
Hampshire (Olsen)	1.43
Alma Leonhardt	1.36
Total Acreage	33.98

PROJECTED POPULATION GROWTH

The demand for park and recreation facilities are driven solely by residential land uses and population and therefore the standards for park infrastructure are expressed in terms of facilities per 1,000 residents. As population increases year by year the target level of service for facilities increases with population while the actual level of service only increases at the time the City acquires new land or construction of amenities.

EXISTING PARK INVENTORY (ACTUAL LEVEL OF SERVICE)

Figure 3 below shows that the City has acquired 33.98 acres of parks and recreation facilities within the City. According to the standards used in this analysis, the City is somewhat deficient in park facilities in relation to the needs for the current population of 6,050.



FIGURE 3: COMPARISON OF ACTUAL AND TARGET LEVELS OF SERVICE

Parkland	City Standard	Existing Acres	Current Needs	Excess/ (Deficiency)	Buildout Needs	Future Purchases
Acres						
Community	5.50	26.41	30.80	(4.39)	55.00	28.59
Neighborhood	1.50	7.57	8.40	(0.83)	15.00	7.43
Total	7.00	33.98	39.20	(5.22)	70.00	36.02

ACQUISITION PLAN

The City has to fund 5.22 acres in parklands beyond the 33.98 acres currently owned to reach the 2007 target standards. Impact fees can only fund the future capital projects that perpetuate the standards that already exist within the City and cannot be used to fund the deficiency. The City will have to fund the projects required to cure the deficiency with non-impact fee revenues to bring the level of service to the target level of service. The faster the deficits are remedied the faster the City can assess an impact fee for a higher level of service. At buildout the two standards should converge.

FIGURE 4: SUMMARY OF ACTUAL AND TARGET PARK INVESTMENT

Future Land and Improvements Cost Summary			
	Actual Investment (2007)	Target Investment (build-out)	Future Investment
Parkland	\$ 3,398,000	\$ 6,067,857	\$ 2,669,857
Amenities	\$ 977,749	\$ 1,745,981	\$ 768,232
Total	\$ 4,375,749	\$ 7,813,838	\$ 3,438,089

Because the total acquisition of park space can not be accurately predicted, the actual standard is set to increase gradually each year. Figure 4 above shows the City's future investment if the current deficiency is not resolved. If the City were to construct sufficient parkland or other amenities in a single year to cure the deficiency, then impact fees should be reassessed at a higher standard. Therefore the impact fees should be reevaluated with the acquisition of major parklands.

PROPOSED IMPROVEMENTS

PROPOSED PARKS & RECREATION CAPITAL PROJECTS

The City needs to purchase a minimum of 36.02 acres of parkland by build-out to maintain the current level of service standards. If the City opts to purchase the additional 5.22 acres with non impact fee revenues necessary to meet the NRPA standards then it would be able to set impact fees to purchase a maximum of 30.8 acres. The intent of this analysis is to establish the standards and parameters that the City will use in evaluating future park purchases so that as future park development opportunities arise, the City can decide if the proposed project meets the standards that would allow for the use of impact fee revenues towards the project.



Impact fees are a very acceptable funding source for certain park improvements but cannot be used for all improvements, particularly those that are intended to be project improvements or projects needed to cure deficiencies between the actual and target levels of service.

CONCLUSION

Providence values the lower densities that it has enjoyed and seeks to continue the development of parks, open spaces, and other recreational opportunities for its residents. Although at the moment the actual level of service is below the target level of service, the City is committed to providing adequate parkland for its residents. As stated earlier, an impact fee cannot be used to cure any existing deficiencies and as the City develops future parkland with non-impact fee revenues to narrow the disparity between the actual and the target level of service standard.



CHAPTER 1 DEFINITIONS AND LEVEL OF SERVICE STANDARDS

PURPOSE OF A CAPITAL FACILITIES PLAN

This CFP will provide the City with park and recreation planning standards that will help guide the City in the process of acquiring parkland and recreation facilities and deciding how these standards should be funded. This substantive planning will address the City's actual level of service standards, future parks & recreation needs, proposed parks & recreation capital projects and associated costs, and the funding sources available to the City. Additionally, this CFP will fulfill all financial requirements as promulgated under Title 11 Chapter 36, Utah Code (the "Impact Fees Act").

PARKS & RECREATION GOALS AND OBJECTIVES

The City is focused on the continued development of additional parkland and recreational amenities so that the City's residents may enjoy an ideal target level of service for parks & recreation facilities, which includes active parkland, and open space. The City's park and recreation core values and objectives that have guided the creation of this CFP are listed below.

- ▣ Preserve the integrity of Providence City as a rural community by enhancing the existing amenities and open space.
- ▣ Preserve open space and natural visual corridors.
- ▣ Beautify and enhance the appearance and environment in Providence City.
- ▣ Create an identity for the City through parks, and open space.
- ▣ Provide adequate facilities for needed recreation programs and activities.
- ▣ Encourage and provide increased public access to county, state and federal lands, parks, and open space.
- ▣ Support property values and community growth by providing recreational amenities.
- ▣ To design and construct park and recreation facilities that conserve natural resources such as water, and set an example for the community.
- ▣ To provide an integrated, connected and diverse system of parks, recreation programs, that are economical and accessible to community members.
- ▣ To maintain communications between administration, public officials, and residents to ensure that recreation facilities and programs continue to meet the needs of the community.



PURPOSE OF DEFINITIONS AND LEVEL OF SERVICE STANDARDS

Establishing target parks and recreation standards is essential to benchmark the community's efforts to develop and maintain parks and recreation facilities. Moreover, the standards serve as a basis for the calculation and assessment of parks and recreation impact fees. The decision to accept or reject parkland dedications offered by developers as a credit against impact fees is also directly dependent upon the target standards and criteria which determine whether an improvement relates to the project or to the system as a whole.

PROJECT AND SYSTEM IMPROVEMENTS

PROJECT IMPROVEMENTS

Project improvements include facilities that benefit a small area and are generally of little benefit to the community as a whole. In this analysis, mini-parks are considered project improvements as are parks that are dedicated to the City in return for increased density. Project improvements cannot be funded through impact fees, receive credit for their cost against impact fees, or be considered in the impact fee level of service.

SYSTEM IMPROVEMENTS

System improvements are intended to benefit the community as a whole and are allowed to be funded through impact fees. Generally these improvements are located outside of specific developments unless the improvement is provided in addition to the parks needed for the developer to receive the full density.

NATIONAL RECREATION & PARKS ASSOCIATION PARK DEFINITIONS

Many of the target standards are based upon guidelines from the National Recreation & Parks Association (NRPA). The NRPA's mission is "to advance parks, recreation, and environmental conservation efforts that enhance the quality of life for all people". To accomplish this mission, the NRPA has established parks standards which are accepted and followed by communities across the country. The City will use the following definitions and descriptions, provided by the NRPA, as benchmarks in determining how the City will define its parks system.

PARKLAND STANDARDS

Parkland is space that is set aside, dedicated, designated, or reserved for recreational facilities, and is typically improved to include some form of equipment, buildings, lakes and water features, built play areas, special use areas and performing arts facilities to accommodate recreational activities including baseball, basketball, soccer, golf, boating, volleyball, skateboarding, horseshoes, etc. Subject to approval of final development plans, active open space may be utilized for the secondary purpose of satisfying stormwater retention requirements. Parkland is designated for the following park types:



NEIGHBORHOOD PARKS (SYSTEM IMPROVEMENTS)

Neighborhood parks are playground and park combinations designed primarily for non-supervised, non-organized recreation activities. These parks typically include children's playgrounds, picnic facilities, open spaces, natural areas, outdoor basketball courts and multi-use play fields. The size and amenities contained in each neighborhood park shall be based on the existing or planned population to be served, consistent with NRPA location and site selection guidelines. These parks are included in the City's level of service and are considered system improvements.

COMMUNITY PARKS (SYSTEM IMPROVEMENTS)

Community parks are planned to primarily provide active and structured recreation opportunities for young people and adults. They often include sports fields, water bodies, gardens, nature trails, and other similar features. Community parks may include active and programmed recreation, sport fields and courts, playgrounds, golf courses, picnicking, sport complexes and swimming pools, recreational lakes and passive recreation activities. Community parks typically require support facilities such as off-street parking and restrooms. The size and amenities contained within each community park shall be based on the existing or planned population to be served, consistent with NRPA location and site selection guidelines. These parks are included in the City's level of service and are considered system improvements.

