

City of Moab



DRAFT Storm Water Impact Fee Analysis

CITY OF
MOAB
UTAH



Table of Contents

Executive Summary	3
Background Information	3
Impact on Consumption of Existing Capacity	3
Impact on System Improvements by Anticipated New Development.....	3
Proportionate Share Analysis and Impact Fee Calculation	4
Overview of the Storm Water Impact Fees	5
Summary	5
Costs to be Included in the Impact Fee	5
Utah Code Legal Requirements	5
Notice of Intent to Prepare Impact Fee Analysis	5
Preparation of Impact Fee Analysis	5
Calculating Impact Fees.....	6
Certification of Impact Fee Analysis	6
Impact Fee Enactment	6
Impact from Growth Upon the City’s Facilities and Level of Service	7
Storm Water Service Area	7
Growth in Demand	7
Existing and Proposed Level of Service Analysis	7
Impact on Capacity from Development Activity.....	8
Existing Capacity.....	8
System Improvements Required from Development Activity	8
Impact on System Improvements by Anticipated New Development.....	8
Relation of Anticipated Development Activity to Impacts on System Improvements.....	9
Proportionate Share Analysis	10
Maximum Legal Storm Water Impact Fee per Acre	10
Buy-in to Existing, Excess Capacity	10
New Construction.....	10
Consultant Costs.....	10
Impact Fee Fund Balance	10
Credits for Projects Benefitting Existing Development.....	10
Summary of Impact Fees.....	11
Manner of Financing, Credits, Etc.	12



Impact Fee Credits..... 13
Extraordinary Costs and Time Price Differential..... 13
Certification..... 13

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Executive Summary

Background Information

Zions Public Finance, Inc. (ZPFI) has prepared this Impact Fee Analysis (IFA) for the calculation of appropriate storm water impact fees in Moab (the “City”). This IFA relies on Moab’s Storm Water Impact Fee Facilities Plan (“IFFP”) prepared by J-U-B Engineers, Inc. regarding current system capacity and future storm water capital facility needs, cost, and timing.

An impact fee is a one-time fee imposed on new development activity to mitigate the impact of new development on capital facilities. The recommended impact fee structure presented in this analysis has been prepared to satisfy the Impact Fees Act, Utah Code Ann. § 11-36a-101 et. seq., and represents the maximum impact fees that the City may assess. The City will be required to use revenue sources other than impact fees to fund any projects that constitute repair and replacement, cure any existing deficiencies, or increase the level of service for existing users.

Service Area. There is one service area in the City for the purpose of calculating storm water impact fees.

Level of Service. According to the IFFP, currently the City services 1,080 developed acres. According to the IFFP, the current service level is 0.2 cfs per acre.

Growth Projections. By 2032, the City is expected to grow by 250 developed acres, or an average of 25 acres per year. This growth will require the construction of new infrastructure to maintain existing levels of service.

Other Costs. Other eligible costs include the cost of preparing the Storm Water IFA.

Credits for Projects that Benefit Existing Development. The IFFP identifies a portion of the new construction costs that will benefit existing development. Therefore, a credit must be made so that new development does not pay twice – once in the form of impact fees and then again through higher taxes over time to pay for the portion of the system improvements that benefit existing development.

Credits for Outstanding Bonds. The City does not currently have any outstanding bonds used to pay for storm water improvements.

Impact on Consumption of Existing Capacity

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

The IFFP does not identify any existing, excess capacity. Therefore, new improvements are necessary to meet the demands of new development.

Impact on System Improvements by Anticipated New Development

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

The City has determined to maintain its current level of storm water service and therefore new improvements to the system are needed. The system improvements needed to serve the needs of new

development over the next 10 years have been identified at a total cost of \$7,682,421, of which \$1,755,737 can be attributed to new development over the next 10 years. Existing development will benefit from \$5,829,473 of the costs, with the remaining \$97,211 attributable to development after 10 years.¹

Proportionate Share Analysis and Impact Fee Calculation

Utah Code 11-36a-304(1)(d) and (e) and (2)(a) and (b)

New development will be required to pay for its fair share of the construction of new system improvements necessitated by new development, as well as consultant costs.

TABLE 1: SUMMARY OF 2023 MAXIMUM IMPACT FEE PER ACRE

Category	Cost per Acre
New Construction	\$8,515.12
Consultant Costs	\$82.00
Gross Fee before Credits	\$8,597.12
Credits for Deficiencies - 2023	(\$3,085.39)
Max Fee 2023 per Acre	\$5,511.73

The maximum allowable impact fee changes each year in the table below to account for the credits due from the construction costs that benefit existing development.

