



EagleMountain UTAH

STORM WATER
IMPACT FEE ANALYSIS

EAGLE MOUNTAIN, UTAH

PURSUANT TO UTAH CODE 11-36A

APRIL 2020

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.



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IMPACT FEE CERTIFICATION

IFA CERTIFICATION

LYRB certifies that the Impact Fee Analysis ("IFA") 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; or
 - 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;
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.

LYRB makes this certification with the following caveats:

1. All of recommendations for capital improvements identified in the IFA are completed by City Staff and elected officials.
2. If all or a portion of the IFA is modified or amended, this certification is no longer valid.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.

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SECTION 1: EXECUTIVE SUMMARY

The purpose of the Storm Water Impact Fee Analysis (“IFA”), is to fulfill the requirements established in Utah Code Title 11 Chapter 36a, the “Impact Fees Act”, and assist Eagle Mountain City (the “City”) in determining the impacts of new development on public facilities. This document will address the existing and future storm water infrastructure needed to serve the City over the next five years, as well as the appropriate impact fees the City may charge to new growth to maintain the existing level of service (“LOS”). Much of the information utilized in the analysis for the purposes of calculating impact fees comes from data provided by the City and from the Storm Drain Impact Fee Facilities Plan 2018 Report with 2020 Update, prepared by JWO Engineering.

- ☞ **Impact Fee Service Area:** The storm water impact fees will be assessed in three defined Service Areas within the City, as shown in Section 3.
- ☞ **Demand Analysis:** The demand units utilized in this analysis are equivalent residential units (ERUs) and the impervious area per ERU generated from different land-use types within the City. As residential and commercial growth occurs within the City, additional ERUs will be generated.
- ☞ **Level of Service:** Section 3 of this report summarizes the level of service (LOS) assumptions for this analysis. The LOS for the storm system is based on 4,300 square feet of impervious area per ERU. The City’s release requirements are modeled after state requirements, which require development to retain flows on site up to the 80th percentile storm event. Eagle Mountain City has selected the 10-year storm event for the design of the initial storm drainage system and the 100-year storm event for design of the detention and retention facilities.
- ☞ **Excess Capacity:** There is no excess capacity in the existing storm drain system, and therefore this analysis does not include a buy-in calculation. There are, however, equity buy-in fees assessed in the north and south service areas, which will continue to be assessed as shown in TABLES 1.1-1.2.
- ☞ **Capital Facilities Analysis:** The 10 year Capital Improvement Plan shown in the IFFP assumes a total of \$109 million in future storm related capital improvements, of which \$44,565,455 are recommended for construction in the five year time frame of this analysis, and \$42,334,512 are considered growth-related improvements needed to serve development within the next five years and through ultimate build-out. A proportionate share analysis anticipates that the cost that will serve growth in the next five years is \$1,001,200. The breakdown of these costs by Service Area can be found in Section 5 of this analysis.
- ☞ **Funding of Future Facilities:** The cost associated with alternative funding mechanisms (e.g. bonding) is not included in this analysis at this time. If future projects related to new growth require alternative funding sources, the IFA should be updated to include any financing costs that may be incurred as a result of these proposed projects.

PROPOSED STORM IMPACT FEES

The storm water impact fees proposed in this analysis will be assessed within three separate service areas. TABLES 1.1-1.3 below illustrate the fee associated with projects occurring within the next five years by service area. The proportionate share analysis determines the proportionate cost assignable to new development based on the proposed capital projects and the estimated ERUs served by the proposed projects.

TABLE 1.1: IMPACT FEE PER ERU – NORTH SERVICE AREA

	CONST. YEAR COST	% To GROWTH	COST TO GROWTH	LESS: IMPACT FEE FUND BALANCE	REMAINING COST TO GROWTH	% TO 5-YEAR DEMAND	COST TO 5-YEAR DEMAND	ERUs SERVED	COST PER ERU
Future Facilities	\$3,422,585	35%	\$1,191,643	\$764,352	\$427,290	100%	\$427,290	2,073	\$206
Professional Expense	\$2,600	100%	\$2,600			100%	\$2,600	2,073	\$1
Total Future Facilities Fee Per ERU									\$207
Tickville Wash Equity Buy In									\$75
Total Combined Impact Fee									\$282