IMPACT FEE CREDITS

Impact fee credits are handled between the City and developers. The City may "allow a credit against impact fees for any dedication of land for, improvement to, or new construction of, any system improvements provided by the developer if the facilities: a) are identified in the Capital Facilities Plan and b) are required by the local political subdivision as a condition of approving the development activity."¹ Credits are handled on a case-by-case basis and will not be included in this analysis, although the Proportionate Share Analysis will identify the extent to which specific developers are entitled to a credit.

Developers who have received greater density for the development of parkland may not receive credit for the parks against the impact fees owed as the improvements are intended to function as a benefit to the development area and not to the City as a whole. These parks will be considered project improvements and will not be credited against the impact fees.

¹ 11-36-202(3)(c)



CHAPTER 2 EXISTING PARK AND RECREATION IMPROVEMENTS

CITY POPULATION PROJECTIONS

Located just outside of Logan and 82 miles northeast of Salt Lake City, Providence is a small community that is experiencing substantial growth from new developments attracted to the City. The City is largely residential, and the City's residents would like the City to maintain its rural atmosphere.

The City has estimated its existing and build-out populations, but it is impossible to predict the exact rates at which growth will occur. The City expects to increase its current population by approximately 4,700 by build-out.

EXISTING PARKS INVENTORY

The City's existing parks inventory is shown in Figure 2.1. The City does have several special-use areas located within its boundaries (i.e., cemeteries, church grounds, elementary school, etc.), but these areas are not included in the City's parks system since special-use areas do not contribute to a community's level of service standards. Additional discussion about special-use and limited-use areas is included in the following chapter.

FIGURE 2.1: EXISTING PARK INVENTORY

Existing Park Facilities	Acreage
Community Park	
Zollinger Park	12.71
Von's Park	13.7
Neighborhood Park	
Braegger Park	2.93
Meadow Ridge	0.28
Cattle Corral	0.67
Brookside	0.9
Hampshire (Olsen)	1.43
Alma Leonhardt	1.36
Total Acreage	33.98



FIGURE 2.2: SUMMARY OF PARK NEEDS

Existing Improvements	Current Acres	Current Need	Surplus/Deficiency	Build-out Need	Future Acquisition
		Active Parkland			
Community Park	26.41	30.80	4.39	55.00	28.59
Neighborhood Park	7.57	8.40	0.83	15.00	7.43
Total:	33.98	39.20	5.22	70.00	36.02

FIGURE 2.3: SUMMARY OF PARK INVESTMENT

Future Land and Improvements Cost Summary			
	Investment (2007)	Investment (build)	Investment
Parkland	\$ 3,398,000	\$ 6,037,769	\$ 2,639,769
Amenities	\$ 977,749	\$ 1,737,323	\$ 759,574
Total	\$ 4,375,749	\$ 7,775,092	\$ 3,399,342

ACTUAL LEVEL OF SERVICE

The City's levels of service standards, as recommended in this master plan, have considered the level of service standards as recommended by NRPA. While the NRPA standards serve as a guide that may benefit the City in establishing its standards, the NRPA standards should be adjusted to adequately reflect the City's unique geographic, climatic, and/or demographic attributes.

FIGURE 2.4: PARKS AND OPEN SPACES – EXISTING LEVEL OF SERVICE STANDARDS

Level of Service Standards per 1,000 Residents		
Parks and Open Spaces	Target Level of Service	Actual Level of Service
Community Parks*	5.50	4.37
Neighborhood Parks*	1.50	1.25
Total Acreage:	7.00	5.62

*based upon NRPA standards

As shown in Figures 2.4, the City is slightly deficient in acreage. The City must secure an additional 5.22 acres of parkland to meet the NRPA's target level of service.



CHAPTER 3 PROPORTIONATE SHARE ANALYSIS AND FUNDING ANALYSIS

A CFP must set forth the proportionate share that becomes the basis for the impact fee analysis. The intent of the Proportionate Share Analysis is to determine the proportion of existing and/or future facilities that is allocated to growth. The Proportionate Share Analysis must also ensure that impact fees are not used to fund facilities that exceed the current and reasonable level of service or cure existing deficiencies. The Proportionate Share Analysis included herein accurately considers these requirements and demonstrates that based upon the City's current parks & recreation level of service, growth will pay the share of costs that directly relate to the impacts created by future development.

The Proportionate Share Analysis is based upon the City's projected increase in population through build-out. The City's population is expected to increase by approximately 4,700 residents through build-out, so the City's total population will increase from approximately 6,050 to 10,750 through build-out. Based upon these projections, approximately 44% of the City's total population at build-out will consist of future residents that will move into the City's boundaries. Therefore, impact fees can be used to recover approximately 44% of the total costs of the City's existing and future parks & recreation facilities and any outstanding debt used to finance the acquisition or development of parks.

PROPORTIONATE SHARE OF COSTS

The Proportionate Share Analysis restricts the City from collecting impact fees that place an inequitable burden on new development relative to the impact that the development will place upon the system. Figures 3.1 and 3.2 below show the possible costs according to whether the City chooses to follow NRPA standards or continue with current standards.

FIGURE 3.1: FUTURE PARK LAND ACQUISITION COSTS (NRPA STANDARDS)

	Cost per acre	Current Needs	Current Value	Excess/ (Deficiency)	Excess/Deficiency Value	New Acreage	New Value
Community Parkland	100000	30.80	3,080,000	(4.39)	(439,000)	28.59	2,859,000
Neighborhood Parkland	100000	8.40	840,000	(0.83)	(83,000)	7.43	743,000
Total		39.20	3,920,000	(5.22)	(522,000)	36.02	3,602,000

FIGURE 3.2: FUTURE PARK LAND ACQUISITION COSTS (ACTUAL STANDARDS)

	Cost per acre	Current Needs	Current Value	New Acreage	New Value
Community Parkland	S 100,000	26.41	2,641,000	20.52	2,051,686
Neighborhood Parkland	S 100,000	7.57	757,000	5.88	588,083
Total		33.98	3,398,000	26.40	2,639,769



FUNDING OPTIONS

The following paragraphs discuss several funding options that are available to the City for the funding of the acquisition and development of future parklands.

- ¶ **PROPERTY TAX REVENUES**– Property tax revenues are a stable source of revenue, but property tax revenues allocate new system costs to development based upon property valuation rather than true impact. The City currently uses property tax revenues to help fund operations and maintenance expenses rather than capital projects.
- ¶ **DEVELOPER EXACTIONS** - A significant amount of the future park and recreation facilities will be provided by developers as an exaction against their impact fee liability. This will only be the case for system improvements and not project improvements which include parks developed as a condition of density approval.
- ¶ **SERVICE ORGANIZATIONS AND PRIVATE DONATIONS** – The City is looking to receive funds from various service organizations, corporations and private donors who are willing to join with municipalities in developing and helping fund various equipment and facilities for parks & recreation.
- ¶ **GRANTS** – The City should contemplate the use of State and Federal Grants and low/no interest loans as another possible revenue source to fund the acquisition of future parks.
- ¶ **SPECIAL IMPROVEMENT DISTRICTS**
The City has discussed the option of creating Special Improvement Districts within developments for the funding of development related improvements including parks and recreation. At the moment there are not SIDs considered for the parks and recreation facilities within the City.
- ¶ **ECONOMIC DEVELOPMENT AGENCY FUNDS (EDAS)** – The City has already identified an EDA so that the City can collect tax increment funds which can then be used to fund the acquisition and development of future parklands.
- ¶ **IMPACT FEE REVENUES** – Impact fees have become an ideal mechanism for funding growth-related infrastructure. Impact fees are charged to ensure that new growth pays its proportionate share of the costs for the development of public infrastructure. Impact fee revenues can be attributed to future expansion of the parks & recreation system if the revenues are used to maintain an existing level of service (increases to an existing level of service cannot be funded with impact fee revenues). Analysis is required to accurately assess the true impact of a particular user upon City infrastructure and to prevent existing users from subsidizing new growth. The following paragraphs discuss other issues pertaining to impact fees.