TABLE 2: SUMMARY OF MAXIMUM IMPACT FEE, 2023-2042

Year	Payment	Acres	Payment per Acre	NPV*	Gross Fee	Max Fee per Year per Acre
2023	\$318,822	1,105	\$288.53	\$3,085.39	\$8,597.12	\$5,511.73
2024	\$318,822	1,130	\$282.14	\$2,951.13	\$8,597.12	\$5,645.98
2025	\$318,822	1,155	\$276.04	\$2,816.55	\$8,597.12	\$5,780.57
2026	\$318,822	1,180	\$270.19	\$2,681.34	\$8,597.12	\$5,915.78
2027	\$318,822	1,205	\$264.58	\$2,545.22	\$8,597.12	\$6,051.90
2028	\$318,822	1,230	\$259.20	\$2,407.90	\$8,597.12	\$6,189.22
2029	\$318,822	1,255	\$254.04	\$2,269.09	\$8,597.12	\$6,328.03
2030	\$318,822	1,280	\$249.08	\$2,128.50	\$8,597.12	\$6,468.62
2031	\$318,822	1,305	\$244.31	\$1,985.85	\$8,597.12	\$6,611.27
2032	\$318,822	1,330	\$239.72	\$1,840.83	\$8,597.12	\$6,756.29
2033	\$318,822	1,355	\$235.29	\$1,693.16	\$8,597.12	\$6,903.96
2034	\$318,822	1,380	\$231.03	\$1,542.52	\$8,597.12	\$7,054.60
2035	\$318,822	1,405	\$226.92	\$1,388.62	\$8,597.12	\$7,208.50
2036	\$318,822	1,430	\$222.95	\$1,231.13	\$8,597.12	\$7,365.99
2037	\$318,822	1,455	\$219.12	\$1,069.73	\$8,597.12	\$7,527.38
2038	\$318,822	1,480	\$215.42	\$904.10	\$8,597.12	\$7,693.02
2039	\$318,822	1,505	\$211.84	\$733.88	\$8,597.12	\$7,863.23
2040	\$318,822	1,530	\$208.38	\$558.74	\$8,597.12	\$8,038.38
2041	\$318,822	1,555	\$205.03	\$378.29	\$8,597.12	\$8,218.83

¹ Inflationary costs are added to these numbers later in the analysis.

Year	Payment	Acres	Payment per Acre	NPV*	Gross Fee	Max Fee per Year per Acre
2042	\$318,822	1,580	\$201.79	\$192.18	\$8,597.12	\$8,404.94

*NPV = net present value discounted at 5 percent

Overview of the Storm Water Impact Fees

Summary

An impact fee is intended to recover the City's costs of building storm water system capacity to serve new residential and non-residential development rather than passing all these growth-related costs on to existing users through rates. The Utah Impact Fees Act allows only certain costs to be included in an impact fee so that only the fair cost of expansionary projects or existing unused capacity paid for by the City is assessed through an impact fee.

Costs to be Included in the Impact Fee

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

- Excess capacity in the City's storm water system;
- New capital infrastructure for storm water systems that will serve new development; and
- Professional and planning expenses related to the construction of system improvements that will serve new development.

The costs that cannot be included in the impact fee are as follows:

- Costs for projects that cure system deficiencies;
- Costs for projects that increase the Level of Service (LOS) above that which is currently provided;
- Operations and maintenance costs;
- Costs of facilities funded by grants or other funds that the City does not have to repay; and
- Costs of reconstruction of facilities that do not have capacity to serve new growth.

Utah Code Legal Requirements

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

Notice of Intent to Prepare Impact Fee Analysis

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

Preparation of Impact Fee Analysis

Utah Code requires that each local political subdivision, before imposing an impact fee, prepare an impact fee analysis. (Utah Code 11-36a-304).

