

GENERAL IMPACT FEE DISCUSSION & 2020 CULINARY WATER IMPACT FEE UPDATE

WILLARD CITY, UTAH

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

OCTOBER 2020



PURPOSE OF IMPACT FEES



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- Identify the anticipated impact on or **consumption of any existing capacity** of a **public facility** by anticipated development activity.
- Identify the anticipated impact on system improvements required by the anticipated development activity to **maintain the established level of service** for each public facility.
- Demonstrate how the anticipated impacts are reasonably related to the anticipated development activity through a **proportionate share analysis**.

INTRODUCTION TO IMPACT FEES

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- Qualified **Public Facilities**:
 - Water rights and water supply, treatment, storage, and distribution facilities;
 - Wastewater collection and treatment facilities;
 - Storm water, drainage, and flood control facilities;
 - Municipal power facilities;
 - Roadway facilities;
 - Parks, recreation facilities, open space, and trails;
 - Public safety facilities;
 - Environmental mitigation as provided in Section 11-36a-205; or
 - Municipal natural gas facilities.

INTRODUCTION TO IMPACT FEES

- **"Public safety facility" means:**
 - a building constructed or leased to house police, fire, or other public safety entities; or
 - a fire suppression vehicle costing in excess of \$500,000.
 - "Public safety facility" does not mean a jail, prison, or other place of involuntary incarceration.
- **"Roadway facilities" means:**
 - a street or road that has been designated on an officially adopted subdivision plat, roadway plan, or general plan of a political subdivision, together with all necessary appurtenances.
 - "Roadway facilities" includes associated improvements to a federal or state roadway only when the associated improvements:
 - are necessitated by the new development; and
 - are not funded by the state or federal government.
 - "Roadway facilities" does not mean federal or state roadways.

INTRODUCTION TO IMPACT FEES

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- Before imposing an impact fee, each local political subdivision or private entity shall prepare:



IMPACT FEE FACILITIES PLAN (IFFP)

Identifies the demands placed upon existing facilities by future development and evaluates how these demands will be met. Outlines the improvements which are intended to be funded by impact fees.



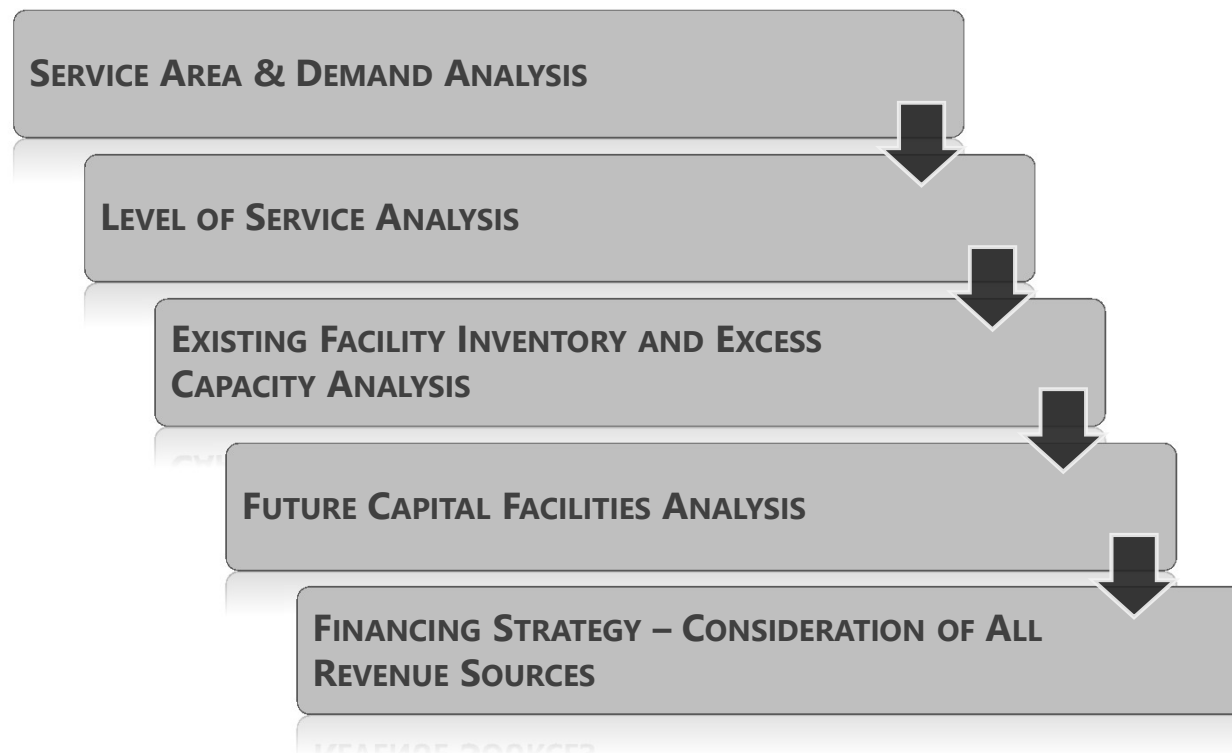
IMPACT FEE ANALYSIS (IFA)

