

Farmington, Utah



Storm Impact Fee Analysis



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EXECUTIVE SUMMARY

An impact fee is a one-time fee imposed on new development activity to mitigate the impact of new development on capital facilities. Farmington City (the City) retained CRS Engineers to prepare an Impact Fee Facilities Plan (IFFP) for storm water, and retained Zions Public Finance, Inc. to prepare this Impact Fee Analysis (IFA) for the calculation of appropriate storm water impact fees. This IFA relies on the information provided in the IFFP regarding current system capacity and future storm water capital facility needs, cost and timing.

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 Farmington City Corporation 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.

Storm Water Service Area

There is one service area for storm water that encompasses the boundaries of Farmington City.

Level of Service

The existing level of service is defined in the IFFP as follows: ¹

“Storm drain pipes are designed to pass the runoff from a 25-year storm event. If a storm exceeds the 25-year event, the pipes will pressurize and eventually flood into the streets. It is important to note that roadways are intended to become major storm water conveyance facilities during storms that are larger than the 25-year event, and should be designed to convey flows up to the 100-year event. In addition to storm drain pipes, the City also uses some open channels for storm water conveyance...”

Detention facilities are used frequently to reduce peak flow rates from developed properties. These can be constructed and maintained by a developer or group of developers. Detention basins can also be regional or system facilities, which are often constructed and maintained by the City. Detention basins are sized to detain the 100-year storm event while releasing at a rate that is slightly higher than the 25-year storm event...

The proposed level of service is designed to ensure that the current level of service is not diminished. Therefore, all storm drain conveyance shall be designed to the 25-year storm event, and all detention basins shall be designed for the 100-year storm event.”

¹ CRS Engineers, *Farmington City Storm Drain Impact Fee Facilities Plan*, See p. 4-6.

Demand Levels

To calculate the drainage demand, the City uses an Equivalent Surface Unit (ESU) based on the type of property being developed. The IFFP identifies the level of service as follows:²

Residential

Single family residential units are the basis for the ESU calculation. One dwelling unit is equal to one ESU. The impervious area is the average for existing single-family residences in the City. For all other property types the service unit generation rate is the ratio of impervious surface area for that property type to that of single family residential. Multi-family residences typically have less impervious area than single family because there are multiple dwelling units in the same building. The site area for multi-family is a weighted average assuming 8-10 dwelling units per acre.

Private Non-Residential

Private non-residential developments are separated into five categories: retail, industrial, institutional, office, and other. For each of these categories, the ESU is calculated per thousand square feet of gross floor area (GFA). It is assumed that the building occupies approximately 15% of the site, this is the floor area ratio (FAR). The impervious area is obtained by multiplying the acres of site area and the percent impervious. All the percent impervious values are based on standard runoff coefficients.

TABLE 1: STORM WATER DEMAND EQUIVALENCY (SEE IFFP TABLE 6-1)

Type of Property	Unit of Measure	Site Area		Percent Impervious	Impervious Area (Acres)	Service Unit Generation Rate
		FAR	Acres			
Single Family Residential	Dwelling Unit	N/A	N/A	N/A	0.094	1.00
Multi-Family Residential	Dwelling Unit	N/A	12%	60%	0.071	0.76
Retail	1,000 Sq Ft GFA	15%	15%	85%	0.130	1.39
Industrial	1,000 Sq Ft GFA	15%	15%	75%	0.115	1.23
Institutional	1,000 Sq Ft GFA	15%	15%	40%	0.460	0.49
Office	1,000 Sq Ft GFA	15%	15%	85%	0.099	1.06
Other	1,000 Sq Ft GFA	15%	15%	60%	0.092	0.98

Source: CRS Engineers Storm Drain Master Plan IFFP 2021

Storm Water Capital Facilities

The existing storm system capacity is fully utilized by existing development. Storm demand for ten-year growth will be met through future capital projects.

