NOTICE OF INTENT TO ENACT IMPACT FEE AND HOLD A PUBLIC HEARING

Notice Date & Time: March 5, 2013 7:00 PM

Description /Agenda:
The West Point City Council will consider Ordinance 03-05-2013, an ordinance adopting an amended and updated storm water impact fee facilities plan and impact fee analysis; establishing certain policies related to impact fees for storm water facilities; establishing service area; and/or other related matters.

The public hearing regarding this proposal will be held before the West Point City Council at their regularly scheduled meeting Tuesday, March 5, 2013 at 7:00 PM, at West Point City Hall, located at 3200 W 300 N, West Point, Utah. All interested parties are invited to attend. Please check the City Council Agendas at City Hall or at the City's website, www.westpointcity.org.

Should you desire further information, the ordinance and its associated Impact Fee Facility Plan and Impact Fee Analysis are located at the City's website (www.westpointcity.org) and at City Hall or you may contact Boyd Davis, City Engineer at (801) 776-0970 during regular business hours.

Notice of Special Accommodations:
Persons with disabilities who may need assistance should contact the City Recorder at 801-776-0970 at least 24 hours prior to this meeting.

Boyd R Davis

Boyd Davis,
West Point City Engineer

WEST POINT CITY

STORM WATER IMPACT FEE FACILITIES PLAN (IFFP) AND IMPACT FEE ANALYSIS (IFA)

3200 West 300 North
West Point, UT 84015

Prepared By
Lewis Young Robertson & Burningham, Inc.

Re: Certification for Impact Fee Facilities Plans and Impact Fee Analysis Prepared February 2013

IFFP Certification

LYRB certifies that the impact fee facilities plans prepared for storm water services:

1. includes only the costs of public facilities that are:
    a. allowed under the Impact Fees Act; and
    b. actually incurred; or
    c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid;
2. does not include:
    a. costs of operation and maintenance of public facilities;
    b. costs for qualifying public facilities that will raise the level of service for the facilities, through impact fees, above the level of service that is supported by existing residents;
    c. an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement; and
3. complies in each and every relevant respect with the Impact Fees Act.

IFA Certification

LYRB certifies that the impact fee analysis prepared for storm water services:

1. includes only the costs of public facilities that are:
    a. allowed under the Impact Fees Act; and
    b. actually incurred; or
    c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid;
2. does not include:
    a. costs of operation and maintenance of public facilities;
    b. costs for qualifying public facilities that will raise the level of service for the facilities, through impact fees, above the level of service that is supported by existing residents;
    c. an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement;
    d. offsets costs with grants or other alternate sources of payment; and
3. complies in each and every relevant respect with the Impact Fees Act.

LYRB makes this certification with the following caveats:

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

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

Lewis Young Robertson & Burningham, Inc. Salt Lake City, Utah 84101 Office 801.596.0700 Fax 801.596.2800

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SECTION 1: EXECUTIVE SUMMARY

The purpose of the Storm Drain Impact Fee Facilities Plan ("IFFP"), with supporting Impact Fee Analysis ("IFA"), is to fulfill the requirements established in Utah Code Title 11 Chapter 36a, the "Impact Fees Act", and help West Point City (the "City") plan necessary capital improvements for future growth. This document will address the future storm drain infrastructure needed to serve the City through the next six to ten years, as well as the appropriate impact fees the City may charge to new growth to maintain the level of service ("LOS").

- **Impact Fee Service Area:** The service area for storm drain impact fees includes all areas within the City. This document identifies capital projects that will help to maintain the same level of service enjoyed by existing residents into the future.

- **Demand Analysis:** The demand units utilized in this analysis are based on undeveloped residential and commercial land and the new run-off water generated by these developments.

- **Level of Service:** Impact fees cannot be used to finance an increase in the level of service to current or future users of capital improvements. The IFFP identifies the future storm drain system improvements that are needed to manage the runoff caused by 10-year and 100-year events. Therefore, the City's storm drain infrastructure is sized to safely and adequately manage runoff from the storm intensities and durations indicated in the Impact Fee Facilities Plan. The City requires development to detain storm water with a maximum release rate of 0.2 cfs/acre and the storm drain system is sized to handle this rate of runoff.

- **Excess Capacity:** A buy-in component was included for excess capacity in the existing storm drain system. It is estimated that new growth will utilize portions of the existing system with a value of $472,672.

- **Capital Facilities Analysis:** Approximately $1,338,026 is identified as growth related, and city funded, future capital improvements necessary to maintain the existing LOS.

- **Funding of Future Facilities:** This analysis assumes future growth related facilities will be funded on a pay-as-you-go basis.

PROPOSED STORM DRAIN IMPACT FEE

The IFFP must properly complete the legislative requirements found in the Impact Fee Act if it is to serve as a working document in the calculation of appropriate impact fees. The calculation of impact fees relies upon the information contained in this analysis. Impact fees are then calculated based on many variables centered on proportionality share and level of service. The following paragraph describes the methodology used for calculating impact fees in this analysis.

PLAN BASED (FEE BASED ON DEFINED CIP)

Impact fees can be calculated using a specific set of costs specified for future development. The improvements are identified in the IFFP, CFP or CIP as growth related projects. The total project costs are divided by the total demand units the projects are designed to serve. Under this methodology, it is important to identify the existing level of service and determine any excess capacity in existing facilities that could serve new growth.

STORM DRAIN IMPACT FEE CALCULATION

The total cost identified as growth related and funded is then applied to the total future developed acres served over the planning horizon. This results in a cost per acre of $4,204.

TABLE 1.1: ILLUSTRATION OF IMPACT FEE PER ACRE

STORM DRAIN PROPORTIONATE SHARE ANALYSIS	GROWTH RELATED COSTS	FUTURE DEVELOPED ACRES	COST PER ACRE
Buy-In Component	$472,672	2,991	$158
Future Storm Drain Projects	$1,338,026	253	$5,290
Professional Expenses	$4,500	253	$18
Impact Fee Fund Balance	($319,075)	253	($1,262)
Total	**$1,496,123**		**$4,204**

The cost per acre is then applied as shown below.

TABLE 1.2: PROPOSED IMPACT FEE

DEVELOPMENT TYPE	IMPACT FEE PER ACRE
Developed Acre (Residential , Commercial, or Industrial)	$4,204

NON-STANDARD IMPACT FEES

The City reserves the right under the Impact Fees Act to assess an adjusted fee that more closely matches the true impact that the land use will have upon public facilities.[1] This adjustment could result in a lower impact fee if the City determines that a particular user may create a different impact than what is standard for its land use.