Proportionately allocates the cost of the new facilities and any excess capacity to new development, while ensuring that all methods of financing are considered.

INTRODUCTION TO IMPACT FEES

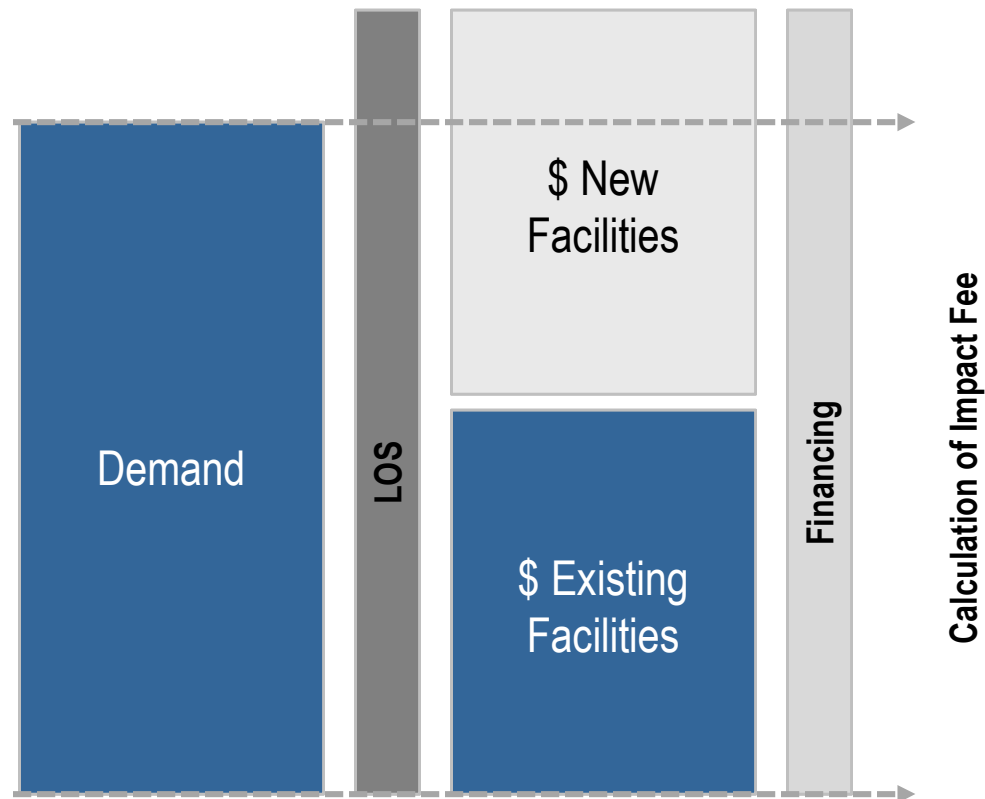
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- The following elements are important considerations when completing an IFFP and IFA:



PROPORTIONATE SHARE ANALYSIS SUMMARY

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IMPACT FEE PROCESS

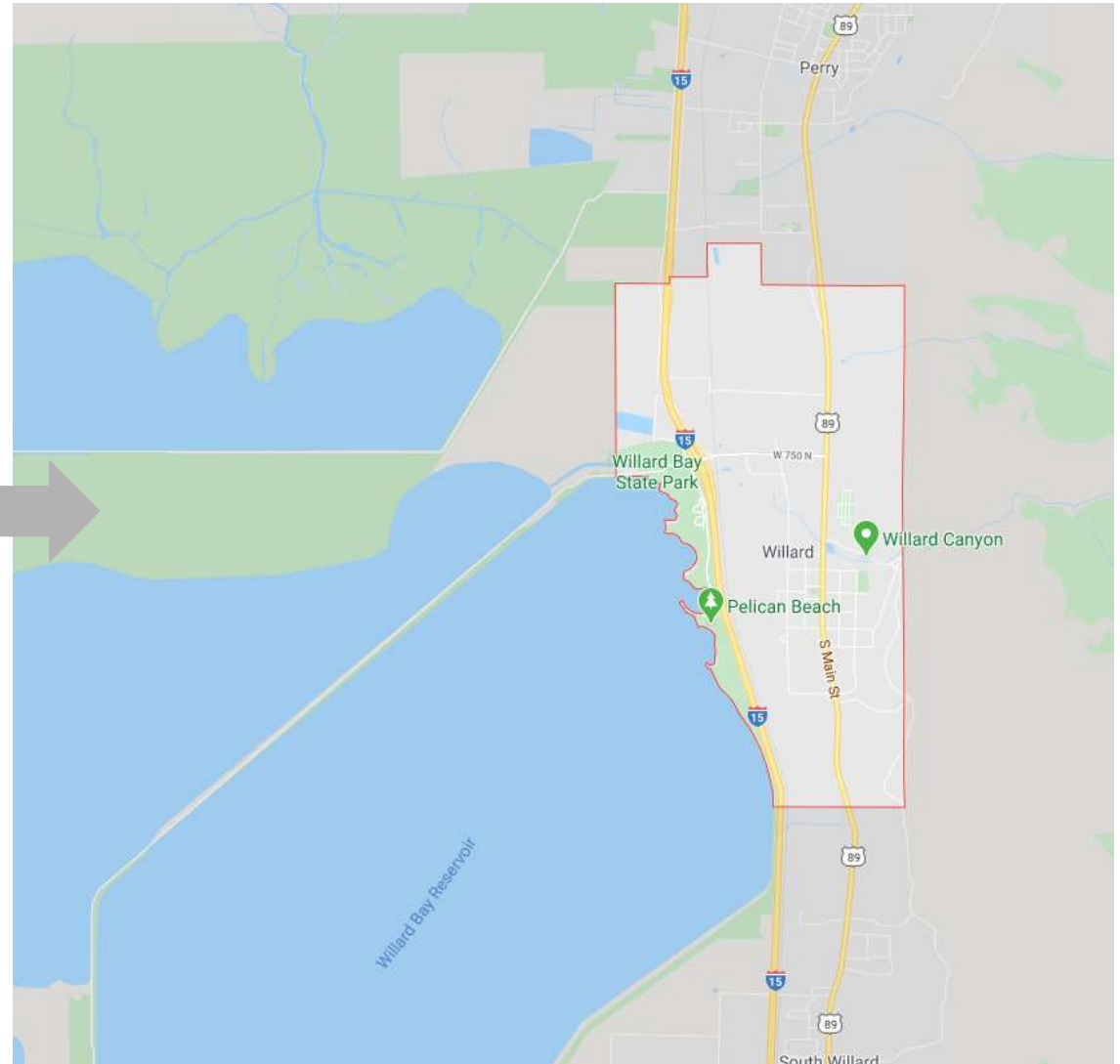
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IMPACT FEE ANALYSIS

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Service Area:
Entire Water
Company
boundaries



IMPACT FEE ANALYSIS

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□ DEMAND ANALYSIS:

▣ 781 Estimated Existing ERCs

▣ New ERCs in planning horizon (Based on Substantial New Development)

ERCs	Total	Source	Storage	Distribution
Existing ERCs	781	781	781	781
New ERCs in IFFP Window	1,095	1,095	861	1,095
2030 ERCs	1,876	1,876	1,642	1,876
Buildout ERCs	2,954			

According to the City, the ERCs associated with the Blue Ox Development will not utilize the City's storage infrastructure. In addition, the Valley Estates Development will not use the City's source, storage, or distribution infrastructure.