Table 2 shows the future project costs that have been identified in the IFFP. A detailed inventory of each future project is included later in this report. Future improvements to the storm water system have an estimated construction cost totaling \$29,246,375. However, much of the cost is attributable to existing development or development beyond the ten-year planning horizon. Based on information provided in the Storm Water IFFP, only \$7,307,682 of total costs are attributable to new development during the next 10 years.

²CRS Engineers, *Farmington City Storm Drain Impact Fee Facilities Plan*, p. 9.

TABLE 2: NEW SYSTEM IMPROVEMENTS NECESSITATED BY EXISTING AND NEW DEVELOPMENT

Component	10 Year Impact Fee Qualifying Cost	Impact Fee Qualifying Beyond 10 Years	Non-Impact Fee Qualifying	Deficiency	Total Ten-Year Construction Cost
Conveyance	\$4,532,856	\$589,526	\$15,127,830	\$3,311,389	\$23,561,602
Detention	\$2,774,826	\$734,162	\$2,175,785	\$0	\$5,684,774
Total	\$7,307,682	\$1,323,689	\$17,303,616	\$3,311,389	\$29,246,375

Source: CRS Engineers Storm Drain Master Plan IFFP 2021

Storm Water Impact Fee Calculation

The gross impact fee, before credits, is \$2,919.78 per ESU. However, an impact fee fund balance credit and a deficiency credit were calculated. The IFFP identifies that a portion of the new construction projects are needed to cure existing deficiencies in the storm water system. Therefore, new development cannot be expected to pay the entire impact fee and then also contribute over time, through utility fees and tax revenues, to curing existing deficiencies in the system. The IFFP allocates \$2,922,121.59(FV) of new construction costs as benefits to existing development. Therefore, credits against the impact fee have been made as follows:

TABLE 3: DEFICIENCY CREDIT CALCULATIONS

Year	ESUs	Cost per ESU	NPV Credit	Maximum Impact Fee
2021	12,579	\$26.32	\$204.37	\$1,709.87
2022	12,850	\$25.77	\$185.17	\$1,729.07
2023	13,121	\$25.24	\$165.77	\$1,748.46
2024	13,392	\$24.73	\$146.16	\$1,768.08
2025	13,663	\$24.24	\$126.29	\$1,787.95
2026	13,934	\$23.76	\$106.13	\$1,808.10
2027	14,206	\$23.31	\$85.67	\$1,828.57
2028	14,477	\$22.87	\$64.85	\$1,849.38
2029	14,748	\$22.45	\$43.65	\$1,870.58
2030	15,019	\$22.05	\$43.25	\$1,870.99

TABLE 4: MAXIMUM ALLOWABLE IMPACT FEE PER ESU

SUMMARY OF IMPACT FEE COSTS	
Existing Capacity - Conveyance	\$0.00
Existing Capacity - Detention	\$0.00
New Projects- Conveyance	\$1,858.16
New Projects- Detention	\$1,137.49
Consultant Costs	\$15.41
Deficiency Credit	(\$204.37)
Impact Fee Fund Balance Credit	\$ (1,096.82)
Maximum Allowable Impact Fee per ESU	\$1,709.87

The maximum fee per ESU is then multiplied by the ESU demand equivalency to arrive at the maximum fees for 2021 in Table 5. The 2021 maximum fees are shown in the table below. The maximum fees for subsequent years are calculated by multiplying the maximum fee per year shown in Table 4 by the demand equivalency shown in Table 1.