EQUITY OF IMPACT FEES

Impact fees are calculated based upon the proportionate share of the total facility costs determined by the portion of the total population related to growth. This method results in an equitable fee as future users will not be expected to fund any portion of the projects that will benefit existing residents and vice-versa. This method also addresses current deficiencies by assuming that facilities are sized optimally to cover the City without deficiencies or excess at build-out. Since there is a deficiency in the City's existing parks & recreation facilities, the portion that existing users should pay will include any payments that existing users have already made.

The impact fee calculations are structured so that impact fees will fund 100% of the growth-related facilities identified in the Proportionate Share Analysis. Even so, there may be years that impact fee revenues cannot cover the annual growth-related expenses, and other revenues, most likely general fund revenues, will be used to make up any annual deficits. Any borrowed funds are to be repaid in their entirety through impact fees.



CHAPTER 4 CONCLUSION

The City's parks & recreation impact fees are based upon the City's projected increase in population through build-out. The City's population is expected to increase by approximately 4,700 residents through build-out, so the City's total population will increase from approximately 6,050 to 10,750. Based upon these projections, approximately 44% of the City's total population at build-out will consist of future residents that will move into the City's boundaries.

The City has identified approximately \$3.4 million of future capital project costs for parkland and park improvements. The total costs that the City may recover through park impact fees are summarized in Figure 4.1.

FIGURE 4.1: COSTS OF FUTURE PARKLAND AND PARK IMPROVEMENTS TO BE RECOVERED THROUGH IMPACT FEES IF NRPA STANDARDS ARE MET

	Cost per acre	Current Needs	Current Value	Excess/ (Deficiency)	Excess/Deficiency Value	New Average	New Value
Community Parkland	100000	30.80	3,080,000	(4.39)	(439,000)	28.59	2,859,000
Neighborhood Parkland	100000	8.40	840,000	(0.83)	(83,000)	7.43	743,000
Total		39.20	3,920,000	(5.22)	(522,000)	36.02	3,602,000

FIGURE 4.2: COSTS OF FUTURE PARKLAND AND PARK IMPROVEMENTS TO BE RECOVERED THROUGH IMPACT FEES IF CURRENT STANDARDS ARE CONTINUED

	Cost per acre	Current Needs	Current Value	New Average	New Value
Community Parkland	100000	26.41	2,641,000	20.75	2,075,071
Neighborhood Parkland	100000	7.57	757,000	5.95	594,786
Total		33.98	3,398,000	26.70	2,669,857

ROADWAYS IMPACT FEE ANALYSIS

The following assumptions are made in the Roads Impact Fee Analysis:

- Road expansion as a result of new development includes the following:¹

LOCATION	COST
Canyon Road from 400 S to Grand View	\$83,635
400 E from Canyon Road to City Boundary	\$55,757
1000 S from 400 E to Church Road	\$163,124
Total Cost:	\$302,516

- Average miles per gallon is 17.3²
- State Gas Tax Rate is \$0.195 per gallon³
- Federal Gas Tax Rate is \$0.183 per gallon⁴
- State Highway User Fees, including Special Fuel Taxes and Permits Paid by City Residents are \$0.116 per gallon⁵

As outlined in the Impact Fees Act, the following steps are taken to calculate the roads impact fee:

- Step 1** Identify the impact on system improvements required by the development activity
- Step 2** Demonstrate how those impacts on system improvements are reasonably related to the new development activity
- Step 3** Estimate the proportionate share of the costs of impacts on system improvements that are reasonably related to the new development activity by:
 - A. Calculating the cost of existing public facilities
 - B. Determining the manner of financing existing public facilities
 - C. Assessing the relative extent to which the newly developed

¹Joseph Campbell; Knighton & Crow Engineering

²Utah Department of Transportation

³Utah Department of Transportation

⁴Utah Department of Transportation

⁵Utah Department of Transportation, Annual Statistical Summary and Statistics

properties and the other properties in Providence have already contributed to the cost of existing public facilities

- D. Determining the relative extent to which the newly developed properties and the other properties in the municipality will contribute to the cost of existing public facilities in the future
- E. Calculating the extent to which the newly developed properties are entitled to a credit
- F. Assessing the extraordinary costs in servicing the newly developed properties
- G. Calculating the time-price differential inherent in fair comparisons of amounts paid at different times

Step 4 Based on the above steps and the requirements of Utah Code, Title 11, Chapter 36, identify how the impact fee is calculated

Step 1: Impact on System Improvements by Development Activity

New development in Providence City generates demand for improved and new roadways as the existing roadway system becomes congested or inadequate. Providence City officials determined the future impact on the existing system by new development and outlined the necessary road expansions to accommodate future growth. **Table 12** details the road improvements necessitated by new development, including the cost of the roads impact fee analysis.

Step 2: Relation Between System Improvements and New Development

According to the Impact Fees Act, system improvements included in the roadways analysis must reasonably relate to new development. This section of the law ensures new development pays only for the system improvements for which the development is a primary generator of demand. A careful analysis of the roadways system will examine two aspects of the relationship between system improvements and new development. One aspect is a relationship of causation. The system improvements described in **Table 11** are a result of new development activity. Without the new development, these road constructions are unnecessary, therefore, the outlined system improvements reasonably relate to new development.

The second aspect of the relation between system improvements and new development is the service area of roads. This aspect is more precise than the first. New development should only pay for those roads by which the development is serviced.

One way to measure service area is in trip lengths. A trip length is the distance covered by a one-way automobile trip. If the average trip length of all development types in Providence City is greater than the size of Providence, then all new development may be serviced by new roadways. If the average trip length is less, then only certain areas in Providence will be serviced by particular new roadways. Modeling by the Wasatch Front Regional Council concludes that the average trip length for various land use types along the Wasatch Front exceeds eight miles. Although Providence City is not within the area studied by the Wasatch Front Regional Council, it may be assumed the average trip length in Providence is similar. Providence City does not exceed eight miles either north to south or east to west. Therefore, it may be assumed that all system improvements service all new development, and all system improvements relate to all new development.

LOCATION	COST	LENGTH (ft)	COST PER LINEAL FOOT
Canyon Road from 400 S to Grand View	\$83,635	6,336	\$13.20
400 E from Canyon Road to City Boundary	\$55,757	4,224	\$13.20
1000 S from 400 E to Church Road	\$163,124	1,216	\$134.15
Total Cost: \$302,516		Average Cost per Lineal Foot: \$53.52	

Step 3: Proportionate Share Analysis

A. Calculation of the Cost of Existing Public Facilities

The cost of existing public facilities is applicable in two cases. One case is when an outstanding debt obligation exists and the retirement of the debt will include future monthly payments by new development. There is an outstanding debt obligation for roadways in Providence. The second case is in the assessment of a benefit/cost ratio experienced by current residents. A fairly assessed impact fee allocates the same benefit/cost ratio to new development as experienced by current residents. The relationship between existing facilities and the benefit/cost ratio is discussed in the following section.

B. Manner of Financing Existing Public Facilities

Existing facilities, including the outstanding bond, have been financed through Class "C" road funds. The current residents of Providence City have contributed to Class "C" road funds through state gasoline tax and state highway user fees. Future residents of Providence will make similar contributions. Because general fund, state funds and federal funds have not been used to construct roads in Providence, contributions to these sources through municipal taxes is not relevant to this analysis. A Gas Tax Credit to account for the future contributions of newly developed properties to the cost of public facilities through the payment of gas taxes and state highway user fees is included in this analysis. This credit ensures future residents of Providence will face the same benefit/cost ratio as current residents.

Gas Tax Credit

A percentage of the gas taxes paid by Providence City residents returns to the city through Class "C" road funds. These funds are used for the improvement of road systems. The Gas Tax Credit reimburses new development for the amount of future gas taxes that may be spent on new capacity roadways based on historical expenditures of Class "C" road funds. **Table 13** outlines the calculation of the credit, which includes the following components:

- Trips Per Year is the number of trips generated, per year, by a particular land use. The trips per year is calculated as follows:

(Daily Trip Rate * Average Trip Length * Percent New Trips * Travel Days per Year)

Daily Trip Rate is the average number of daily trips generated by a particular land use. A trip is one-way. If a car leaves a residence, travels to the supermarket and then back home, that constitutes two trips: one from the home to the supermarket, and one from the supermarket back to the home. The most appropriate rate from the 4th edition of the technical manual, *Trip Generation*, produced by the Institute of Transportation Engineers (ITE) is used. The ITE rate is halved to avoid double counting, which occurs when a trip is counted twice, once by the starting point and once by the destination. For example, when a resident leaves home, travels to the office and returns back home, four trips are counted: one leaving home, one returning home, one arriving at the office, one leaving the office. To avoid this problem, each trip rate is halved.