TABLE 1.2: IMPACT FEE PER ERU – SOUTH SERVICE AREA

	CONST. YEAR COST	% TO GROWTH	COST TO GROWTH	LESS: IMPACT FEE FUND BALANCE	REMAINING COST TO GROWTH	% TO 5-YEAR DEMAND	COST TO 5-YEAR DEMAND	ERUS SERVED	COST PER ERU
Future Facilities	\$13,957,632	100%	\$13,957,632	\$294,383	\$13,663,249	3%	\$426,360	798	\$534
Professional Expense	\$2,600	100%	\$2,600			100%	\$2,600	798	\$3
Total Future Facilities Fee Per ERU									\$537
98-3 SID Equity Buy In									\$113
EM Properties Property Equity Buy In									\$29
Total Combined Impact Fee									\$679

TABLE 1.3: IMPACT FEE PER ERU – WEST SERVICE AREA

	CONST. YEAR COST	% TO GROWTH	COST TO GROWTH	LESS: IMPACT FEE FUND BALANCE	REMAINING COST TO GROWTH	% TO 5-YEAR DEMAND	COST TO 5-YEAR DEMAND	ERUS SERVED	COST PER ERU
Future Facilities	\$27,185,237	100%	\$27,185,237	\$12,906	\$27,172,331	0%	\$83,862	35	\$2,396
Professional Expense	\$2,600	100%	\$2,600			100%	\$2,600	35	\$74
Total Future Facilities Fee Per ERU									\$2,470

NON-STANDARD STORM WATER IMPACT FEES

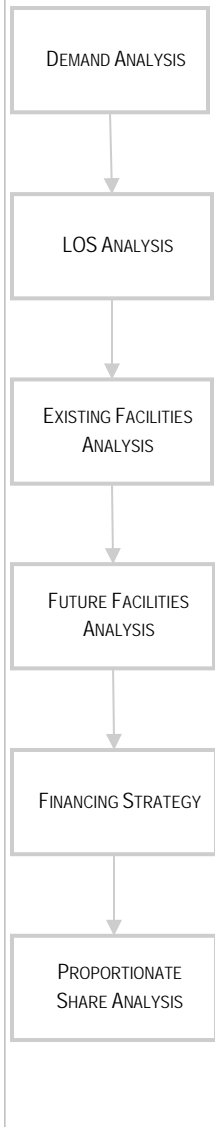
The City reserves the right under the Impact Fees Act to assess an adjusted fee that more closely matches the true impact that the land use will have upon public facilities.¹ This adjustment could result in a different impact fee if the City determines that a particular user may create a different impact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

- ☞ North Service Area: ERU Count * \$282 = Impact Fee
- ☞ South Service Area: ERU Count * \$679 = Impact Fee
- ☞ West Service Area: ERU Count * \$2,470 = Impact Fee

¹ 11-36a-402(1)(c)

SECTION 2: GENERAL IMPACT FEE METHODOLOGY

FIGURE 2.1: IMPACT FEE METHODOLOGY



The purpose of this study is to fulfill the requirements of the Impact Fees Act regarding the establishment of an IFA. The IFFP, completed by JWO Engineering, 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, as well as the future improvements required to maintain the existing LOS. The purpose of the IFA is 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. The following elements are important considerations when completing an IFA.

DEMAND ANALYSIS

The demand analysis serves as the foundation for this analysis. 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 system facilities.

LEVEL OF SERVICE ANALYSIS

The demand placed upon existing public facilities by existing development is the existing LOS. Through the inventory of existing facilities, combined with the growth assumptions, this analysis identifies the LOS provided to a community's existing residents and ensures that future facilities maintain these standards.

EXISTING FACILITY INVENTORY

In order to quantify the demands placed upon existing public facilities by new development activity, the analysis provides an inventory of the City's existing system facilities. The inventory of existing facilities is important to determine the excess capacity of existing facilities and the utilization of excess capacity by new development. Any excess capacity identified within existing facilities can be apportioned to 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 of 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: SERVICE AREA, DEMAND, AND LOS

SERVICE AREAS

Utah Code requires the impact fee enactment to establish one or more service areas within which impact fees will be imposed.⁴ The storm water impact fees are assessed within three separate service areas within the City's municipal boundaries. The IFFP includes maps of each service area which can be found on page 11 (North Service Area), page 19 (South Service Area) and page 23 (West Service Area).

It is anticipated that the growth projected over the next five years, and through buildout, will impact the City's existing services. Storm water infrastructure will need to be expanded in order to maintain the existing level of service. Impact fees are a logical and sound mechanism for funding growth-related infrastructure. The IFFP and this analysis are designed to accurately assess the true impact of a particular user upon the City's infrastructure and prevent existing users from subsidizing new growth. This analysis also ensures that new growth is not paying for existing system deficiencies. Impact fees should be used to fund the costs of growth-related capital infrastructure based upon the historic funding of the existing infrastructure and the intent of the City to equitably allocate the costs of growth-related infrastructure in accordance with the true impact that a user will place on the system.