TABLE 5: MAXIMUM 2021 IMPACT FEES BY DEVELOPMENT TYPE

Impact Fee by Development Type	Cost per ESU	ESU per Unit	Impact Fee per Unit
Residential			
Single Family Residential Unit	\$1,709.87	1.00	\$1,709.87
Multi-Family Residential Unit	\$1,709.87	0.76	\$1,299.50
Non-Residential			
Retail (per 1,000 SF)	\$1,709.87	1.39	\$2,376.71
Industrial (per 1,000 SF)	\$1,709.87	1.23	\$2,103.14
Institutional (per 1,000 SF)	\$1,709.87	0.49	\$837.83
Office (per 1,000 SF)	\$1,709.87	1.06	\$1,812.46
Other Non-Residential Unit (per 1,000 SF)	\$1,709.87	0.98	\$1,675.67

CHAPTER 1: OVERVIEW OF THE STORM WATER IMPACT FEES

Summary

An impact fee is intended to recover the City's costs of building system capacity to serve new residential and non-residential development rather than passing 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 detention and conveyance 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 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 and special districts prepare an Impact Fee Analysis before enacting an impact fee. Utah law also requires that communities/districts give notice of their intent to prepare and adopt an IFA. This IFA follows all legal requirements as outlined below. The City has retained Zions Public Finance, Inc. to prepare this Impact Fee Analysis 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. The City has complied with this noticing requirement for the IFA by posting notice.

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:

- (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.

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.

CHAPTER 2: IMPACT FROM GROWTH UPON THE CITY'S FACILITIES AND LEVEL OF SERVICE

Projected Storm Water Demands

The table below shows storm water growth projections. The City's storm system currently (year 2021) serves 12,579 ESUs which will grow to an estimated 15,019 ESUs by 2030. The growth between 2021 and 2030 is expected to be 2,439 ESUs.

Storm Water Growth

ESUs within Farmington City are projected to grow as follows:

TABLE 6: GROWTH IN DEMAND

Year	ESUs
2021	12,579
2022	12,850
2023	13,121
2024	13,392
2025	13,663
2026	13,934
2027	14,206
2028	14,477
2029	14,748
2030	15,019
2037	16,916

Source: CRS Farmington City Storm Drain IFFP Table 6-2

Existing and Proposed LOS Analysis

The existing level of service is defined in the IFFP as follows:

"Storm drain pipes are designed to pass the runoff from a 25-year storm event. If a storm exceeds the 25-year event, the pipes will pressurize and eventually flood into the streets. It is important to note that roadways are intended to become major storm water conveyance facilities during storms that are larger than the 25-year event, and should be designed to convey flows up to the 100-year event. In addition to storm drain pipes, the City also uses some open channels for storm water conveyance..."

Detention facilities are used frequently to reduce peak flow rates from developed properties. These can be constructed and maintained by a developer or group of developers. Detention basins can also be regional or system facilities, which are often constructed and maintained by the City. Detention basins are sized to detain the 100-year storm event while releasing at a rate that is slightly higher than the 25-year storm event..."

“The proposed level of service is designed to ensure that the current level of service is not diminished. Therefore, all storm drain conveyance shall be designed to the 25-year storm event, and all detention basins shall be designed for the 100-year storm event.”³

Demand Levels

To calculate the drainage demand, the City uses an Equivalent Surface Unit (ESU) based on the type of property being developed. The IFFP identifies the level of service as follows:⁴

Residential

Single family residential units are the basis for the ESU calculation. One dwelling unit is equal to one ESU. The impervious area is the average for existing single-family residences in the City. For all other property types the service unit generation rate is the ratio of impervious surface area for that property type to that of single family residential. Multi-family residences typically have less impervious area than single family because there are multiple dwelling units in the same building. The site area for multi-family is a weighted average assuming 8-10 dwelling units per acre.

Private Non-Residential

Private non-residential developments are separated into five categories: retail, industrial, institutional, office, and other. For each of these categories, the ESU is calculated per thousand square feet of gross floor area (GFA). It is assumed that the building occupies approximately 15% of the site, this is the floor area ratio (FAR). The impervious area is obtained by multiplying the acres of site area and the percent impervious. All the percent impervious values are based on standard runoff coefficients.