Average Trip Length is the average number of miles for a trip generated by a particular land use. The trip lengths were obtained from the Wasatch Front Regional Council.

% New Trips represents the percent of trips for which the particular land use is the destination. For example, the percent new trips for a residence is 100%, meaning that on average a residence is the primary destination every time a trip ends at that residence. The Wasatch Front Regional Council provided the percent new trips.

Travel Days per Year is the number of days during the year upon which trips occur. This is assumed to be 365.

- Gallons Per Year is the number of gallons of gasoline consumed each year by a particular land use. The gallons per year is calculated as follows:

(Trips Per Year / Miles Per Gallon)

Miles Per Gallon is the average number of miles per gallon obtained by drivers in Utah. The Utah Department of Transportation calculated the average miles per gallon to be 17.3.

- New Capacity Gas Tax represents the amount of gas tax paid by Providence City residents that returns to the city and is used for new capacity improvements on roads. The tax is calculated as follows:

[Gallons Per Year * ((State Gas Tax Rate + State Hwy User Fees per Gallon) * % of State Funds Spent on New Capacity Roads Improvements in Providence)]

State Gas Tax Rate is the tax rate imposed by the State of Utah on gasoline. Currently, the state tax rate is \$0.195.⁶

State Highway User Fees Per Gallon include all State Highway user receipts except motor fuel tax, which is the state gas tax rate. The State Highway User Fees Per Gallon is \$0.116, calculated from the *Annual Statistical Summary* of the Utah Department of Transportation.

Percent of State Funds Spent on New Capacity Roads Improvements in Providence is the percent of State funds historically spent on new capacity improvements in Providence City. This number is calculated in **Table 14**.

⁶Utah Department of Transportation

- Gas Tax Credit is the final Gas Tax Credit, which is subtracted from the assessed impact fee. The credit is calculated as follows:

(New Capacity Gas Tax * Present Value Factor)

Present Value Factor accounts for the present value of future payments. Assuming the average life of major transportation improvements is 25 years, the present value of payments made for 25 years with a discount rate of 6% is 12.78.

The Gas Tax Credit for possible land use types is found in column 7 of **Table 12**.

TABLE 12: TOTAL TAX CREDITS

LAND USE TYPE	1	2	3	4	5	6	7	8
	trip rate	ave. trip length	% new trips	trips per year	gallons per year	new capacity gas tax per year	gas tax credit	TOTAL TAX CREDIT
Residential Per Dwelling Unit								
Single Family Detached	3.72	10	100%	13578.00	784.86	17.56	\$224.43	\$224.43
Multi Family (Apartment)	3.14	10	100%	11461.00	662.49	14.82	\$189.44	\$189.44
Multi Family (Condominiums)	2.72	10	100%	9928.00	573.87	12.84	\$164.10	\$164.10
Commercial/Retail Per 1000 Sq. Ft.								
Convenience Store	333.70	2	21%	51156.21	2957.01	66.16	\$845.56	\$845.56
Service Stations	53.75	4	21%	16479.75	952.59	21.31	\$272.39	\$272.39
Fast Food	316.06	4	39%	179964.56	10402.58	232.76	\$2,974.63	\$2,974.63
Sit Down Restaurant	102.68	4	50%	74956.40	4332.74	96.94	\$1,238.95	\$1,238.95
Super Market	88.80	4	20%	25928.14	1498.74	33.53	\$428.57	\$428.57
Day Care	39.63	3	21%	9112.92	526.76	11.79	\$150.63	\$150.63
Surgical Center	11.90	5	100%	21708.38	1254.82	28.08	\$358.82	\$358.82
Office Per 1000 Sq. Ft.								
Stand Alone Office	9.86	5	100%	17994.50	1040.14	23.27	\$297.43	\$297.43
Office Park	5.71	5	100%	10420.75	602.36	13.48	\$172.24	\$172.24
Business Park	7.19	5	100%	13112.63	757.96	16.96	\$216.74	\$216.74
Research Center	3.85	5	100%	7026.25	406.14	9.09	\$116.14	\$116.14
Medical	17.09	5	100%	31180.13	1802.32	40.33	\$515.38	\$515.38
Industrial Per 1000 Sq. Ft.								
Light Industrial	3.49	8	100%	10176.20	588.22	13.16	\$168.20	\$168.20
Heavy Industrial	0.75	8	100%	2190.00	126.59	2.83	\$36.20	\$36.20
Other								
Elementary/Jr. High	5.36	4	100%	7825.60	452.35	10.12	\$129.35	\$129.35
High School	5.45	4	100%	7957.00	459.94	10.29	\$131.52	\$131.52
Church	4.66	4	100%	6803.60	393.27	8.80	\$112.46	\$112.46

TABLE 13: DERIVATION OF GAS TAX CREDITS IN TABLE 12

THE FORMULA FOR THE DERIVATION OF GAS TAX CREDITS

GAS TAX CREDIT Column 7 of Table 12	=	Present Value Factor	*	New Capacity Gas Tax
		12.78		Column 6 of Table 12
New Capacity Gas Tax Column 6 of Table 12	=	Gallons Per Year	*	(State Gas Tax Rate
		Column 5 of Table 12		\$0.195
				+ State Hwy User Fees)
				\$0.12
				* State % of New Capacity
				7.19%
Gallons Per Year Column 5 of Table 12	=	Trips Per Year	\	Miles Per Gallon
		Column 4 of Table 12		17.3
Trips Per Year Column 4 of Table 12	=	Daily Trip Rate	*	Average Trip Length *
		Column 1 of Table 12		Column 2 of Table 12
				% New Trips *
				Column 3 of Table 12
				Travel Days per Year
				365

TABLE 14: PERCENT OF STATE TRANSPORTATION TAXES PAID BY CITY RESIDENTS SPENT ON NEW CAPACITY IN CITY FISCAL YEARS 1988-1996

	1988		1989		1990		1991		1992		1993		1994		1995		1996		9 Year Average
	FY 1988	\$0.190	FY 1989	\$0.190	FY 1990	\$0.190	FY 1991	\$0.195	FY 1992	\$0.195	FY 1993	\$0.195	FY 1994	\$0.195	FY 1995	\$0.195	FY 1996	\$0.195	
Total Utah Gasoline Purchases	680,800,000		691,100,000		697,200,000		689,800,000		719,600,000		743,800,000		795,600,000		818,900,000		839,500,000		741,811,111
Gallons Purchased By Providence City Residents	1,087,238		1,103,687		1,113,428		1,101,611		1,149,201		1,187,849		1,270,573		1,307,783		1,340,682		1,184,672
State Gas Taxes Paid By Providence City Residents	\$206,575		\$209,700		\$211,551		\$214,814		\$224,094		\$231,630		\$247,762		\$255,018		\$261,433		\$229,175
State Highway User Fees Paid by Providence City Residents	\$126,120		\$128,028		\$129,158		\$127,787		\$133,307		\$137,790		\$147,386		\$151,703		\$155,519		\$137,422
Total State Transportation Taxes Paid by Providence Residents	\$332,695		\$337,728		\$340,709		\$342,601		\$357,402		\$369,421		\$395,148		\$406,721		\$416,952		\$366,597
B&C Road Fund Expenditures in Providence City	\$44,715		\$47,806		\$52,616		\$57,006		\$58,889		\$62,154		\$66,045		\$68,521		\$68,001		\$58,417
B&C Road Fund Expenditures for New Capacity in Providence City	\$6,018		\$36,225		\$20,998		\$25,073		\$23,940		\$22,793		\$21,630		\$20,453		\$64,060		\$26,799
Percent of State Transportation Taxes Paid by Providence City Residents Spent on New Capacity in Providence City	1.81%		10.73%		6.16%		7.32%		6.70%		6.17%		5.47%		5.03%		15.36%		7.19%

C. Relative Extent of Past Contributions by Undeveloped Properties to Cost of Existing Facilities

The Impact Fees Act requires each political subdivision to identify the extent to which newly developed properties have already contributed to the cost of existing public facilities. Providence City has used general fund revenues in the past to fund general road improvements. Therefore, an undeveloped property tax credit is applied to the roads impact fee to offset the partial funding of road capital improvements in the past through the general fund. This credit reimburses the owners of undeveloped property who have already contributed to existing facilities through the payment of property taxes for the amount of their contribution. This calculation is found in the **Appendix**.