DEMAND UNITS

Based on information provided by Eagle Mountain City, the 2019 ERU's are estimated at 10,525. The City anticipates an additional 47,399 ERUs through build-out, with 2,906 ERUs being added to the City's total over the next five years.

TABLE 3.1: CITYWIDE ERU PROJECTIONS

YEAR	NSA ERUs	SSA ERUs	WSA ERUs
2019	7,504	2,893	128
2020	7,879	3,037	134
2021	8,273	3,189	141
2022	8,687	3,348	148
2023	9,121	3,515	155
2024	9,577	3,691	163
IFFP Growth	2,073	798	35

IFFP Growth Based on average annual growth of 5%, based on historic growth rates.

LEVEL OF SERVICE

Impact fees cannot be used to finance an increase in the LOS to current or future users of system improvements. Therefore, it is important to identify the storm water LOS currently provided within the City to ensure that the new capacities of projects financed through impact fees do not exceed the established standard.

Eagle Mountain's current storm drain system design requirements are defined by the current city ordinances and construction standards. The following criteria establish conditions for which storm drainage facilities are designed:

- ☒ Size storm drains to keep water from ponding in streets and intersections during a 10-year storm event.
- ☒ Minimum pipe size of 15 inches
- ☒ Evaluate how storm drains will function during a 100-year storm event to identify areas where major flooding may occur.
- ☒ Require detention of all improvements that will limit discharge to calculated pre-developed flows.
- ☒ Detention and retention facilities must be designed to handle the volume from a 100-year storm event.

According to the City, an ERU is equivalent to 4,300 square feet of impervious area.

⁴ UC 11-36a-402(a)



SECTION 4: EXISTING FACILITIES INVENTORY

EXCESS CAPACITY

The intent of the equity buy-in component is to recover the costs of unused capacity in existing infrastructure from new development. This section addresses any excess capacity within the storm water system. TABLE 4.1 shows the value of the existing storm water system based on the data available in the City's Depreciation Statement.

TABLE 4.1: EXISTING SYSTEM VALUATION

EXISTING SYSTEM VALUES	COLLECTION
Total	\$14,358,647
IFFP Value	\$14,358,647

Source: 2018 Depreciation Statements, Eagle Mountain City

According to the IFFP⁵, it has been determined that there is no buy in to the existing system value shown above. However, the City does have several agreements to which future development in the north and south service areas will buy in. These buy in amounts were determined previously. The buy in amounts are shown below in TABLE 4.2 and have been added to the impact fees calculations in this analysis.

TABLE 4.2 EXISTING STORM SYSTEM EQUITY BUY-IN

	Service Area Served	Buy-In per ERU
98-3 SID Equity Buy In	SSA	\$113
EM Properties Property Equity Buy In	SSA	\$29
Tickville Wash Equity Buy In	NSA	\$75

MANNER OF FINANCING EXISTING PUBLIC FACILITIES

The City has funded its existing capital infrastructure through a combination of different revenue sources, including impact fees, user fees, dedications, and other financing mechanisms. There are currently no outstanding bonds related to the storm system. Thus, no additional financing costs are included in this analysis.

⁵ See Storm Drain Impact Fee Facilities Plan 2018 Report with 2020 Update, prepared by JWO Engineering, page 9 under "Excess Capacity"

SECTION 5: CAPITAL FACILITY ANALYSIS

The IFFP identifies all capital projects that are necessary to accommodate the anticipated growth within the City over the next ten years. The following table illustrates the facilities and the proportionate share of the future facilities that will serve future development.