[1] 11-36a-402(1)(c)

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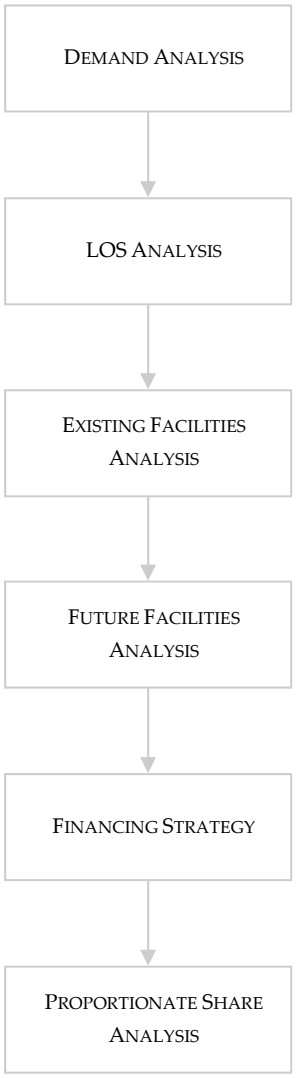
SECTION 2: GENERAL IMPACT FEE METHODOLOGY

The purpose of this study is to fulfill the requirements of the Impact Fees Act regarding the establishment of an IFFP and IFA. The IFFP is designed to identify the demands placed upon the City's existing facilities by future development and evaluate how these demands will be met by the City. The IFFP is also intended to outline the improvements which are intended to be funded by impact fees. The IFA is designed to proportionately allocate the cost of the new facilities and any excess capacity to new development, while ensuring that all methods of financing are considered. Each component must consider the historic level of service provided to existing development and ensure that impact fees are not used to raise that level of service. The following elements are important considerations when completing an IFFP and IFA.

FIGURE 2.1: IMPACT FEE METHODOLOGY



DEMAND ANALYSIS

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

LEVEL OF SERVICE ANALYSIS

The demand placed upon existing public facilities by existing development is known as the existing "Level of Service" ("LOS"). Through the inventory of existing facilities, combined with the growth assumptions, this analysis identifies the level of service which is provided to a community's existing residents and ensures that future facilities maintain these standards. Any excess capacity identified within existing facilities can be apportioned to new development. Any demand generated from new development that overburdens the existing system beyond the existing capacity justifies the construction of new facilities.

EXISTING FACILITY INVENTORY

In order to quantify the demands placed upon existing public facilities by new development activity, the Impact Fee Facilities Plan provides an inventory of the City's existing **system** facilities. To the extent possible, the inventory valuation should consist of the following information:

- Original construction cost of each facility;
- Estimated date of completion of each future facility;
- Estimated useful life of each facility; and,
- Remaining useful life of each existing facility.

The inventory of existing facilities is important to properly determine the excess capacity of existing facilities and the utilization of excess capacity by new development.

FUTURE CAPITAL FACILITIES ANALYSIS

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

FINANCING STRATEGY – CONSIDERATION OF ALL REVENUE SOURCES

This analysis must also include a consideration of all revenue sources, including impact fees, future debt costs, alternative funding sources and the dedication of system improvements, which may be used to finance system improvements.[2] In conjunction with this revenue analysis, there must be a determination that impact fees are necessary to achieve an equitable allocation of the costs of the new facilities between the new and existing users.[3]

PROPORTIONATE SHARE ANALYSIS

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

[2] 11-36a-302(2)
[3] 11-36a-302(3)

SECTION 3: OVERVIEW OF SERVICE AREA, DEMAND, AND LOS

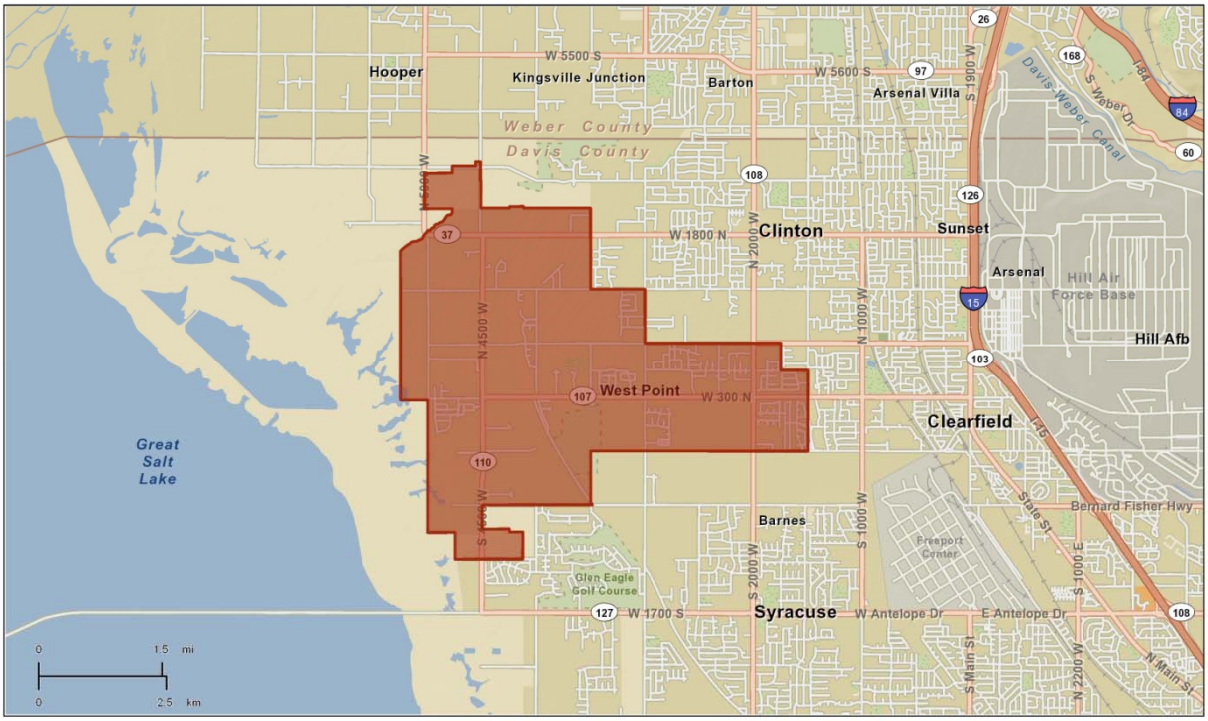
The IFFP identifies important components that are essential to complete a proportionate share analysis. The following summarizes the IFFP elements utilized in this analysis.