D. Relative Extent of Future Contributions to Cost of Existing Facilities

If there exists an outstanding debt obligation that will be retired through future payments from residents, there is a possibility of double charging new development for the cost of existing facilities. The continuing tax debt obligation in Providence City, however, is funded through Class "C" road funds, therefore there are no credits for payments through the general fund. The payments through Class "C" road funds have been taken into account in the Gas Tax Credit.

E. Calculation of Credit Entitlements

New development may be entitled to a credit when the development provides common facilities inside or outside the proposed development when similar facilities have been funded through general taxation or other means in other parts of the municipality. For example, if a developer is required to construct a road similar to other roads funded by Providence in other parts of the city, the developer may be entitled to a credit for the amount of the road. Credits must be determined by the city on a per development basis.

F. Extraordinary Costs

Extraordinary costs must be evaluated by the city on a per development basis. This procedure also needs to be addressed in the impact fee ordinance. An extraordinary cost is one which cannot be anticipated in this analysis. The impact fee ordinance must allow for these credits.

G. Time-Price Differential Inherent in Fair Comparisons

To deal with the time-price differential inherent in fair comparisons of dollars paid in different years, two mechanisms are employed in this analysis. First, in the calculation

of the Gas Tax Credit, the historical percentage of state expenditures on new capacity system improvements through Class "C" road funds, instead of the actual values, is employed to determine the projected spending by the state on new capacity. Even if the state does not spend on new capacity system improvements in Providence in the future, the past expenditures must be accounted for to ensure new development experiences the same benefit/cost ratio. Using the percentage ensures a dollar paid by a new resident compared to the benefit experienced by a new resident is equivalent to the dollar spent and benefit received by a current resident. Second, a present value factor has been included to ensure payments made in different years are valued correctly.

Step 4: Calculation of Impact Fee, Recommended Schedule

There are three components in the calculation of the Roads Impact Fee:

- Trip Miles is the average peak-hour trip miles generated by a particular land use. The trip mile is calculated as follows:

(Average Peak Hour Trip Rate * Average Trip Length * % New Trips)

Average Peak Hour Trip Rate is the average number of trips generated by a particular land use during peak traffic hours. Peak hour trip rates are generally 10% of the average daily trip rate⁷. The trip rates used in the calculation of the gas and municipal tax credits were liberal to ensure the highest tax credit possible. The trip rates used in the Average Peak Hour Trip Rate are conservative, to ensure new development is not overcharged. Using liberal and conservative trip rates diminishes the possibility of overcharging. The Wasatch Front Regional Council provided the Average Peak Hour Trip Rates.

Average Trip Length is the average number of miles of a trip generated by a particular land use. The trip lengths were obtained from the Wasatch Front Regional Council.

% New Trips represents the percent of trips for which the particular land use is the destination. For example, the percent new trips for a residence is 100%, meaning that on average a residence is the primary destination every time a trip ends at that residence.

- Impact Fee is the impact fee for a particular land use before the subtraction of tax credits. The Impact Fee is calculated as follows:

⁷ITE, *Trip Generation*, 4th edition

(Trip Miles * Trip-Mile Cost)

Trip-Mile Cost is the average cost for a one mile cross section of new roadway, divided by average daily trips.

The level of service for roadways is measured in vehicular capacity per lane of travel. The average capacity for new roads in Providence City is 400 vehicles per day in each direction, as shown in **Table 15**.⁸ The average capacity multiplied by the average cost per lineal foot (see **Table 11**) yields the average cost of one additional mile of roadway in Providence City. The trip-mile cost is generated by dividing the average cost of one additional mile by the average capacity of new roadways.

⁸A *Policy On Geometric Design of Highways and Streets*, 1994, American Association of State Highway and Transportation Officials; and *Traffic and Highway Engineering*, Nicholas J. Garber and Lester A. Hoel.

TABLE 15: AVERAGE CAPACITY AND TRIP MILE COST		
LOCATION	LENGTH (ft)	CAPACITY
		(vehicles per day in each direction)
Canyon Road from 400 S to Grand View	6,336	400
400 E from Canyon Road to City Boundary	4,224	400
1000 S from 400 E to Church Road	1,216	400
Average Capacity:		400
Average Cost Per Lineal Foot:		\$53.52
Average Cost of One Additional Mile of Roadway:		\$282,565
Trip Mile Cost (average cost per trip mile):		\$706

- Recommended Impact Fee is the roadways impact fee for possible land use types in Providence City. The fee is calculated in **Table 16**.

The Recommended Impact Fee is calculated as follows:

$$(\text{Unit Fee} - (\text{Unit Fee} * \text{Adjustment Factor}) - \text{Gas Tax Credit})$$

The recommended impact fee schedule is shown in **Table 16**. The impact fee for land uses not shown may be obtained by using the appropriate trip rates from the ITE manual, *Trip Generation*.

TABLE 16: RECOMMENDED FEE SCHEDULE

LAND USE TYPE	AVEPHT TRIP RATE	AVE TRIP LENGTH	% NEW TRIPS	TRIP MILES	TRIP-MILE COST	UNIT COST	TAX CREDIT FOR UNDEVELOPED PROPERTY	TAX CREDIT	RECOMMENDED IMPACT FEE
RESIDENTIAL, PER DWELLING UNIT:									
Single Family Detached	0.506	10.00	100%	5.06	\$706.41	\$3,574.45	0.38%	\$224.43	\$3,336.43
Condo/Townhome	0.272	10.00	100%	2.72	\$706.41	\$1,921.44	0.38%	\$164.10	\$1,750.04
Low Rise Apt. (3- Floors)	0.341	10.00	100%	3.41	\$706.41	\$2,408.87	0.38%	\$189.44	\$2,210.27
COMMERCIAL/RETAIL PER 1000 SQ. FT.									
Convenience Store	35.563	2.00	21%	14.94	\$706.41	\$10,551.30	0.38%	\$845.56	\$9,665.64
Service Station/ Pump	3.630	4.00	21%	3.05	\$706.41	\$2,153.99	0.38%	\$272.39	\$1,873.41
Fast Food	16.629	4.00	39%	25.94	\$706.41	\$18,325.21	0.38%	\$2,974.63	\$15,280.94
Sit Down Restaurant	3.625	4.00	50%	7.25	\$706.41	\$5,121.49	0.38%	\$1,238.95	\$3,863.07
Super Market	4.411	4.00	20%	3.53	\$706.41	\$2,492.79	0.38%	\$428.57	\$2,064.75
Day Care Center	12.286	3.00	21%	7.74	\$706.41	\$5,467.76	0.38%	\$150.53	\$5,296.35
Clinic	2.484	5.00	100%	12.42	\$706.41	\$8,773.64	0.38%	\$358.82	\$8,381.48
OFFICE PER 1000 SQ. FT.									
Office Building (<50,000 Sq. Ft.)	1.105	5.00	100%	5.53	\$706.41	\$3,902.93	0.38%	\$297.43	\$3,590.66
Office Park	1.530	5.00	100%	7.65	\$706.41	\$5,404.05	0.38%	\$172.24	\$5,211.27
Research & Development Center	1.502	5.00	100%	7.51	\$706.41	\$5,305.15	0.38%	\$116.14	\$5,168.86
Medical Office	3.415	5.00	100%	17.08	\$706.41	\$12,061.99	0.38%	\$515.38	\$11,500.78
INDUSTRIAL PER 1000 SQ. FT.									
Light Industry	1.127	8.00	100%	9.02	\$706.41	\$6,369.01	0.38%	\$168.20	\$6,176.61
Heavy Industry	0.683	8.00	100%	5.46	\$706.41	\$3,859.84	0.38%	\$36.20	\$3,808.97
OTHER									
Elementary/Jr. High	0.536	4.00	100%	2.14	\$706.41	\$1,514.55	0.38%	\$129.35	\$1,385.20
High School	0.545	4.00	100%	2.18	\$706.41	\$1,539.98	0.38%	\$131.52	\$1,408.46
Church	0.466	4.00	100%	1.86	\$706.41	\$1,316.75	0.38%	\$112.46	\$1,204.30

WATER IMPACT FEE ANALYSIS

The following assumptions are made in the Water Impact Fee Analysis:

- The number of connections at ultimate buildout will be 1,879, according to the Water Master Plan. Of the 827 new connections, 388 are expected in Zone 1, 107 in Zone 2, and 332 in Zone 3.
- Ninety percent of "Building and improvements" listed in the General Purpose Financial Statements are allocated to water and ten percent to wastewater in the calculation of the water system asset cost.
- The water zones are the same as in the Water Master Plan.
- Providence will pay off its debts according to the loan schedules.
- A 6% discount rate.
- The growth rate will be 25 new connections per year.
- Providence will build, or is building, the Coomb Flat Tank, a 1,200 gallon per minute well and pump, the 1.0 million gallon tank, the canyon booster pump station, and the transmission line to Grandview Drive.