TABLE 7: STORM WATER DEMAND EQUIVALENCY (SEE IFFP TABLE 6-1)

Type of Property	Unit of Measure	Site Area		Percent Impervious	Impervious Area (Acres)	Service Unit Generation Rate
		FAR	Acres			
Single Family Residential	Dwelling Unit	N/A	N/A	N/A	0.094	1.00
Multi-Family Residential	Dwelling Unit	N/A	12%	60%	0.071	0.76
Retail	1,000 Sq Ft GFA	15%	15%	85%	0.130	1.39
Industrial	1,000 Sq Ft GFA	15%	15%	75%	0.115	1.23
Institutional	1,000 Sq Ft GFA	15%	15%	40%	0.460	0.49
Office	1,000 Sq Ft GFA	15%	15%	85%	0.099	1.06
Other	1,000 Sq Ft GFA	15%	15%	60%	0.092	0.98

Source: CRS Engineers Storm Drain Master Plan IFFP 2021

³ CRS Engineers, *Farmington City Storm Drain Impact Fee Facilities Plan*, See p. 4-6.

⁴ CRS Engineers, *Farmington City Storm Drain Impact Fee Facilities Plan*, p. 9.

CHAPTER 3: IMPACT ON CAPACITY FROM DEVELOPMENT ACTIVITY

Excess Capacity

According to the IFFP, the existing storm water system is fully utilized by existing development and there is no excess capacity available to serve future growth. Therefore, no costs for existing assets will be included in the impact fee calculation. Future growth will be served by the future capital improvements identified in the IFFP.

CHAPTER 4: SYSTEM IMPROVEMENTS REQUIRED FROM DEVELOPMENT ACTIVITY

The means by which the City will meet growth demands include constructing the following projects as set forth in the Impact Fee Facilities Plan. This will occur through requiring new development to pay for fair share of new construction projects.

Construction of new conveyance projects will total \$22,371,333(PV) with 10-year new development responsible for \$4,532,856(FV) of total costs.