TABLE 5.1: ILLUSTRATION OF CAPITAL IMPROVEMENTS BY SERVICE AREA

LOCATION	CONSTRUCTION YEAR	TOTAL COST WITH 30% ENGINEERING & CONTINGENCY	CONSTRUCTION YEAR COST	% TO NEW GROWTH	COST TO NEW GROWTH
NORTH SERVICE AREA					
Pipes					
24	2020	\$1,598,670	\$1,696,029	50%	\$848,015
25	2020	\$881,640	\$935,332	0%	#0
Ponds					
21	2020	\$647,805	\$687,256	50%	\$343,628
Existing Facility Improvements					
12" Spillover at Valley View Park	2020	\$39,000	\$41,375	0%	\$0
Concrete Drainage at Sandpiper Park	2020	\$59,000	\$62,593	0%	\$0
Total North Service Area		\$3,226,115	\$3,422,585		\$1,191,643
SOUTH SERVICE AREA					
Pipes					
1	5-10 Years	\$1,825,513	\$0	0%	\$0.00
2	5-10 Years	\$1,983,225	\$0	0%	\$0.00
3	5-10 Years	\$1,244,030	\$0	0%	\$0
4	2021	\$889,080	\$971,522	100%	\$971,522
5	2021	\$1,511,095	\$1,651,214	100%	\$1,651,214
6	2021	\$1,860,000	\$2,032,472	100%	\$2,032,472
7	2021	\$2,899,740	\$3,168,624	100%	\$3,168,624
8	5-10 Years	\$1,101,120	\$0	0%	\$0
9	5-10 Years	\$2,895,090	\$0	0%	\$0
10	5-10 Years	\$1,433,285	\$0	0%	\$0
11	5-10 Years	\$3,256,550	\$0	0%	\$0
12	5-10 Years	\$2,022,440	\$0	0%	\$0
13	5-10 Years	\$3,256,550	\$0	0%	\$0
14	5-10 Years	\$1,576,27	\$0	0%	\$0
15	5-10 Years	\$2,449,000	\$0	0%	\$0
16	5-10 Years	\$1,197,220	\$0	0%	\$0
17	5-10 Years	\$1,410,888	\$0	0%	\$0
18	5-10 Years	\$778,100	\$0	0%	\$0
19	5-10 Years	\$1,450,800	\$0	0%	\$0
20	5-10 Years	\$3,264,533	\$0	0%	\$0
21	5-10 Years	\$1,214,503	\$0	0%	\$0
22	5-10 Years	\$3,371,250	\$0	0%	\$0
23	2020	\$1,749,330	\$1,855,864	100%	\$1,855,864
Ponds					
1	5-10 Years	\$1,108,264	\$0	0%	\$0
3	2020	\$1,993,496	\$2,114,900	100%	\$2,114,900
4	2021	\$1,979,484	\$2,163,036	100%	\$2,163,036
5	5-10 Years	\$927,226	\$0	100%	\$0
6	5-10 Years	\$2,630,652	\$0	0%	\$0
7	5-10 Years	\$1,047,256	\$0	0%	\$0
8	5-10 Years	\$2,801,690	\$0	0%	\$0
9	5-10 Years	\$2,069,508	\$0	0%	\$0



LOCATION	CONSTRUCTION YEAR	TOTAL COST WITH 30% ENGINEERING & CONTINGENCY	CONSTRUCTION YEAR COST	% TO NEW GROWTH	COST TO NEW GROWTH
10	5-10 Years	\$1,238,298	\$0	0%	\$0
11	5-10 Years	\$2,515,618	\$0	0%	\$0
12	5-10 Years	\$1,704,414	\$0	0%	\$0
13	5-10 Years	\$1,864,454	\$0	0%	\$0
14	5-10 Years	\$2,453,622	\$0	0%	\$0
15	5-10 Years	\$5,737,412	\$0	0%	\$0
Total South Service Area		\$74,711,009	\$13,957,632		\$13,957,632
WEST SERVICE AREA					
16	2024	\$357,067	\$426,357	100%	\$426,357
17	2024	\$357,067	\$426,357	100%	\$426,357
18	2024	\$357,067	\$426,357	100%	\$426,357
19	5-10 Years	\$357,067	\$0	0%	\$0
20	5-10 Years	\$357,067	\$0	0%	\$0
Pipes					
27	2024	\$1,958,890	\$2,339,017	100%	2,339,017
28	2024	\$2,058,633	\$2,458,115	100%	\$2,458,115
29	2024	\$788,138	\$941,078	100%	\$941,078
30	2024	\$2,523,013	\$3,012,609	100%	\$3,012,609
31	5-10 Years	\$1,396,686	\$0	0%	\$0
32	2024	\$276,985	\$330,735	100%	\$330,735
33	2024	\$1,702,462	\$2,032,829	100%	\$2,032,829
34	2024	\$2,133,575	\$2,547,600	100%	\$2,547,600
35	2024	\$2,768,765	\$3,306,050	100%	\$3,306,050
36	2024	\$501,115	\$598,358	100%	\$598,358
37	2024	\$493,830	\$589,659	100%	\$589,659
38	2024	\$808,480	\$965,367	100%	\$965,367
39	2024	\$714,318	\$852,933	100%	\$852,933
40	2024	\$1,057,720	\$1,262,973	100%	\$1,262,973
41	2024	\$262,415	\$313,337	100%	\$313,337
42	5-10 Years	\$283,380	\$37,426	0%	\$0.00
43	5-10 Years	\$908,728	\$389,197	0%	\$0.00
44	5-10 Years	\$1,609,870	\$0	0%	\$0.00
Swales					
S1	2024	\$335,834	\$401,003	100%	\$401,003
S2	2024	\$1,901,334	\$2,270,292	100%	\$2,270,292
S3	2024	\$1,410,500	\$1,684,211	100%	\$1,684,211
S4	5-10 Years	\$568,334	\$0	0%	\$0
S5	5-10 Years	\$601,916	\$0	0%	\$0
S6	5-10 Years	\$927,416	\$0	0%	\$0
Total West Service Area		\$29,777,672	\$27,185,237		\$27,185,237
Total Combined Service Areas		\$109,500,076	\$44,565,455		\$42,334,512