Section 11-36a-304 of the Utah Code outlines the requirements of an impact fee analysis as follows:

- (1) An impact fee analysis shall:
 - (a) identify the anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity;

- (b) identify the anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility;
 - (c) demonstrate how the anticipated impacts described in Subsections (1)(a) and (b) are reasonably related to the anticipated development activity;
 - (d) estimate the proportionate share of:
 - (i) the costs for existing capacity that will be recouped; and
 - (ii) the costs of impacts on system improvements that are reasonably related to the new development activity; and
 - (e) identify how the impact fee was calculated.
- (2) In analyzing whether or not the proportionate share of the costs of public facilities are reasonably related to the new development activity, the local political subdivision or private entity, as the case may be, shall identify, if applicable:
- (a) the cost of each existing public facility that has excess capacity to serve the anticipated development resulting from the new development activity;
 - (b) the cost of system improvements for each public facility;
 - (c) other than impact fees, the manner of financing for each public facility, such as user charges, special assessments, bonded indebtedness, general taxes, or federal grants;
 - (d) the relative extent to which development activity will contribute to financing the excess capacity of and system improvements for each existing public facility, by such means as user charges, special assessments, or payment from the proceeds of general taxes;
 - (e) the relative extent to which development activity will contribute to the cost of existing public facilities and system improvements in the future;
 - (f) the extent to which the development activity is entitled to a credit against impact fees because the development activity will dedicate system improvements or public facilities that will offset the demand for system improvements, inside or outside the proposed development;
 - (g) extraordinary costs, if any, in servicing the newly-developed properties; and
 - (h) the time-price differential inherent in fair comparisons of amounts paid at different times.

Calculating Impact Fees

Utah Code states that for purposes of calculating an impact fee, a local political subdivision or private entity may include:

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

Certification of Impact Fee Analysis

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

Impact Fee Enactment

Utah Code states that a local political subdivision or private entity wishing to impose impact fees shall pass an impact fee enactment in accordance with Section 11-36a-402. Additionally, an impact fee imposed by

an impact fee enactment may not exceed the highest fee justified by the impact fee analysts. An impact fee enactment may not take effect until 90 days after the day on which the impact fee enactment is approved.

Impact from Growth Upon the City's Facilities and Level of Service

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

Storm Water Service Area

The City has one service area for the purpose of calculating storm water impact fees.

Growth in Demand

The City projects that it will grow by approximately 250 acres during the 10-year impact fee planning horizon in this IFA. The following table shows storm water growth projections in terms of developed acres. The City's storm water system served 1,080 acres in 2022, which will grow to an estimated 1,330 acres by 2032, or growth of 250 acres.

TABLE 3: STORM WATER GROWTH PROJECTIONS

Year	Developed Acres
2022	1,080
2023	1,105
2024	1,130
2025	1,155
2026	1,180
2027	1,205
2028	1,230
2029	1,255
2030	1,280
2031	1,305
2032	1,330

Source: IFFP

Existing and Proposed Level of Service Analysis

TABLE 4: STORM WATER GROWTH PROJECTIONS

Year	Developed Acres
Maximum Allowable Runoff	0.2 cfs/acre
Existing Pipelines	10-year 24-hour storm
Detention Basins	100-year 24-hour storm

Source: IFFP

According to the City's IFFP, the proposed level of service during the period of this IFA is to equal the existing level of service.

Impact on Capacity from Development Activity

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

Existing Capacity

According to the IFFP, there is no current excess capacity in the storm water system. Therefore, new development will not be charged a buy-in fee as a part of the proposed storm water impact fee.

System Improvements Required from Development Activity

Utah Code 11-36a-304(1)(b)(c), (2)(b)

Impact on System Improvements by Anticipated New Development

The City has determined to maintain its current level of storm water service. Therefore, additional storm water improvements will be required to maintain the established storm water level of service. The means by which the City will meet growth demands include constructing the following projects as set forth in the IFFP. This will occur through requiring new development to pay for its fair share of new construction projects over the next 10 years.

New construction projects over the next 10 years will total \$7,682,421, based on calculations shown in the IFFP and included in the following table.