IMPACT FEE ANALYSIS

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□ EXISTING FACILITIES:

EXISTING SOURCE

SOURCE	Est. FLOW	Act. FLOW
	gpm	gpm
1936 Well (Irrigation)	325	-
1995 Well (WS004)	1,140	850
2003 North Well (WS007)	1,773	700
Upper Spring (WS003)	1,346	250
TOTAL	4,584	1,800
AFTER EST. LOSS	4,263	1,674
Current ERCs	781	781
Provided LOS per ERC (After LOSS)	5.46	2.14

CFP Pg. 12 Table 4.1, Jones & Associates

EXISTING STORAGE

Location	Storage Volume
	gal
Upper Tank	500,000
Lower Tank #1	400,000
Lower Tank #2	200,000
New Reservoir	550,000
Total	1,650,000
Less Fire	330,000
Available	1,320,000
Current ERCs	781
Provided LOS per ERC	1,690

CFP Pg. 16 Table 5.1, Jones & Associates

IMPACT FEE ANALYSIS

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□ LEVEL OF SERVICE

Actual Existing LOS	Provided	Proposed	IFA LOS	Unit
Source	2.14	1.51	1.51	gpm/ERC
Storage	1,690	1,084	1,084	gal/ERC
Distribution	• 20 psi fire flow and fire demand experienced during peak day demand • 30 psi during peak instantaneous demand • 40 psi during peak day demand			

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

A proposed level of service may:

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

IMPACT FEE ANALYSIS

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□ EXCESS CAPACITY (BUY IN)

SOURCE

	GPM
Existing Source Capacity	1,674
Required for Existing Dev to Maintain LOS	1,177
Excess Capacity	497
Required for New Dev to Maintain LOS	1,650
Additional Source Needed for IFA	1,153
Based on Well Improvement	
Total Capacity (GPM)	1,674
Total Excess Capacity (GPM)	497
Required for New Dev to Maintain LOS (GPM)	417
% of Total	30%
ERCs Served With Excess Capacity	330
Remaining ERCs to Serve	765
Value of Source System	\$330,120
% to New Growth	30%
Value to New Growth	\$97,988

STORAGE

	Gallons
Existing Storage Capacity	1,320,000
Required for Existing Dev to Maintain LOS	846,624
Excess Capacity	473,376
Required for New Dev to Maintain LOS	933,000
Additional Storage Needed for IFA	459,624
Based on Storage Improvement	
Total Capacity (Most Recent Improvement) (Gallons)	550,000
Total Excess Capacity (Gallons)	473,376
Required for New Dev to Maintain LOS (Gallons)	933,000
% of Total	86%
ERCs Served With Excess Capacity	437
Remaining ERCs to Serve	424
Value of Storage System	\$801,762
% to New Growth	86%
Value to New Growth	\$690,064

IMPACT FEE ANALYSIS

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□ EXCESS CAPACITY (BUY IN)

DISTIRBUTION

Based on Source LOS	Gallons
Total System Capacity	2,954
IFFP ERCs	1,095
% of Total	37%
Value of Distribution System	\$3,282,574
% to New Growth	37%
Value to New Growth	\$1,216,797

IMPACT FEE ANALYSIS

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□ EXISTING FACILITIES: 2013 WATER REVENUE REFUNDING BONDS

Fiscal Year	Interest Rate	Principal	Interest	Total
2019	1.50%	\$16,000	\$9,936	\$25,936
2020	1.75%	\$16,000	\$9,696	\$25,696
2021	2.00%	\$17,000	\$9,416	\$26,416
2022	2.15%	\$17,000	\$9,076	\$26,076
2023	2.40%	\$17,000	\$8,711	\$25,711
2024	2.75%	\$18,000	\$8,303	\$26,303
2025	3.00%	\$18,000	\$7,807	\$25,807
2026	3.25%	\$19,000	\$7,268	\$26,268
2027	3.50%	\$20,000	\$6,650	\$26,650
2028	3.75%	\$20,000	\$5,950	\$25,950
2029	4.00%	\$21,000	\$5,200	\$26,200
2030	4.25%	\$22,000	\$4,360	\$26,360
2031	4.50%	\$23,000	\$3,425	\$26,425
2032	4.75%	\$24,000	\$2,390	\$26,390
2033	5.00%	\$25,000	\$1,250	\$26,250
Total		\$293,000	\$99,438	\$392,438

IMPACT FEE ANALYSIS



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- **FUTURE FACILITIES: CAPACITY NEEDED FOR 10-YEAR DEMAND**
 - BASED ON SUBSTANTIAL GROWTH, THE CITY WILL NEED TO CONSTRUCT NEW SOURCE, STORAGE, AND DISTRIBUTION FACILITIES.