SERVICE AREA

Utah Code requires the impact fee enactment to establish one or more service areas within which impact fees will be imposed.[4] The service area for storm water impact fees includes all areas within the City. This document identifies capital projects that will help to maintain the same level of service enjoyed by existing residents into the future.

It is anticipated that the growth projected over the next six to ten years will impact the City's existing services. Public facilities will need to be expanded in order to maintain the existing level of service. The IFFP, in conjunction with the impact fee analysis, are designed to accurately assess the true impact of a particular user upon the City's infrastructure.

ILLUSTRATION 3.1: MAP OF SERVICE AREA



DEMAND UNITS

The demand unit used in this analysis is acre of developed property. As residential and commercial growth occurs within the City, the impervious surface within the City will increase, resulting in additional run-off. West Point requires that development detain storm water with a maximum release rate of 0.2 cfs/acre. With this in mind, the storm system has been designed to handle maximum release per acre, which is the same for all development types. The storm drain capital improvements identified in this study are based on maintaining the current level of service as defined in the IFFP. The proposed impact fees are based upon the projected growth in developed acres, which is used as a means to quantify the impact that future users will have upon the City's system.

[4] 11-36a-402(a)

TABLE 3.2: ILLUSTRATION OF DEMAND UNITS

LAND USE	ASSOCIATED ZONING CLASSIFICATION	DEVELOPED ACREAGE	UNDEVELOPED ACREAGE	TOTAL ACREAGE
Residential	R-1	418	1,829	2,247
Residential	R-2	178	365	543
Residential	R-3	521	140	661
Residential	R-4	-	-	-
Residential	R-5	91	144	235
Residential	A-5	184	5	189
Residential	A-40	-	-	-
Mixed	MU	12	50	62
Commercial	N-C	37	21	58
Commercial	C-C	72	183	255
Commercial	R-C	-	68	68
Office	P-O	26	6	32
Research / Industrial Park	R/I-P	3	140	143
Recreation	REC	166	23	189
Public	PUBLIC	57	17	74
	Total	**1,765**	**2,991**	**4,756**

Source: West Point City

According to the City's data, there are 1,765 acres currently developed in the City and 2,991 acres yet to be developed. To be conservative, the City has chosen to use a 1.35 percent average annual growth rate (AAGR) for future development. This rate is a five year average of population growth (2006-20011) from the Utah Construction Information Database of building permit data for West Point City. The average annual growth rate between the 2000 and 2010 Censuses was 4.66 percent, but building activity has slowed dramatically from its peak in 2004 and the City does not anticipate growth levels to be that high during the planning horizon. Instead, the AAGR of 1.35 percent is used as a better predictor of future growth trends. Table 3.3 illustrates the projected growth in developed acres.

TABLE 3.3: PROJECTED GROWTH IN DEMAND UNITS

YEAR	DEVELOPED ACRES	NEW ACRES DEVELOPED
2012	1,765	
2013	1,789	24
2014	1,813	24
2015	1,837	24
2016	1,862	25
2017	1,887	25
2018	1,913	25
2019	1,938	26
2020	1,965	26
2021	1,991	26
2022	2,018	27
Total New Demand in IFFP Horizon:		**253**

LEVEL OF SERVICE STANDARDS

Impact fees cannot be used to finance an increase in the level of service to current or future users of capital improvements. Therefore, it is important to identify the storm water level of service to ensure that the capacities

of projects financed through impact fees do not exceed the established standard. The storm water level of service, as defined within the CFP, is identified below.

> The *Hydraulic Engineering Circular No. 22, Second Edition Urban Drainage Design Manual* describes a complete storm drain system as one including both major and minor systems. The minor system consists of the components including curbs, gutters, ditches, inlets, pipes, open channels, etc. The minor system is normally designed to carry runoff from the 10-year storm event. The major system provides overland relief for storm water flows exceeding the capacity of the minor system. This usually happens during more infrequent storm events such as the 50 and 100-year storms. The major storm drainage system consists of a combination of storm drain pipes and channelizing surface flows, including the streets and frontages within the right of way. The roadways in newly developed areas should be constructed lower than the adjacent lots, which allow roadways to convey the runoff exceeding the capacity of the minor system. This CFP analyzes the minor storm drainage system designed to handle the 10 -year storm event. ... The following design criteria are used in this (the CFP) study:
>
> - Pipe--Size: Storm drain pipes shall be a minimum of 15: as required by West Point City. The maximum pipe size is restricted to the water table level. It is recommended that the maximum pipe size be 42" based on necessary cover. Certain areas may allow for larger pipe or require smaller maximum diameter depending on the actual water table elevation.
> - Pipe--Slope: Pipe slopes that were used in the model were taken from the data gathered as part of the field survey. Future pipes were sized using an estimated 1% slope.
> - Flow Calculations: The Manning's Equation was used for flow calculations to analyze pipe capacity. For future concrete pipe flow calculations a Manning's Coefficient (n) of 0.012 was used.

In addition to the service standards outlined in the CFP, **West Point requires that all new development retain storm water with a maximum release rate of 0.2 cfs/acre.** This requirement helps equalize the demand for each development type. Development with greater impervious surface (and thus greater runoff potential) will retain more water on site, but will still release excess water into the storm system at a maximum rate of 0.2 cfs/acre. With this in mind, the storm system has been designed to handle maximum release per acre, which is the same for all development types. As a result, this impact fee analysis will be calculated per acre of developed property instead of per square foot of impervious surface.

SECTION 4: EXISTING FACILITIES INVENTORY

EXCESS CAPACITY

A buy-in component is contemplated for the storm water facilities that have sufficient capacity to handle new growth activity while maintaining safe and acceptable levels of service. Table 4.1 below shows the existing storm water facilities that the City's CFP has identified contain sufficient capacity to handle new growth. This inventory illustrates the system improvements which are relevant to the purposes of impact fees. Additionally, any facilities paid for with outside funding have been removed from the buy-in value for future growth. Outside funding would include grants, developer improvements, and funds other than City tax or user fee revenues.