TABLE 5: NEW SYSTEM IMPROVEMENTS

Project Number	Project Location	Estimated Total Cost	Estimated Year of Construction	Existing Contribution	10-Yr Growth Contribution	10-Yr Beyond Growth Contribution
P30	Kane Creek Boulevard	\$198,000	2024	100%	0%	0%
P28B	100 South to Mill Creek	\$1,855,963	2024	94%	6%	0%
P35	200 South to 200 East	\$76,431	2023	100%	0%	0%
P12B	100 West & Park Drive & 350 West	\$1,127,710	2025	95%	5%	0%
P10	Aspen Ave and Kane Creek Boulevard	\$161,514	2024	100%	0%	0%
P18	400 North from 500 West	\$1,075,795	2026	82%	18%	0%
P9	Dogwood Ave & Kane Creek Boulevard	\$637,402	2027	100%	0%	0%
P32	Hale Ave to 400 West	\$167,282	2028	100%	0%	0%
P3	Bittle Lane	\$464,351	2028	37%	53%	10%
P4	Jackson Street	\$281,207	2025	65%	35%	0%
P2	Private Drive at 425 East	\$116,809	2025	52%	48%	0%
P16	510 North 500 West	\$12,979	2025	88%	7%	5%
P39	500 West by Mill Creek	\$62,010	2025	52%	48%	0%
P40	Moab City Parking Lot and Yard	\$57,683	2026	43%	57%	0%
P33	250 North 300 East	\$14,421	2026	100%	0%	0%
P36	Rosetree Lane	\$44,705	2026	100%	0%	0%
P37	Center Street from 650 East to 500 East	\$5,768	2026	100%	0%	0%
P38	Bowling Alley Lane & Bittle Lane	\$8,653	2026	100%	0%	0%
P17	Carlos Court and Juan Court	\$158,629	2024	100%	0%	0%
P5	Loveridge Drive to Locust Lane	\$57,683	2024	38%	57%	5%

Project Number	Project Location	Estimated Total Cost	Estimated Year of Construction	Existing Contribution	10-Yr Growth Contribution	10-Yr Beyond Growth Contribution
P13	Nob Hill and Main Street to 300 North and 100 West	\$152,861	2029	100%	0%	0%
P34	Stewart Lane from 350 North to Mill Creek	\$393,689	2029	0%	88%	12%
P11	Pear Tree Lane	\$550,876	2030	0%	100%	0%
Total		\$7,682,421				

Source: IFFP

These estimated costs have a four percent inflationary cost added to them based on the estimated year of construction. This results in maximum costs as shown in Table 6.

TABLE 6: NEW SYSTEM IMPROVEMENTS WITH INFLATIONARY COSTS

Project Number	Project Location	Cost to Existing Development	10-Year Impact Fee Eligible Costs	Cost Beyond 10 Years	Estimated Year of Construction
P30	Kane Creek Boulevard	\$205,920	\$0.00	\$0	2024
P28B	100 South to Mill Creek	\$1,814,389	\$115,812.09	\$0	2024
P35	200 South to 200 East	\$76,431	\$0.00	\$0	2023
P12B	100 West & Park Drive & 350 West	\$1,158,745	\$60,986.56	\$0	2025
P10	Aspen Ave and Kane Creek Boulevard	\$167,975	\$0.00	\$0	2024
P18	400 North from 500 West	\$992,301	\$217,822.15	\$0	2026
P9	Dogwood Ave & Kane Creek Boulevard	\$745,670	\$0.00	\$0	2027
P32	Hale Ave to 400 West	\$203,524	\$0.00	\$0	2028
P3	Bittle Lane	\$209,033	\$299,425.62	\$56,495	2028
P4	Jackson Street	\$197,700	\$106,453.72	\$0	2025
P2	Private Drive at 425 East	\$65,697	\$60,643.49	\$0	2025
P16	510 North 500 West	\$12,354	\$982.67	\$702	2025
P39	500 West by Mill Creek	\$34,876	\$32,193.61	\$0	2025
P40	Moab City Parking Lot and Yard	\$27,901	\$36,984.75	\$0	2026
P33	250 North 300 East	\$16,222	\$0.00	\$0	2026
P36	Rosetree Lane	\$50,287	\$0.00	\$0	2026
P37	Center Street from 650 East to 500 East	\$6,488	\$0.00	\$0	2026
P38	Bowling Alley Lane & Bittle Lane	\$9,733	\$0.00	\$0	2026
P17	Carlos Court and Juan Court	\$164,974	\$0.00	\$0	2024
P5	Loveridge Drive to Locust Lane	\$22,796	\$34,194.48	\$3,000	2024
P13	Nob Hill and Main Street to 300 North and 100 West	\$193,418	\$0.00	\$0	2029
P34	Stewart Lane from 350 North to Mill Creek	\$0	\$438,365.12	\$59,777	2029
P11	Pear Tree Lane	\$0	\$724,915.23	\$0	2030
Total		\$6,376,434	\$2,128,779	\$119,974	

A small portion of these projects will benefit development outside of the 10-year horizon in this analysis.

Relation of Anticipated Development Activity to Impacts on System Improvements

The demand placed on existing storm water improvements by new development activity is attributed to the increased developed acres related to both residential and nonresidential growth.

Proportionate Share Analysis

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

Maximum Legal Storm Water Impact Fee per Acre

The Impact Fees Act requires the Impact Fee Analysis to estimate the proportionate share of the future costs for system improvements that benefit new growth that can be recouped through impact fees.