IMPACT FEE ANALYSIS

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□ FUTURE FACILITIES: SOURCE

Project #	Project Description	2020	Replacement/ Deficiency	Impact Fee Eligible	Developer Cost
2	Replace pump at 1962/1995 well to increase pumping rate to 1,000 gpm	\$68,295	100%	25%	0%
3	Rehabilitate existing spring to increase flow	\$102,443	100%	0%	0%
6	Install generators for back-up power at Control Building and Wells	\$217,179	100%	0%	0%
17	Develop additional water sources by drilling new well(s)	\$956,136	0%	100%	0%
	Total	\$1,344,054			

IMPACT FEE ANALYSIS

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□ FUTURE FACILITIES: SOURCE

Project #	Project Description	Replacement/ Deficiency	Impact Fee Eligible	Developer Cost	Cost in IFFP Horizon	Capacity (GPM)
2	Replace pump at 1962/1995 well to increase pumping rate to 1,000 gpm	\$68,295	\$17,074	-	\$17,074	150
3	Rehabilitate existing spring to increase flow	\$102,443	-	-	-	-
6	Install generators for back-up power at Control Building and Wells	\$217,179	-	-	-	-
17	Develop additional water sources by drilling new well(s)	-	\$956,136	-	\$956,136	700
	Total	\$387,918	\$973,210	-	\$973,210	850

IMPACT FEE ANALYSIS

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□ FUTURE FACILITIES: STORAGE

Project #	Project Description	2020	Replacement/ Deficiency	Impact Fee Eligible	Developer Cost
1	Construct new 0.5 MG tank for lower pressure zone	\$672,027	0%	100%	0%
11	Repair or replace Lower Tank #1	\$639,245	100%	0%	0%
18	Construct new 0.25 MG tank for upper pressure zone	\$415,236	0%	100%	0%
19	Construct new 1.15 MG tank(s) for lower pressure zone	\$1,405,520	0%	100%	0%
	Total	\$3,132,029			

IMPACT FEE ANALYSIS

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□ FUTURE FACILITIES: STORAGE

Project #	Project Description	Replacement/ Deficiency	Impact Fee Eligible	Developer Cost	Cost in IFFP Horizon	Capacity (Gallons)
1	Construct new 0.5 MG tank for lower pressure zone	-	\$672,027	-	\$672,027	500,000
11	Repair or replace Lower Tank #1	\$639,245	-	-	-	
18	Construct new 0.25 MG tank for upper pressure zone	-	\$415,236	-	\$415,236	250,000
19	Construct new 1.15 MG tank(s) for lower pressure zone	-	\$1,405,520	-	\$1,405,520	1,150,000
	Total	\$639,245	\$2,492,783	-	\$2,492,783	1,900,000

IMPACT FEE ANALYSIS

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□ FUTURE FACILITIES: DISTRIBUTION

#	Project Description	2020 Cost	Replacement/ Deficiency	Impact Fee Eligible	Developer Cost
4	Replace existing water line on 200 E from Center St to 200 South	258,293	100%	0%	0%
5	Replace old valve with new Pressure Reducing Valve in Control Building	13,659	100%	0%	0%
7	Upsize existing water line to 10" line 750 North from Main St to 600 West	791,462	85%	15%	0%
8	Upsize water line to 8" line on Main St. from 500 North to 850 North	494,459	90%	10%	0%
9	Install 8" line on 200 West from 550 North to 750 North	234,117	0%	0%	100%
10	Install new 8" water line from Hargis Hill to Main St.	87,418	100%	0%	0%
12	Upsize water line to 8" on Main St. from 550 South to South City Limit	639,464	97%	3%	0%
13	Upsize existing 6" lines to 8" lines throughout City as funds allow	4,838,049	100%	0%	0%
14	Emergency connections with neighboring water systems	102,443	100%	0%	0%
15	Install 12" line from Control Building to 300 East 300 North	216,497	0%	100%	0%
16	Install 12" line on 300 East from 300 North to 1650 North	1,454,693	0%	33%	67%
20	Install pressurized irrigation system within City to eliminate need for culinary water outdoor use	-	0%	100%	0%
Total		\$9,130,554			