TABLE 4.1: EXCESS CAPACITY IN EXISTING STORM WATER FACILITIES

STORM DRAIN LINE	% EXCESS CAPACITY	ESTIMATED VALUE OF EXCESS CAPACITY	% FUNDED FROM OTHER SOURCES	OTHER SOURCE	IMPACT FEE ELIGIBLE VALUE
2000 W (800 N - 200 S)	17%	$73,803	18%	UDOT	$60,211
300 N (3000 W - 2550 W)	10%	$23,321	0%		$23,321
3000 W (800 N - 200 S)	10%	$44,428	0%		$44,428
3500 W (550 N - 300 N)	48%	$97,074	0%		$97,074
3335 W (250 N - 200 S)	48%	$106,066	100%	Developer	$0
300 N (3830 W - 4000 W)	10%	$6,593	100%	Developer	$0
4000 W (700 N - 25 S)	48%	$198,041	0%		$198,041
300 N (4500 W - 5000 W)	21%	$56,266	40%	County	$33,760
1300 N (4300 W - 4500 W)	25%	$15,837	0%		$15,837
Total		**$621,429**			**$472,672**

Source: West Point City and West Point City Storm Drain Capital Facilities Plan 2011

VALUE OF EXISTING INFRASTRUCTURE

According to the City's records, the total value of the excess capacity in the storm drain system is $621,429. Because some of that infrastructure was paid for with non-City funds, only $472,672 will be counted as impact fee eligible for new growth buy-in. In the impact fee analysis, this capacity will be divided over all the estimated growth through buildout because it is backbone infrastructure and all future growth will benefit from the capacity.

MANNER OF FINANCING EXISTING PUBLIC FACILITIES

The City has funded existing facilities using several revenue sources including general fund revenues (property taxes, sales taxes, etc.), grants, donations, impact fee revenues and debt. In considering the funding of future facilities, the City has determined the portion of future projects that will be funded by impact fees as growth-related, system improvements. In addition, the City has identified the alternative funding mechanism related to future facilities, as discussed in the next section.

SECTION 5: CAPITAL FACILITY ANALYSIS

Impact fees cannot be used to finance an increase in the level of service to current or future users of capital improvements. Therefore, it is important to maintain the levels of service within the City that have historically been maintained. The future capital projects have been designed to maintain the existing level of service for future development, and repair and replacement projects have been excluded from the calculation of impact fees.

Table 5.1 summarizes the costs of future storm drain capital projects (the CFP provides a detailed description of the capital projects). The percentage of the total costs that is attributable to growth is based upon the proportionate share analysis that will serve new growth, as provided by the City. In total, $1,338,026 in growth-related projects will be needed during the IFFP planning horizon in order to maintain the current LOS.

TABLE 5.1: SUMMARY OF CAPITAL IMPROVEMENT PROJECTS

CFP PROJECT NUMBER	GARDNER PROJECT NUMBERS (SEE CFP BASIN NUMBERS SHEET)	PROJECT DESCRIPTION	PROJECT COST	% IMPACT FEE ELIGIBLE	COST TO NEW GROWTH
Short-Term Projects (6 Years; 2012-2018)					
8	S E-1-1	Detention Pond 1300 N 4200 W - Convert from Ex Retention Pond	$50,000	70%	$35,000
10-1	S F-1-3	1300 N (4000 W under Layton Canal) - 400 LF of 42" SD	$52,133	80%	$41,706
9-1	S F-1-5	4000 W (1800 N to Clinton Drain) - 2000LF of 42" SD	$260,664	70%	$182,465
15	S C-5-1	300 N (4000 W to 4500 W) - 1800 LF of 36" SD	$184,324	50%	$92,162
9-2	S F-1-4	4000 W (to1800 N) - 1800 LF of 42" SD	$234,598	70%	$164,218
4	B-1	4000 W (500 S to 700 S) - 1350 LF of 21"SD	$97,593	100%	$97,593
33	Regional Detention Area	Regional Detention Area (cost of land purchase)	$121,476	100%	$121,476
	Subtotal		**$1,000,787**		**$734,620**
Mid-Term Projects (10 Years; 2018-2022)					
5	S A-18-1; S A-18-2	4200 W (300 N to 200 S) - 275 LF of 18" SD; 2275 LF of 21" SD	$183,661	100%	$183,661
10-2	F-1-2; S F-1-3	1300 N (3200 W to 4000 W) - 2350 LF of 36" SD; 1800 LF of 36" SD	$372,836	80%	$298,269
33	Regional Detention Area	Regional Detention Area (cost of land purchase)	$121,476	100%	$121,476
	Subtotal		**$677,974**		**$603,406**
	Total		**$1,678,760**		**$1,338,026**

SYSTEM VS. PROJECT IMPROVEMENTS

System improvements are defined as existing public facilities designed to provide services to service areas within the community at large and future public facilities that are intended to provide services to service areas within the community at large.[5] Project improvements are improvements and facilities that are planned and designed to provide service for a specific development (resulting from a development activity) and considered

[5] 11-36a-102(20)

necessary for the use and convenience of the occupants or users of that development.[6] The Impact Fee Analysis may only include the costs of impacts on system improvements related to new growth within the proportionate share analysis.

FUNDING OF FUTURE FACILITIES

The IFFP must also include a consideration of all revenue sources, including impact fees and the dedication of system improvements, which may be used to finance system improvements.[7] In conjunction with this revenue analysis, there must be a determination that impact fees are necessary to achieve an equitable allocation of the costs of the new facilities between the new and existing users.[8] In considering the funding of future facilities, the City has determined the portion of future projects that will be funded by impact fees as growth-related, system improvements.

CONSIDERATION OF ALTERNATIVE FUNDING MECHANISMS

Property tax revenues are considered in this analysis as a funding source for capital projects. The City also charges a monthly storm system maintenance and construction fee. These revenues will be used to fund deficiencies and non-impact fee related projects. The revenues may also be used to fund growth-related projects, for which impact fees will reimburse.

The City has identified the projects that will be paid through general fund revenues. Specific grants or donations have not been contemplated in this IFFP. If additional grants become available, the impact analysis should be updated to reflect the grant monies received. A donor will be entitled to a reimbursement for the value of the improvements funded through impact fees if donations are made by new development.

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 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 issuing debt.

No financing costs are included in the calculation of the storm drain impact fees relative to funding of future capital improvements. Should the City incur additional cost as a result of the need to issue debt, the impact fee should be updated to account for this cost.