TABLE 8: NEW CONSTRUCTION IMPROVEMENTS – CONVEYANCE

Conveyance Project Description	Construction Cost (PV)	Construction Year	% to Existing/ Project Level/ State or Fed	% Impact Fee Qualifying - 10 Year	% Impact Fee Qualifying - Beyond 10 Year	10 Year Qualifying Cost (FV)*	Non-Qualifying/ Beyond 10-Years (FV)
05-1 Storm Drain Pipe	\$71,852	2020	100.0%	0.0%	0.0%	\$0	\$71,852
05-2 Storm Drain Pipe	\$161,738	2020	90.1%	9.9%	0.0%	16,040	\$145,698
07-2 Storm Drain Pipe	\$46,860	Complete	100.0%	0.0%	0.0%	0	\$46,860
07-3 Storm Drain Pipe	\$67,478	Complete	100.0%	0.0%	0.0%	0	\$67,478
11-1 Control Structure	\$31,240	2021	0.0%	100.0%	0.0%	32,177	\$0
12-2 Storm Drain Pipe	\$30,069	2024	100.0%	0.0%	0.0%	0	\$33,842
12-3 Storm Drain Pipe	\$147,325	2024	100.0%	0.0%	0.0%	0	\$165,816
12-4 Storm Drain Pipe	\$91,377	2024	100.0%	0.0%	0.0%	0	\$102,846
12-5 Storm Drain Pipe	\$76,325	2024	100.0%	0.0%	0.0%	0	\$85,904
12-6 Storm Drain Pipe	\$19,823	2024	100.0%	0.0%	0.0%	0	\$22,311
12-7 Storm Drain Pipe	\$4,729	2024	0.0%	100.0%	0.0%	5,322	\$0
12-8 Storm Drain Pipe	\$10,224	2024	100.0%	0.0%	0.0%	0	\$11,507
12-9 Storm Drain Pipe	\$11,076	2024	100.0%	0.0%	0.0%	0	\$12,466
15-1 Storm Drain Pipe	\$133,480	2022	100.0%	0.0%	0.0%	0	\$141,609
15-2 Storm Drain Pipe	\$62,480	2022	100.0%	0.0%	0.0%	0	\$66,285
15-3 Storm Drain Pipe	\$89,815	2022	100.0%	0.0%	0.0%	0	\$95,285
15-4 Storm Drain Pipe	\$61,593	2022	100.0%	0.0%	0.0%	0	\$65,343
16-1 Storm Drain Pipe	\$40,293	2020	0.0%	80.0%	20.0%	32,234	\$8,059
16-2 Storm Drain Pipe	\$117,683	2020	0.0%	60.0%	40.0%	70,610	\$47,073
17-1 Storm Drain Pipe	\$88,040	Complete	0.0%	60.0%	40.0%	52,824	\$35,216
17-2 Storm Drain Pipe	\$67,805	2020	0.0%	60.0%	40.0%	40,683	\$27,122
17-3 Storm Drain Pipe	\$73,130	Complete	0.0%	60.0%	40.0%	43,878	\$29,252
17-4 Storm Drain Pipe	\$135,255	2020	0.0%	60.0%	40.0%	\$81,153	\$54,102
17-5 Storm Drain Pipe	\$18,744	2020	100.0%	0.0%	0.0%	\$0	\$18,744
18-2 Storm Drain Pipe	\$13,845	2020	100.0%	0.0%	0.0%	\$0	\$13,845
18-3 Storm Drain Pipe	\$125,812	2020	100.0%	0.0%	0.0%	\$0	\$125,812
19-1 Storm Drain Pipe	\$15,819	2020	100.0%	0.0%	0.0%	\$0	\$15,819
21-1 Storm Drain Pipe	\$93,010	2022	100.0%	0.0%	0.0%	\$0	\$98,674
21-2 Storm Drain Pipe	\$62,480	2022	100.0%	0.0%	0.0%	\$0	\$66,285
21-3 Storm Drain Pipe	\$86,620	2022	100.0%	0.0%	0.0%	\$0	\$91,895
22-1 Storm Drain Pipe	\$95,850	2020	0.0%	60.0%	40.0%	\$57,510	\$38,340
23-3 Storm Drain Pipe	\$53,179	2020	0.0%	60.0%	40.0%	\$31,907	\$21,272
27-1 Storm Drain Pipe	\$48,848	2022	100.0%	0.0%	0.0%	\$0	\$51,823