As outlined in the Impact Fees Act, the following steps are taken to calculate the water impact fee:

- Step 1** Identify the impact on system improvements required by the development activity

- Step 2** Demonstrate how those impacts on system improvements are reasonably related to the new development activity

- Step 3** Estimate the proportionate share of the costs of impacts on system improvements that are reasonably related to the development activity by:
 - A. Calculating the cost of existing public facilities
 - B. Determining the manner of financing existing public facilities
 - C. Assessing the relative extent to which the newly developed properties and the other properties in Providence have already contributed to the cost of existing public facilities
 - D. Determining the relative extent to which the newly developed properties and the other properties in the municipality will contribute to the cost of existing public facilities in the future
 - E. Calculating the extent to which the newly developed properties are entitled to a credit

- F. Assessing the extraordinary costs in servicing the newly developed properties
- G. Calculating the time-price differential inherent in fair comparisons of amounts paid at different times

Step 4 Based on the above steps and the requirements of Utah Code, Title 11 Chapter 36, identify how the impact fee is calculated

The water impact fee is calculated based on a net capital cost per standard connection, which in Providence is a one inch water connection.

Step 1: Impact on System Improvements Required by Development Activity

Providence City's water-related assets include land, buildings and system improvements that are all oversized for the current number of connections. As the number of water connections in Providence increases, the amount of excess capacity will decrease.

The Providence City Water Master Plan describes increases in the water system's capacity that will facilitate growth and provide an adequate amount of water for new development. These system improvements¹¹ are listed in **Table 22**.

TABLE 22: GROWTH RELATED CAPITAL IMPROVEMENTS
Coomb Flat .6 MG Tank and Piping
New 1,200 GPM Well and Pump
1.0 MG Tank and Piping
Canyon Booster Pump Station
Transmission Line to Grandview

Step 2: Relationship Between System Improvements and Development Activity

The Coomb Flat Tank is necessary to meet storage capacity requirements of new growth. Providence City's current water storage deficit is 27,000 gallons.¹² The Coomb Flat Tank, with a capacity of 600,000 gallons, will remedy the current deficiency and increase capacity by an additional 573,000 gallons. Impact Fees can be used only to finance the portion of the Coomb Flat Tank needed by the new development. The current deficit is 4.5% of the capacity of the tank, and thus new development should pay for 95.5% of the tank and not for the entire price.

The 1,200 GPM Well is needed because growth will cause water supply demand to exceed existing well capacity by the year 2000.¹³ This new well is estimated to meet demand until the year 2015.

The 1.0 MG tank is needed to provide adequate storage capacity in Zone 1.¹⁴ Because of new growth, the required storage capacity will be 931,500 gallons in the year 2004, and thus a 1.0 MG tank is needed in Zone 1 to satisfy this need.

The canyon booster pump station will be needed to increase the pumping capacity for Zone 3.¹⁵

The transmission line to Grandview Drive is needed to increase volume and pressure to serve Grandview.¹⁶

The Providence City Water Master Plan describes increases in the water system's capacity that will facilitate growth and provide an adequate amount of water for new development. Growth related capital improvements for water will total \$1,549,855.

Providence City is divided into three water zones (see **Figure 1**). To avoid confusion, we recommend Providence legally define these zones. Some of the capital improvement projects will benefit all three zones, and other projects will only benefit certain zones. The Coomb Flat .6 million gallon tank and new 1,200 gallon per minute well with pump will benefit every new connection. As previously discussed, new development in Providence should not pay for the entire price of the Coomb Flat Tank of \$371,116, but for 95.5% of that price (\$354,416). The 1,200 gallon per minute well with pump will cost \$378,049. These improvements total \$732,465 and will benefit all 827 additional connections, resulting in a cost per connection of \$886.

Zone 1 will benefit from a new 1.0 million gallon tank and associated piping. This will cost \$540,606, and the tank will be used by 388 additional connections in Zone 1. $\$540,606 \div 388 = \$1,393$ per connection.

The Water Master Plan describes no improvements that only benefit Zone 2.

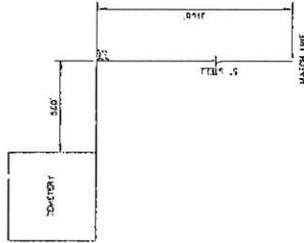
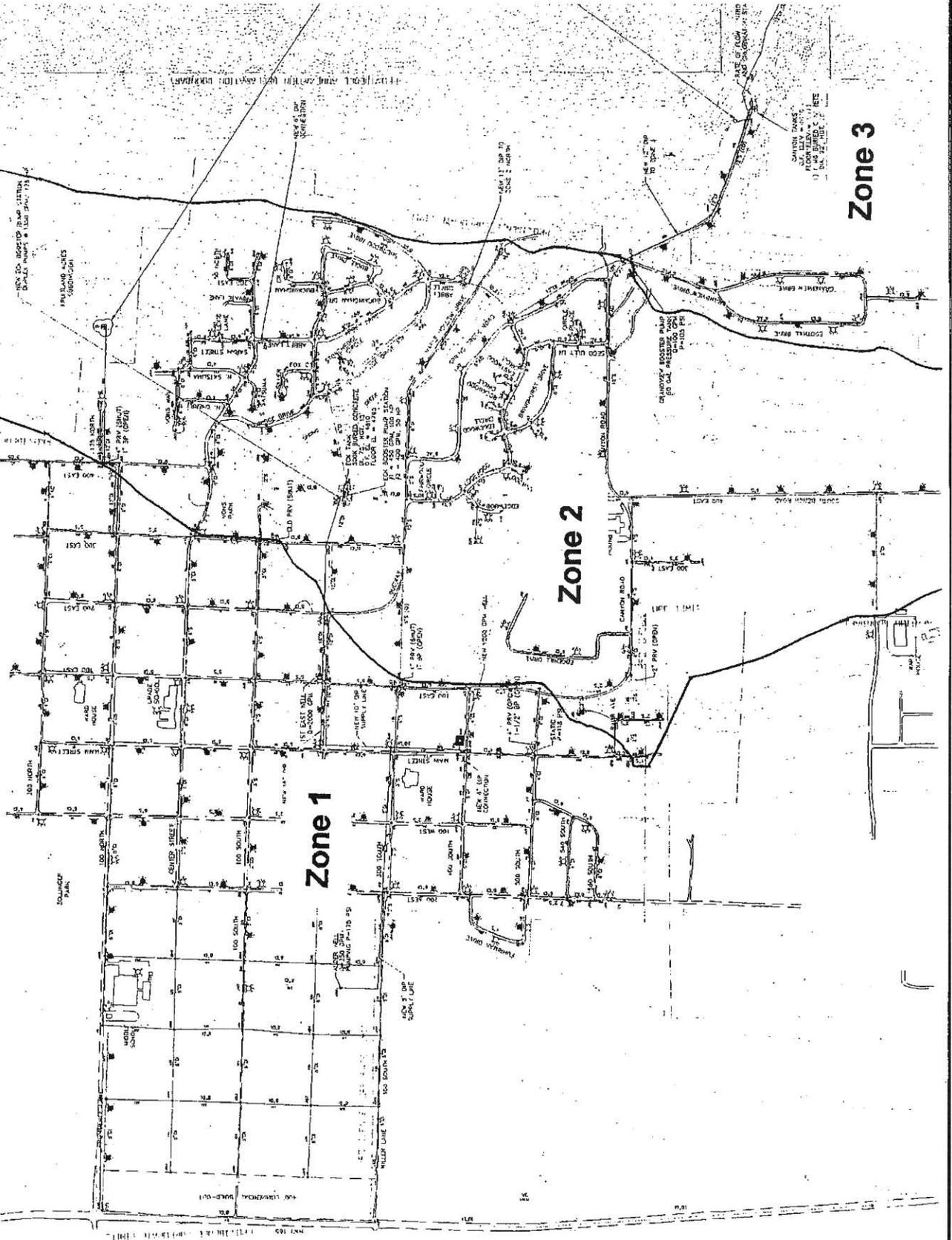
Zone 3 will benefit by the canyon booster pump station at a cost of \$206,894 and a transmission line to Grandview Drive at a cost of \$69,890. These improvements will be

used by 332 additional connections. Cost per connection will be $(\$206,894 + 69,890) \div 332 = \834 per connection.