EQUITY OF IMPACT FEES

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

NECESSITY OF IMPACT FEES

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

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[6] 11-36a102(13)
[7] 11-36a-302(2)
[8] 11-36a-302(3)

SECTION 6: STORM DRAIN IMPACT FEE CALCULATION

The calculation of impact fees relies upon the information contained in this analysis. Impact fees are calculated based on many variables centered on proportionality and level of service.

PROPOSED STORM DRAIN IMPACT FEE

PLAN BASED (FEE BASED ON DEFINED CIP)

Impact fees can be calculated using a specific set of costs specified for future development. The improvements are identified in the IFFP, CFP or CIP as growth related projects. The total project costs are divided by the total demand units the projects are designed to serve. Under this methodology, it is important to identify the existing level of service and determine any excess capacity in existing facilities that could serve new growth.

STORM DRAIN IMPACT FEE CALCULATION

The total cost identified as growth related and funded is then applied to the total future developed acres served over the planning horizon. This results in a cost per developed acre of $4,204.

TABLE 4.1: ILLUSTRATION OF IMPACT FEE PER ACRE

STORM DRAIN PROPORTIONATE SHARE ANALYSIS	GROWTH RELATED COSTS	FUTURE DEVELOPED ACRES	COST PER ACRE
Buy-In Component	$472,672	2,991	$158
Future Storm Drain Projects	$1,338,026	253	$5,290
Professional Expenses	$4,500	253	$18
Impact Fee Fund Balance	($319,075)	253	($1,262)
Total	**$1,496,123**		**$4,204**

The cost per acre is then applied as shown below.

TABLE 4.2: PROPOSED IMPACT FEE

DEVELOPMENT TYPE	IMPACT FEE PER ACRE
Developed Acre (Residential , Commercial, or Industrial)	$4,204

NON-STANDARD IMPACT FEES

The City reserves the right under the Impact Fees Act to assess an adjusted fee that more closely matches the true impact that the land use will have upon public facilities.[9] This adjustment could result in a lower impact fee if the City determines that a particular user may create a different impact than what is standard for its land use.

CONSIDERATION OF ALL REVENUE SOURCES

The Impact Fees Act requires the proportionate share analysis to demonstrate that impact fees paid by new development are the most equitable method of funding growth-related infrastructure. See Section 5 for further discussion regarding the consideration of revenue sources.

EXPENDITURE OF IMPACT FEES

Legislation requires that impact fees should be spent or encumbered with six years after each impact fee is paid. Impact fees collected in the next five to six years should be spent only on those projects outlined in the IFFP as growth related costs to maintain the LOS.

PROPOSED CREDITS OWED TO DEVELOPMENT

The Impact Fees Act requires that credits be paid back to development for future fees that will pay for growth-driven projects included in the Impact Fee Facilities Plan that would otherwise be paid for through user fees.

[9] 11-36a-402(1)(c)

Credits may also be paid to developers who have constructed and donated facilities to that City that are included in the IFFP in-lieu of impact fees. This situation does not apply to developer exactions or improvements required to offset density or as a condition of development. Any project that a developer funds must be included in the IFFP if a credit is to be issued.

In the situation that a developer chooses to construct facilities found in the IFFP in-lieu of impact fees, the decision must be made through negotiation with the developer and the City on a case-by-case basis.

GROWTH-DRIVEN EXTRAORDINARY COSTS

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

SUMMARY OF TIME PRICE DIFFERENTIAL

The Impact Fees Act allows for the inclusion of a time price differential to ensure that the future value of costs incurred at a later date are accurately calculated to include the costs of construction inflation. While an inflation component may be included in the impact fee analysis to reflect the future cost of facilities, it is not considered in the cost estimates in this study. **The City may, by resolution, choose to include an annual inflation rate on projects or an annual inflation in the impact fee to account for the increase in capital costs over time.**

WEST POINT CITY, UTAH
ORDINANCE NO. 03-19-2013

AN ORDINANCE ADOPTING IMPACT FEE FACILITIES PLAN, AND WRITTEN ANALYSIS FOR STORM WATER IMPACT FEES; ENACTING IMPACT FEES; AND ESTABLISHING A SERVICE AREA FOR PURPOSES OF EQUITABLE DISTRIBUTION OF THE IMPACT FEE; AND RELATED MATTERS.

WHEREAS, West Point City (the *"City"*) is a political subdivision of the State of Utah, authorized and organized under the provisions of Utah law; and

WHEREAS, the City has previously enacted impact fees for storm water facilities; and

WHEREAS, the City has legal authority, pursuant to Title 11, Chapter 36a Utah Code, Annotated, as amended (*"Impact Fees Act"* or *"Act"*), to impose development impact fees as a condition of development approval, which impact fees are used to defray capital infrastructure costs attributable to growth activity related to qualified public facilities, as defined in the Act; and

WHEREAS, the City desires to assess storm water impact fees as a condition of development approval in order to appropriately assign capital infrastructure costs to development in an equitable and proportionate manner; and

WHEREAS, the City and impact fee consultants engaged by the City have reviewed and evaluated the City-Wide Service Area (the *"City Service Area"*) and has determined that it is fair and equitable to designate the City Service Area, which is contiguous with the City's municipal boundaries as the appropriate service area for purposes of the Impact Fee imposed (map included in Exhibit A); and

WHEREAS, the City and Lewis Young Robertson & Burningham, Inc. has completed the necessary impact fee facilities plan associated with storm water infrastructure, attached hereto in *Exhibit B: Storm Water Impact Fee Facilities Plan and Impact Fee Analysis;* and

WHEREAS, the City Council has directed Lewis Young Robertson & Burningham, Inc. to prepare an updated Written Impact Fee Analysis which is conducted consistent and in compliance with the Impact Fees Act (specifically 11-36a-301-305). Copies of said Written Impact Fee Analysis are included in *Exhibit B: Storm Water Impact Fee Facilities Plan and Impact Fee Analysis;*

NOW, THEREFORE, BE IT ORDAINED by the City Council of West Point City, State of Utah, as follows:

SECTION I: ADOPTION OF THE STORM WATER IMPACT FEE FACILITIES PLANS AND IMPACT FEE ANALYSES.

The City Council of West Point City hereby approves and adopts the written analysis entitled "Storm Water Impact Fee Facilities Plans and Impact Fee Analyses," dated January 2013, and the analysis reflected therein for each of the impact fees in question.

SECTION II: ADOPTION OF THE STORM WATER IMPACT FEE SCHEDULE

A. The fee schedule included herein represents the maximum impact fee which the City may impose on development within the defined Service Area and is based upon general demand characteristics and potential demand that can be created by each class of user. The City reserves the right as allowed by law to assess an adjusted fee to respond to unusual circumstances to ensure that fees are equitably assessed.