Conveyance Project Description	Construction Cost (PV)	Construction Year	% to Existing/ Project Level/ State or Fed	% Impact Fee Qualifying - 10 Year	% Impact Fee Qualifying - Beyond 10 Year	10 Year Qualifying Cost (FV)*	Non-Qualifying/ Beyond 10-Years (FV)
27-2 Storm Drain Pipe	\$204,480	2022	100.0%	0.0%	0.0%	\$0	\$216,933
27-3 Storm Drain Pipe	\$57,538	2022	100.0%	0.0%	0.0%	\$0	\$61,042
30-1 Storm Drain Pipe	\$158,983	2020	100.0%	0.0%	0.0%	\$0	\$158,983
30-5 Storm Drain Pipe	\$71,000	Complete	100.0%	0.0%	0.0%	\$0	\$71,000
30-6 Storm Drain Pipe	\$174,305	Complete	0.0%	50.0%	50.0%	\$87,153	\$87,153
30-7 Storm Drain Pipe	\$185,310	Complete	0.0%	50.0%	50.0%	\$92,655	\$92,655
31-2 Storm Drain Pipe	\$134,545	2020	0.0%	100.0%	0.0%	\$134,545	\$0
34-2 Storm Drain Pipe	\$66,385	2022	100.0%	0.0%	0.0%	\$0	\$70,428
34-3 Storm Drain Pipe	\$102,240	Complete	0.0%	60.0%	40.0%	\$61,344	\$40,896
34-4 Storm Drain Pipe	\$504,029	Complete	50.0%	50.0%	0.0%	\$252,015	\$252,015
34-5 Storm Drain Pipe	\$356,420	2022	100.0%	0.0%	0.0%	\$0	\$378,126
35-2 Storm Drain Pipe	\$82,360	Complete	50.0%	50.0%	0.0%	\$41,180	\$41,180
35-3 Storm Drain Pipe	\$710,000	2022	100.0%	0.0%	0.0%	\$0	\$753,239
35-4 Ditch	\$8,307	Complete	100.0%	0.0%	0.0%	\$0	\$8,307
36-4 Storm Drain Pipe	\$113,884	2022	0.0%	80.0%	20.0%	\$96,656	\$24,164
36-6 Storm Drain Pipe	\$13,021	Complete	100.0%	0.0%	0.0%	\$0	\$13,021
36-7 Storm Drain Pipe	\$202,378	Complete	40.0%	40.0%	20.0%	\$80,951	\$121,427
37-2 Storm Drain Pipe	\$195,165	Complete	100.0%	0.0%	0.0%	\$0	\$195,165
39-1 Storm Drain Pipe	\$99,045	Complete	50.0%	50.0%	0.0%	\$49,523	\$49,523
39-3 Storm Drain Pipe	\$83,780	2022	100.0%	0.0%	0.0%	\$0	\$88,882
40-5 Storm Drain Pipe	\$75,260	2022	100.0%	0.0%	0.0%	\$0	\$79,843
40-6 Storm Drain Pipe	\$63,190	2022	100.0%	0.0%	0.0%	\$0	\$67,038
40-7 Storm Drain Pipe	\$69,580	2022	100.0%	0.0%	0.0%	\$0	\$73,817
40-8 Storm Drain Pipe	\$206,184	2022	0.0%	80.0%	20.0%	\$174,992	\$43,748
40-10 Storm Drain Pipe	\$44,588	2023	100.0%	0.0%	0.0%	\$0	\$48,723
41-2 Storm Drain Pipe	\$2,121,480	2022	100.0%	0.0%	0.0%	\$0	\$2,250,678
41-3 Storm Drain Pipe	\$2,395,540	2022	100.0%	0.0%	0.0%	\$0	\$2,541,428
41-5 Storm Drain Pipe	\$1,089,140	2022	50.0%	50.0%	0.0%	\$577,734	\$577,734
41-8 Storm Drain Pipe	\$2,486,420	2022	100.0%	0.0%	0.0%	\$0	\$2,637,843
41-9 Storm Drain Pipe	\$1,147,999	2022	100.0%	0.0%	0.0%	\$0	\$1,217,912
41-10 Storm Drain Pipe	\$56,090	2022	100.0%	0.0%	0.0%	\$0	\$59,506
41-11 Storm Drain Pipe	\$974,759	2022	100.0%	0.0%	0.0%	\$0	\$1,034,122
43-1 Storm Drain Pipe	\$1,476,800	2022	100.0%	0.0%	0.0%	\$0	\$1,566,737
43-2 Storm Drain Pipe	\$1,238,240	2022	50.0%	50.0%	0.0%	\$656,824	\$656,824
43-3 Storm Drain Pipe	\$2,923,780	2022	50.0%	50.0%	0.0%	\$1,550,919	\$1,550,919
43-5 Storm Drain Pipe	\$118,570	2021	0.0%	100.0%	0.0%	\$122,127	\$0
43-6 Storm Drain Pipe	\$85,200	2021	0.0%	100.0%	0.0%	\$87,756	\$0
43-7 Storm Drain Pipe	\$21,442	Complete	90.0%	10.0%	0.0%	\$2,144	\$19,298
TOTAL	\$22,371,333					\$4,532,856	\$19,028,745

*An average annual construction inflation cost of 3% has been added to reflect the actual year of construction for each project

Source: CRS Engineers Storm Drain Master Plan IFFP 2021

Construction of new storm water detention projects will total \$5,600,526(PV) with 10-year new development responsible for \$2,774,826(FV) of total costs.