To calculate the proportionate share per connection, the amount per household for projects needed because of growth anywhere in the city (\$886) is added to the per connection price of the different zones. Zone 1 then has a proportionate share for capital improvement projects of $\$886 + \$1,393$ which equals \$2,279. For connections in Zone 2 the share is \$886, and for Zone 3 the share is $\$886 + \834 which is \$1,720 (see **Table 23**).

Figure 1: Water Zones

City of Providence



CEMETERY DETAIL

Table 23: Capital Improvements	
Non-Zone Specific Capital Projects	
Coomb Flat .6 MG Tank and Piping	\$354,416
New 1200 GPM Well and Pump	\$378,049
Total	\$732,465
Total Additional Connections in City	827
Total per Additional Standard Connection	\$886
Zone Specific Capital Projects	
Zone 1	
New 1.0 MG Tank and Piping	\$540,606
Additional Connections in Zone 1	388
Total Per Additional Standard Connection in Zone 1	\$1,393
Zone 3	
Canyon Booster Pump Station	\$206,894
Transmission Line to Grandview	\$69,890
Total	\$276,784
Additional Connections in Zone 3	332
Total Per Additional Standard Connection in Zone 3	\$834
Total Proportionate Share Per Standard Connection	
Zone 1	\$2,279
Zone 2	\$886
Zone 3	\$1,720

Step 3: Proportionate Share Analysis

A. Calculate the cost of existing public facilities

The cost of existing water-related facilities is calculated by summing the water-related capital assets, including the accumulated water system capital depreciation. The accumulated water capital depreciation must be included in the calculation of the water public facilities cost to achieve the actual historic cost of the facilities. The depreciation listed in the Enterprise Balance Sheet of the 1996 City of Providence General Purpose Financial Statements includes \$37,530 that must be netted out since it is equipment depreciation and to depreciation on capital assets.

The cost per connection is calculated by dividing \$1,819,066 (total water asset cost) by 1,879 (number of connections at ultimate buildout). The result of that calculation is \$968 which is the cost per connection.

	Cost
Land	\$112,508
Building and improvements	\$120,352
Improvements other than buildings	\$1,313,199
Accumulated Capital Depreciation ¹⁷	\$273,007
Total	\$1,819,066
Connections at Ultimate Buildout	1,879
Water Assets Per Connection	\$968

B. Determine the manner of financing existing public facilities

The existing public facilities have been financed through services¹⁸, impact fees¹⁹, installations²⁰, water sales²¹, material sales²², miscellaneous²³, and bonded indebtedness.²⁴

C. Assess the Relative Extent of Contributions by Undeveloped Properties to Cost Existing Facilities

Properties that are not yet connected to the water system have not contributed to the cost of public facilities since these facilities were financed through the water enterprise fund, and this fund has not received money from the general fund. The adjustment factor used in parks and roads is unnecessary in the calculation of the water impact fee, because general funds have not been used to fund water capital improvements.

D. Relative Extent of Future Contributions to Cost of Existing Facilities

To pay for previous water projects, Providence City has four outstanding debts. These debts will be paid through impact fees and user fees. Since the new development will pay impact fees and user fees with a portion of both fees going towards the debt, the amount of money that will be paid to the debt through user fees is subtracted from the impact fee in the impact fee calculation.

To derive the debt service component of the water impact fee, the annual total principle and interest of the loans are divided by the number of connections. This yields the debt payment per connection per year. To account for the time value of money, the net present value (at an annual discount rate of 6%) is taken for each year and then the values for each year are summed together to obtain a net present value of \$1,198 per connection (see **Table 25**). The projected growth rate is 25 new connections per year, taken from the Water Master Plan.²⁵ The debt service credit will be subtracted in the calculation of the impact fee.

TABLE 25: WATER SYSTEM IMPROVEMENT DEBTS							
Year	Loan 1	Loan 2	Loan 3	Loan 4	Totals	Number of Connections	Debt per Connection
1997	\$30,358	\$41,300	\$24,550	\$58,991	\$155,198	1,115	\$139
1998	\$29,311	\$41,500	\$24,150	\$61,085	\$156,045	1,140	\$137
1999	\$28,243	\$40,650	\$23,750	\$62,917	\$155,560	1,165	\$134
2000	\$32,163	\$40,800	\$24,350	\$60,310	\$157,622	1,190	\$132
2001	\$30,703	\$40,900	\$23,900	\$61,882	\$157,384	1,215	\$130
2002	\$28,823	\$40,950	\$29,450	\$59,014	\$158,236	1,240	\$128
2003	\$27,723	\$40,950	\$28,700	\$60,325	\$157,697	1,265	\$125
2004	\$31,203	\$52,900	\$28,950	\$61,375	\$174,428	1,290	\$135
2005	\$29,278	\$53,200	\$29,150	\$62,165	\$173,793	1,315	\$132
2006	\$32,340	\$53,400	\$29,300		\$115,040	1,340	\$86
2007		\$53,500	\$29,400		\$82,900	1,365	\$61
2008		\$53,500	\$29,450		\$82,950	1,390	\$60
2009		\$53,400	\$29,450		\$82,850	1,415	\$59
2010		\$53,200	\$29,400		\$82,600	1,440	\$57
2011		\$52,900	\$29,300		\$82,200	1,465	\$56
2012		\$52,500	\$29,150		\$81,650	1,490	\$55
2013			\$28,950		\$28,950	1,515	\$19
2014			\$28,700		\$28,700	1,540	\$19
2015			\$29,400		\$29,400	1,565	\$19
Totals	\$300,141	\$765,550	\$529,450	\$548,064			
							Net Present Value = \$1,198

- Loan 1 Utah Municipal Finance Cooperative
- Loan 2 State of Utah Water Resources
- Loan 3 State of Utah Water Resources #B
- Loan 4 Zions First National Bank

E. Calculation of Credit Entitlements

New development is entitled to a credit when the development provides common facilities inside or outside the proposed development when similar facilities have been funded through general taxation or other means apart of user charges in other parts of the municipality. Providence City will evaluate these credits on a per development basis. The procedures for these credits needs to be addressed in the impact fee ordinance.

F. Extraordinary Costs

Extraordinary costs, if any, will be addressed on a per development basis. This procedure also needs to be addressed in the impact fee ordinance.

G. Time-Price Differential Inherent in Fair Comparisons of Amounts Paid at Different Times

The time-price differential of money was addressed in the Debt Service Credit section, but it also needs to be addressed with respect to the interest expense Providence has paid and will pay on its water related debts. The cost of the accumulated interest on the debts needs to be taken into account in the impact fee calculation. **Table 26** shows the share of this debt interest for each connection in the city is \$440. Through their user fees, the current water customers of Providence will pay this amount. The future water customers need to pay this cost through impact fees.