B. The City may decrease the impact fee if the developer can provide documentation that the proposed impact will be less than what could be expected given the type of user (Utah Code 11-36a-402(1)(d)).

C. The City reserves the right to establish the impact fees, as enacted in this Ordinance, by Rate Resolution or Consolidated Fee Schedule. In no event will the impact fees established by Resolution exceed the maximum supportable impact fee schedule.

D. The City hereby adopts the Storm Water Impact Fee as found in the West Point Storm Water IFFP & IFA and detailed below.

STORM WATER IMPACT FEE SCHEDULE

DEVELOPMENT TYPE	IMPACT FEE PER ACRE
DEVELOPED ACRE (RESIDENTIAL , COMMERCIAL, OR INDUSTRIAL)	$4,204

SECTION III: REPEAL OF EXISTING CHAPTER

The existing chapter 18.05 of the West Point City Code is hereby repealed.

SECTION IV: ADDITION OF CHAPTER 18.05 CAPTIONED "IMPACT FEES" TO TITLE 18 OF THE WEST POINT MUNICIPAL CODE,

Title 18. Land Use
Chapter 18.05.

IMPACT FEES

SECTIONS: **18.05.010** **PURPOSE**
18.05.020 **DEFINITIONS**
18.05.030 **WRITTEN IMPACT FEE ANALYSIS**

18.05.040 IMPACT FEE CALCULATIONS
18.05.050 IMPACT FEE FACILITIES PLAN
18.05.060 IMPACT FEE SCHEDULES AND FORMULAS
18.05.070 FEE EXCEPTIONS AND ADJUSTMENTS
18.05.080 APPEAL PROCEDURE

18.05.010: PURPOSE: This Impact Fee Ordinance establishes the City's impact fee policies and procedures and is promulgated pursuant to the requirements of the Utah Impact Fees Act. This Chapter establishes or re-enacts impact fees for public facilities within the respective service area, describes certain capital improvements to be funded by impact fees, provides a schedule of impact fees for differing types of land-use development, and sets forth direction for challenging, modifying and appealing impact fees.

18.05.020: DEFINITIONS:

Words and phrases that are defined in the Act shall have the same definition in this Chapter. The following words and phrases shall have the following meanings:

CITY:	A political subdivision of the State of Utah and is referred to herein as West Point City or the City.
DEVELOPMENT ACTIVITY:	Any construction or expansion of building, structure or use, any change in use of building or structure, or any change in the use of land that creates additional demand and need for public facilities. Development activity will include residential and commercial users who are not currently connected to any of the City's public facilities systems, but will be located within the City Service Area.
DEVELOPMENT APPROVAL:	Any written authorization from the City that authorizes the commencement of development activity.
ENACTMENT:	A municipal ordinance, for a municipality; a county ordinance, for a county; and a governing board resolution, for a local district, special service district, or private entity.
ENCUMBER:	A pledge to retire debt; or an allocation to a current purchase order or contract.
IMPACT FEE:	A payment of money imposed upon development activity as a condition of development approval. "Impact fee" includes development impact fees, but

does not include a tax, special assessment, hookup fee, building permit fee, fee for project improvements, or other reasonable permit or application fees.

IMPACT FEE ANALYIS: or "IFA" means the written analysis required by Section 11-36a-201 of the Act and is included in this ordinace by this reference and attached in Exhibit B.

IMPACT FEE FACILITIES PLAN: The plan required by Section 11-36a-301 of the Act.

PROJECT IMPROVEMENTS: Site improvements and facilities that are planned and designed to provide service for development resulting from a development activity and are necessary for the use and convenience of the occupants or users of development resulting from a development activity. "Project improvements" do not include "system improvements" as defined below.

PROPORTIONATE SHARE: An amount that is roughly proportionate and reasonably related to the service demands and needs of a development activity.

PUBLIC FACILITIES: Means only the following capital facilities that have a life expectancy of 10 or more years and are owned or operated by or on behalf of the City:

1. Water rights and water supply, treatment, and distribution facilities;

2. Wastewater collection and treatment facilities;

3. Storm water, drainage, and flood control facilities;

4. Roadway facilities;

5. Parks, recreation facilities, open space, and trails; and

6. Public safety facilities.

SERVICE AREA: A geographic area designated by the City based on sound planning and engineering principles in which

a defined set of the City's public facilities provides service.

SYSTEM IMPROVEMENTS: Both existing public facilities designed to provide services within the Service Area and future public facilities identified in a reasonable plan for capital improvements adopted by the City that are intended to provide service to the Service Area. "System improvements" do not include "Project improvements" as defined above.

18.05.030: WRITTEN IMPACT FEE ANALYSIS:

A. EXECUTIVE SUMMARY: A summary of the findings of the Written Impact Fee Analysis that is designed to be understood by a lay person is included in each of the Impact Fee Facilities Plans and Impact Fee Analyses and demonstrates the need for impact fees to be charged. The Impact Fee Facilities Plans and Impact Fee Analyses are available for review at City Hall. A copy of the Executive Summaries have been available for public inspection at least ten (10) days prior to the adoption of this Chapter.

B. WRITTEN IMPACT FEE ANALYSIS: The City has prepared Impact Fee Facilities Plans and Impact Fee Analyses that identify the impacts upon public facilities required by the development activity and demonstrates how those impacts on system improvements are reasonably related to the development activity, estimates the proportionate share of the costs of impacts on system improvements that are reasonably related to the development activity and identifies how the impact fees are calculated. A copy of the Impact Fee Facilities Plans and Impact Fee Analyses has been available for public inspection at least fourteen (10) days prior to the adoption of this Ordinance.

C. PROPORTIONATE SHARE ANALYSIS: The City must prepare a Proportionate Share Analysis which analyzes whether or not the proportionate share of the costs of future public facilities is reasonably related to new development activity. The Proportionate Share Analysis must identify the costs of existing Public Facilities, the manner of financing existing Public Facilities, the relative extent to which new development will contribute to the cost of existing facilities and the extent to which new development is entitled to a credit for payment towards the costs of new facilities from general taxation or other means apart from user charges in other parts of the City. A copy of the Proportionate Share Analysis is included in the Impact Fee Facilities Plans and Impact Fee Analyses and has been available for public inspection at least ten (10) days prior to the adoption of this Chapter.