TABLE 9: NEW CONSTRUCTION IMPROVEMENTS – DETENTION

Detention Project Description	Construction Cost (PV)	Construction Year	% to Existing/ Project Level/ State or Fed	% Impact Fee Qualifying - 10 Year	% Impact Fee Qualifying - Beyond 10 Year	10 Year Qualifying Cost (FV)*	Non-Qualifying/ Beyond 10-Years (FV)
01-1 Detention Pond: 0.3 AC-FT	\$51,911	Complete	100.0%	0.0%	0.0%	\$0	\$51,911
04-2 Detention Pond: 0.2 AC-FT	\$40,876	Complete	100.0%	0.0%	0.0%	\$0	\$40,876
07-1 Detention Pond: 0.3 AC-FT	\$51,911	Complete	100.0%	0.0%	0.0%	\$0	\$51,911
12-1 Detention Pond 1.4 AC-FT	\$171,765	2024	100.0%	0.0%	0.0%	\$0	\$193,323
18-1 Detention Pond: 6.5 AC-FT	\$728,552	2020	50.0%	50.0%	0.0%	\$364,276	\$364,276
23-1 Detention Pond: 13.3 AC-FT	\$1,431,483	2020	0.0%	60.0%	40.0%	\$858,890	\$572,593
23-2 Detention Pond: 2.1 AC-FT	\$241,600	Complete	0.0%	100.0%	0.0%	\$241,600	\$0
29-1 Detention Pond: 2.7 AC-FT	\$323,123	2022	100.0%	0.0%	0.0%	\$0	\$342,801
29-2 Detention Pond: 12.2 AC-FT	\$550,049	2020	0.0%	80.0%	20.0%	\$440,039	\$110,010
30-3 Detention Pond: 4.17 AC-FT	\$465,058	2020	100.0%	0.0%	0.0%	\$0	\$465,058
35-1 Detention Pond: 6.6 AC-FT	\$739,587	2020	90.0%	10.0%	0.0%	\$73,959	\$665,629
36-3 Detention Pond: 4.4 AC-FT	\$155,810	2022	0.0%	80.0%	20.0%	\$132,239	\$33,060
40-9 Detention Pond: 0.6 AC-FT	\$84,649	2023	0.0%	80.0%	20.0%	\$73,998	\$18,500
41-1 Detention Pond: 8.5 AC-FT	\$283,138	2022	0.0%	100.0%	0.0%	\$300,381	\$0
43-4 Detention Pond: 2.4 AC-FT	\$281,014	2021	0.0%	100.0%	0.0%	\$289,444	\$0
TOTAL	\$5,600,526					\$2,774,826	\$2,909,948

**An average annual construction inflation cost of 3% per year has been added to the new development costs to reflect the actual year of construction for each project*

Source: CRS Engineers Storm Drain Master Plan IFFP 2021

CHAPTER 5: PROPORTIONATE SHARE ANALYSIS

Maximum Legal Impact Fee per ESU

The Impact Fees Act requires the Impact Fee Analysis to estimate the proportionate share of the future and historic cost of system improvements that benefit new growth that can be recouped through impact fees. The impact fee for existing assets must be based on the historic costs while the fees for construction of new facilities must be based on reasonable future costs of the system.

Buy-In to Existing, Excess Capacity

As mentioned previously, there is no excess capacity in the existing storm water system. 10-year growth will be served by the new capital projects identified in the IFFP and throughout this document.

New Construction

Total new improvement costs attributable to new development over the next 10 years (with inflationary costs added) will reach \$7,307,682.