TABLE 26: ACCUMULATED WATER DEBT INTEREST					
	Loan 1	Loan 2	Loan 3	Loan 4	Total
1992	\$20,699	\$16,090			\$36,789
1993	\$18,680	\$28,100			\$46,780
1994	\$18,055	\$27,450			\$45,505
1995	\$17,405	\$26,750		\$11,517	\$55,672
1996	\$16,393	\$26,050	\$15,511	\$25,554	\$83,508
1997	\$15,358	\$25,300	\$16,550	\$23,468	\$80,676
1998	\$14,308	\$24,500	\$16,150	\$21,121	\$76,079
1999	\$13,243	\$23,650	\$15,750	\$18,514	\$71,157
2000	\$12,163	\$22,800	\$15,350	\$15,906	\$66,219
2001	\$10,703	\$21,900	\$14,900	\$13,038	\$60,541
2002	\$9,223	\$20,950	\$14,450	\$10,169	\$54,792
2003	\$7,723	\$19,950	\$13,700	\$7,040	\$48,413
2004	\$6,203	\$18,900	\$12,950	\$3,651	\$41,704
2005	\$4,278	\$17,200	\$12,150	\$1,825	\$35,453
2006	\$2,340	\$15,400	\$11,300		\$29,040
2007		\$13,500	\$10,400		\$23,900
2008		\$11,500	\$9,450		\$20,950
2009		\$9,400	\$8,450		\$17,850
2010		\$7,200	\$7,400		\$14,600
2011		\$4,900	\$6,300		\$11,200
2012		\$2,500	\$5,150		\$7,650
2013			\$3,950		\$3,950
2014			\$2,700		\$2,700
2015			\$1,400		\$1,400
Net Present Value of Interest Payments					\$826,419
Number of Connections at Ultimate Buildout					1,879
Total Interest per Connection					\$440

Step 4: Calculation of Impact Fee

The recommended impact fee is the capital asset cost per connection, minus the payment credit for debt service, plus the proportionate share for growth related projects per zone, plus accumulated debt interest. This produces a recommended base fee of \$2,489 in Zone 1, \$1,096 in Zone 2, and \$1,930 in Zone 3. If Providence City were to decide not to differentiate the price of the impact fee according to zones, then the fee would be \$2,084 (see **Table 27**).

TABLE 27: WATER SYSTEM IMPACT FEE CALCULATION	
Growth Related Cost per Connection	
Zone 1	\$2,279
Zone 2	\$886
Zone 3	\$1,720
Water Capital Asset Cost Per Connection	
	\$968
Accumulated Water Debt Interest	
	\$440
Payment Credit for Debt Service	
	-\$1,198
Impact Fee According to Zones	
Zone 1	\$2,489
Zone 2	\$1,096
Zone 3	\$1,930
Impact Fee Without Zone Differentiation	
Anywhere in City	\$2,084

Recommended Impact Fee Schedule

The impact fees recommended in **Step 4** are standard fees for single family houses. Non-residential fees are based on the capacity ratio of the desired meter size to the one inch standard. This is shown in **Table 28**.

TABLE 28: RECOMMENDED WATER IMPACT FEE SCHEDULE

Zone 1		
Meter Size in Inches	Capacity Ratio to 1" Line	Impact Fee
1	1	\$2,489
1.5	2.25	\$5,600
2	4	\$9,956
3	9	\$22,401
4	16	\$39,824
6	36	\$89,604

Zone 2		
Meter Size in Inches	Capacity Ratio to 1" Line	Impact Fee
1	1	\$1,096
1.5	2.25	\$2,466
2	4	\$4,384
3	9	\$9,864
4	16	\$17,536
6	36	\$39,456

Zone 3		
Meter Size in Inches	Capacity Ratio to 1" Line	Impact Fee
1	1	\$1,930
1.5	2.25	\$4,343
2	4	\$7,720
3	9	\$17,370
4	16	\$30,880
6	36	\$69,480

No Zonal Differentiation		
Meter Size in Inches	Capacity Ratio to 1" Line	Impact Fee
1	1	\$2,084
1.5	2.25	\$4,689
2	4	\$8,336
3	9	\$18,756
4	16	\$33,344
6	36	\$75,024

RECOMMENDED IMPACT FEES SCHEDULE

TABLE 29: RECOMMENDED IMPACT FEES SUMMARY				
		Impact Fees Without Adjustment	Adjustment for Past Contributions	Adjusted Impact Fees
Parks		\$673	0.38%	\$671
Roads				
	Residential			\$3,336
	Others: See page 26			
Wastewater		\$1,266		\$1,266
Water				
	Zone 1	\$2,489		\$2,489
	Zone 2	\$1,096		\$1,096
	Zone 3	\$1,930		\$1,930

APPENDIX

Table 1: Contribution of Undeveloped Land to Capital Improvements

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1987
Percent of Property Tax from Undeveloped Land	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Property Tax	\$156,324	\$139,421	\$123,694	\$88,052	\$87,679	\$81,112	\$82,197	\$77,015	\$71,770	\$66,929	\$61,686	\$56,443	\$51,199
Total Revenue	\$812,480	\$686,104	\$736,328	\$548,030	\$511,711	\$440,489	\$457,126	\$536,238	\$357,874	\$323,149	\$298,463	\$273,149	\$248,149
Percent of Total Revenue from Property Tax	19.24%	20.32%	16.80%	16.07%	17.13%	18.41%	17.98%	14.36%	20.05%	20.71%	20.71%	20.71%	20.71%
Percent of Total Revenue from Undeveloped Land	1.44%	1.52%	1.26%	1.21%	1.29%	1.38%	1.35%	1.08%	1.50%	1.55%	1.55%	1.55%	1.55%
Capital Expenditures on Roads	\$211,133	\$169,877	\$188,080	\$134,734	\$285,638	\$177,786	\$296,673	\$189,702	\$121,402	\$125,219	\$125,219	\$125,219	\$125,219
Class "C" Roads Funds	\$68,001	\$68,521	\$66,045	\$62,154	\$58,889	\$57,006	\$52,616	\$51,250	\$44,715	\$32,643	\$32,643	\$32,643	\$32,643
Capital Expenditures on Parks	\$26,716	\$13,169	\$54,802	\$38,161	\$17,792			\$4,434	\$18,830				
Total Capital Expenditures on Roads and Parks	\$169,848	\$114,525	\$176,837	\$110,741	\$244,541	\$120,780	\$244,057	\$142,886	\$95,517	\$92,576	\$92,576	\$92,576	\$92,576
Total Expenditures for the Year	\$766,087	\$567,228	\$594,760	\$475,615	\$547,425	\$407,698	\$519,531	\$409,855	\$345,878	\$317,426	\$317,426	\$317,426	\$317,426
Percentage of Total Expenditures from Roads and Parks	22.17%	20.19%	29.73%	23.28%	44.67%	29.62%	46.98%	34.86%	27.62%	29.16%	29.16%	29.16%	29.16%
Percent of Capital Expenditures from Undeveloped Land	0.32%	0.31%	0.37%	0.28%	0.57%	0.41%	0.63%	0.38%	0.42%	0.45%	0.45%	0.45%	0.45%
Average Percentage excluding 1987, 1990, 1991*	0.38%												

*These years are not included because there is insufficient data.

NOTES

1. Providence City Office
2. Providence City Office; Acres for undeveloped land estimated by Randy T. Simmons, Providence City Councilman
3. The population estimate of 3,700 people was determined by averaging the predictions of the 1990 census, the predictions found in the Providence City Water System Master Plan (Figure 1-1), and the result of multiplying the existing number of households in Providence, 1115 (Skarlet Bankhead, City Recorder), by the average of 3.3 persons per household.
4. Randy T. Simmons, Providence City Councilman
5. Providence City Financial Records; Local Prices
6. Source for land value is the average of current land sales prices. Source for other costs is Landscaping firms in Providence Area.
7. The following are approximations of the number of trees on developed acres of each park: Braegger Park, 55; Von's Park, 100; Providence Elementary, 25; Zollinger Park, 57; Total, 237. The total number of trees is divided by the total number of developed acres, 16.95, to yield an average of 14 trees per acre. The average cost of trees is \$76, for size 1 3/4" according to local prices.
8. Providence City Office

11. Ibid. Table 1-1
12. Ibid. p. 7-3
13. Ibid. p. 3-4
14. Ibid. p. 7-4
15. Ibid. Table 1-1
16. Ibid. Table 1-1
17. In the Enterprise Funds Combined Balance Sheet in the City of Providence General Purpose Financial Statements 1996, p. 45 the Accumulated depreciation listed for water is \$310,537. This includes \$37,530 of accumulated depreciation on equipment. The \$37,530 was provided by John Duersch of Peterson Allred, Providence City's

Accountants. The \$37,530 is subtracted from the total accumulated depreciation at arrive at the total accumulated capital depreciation.

18. City of Providence General Purpose Financial Statements 1996, p. 46
19. Ibid. p. 46
20. City of Providence General Purpose Financial Statements 1993, p. 45
21. City of Providence Comprehensive Annual Financial Report 1990, p. 51
22. City of Providence Comprehensive Annual Financial Report 1989, p. 48
23. City of Providence General Purpose Financial Statements 1996, p. 46
24. Ibid. p. 24
25. Providence City Water System Master Plan, p. 1-2