18.05.040: IMPACT FEE CALCULATIONS:

A. The City Council approves impact fees in accordance with the Written Impact Fee Analyses.

1. In calculating the impact fee, the City has included the construction costs, land acquisition costs, costs of improvements, fees for planning, surveying, and engineering services provided for and directly related to the construction of system improvements, and debt service charges if the City might use impact fees as a revenue stream to pay principal and interest on bonds or other obligations to finance the cost of system improvements.

2. The City has held the required public hearing and a copy of the Ordinance adopting this Chapter was available in its substantially final form at City Hall 3200 West 300 North and the City Recorder's Office in the West Point City, City Hall at least ten (10) days before the date of the hearing, all in conformity with the requirements of Utah Code annotated 10-9a-205.

3. This Ordinance adopting or modifying an impact fee will contain such detail and elements as deemed appropriate by the City Council, including a designation of the service area within which the impact fees are to be calculated and imposed. The City Service Area will be the service area included in this analysis, which is defined as all of the areas within the corporate limits and jurisdictional boundaries of the City.

4. The standard impact fee may be adjusted at the time the fee is charged in response to unusual circumstances or to fairly allocate costs associated with impacts created by a development activity or project. The standard impact fee may also be adjusted to ensure that impact fees are imposed fairly for affordable housing projects, in accordance with the City's affordable housing policy, and other development activities with broad public purposes. The impact fee assessed to a particular development may also be adjusted should the developer supply sufficient written information and/or data to the City showing a discrepancy between the fee being assessed and the actual impact on the system.

5. To the extent that new growth and development will be served by previously constructed improvements, the City's impact fees may include public facility costs and outstanding bond costs related to the public facilities improvements previously incurred by the City. These costs may include all projects included in the Impact Fee Facilities Plan which are under construction or completed but have not been utilized to their capacity, as evidenced by outstanding debt obligations. Any future debt obligations determined to be necessitated by growth activity will also be included to offset the costs of future capital projects.

B. A developer, including a school district or charter school, may be allowed a credit against impact fees for any dedication of land for system improvements, a dedication of a public facility that will result in a reduced need for system improvements, or improvement to land or new construction of system improvements provided by the developer *provided* that it is (i) identified in the City's Impact Fee Facilities Plan and (ii) required by the City as a condition of approving the development activity. Otherwise, no credit may be given.

C. The City will establish separate interest-bearing ledger accounts for each type of public facility for which an impact fee is promulgated in accordance with the requirements of the Impact Fees Act and deposited in the appropriate ledger account. Interest earned on each fund or account shall be segregated to that account. Impact fees collected prior to the effective date of this Chapter need not meet the requirements of this section.

1. At the end of each fiscal year, the City shall prepare a report on each fund or account generally showing the source and amount of all monies collected, earned and received by the fund or account and each expenditure from the fund or account.

2. The City may expend impact fees covered by the Impact Fee Policy only for system improvements that are (i) public facilities identified in the City's Impact Fee Facilities Plan and (ii) of the specific public facility type for which the fee was collected.

3. Impact fees collected pursuant to the requirements of this Impact Fees Policy are to be expended, dedicated or encumbered for a permissible use within six years of the receipt of those funds by the City, unless the City Council directs otherwise. For purposes of this calculation, the first funds received shall be deemed to be the first funds expended.

4. The City may hold previously dedicated or unencumbered fees for longer than six years if it identifies in writing (i) an extraordinary and compelling reason why the fees should be held longer than six years and (ii) an absolute date by which the fees will be expended.

D. The City shall refund any impact fees paid by a developer plus interest actually earned when (i) the developer does not proceed with the development activity and files a written request for a refund; (ii) the fees have not been spent or encumbered; and (iii) no impact has resulted. An impact that would preclude a developer from a refund from the City may include any impact reasonably identified by the City, including, but not limited to, the City having sized facilities and/or paid for, installed and/or caused the installation of facilities based in whole or in part upon the developer's planned development activity even though that capacity may, at some future time, be utilized by another development.

E. The impact fees authorized hereby are separate from and in addition to user fees and other charges lawfully imposed by the City and other fees and costs that may not be included as itemized component parts of the Impact Fee Schedule. In charging any such fees as a condition of development approval, the City recognizes that the fees must be a reasonable charge for the service provided.

F. Unless the City is otherwise bound by a contractual requirement, the impact fee shall be determined from the fee schedule in effect at the time of payment in accordance with the provisions of Section VI below.

G. The City will collect the impact fees at the time of building permit issuance. The fees will be calculated by the City.

H. Should any developer undertake development activities such that the ultimate density or other impact of the development activity is not revealed to the City, either through inadvertence, neglect, a change in plans, or any other cause whatsoever, and/or the impact fee is not initially charged against all units or the total density within the development, the City shall be entitled to charge an additional impact fee to the developer or other appropriate person covering the density for which an impact fee was not previously paid.

18.05.050: IMPACT FEE FACILITIES PLAN:

A. The City has developed an Impact Fee Facilities Plan for each public facility, when required by State law. The Impact Fee Facilities Plan has been prepared based on reasonable growth assumptions for the City and general demand characteristics of current and future users of the public facilities. Furthermore, the Impact Fee Facilities Plan identifies the impact on system improvements created by development activity and estimates the proportionate share of the costs of impacts on system improvements that are reasonably related to new development activity.

18.05.060: IMPACT FEE SCHEDULES AND FORMULAS:

A. The fee schedules included in the impact fee analyses, as adopted by ordinance, and adopted herein by reference, represents the maximum impact fees which the City may impose on development within the defined Service Area and are based upon general demand characteristics and potential demand that can be created by each class of user. The City reserves the right as allowed by law to assess an adjusted fee to respond to unusual circumstances to ensure that fees are equitably assessed.

B. The City may decrease the impact fee if the developer can provide documentation that the proposed impact will be less than what could be expected given the type of user (Utah Code 11-36a-402(1)(d)).

C. The City reserves the right to establish the impact fees, that were enacted by ordinance, by Rate Resolution or Consolidated Fee Schedule. In no event will the impact fees established by Resolution exceed the maximum supportable impact fee schedule.