IMPACT FEE ANALYSIS

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□ FUTURE FACILITIES: DISTRIBUTION

Project #	Project Description	Replacement/ Deficiency	Impact Fee Eligible	Developer Cost	Cost in IFFP Horizon
4	Replace existing water line on 200 E from Center St to 200 South	258,293	-	-	-
5	Replace old valve with new Pressure Reducing Valve in Control Building	13,659	-	-	-
7	Upsize existing water line to 10" line 750 North from Main St to 600 West	672,743	118,719	-	118,719
8	Upsize water line to 8" line on Main St. from 500 North to 850 North	445,013	49,446	-	49,446
9	Install 8" line on 200 West from 550 North to 750 North	-	-	234,117	-
10	Install new 8" water line from Hargis Hill to Main St.	87,418	-	-	-
12	Upsize water line to 8" on Main St. from 550 South to South City Limit	617,683	21,781	-	21,781
13	Upsize existing 6" lines to 8" lines throughout City as funds allow	4,838,049	-	-	-
14	Emergency connections with neighboring water systems	102,443	-	-	-
15	Install 12" line from Control Building to 300 East 300 North	-	216,497	-	216,497
16	Install 12" line on 300 East from 300 North to 1650 North	-	480,049	974,644	480,049
20	Install pressurized irrigation system within City to eliminate need for culinary water outdoor use	-	-	-	-
	Total	\$7,035,301	\$886,492	\$1,208,760	\$886,492

PROPORTIONATE SHARE

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□ PROPORTIONATE SHARE ANALYSIS: WITH DEBT

	Cost to IFFP	% to IFA	Cost to IFA	ERCs Served	Cost per ERC
Buy In					
Source	\$330,120	30%	\$97,988	894	\$110
Storage	\$801,762	86%	\$690,064	861	\$801
Distribution	\$3,282,574	37%	\$1,216,797	1,095	\$1,111
Future Facilities					
Source	\$973,210	100%	\$973,210	894	\$1,089
Storage	\$2,492,783	38%	\$940,194	861	\$1,092
Proposed Financing Cost*	\$482,963	38%	\$182,157	861	\$212
Distribution	\$886,492	50%	\$446,773	1,095	\$408
Professional Expense	\$6,600	100%	\$6,600	1,095	\$6
Total Fee per ERC					\$4,828
Current Fee					\$3,618
% Change					33.4%
Revenues Generated from New Growth					\$4,157,096

*Assumes Bonding 20-year maturity for \$2M, with 2% interest and 1.5% cost of issuance.

IMPACT FEE ANALYSIS

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□ EXPLANATION OF FEE CHANGE

- ASSUMES HIGH GROWTH – WITH ANNEXATION AREAS
 - LYRB WAS INITIALLY DIRECTED TO EXCLUDE ANNEXATION AREAS.
 - THIS RESULTED IN AN IMPACT FEE PRIMARILY BASED ON BUY-IN.
 - HIGH GROWTH WILL RESULT IN AN INCREASE TO THE FEE. BUT THE CITY WOULD NEED TO COMMIT TO BUILDING INFRASTRUCTURE TO SERVE THE ANNEXATION AREAS.
 - ADDITIONALLY, THE CITY WOULD NEED TO CONSIDER HOW NEW FACILITIES WOULD BE FINANCED.
- BUY-IN ANALYSIS ASSUMES ORIGINAL VALUE OF EXISTING FACILITIES
 - THE 2002 STUDY USED REPLACEMENT VALUE WHICH IS NOT ALLOWED.
- CURRENT STUDY INCLUDES SYSTEM IMPROVEMENTS ADDED SINCE 2002
- 2020 ANALYSIS REMOVES DEBT “CREDIT” APPLIED IN 2002 STUDY

NEXT STEPS



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- ☐ Notice Public Hearing
- ☐ Hold Public Hearing
- ☐ Adopt, Modify or Reject Culinary IFA
- ☐ 90 Day Wait Period for Any Increase

ADDITIONAL IMPACT FEE ANALYSIS



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- Additional Fees: Roadways, Parks, Fire, Police
 - Engineering Analysis to Identify Capital Needs
 - Evaluate LOS
 - Identify Excess Capacity
 - Conduct Proportionate Share Analysis

QUESTIONS