Buy-in to Existing, Excess Capacity

The existing storm water system does not have existing, excess capacity; therefore, no buy-in component is factored into the impact fee calculation.

New Construction

The City intends to maintain its existing level of service for storm water services through constructing new system improvements previously detailed in this IFA. Total impact fee eligible costs for new construction, attributable to new development over the next 10 years, are \$2,128,779. Based on the acres served over the next 10 years, the total cost per acre for new improvements is \$8,515.12.

TABLE 7: PROPORTIONATE SHARE ANALYSIS, NEW CONSTRUCTION NECESSITATED BY NEW DEVELOPMENT

Category	Amount
Cost of New Construction, 10-Year Growth	\$2,128,779
Growth in Acres, 2022-2032	250
Cost per Acre	\$8,515.12

Consultant Costs

The Impact Fees Act allows for fees charged to include the reimbursement of consultant costs incurred in the preparation of the IFA.

Consultant costs are estimated at \$20,500 to prepare the IFFP and IFA that was necessary to calculate defensible impact fees. The consultant studies are considered to serve development over the next 10 years. Based on the acres served over the next 10 years, the total consultant cost per acre is calculated at \$82.00.

TABLE 8: PROPORTIONATE SHARE ANALYSIS, CONSULTANT COSTS

Category	Amount
ZPFI Consultant Costs	\$20,500
Growth in Acres, 2022-2032	250
Cost per Acre	\$82.00

Impact Fee Fund Balance

The City does not currently have any funds in its storm water impact fee account. Therefore, no credit is necessary.

Credits for Projects Benefitting Existing Development

Credits need to be made for the portion of new projects that will benefit existing development. The IFFP identifies portions of the new improvement projects that will benefit existing development. Therefore, a credit must be made for these projects so that new development does not pay twice – once through the

collection of an impact fee and then again through increased taxes to offset the portion benefitting existing development. The total amount of project costs benefitting existing development is \$6,376,434 as shown in Table 6. These costs are spread across 20 years in the following analysis so that credits can be made.

TABLE 9: CREDITS FOR COSTS BENEFITTING EXISTING DEVELOPMENT

Year	Payment	Acres	Payment per Acre	NPV* - Credit
2023	\$318,822	1,105	\$288.53	\$3,085.39
2024	\$318,822	1,130	\$282.14	\$2,951.13
2025	\$318,822	1,155	\$276.04	\$2,816.55
2026	\$318,822	1,180	\$270.19	\$2,681.34
2027	\$318,822	1,205	\$264.58	\$2,545.22
2028	\$318,822	1,230	\$259.20	\$2,407.90
2029	\$318,822	1,255	\$254.04	\$2,269.09
2030	\$318,822	1,280	\$249.08	\$2,128.50
2031	\$318,822	1,305	\$244.31	\$1,985.85
2032	\$318,822	1,330	\$239.72	\$1,840.83
2033	\$318,822	1,355	\$235.29	\$1,693.16
2034	\$318,822	1,380	\$231.03	\$1,542.52
2035	\$318,822	1,405	\$226.92	\$1,388.62
2036	\$318,822	1,430	\$222.95	\$1,231.13
2037	\$318,822	1,455	\$219.12	\$1,069.73
2038	\$318,822	1,480	\$215.42	\$904.10
2039	\$318,822	1,505	\$211.84	\$733.88
2040	\$318,822	1,530	\$208.38	\$558.74
2041	\$318,822	1,555	\$205.03	\$378.29
2042	\$318,822	1,580	\$201.79	\$192.18

*NPV = net present value discounted at 5 percent

Summary of Impact Fees

The calculated maximum cost per acre in 2023 is \$5,511.73.

TABLE 10: SUMMARY OF 2023 IMPACT FEE

Summary	
New Construction	\$8,515.12
Consultant Costs	\$82.00
Gross Fee before Credits	\$8,597.12
Credits for Deficiencies - 2023	(\$3,085.39)
Max Fee 2023 per Acre	\$5,511.73

The maximum allowable impact fee changes each year in the table below to account for the credits due from the remaining construction cost amounts that benefit existing development.