18.05.070: FEE EXCEPTIONS AND ADJUSTMENTS:

A. The City may adjust the impact fees imposed pursuant to this Chapter as necessary in order to:

1. Respond to unusual circumstances in specific cases;

2. Ensure that the impact fees are imposed fairly;

3. Ensure that the fee represents the proportionate share of the costs of providing such facilities which are reasonably related to and necessary in order to provide the services in question to anticipated future growth and development activities;

4. Allow credits against impact fees for dedication of land for improvement to or new construction of any system improvements which are identified in the Capital Facilities Plan and required by the City as a condition of approving the development activity. No credits shall be given for project improvements. The determination of what constitutes a project improvement will, of necessity, vary somewhat depending on the specific facts and circumstances presented by the nature, size and scope of any particular development activity. All new development activity will be required to install site improvements and facilities which are reasonably necessary to service the proposed development at adopted level of service standards; and

5. Exempt low income housing and other development activities with broad public purposes from impact fees and establish one or more sources of funds other than impact fees to pay for that development activity.

B. The Mayor or his designee shall have the authority to make such adjustments based upon reliable information submitted by an applicant and any recommendation from the City staff.

C. The Mayor may enforce policies consistent with this Chapter and any resolutions passed by the City Council to assist in the implementation, administration and interpretation of this ordinance related to impact fees.

D. If the applicant, person, or entity is not satisfied with the decision of the City, a further appeal may be made under the procedures set forth in UCA§11-36a-703.

SECTION IV. SEVERABILITY

If any section, subsection, paragraph, clause or phrase of this Impact Fee Policy shall be declared invalid for any reason, such decision shall not affect the remaining portions of this Impact Fee Policy, which shall remain in full force and effect, and for this purpose, the provisions of this Impact Fee Policy are declared to be severable.

SECTION V. EFFECTIVE DATE

This ordinance shall take effect 90 days after the day on which the impact fee enactment is approved, as required by law, including publication of a summary, deposited and recorded in the office of the City Recorder, and accepted as required herein.

PASSED AND ADOPTED BY THE MUNICIPAL COUNCIL OF WEST POINT CITY, STATE OF UTAH, THIS _____ DAY OF _____, 2013.

WEST POINT CITY COUNCIL

By: _____
Erik Craythorne, Mayor

[SEAL]

VOTING:

Jerry Chatterton	Yea ___	Nay ___
Andy Dawson	Yea ___	Nay ___
Kent Henderson	Yea ___	Nay ___
Gary L. Petersen	Yea ___	Nay ___
Roger Woodward	Yea ___	Nay ___

ATTEST:

By_____
Misty Rogers, City Recorder

DEPOSITED in the office of the City Recorder this _____ day of _____, 2013.

RECORDED this _____ day of _____, 2013.

EXHIBIT A
MAP OF THE CITY SERVICE AREA

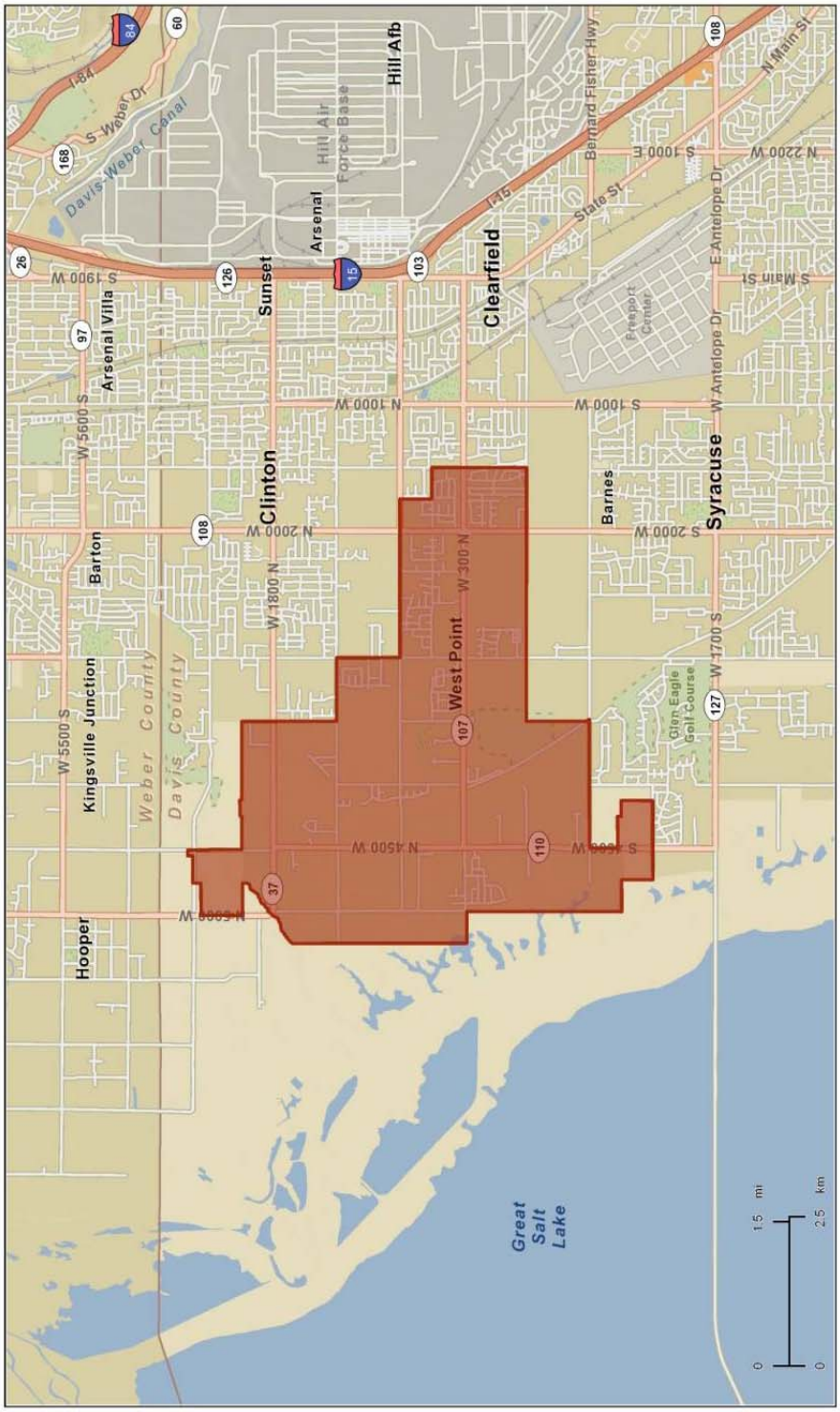

EXHIBIT B

IMPACT FEE FACILITIES PLAN AND IMPACT FEE ANALYSIS