TABLE 10: PROPORTIONATE SHARE ANALYSIS, NEW IMPROVEMENTS

Component	10 Year Impact Fee Qualifying Cost	Impact Fee Qualifying Beyond 10 Years	Non-Impact Fee Qualifying	Deficiency	Total Ten-Year Construction Cost
Conveyance	\$4,532,856	\$589,526	\$15,127,830	\$3,311,389	\$23,561,602
Detention	\$2,774,826	\$734,162	\$2,175,785	\$0	\$5,684,774
Total	\$7,307,682	\$1,323,689	\$17,303,616	\$3,311,389	\$29,246,375

Source: CRS Engineers Storm Drain Master Plan IFFP 2021

Consultant Costs

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

TABLE 11: PROPORTIONATE SHARE ANALYSIS – CONSULTANT COSTS

Consultant Costs	Amount
Total Consultant Costs	\$30,298
Growth in ESUs 2021-2030	2,439
Cost per ESU	\$15.41

Impact Fee Fund Balance

Based on information provided by the City, there was an unspent fund balance of \$2,675,626 as of October 2021. These funds can be used to offset the costs described in this report and a credit must therefore be made.

TABLE 12: PROPORTIONATE SHARE ANALYSIS – FUND BALANCE

Impact Fee Fund Balance Credits	Amount
Fund Balance	\$2,675,626
Growth in ERCs, 2021-2031	2,439
Credit per ERC	(\$1,096.82)

Credits Against Impact Fees

Based on the IFFP, \$3,311,388.65 of the total new construction costs of \$29,246,375 will benefit existing development. Credits must also be calculated for the portion of future improvements that will benefit existing development. This is necessary so that new development does not pay twice – once through an impact fee and once through utility fees and tax revenue to pay for existing deficiencies in the system.

TABLE 13: IMPACT FEE DEFICIENCY CREDITS

Year	ESUs	Cost per ESU	NPV Credit	Maximum Impact Fee
2021	12,579	\$26.32	\$204.37	\$1,709.87
2022	12,850	\$25.77	\$185.17	\$1,729.07
2023	13,121	\$25.24	\$165.77	\$1,748.46
2024	13,392	\$24.73	\$146.16	\$1,768.08
2025	13,663	\$24.24	\$126.29	\$1,787.95
2026	13,934	\$23.76	\$106.13	\$1,808.10
2027	14,206	\$23.31	\$85.67	\$1,828.57
2028	14,477	\$22.87	\$64.85	\$1,849.38
2029	14,748	\$22.45	\$43.65	\$1,870.58
2030	15,019	\$22.05	\$43.25	\$1,870.99

Summary of Maximum Impact Fees

The maximum impact fee that can be charged in 2021 is \$1,709.87 for a single-family residential unit (Table 14). Impact fees for other development types are calculated by multiplying the ESU equivalency ratio and the cost per ESU (Table 15). For future years, the impact fee per ESU for that specific year (see Table 13) is multiplied by the ESU equivalency ratios.

TABLE 14: MAXIMUM ALLOWABLE IMPACT FEE PER ESU

SUMMARY OF IMPACT FEE COSTS	
Existing Capacity - Conveyance	\$0.00
Existing Capacity - Detention	\$0.00
New Projects– Conveyance	\$1,858.16
New Projects- Detention	\$1,137.49
Consultant Costs	\$15.41
Deficiency Credit	(\$204.37)
Impact Fee Fund Balance Credit	\$ (1,096.82)

Maximum Allowable Impact Fee per ESU**\$1,709.87****TABLE 15: MAXIMUM IMPACT FEE PER ESU BY DEVELOPMENT TYPE IN YEAR 2021**

Impact Fee by Development Type	Cost per ESU	ESU per Unit	Impact Fee per Unit
Residential			
Single Family Residential Unit	\$1,709.87	1.00	\$1,709.87
Multi-Family Residential Unit	\$1,709.87	0.76	\$1,299.50
Non-Residential			
Retail (per 1,000 SF)	\$1,709.87	1.39	\$2,376.71
Industrial (per 1,000 SF)	\$1,709.87	1.23	\$2,103.14
Institutional (per 1,000 SF)	\$1,709.87	0.49	\$837.83
Office (per 1,000 SF)	\$1,709.87	1.06	\$1,812.46
Other Non-Residential Unit (per 1,000 SF)	\$1,709.87	0.98	\$1,675.67

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;
 - 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.

ZIONS PUBLIC FINANCE, INC.