TABLE 11: SUMMARY OF MAXIMUM IMPACT FEE, 2023-2032

Year	Payment	Acres	Payment per Acre	NPV*	Gross Fee	Max Fee per Year per Acre
2023	\$318,822	1,105	\$288.53	\$3,085.39	\$8,597.12	\$5,511.73
2024	\$318,822	1,130	\$282.14	\$2,951.13	\$8,597.12	\$5,645.98
2025	\$318,822	1,155	\$276.04	\$2,816.55	\$8,597.12	\$5,780.57
2026	\$318,822	1,180	\$270.19	\$2,681.34	\$8,597.12	\$5,915.78
2027	\$318,822	1,205	\$264.58	\$2,545.22	\$8,597.12	\$6,051.90
2028	\$318,822	1,230	\$259.20	\$2,407.90	\$8,597.12	\$6,189.22
2029	\$318,822	1,255	\$254.04	\$2,269.09	\$8,597.12	\$6,328.03
2030	\$318,822	1,280	\$249.08	\$2,128.50	\$8,597.12	\$6,468.62
2031	\$318,822	1,305	\$244.31	\$1,985.85	\$8,597.12	\$6,611.27
2032	\$318,822	1,330	\$239.72	\$1,840.83	\$8,597.12	\$6,756.29
2033	\$318,822	1,355	\$235.29	\$1,693.16	\$8,597.12	\$6,903.96
2034	\$318,822	1,380	\$231.03	\$1,542.52	\$8,597.12	\$7,054.60
2035	\$318,822	1,405	\$226.92	\$1,388.62	\$8,597.12	\$7,208.50
2036	\$318,822	1,430	\$222.95	\$1,231.13	\$8,597.12	\$7,365.99
2037	\$318,822	1,455	\$219.12	\$1,069.73	\$8,597.12	\$7,527.38
2038	\$318,822	1,480	\$215.42	\$904.10	\$8,597.12	\$7,693.02
2039	\$318,822	1,505	\$211.84	\$733.88	\$8,597.12	\$7,863.23
2040	\$318,822	1,530	\$208.38	\$558.74	\$8,597.12	\$8,038.38
2041	\$318,822	1,555	\$205.03	\$378.29	\$8,597.12	\$8,218.83
2042	\$318,822	1,580	\$201.79	\$192.18	\$8,597.12	\$8,404.94

*NPV = net present value discounted at 5 percent

Manner of Financing, Credits, Etc.

Utah Code 11-36a-304(2)(c)(d)(e)(f)(g) and (h)

An impact fee is a one-time fee that is implemented by a local government on new development to fund and pay for the proportionate costs of public facilities (system improvements) that are needed to serve new development. As a matter of policy and legislative discretion, a City may choose to have new development pay the full cost of its proportionate share of new public facilities and existing facilities that have excess capacity to service new development through impact fees. Alternatively, local governments may elect to subsidize new development by using other sources of revenue (user charges, special assessments, bonds, taxes, grants) to pay for the new facilities required to service new development and use impact fees to recover the cost difference between the total cost of the new facilities and the other sources of revenue.

At the current time, no other sources of funding other than impact fees have been identified, but to the extent that any are identified and received in the future, then impact fees will be reduced accordingly. The City has found that it is necessary to charge an impact fee to maintain the existing level of service into the future.

Additional system improvements beyond those funded through impact fees that are desired to raise the level of service will be paid for by the community through other revenue sources such as user charges, special assessments, General Obligation bonds, general taxes, etc.

Impact Fee Credits

The Impact Fees Act requires that the IFA consider the relative extent to which new development activity will contribute to financing the excess capacity of and system improvements for new and public facilities, by such means as user charges, special assessments, or payment from the proceeds of general taxes so that new development is not charged twice. This IFA clearly identifies the amount of excess capacity to be paid for by new development. This portion of the impact fee calculation can be credited back to the General Fund as a repayment for prior investment in capital facilities.

In terms of new facilities, all impact fee amounts collected must be spent for the specific project improvements identified by the engineering firm contracted by the City and incorporated into this IFA. Impact fees are required to be used within 6 years of collection. No user fees, special assessments, etc., are contemplated to offset any of the costs associated with the new storm water facilities.

Credits may also be paid back to developers who have constructed or directly funded system improvements that are identified by the City's contracted engineering firm or donated to the City in lieu of impact fees, including the dedication of land for system improvements. This situation does not apply to developer exactions for project improvements. Any item for which a developer receives credit should be included in the approved infrastructure and must be agreed upon with the City before construction begins.

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

Extraordinary Costs and Time Price Differential

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

Certification

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

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; or
 - 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;

3. Offsets costs with grants or other alternate sources of payment; and
4. Complies in each and every relevant respect with the Impact Fees Act.

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