The projects included in this IFA are necessary to serve new development in the next five years and will provide infrastructure that will serve the City through build-out. The engineers used capital project and engineering data, planning analysis and other information to compile the capital improvements included in the IFFP and this document. The IFFP provides all future capital project data including project descriptions and estimated project costs. The accuracy and correctness of this plan is contingent upon the accuracy of the data and assumptions. Any deviations or changes in the assumptions due to changes in the economy or other relevant information used by the City for this study may cause this plan to be inaccurate and require modifications.



SYSTEM VS. PROJECT IMPROVEMENTS

System improvements are defined as existing and future public facilities that are intended to provide services to service areas within the community at large.⁶ Project improvements are improvements and facilities that are planned and designed to provide service for a specific development and considered necessary for the use and convenience of the occupants or users of that development.⁷ This analysis only includes the costs of 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 (donation) of system improvements, used to finance system improvements.⁸ In addition, 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.⁹

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. Impact fees are an appropriate funding and repayment mechanism of the growth-related improvements. Where applicable, impact fees will offset the cost of future facilities. However, impact fees cannot be used to fund non-qualified expenses (i.e.; the costs to cure existing deficiencies, to raise the level of service, to recoup more than the actual cost of system improvements, or the cost to fund overhead). Other revenues such as utility rate revenue, property taxes, grants, or loans can be used to fund these types of expenditures, as described below.

UTILITY RATE REVENUES

Utility rate revenues serve as the primary funding mechanism within enterprise funds. Rates are established to ensure appropriate coverage of all operations and maintenance expenses, debt service coverage, and non-growth related capital project needs.

PROPERTY TAX REVENUES

Property tax revenues are not specifically identified in this analysis as a funding source for growth-related capital projects, but inter-fund loans may be made from the general fund which will ultimately include some property tax revenues. Inter-fund loans will be repaid once sufficient impact fee revenues have been collected.

GRANTS AND DONATIONS

Grants and donations are not currently contemplated in this analysis. However, the impact fees will be adjusted if grants become available to reflect the grant monies received. A donor will be entitled to a reimbursement for the value of the system improvements funded through impact fees if donations are made by new development.

IMPACT FEE REVENUES

Impact fees are charged to ensure that new growth pays its proportionate share of the costs for the development of public infrastructure. Impact fee revenues can also be attributed to the future expansion of public infrastructure if the revenues are used to maintain an existing LOS. Increases to an existing LOS cannot be funded with impact fee revenues. Analysis is required to accurately assess the true impact of a particular new development upon the City infrastructure and to prevent existing users from subsidizing new growth. Impact fee revenues are generally considered non-operating revenues and help offset future capital costs.

DEBT FINANCING

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

⁶ UC 11-36a-102(20)

⁷ UC 11-36a102(13)

⁸ 11-36a-302(2)

⁹ 11-36a-302(3)



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 may 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.

DRAFT



SECTION 6: STORM WATER IMPACT FEE CALCULATION

The calculation of impact fees relies upon information provided by the City through the Eagle Mountain City Storm Drain Impact Fee Facilities Plan 2018 Report with 2020 Update. Impact fees are then calculated based on many variables centered on proportionality and level of service. The following paragraphs describe the methodology used for calculating impact fees in this analysis.

PROPOSED STORM WATER 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 LOS. The following paragraphs describe the methodology used for calculating impact fees in this analysis.

PLAN-BASED (FEE BASED ON DEFINED CAPITAL IMPROVEMENT PLAN)

This analysis uses a plan-based methodology. Under this methodology, impact fees are calculated using a specific set of costs identified 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 LOS and determine any excess capacity in existing facilities that could serve new growth.

STORM WATER IMPACT FEE CALCULATION

The storm water impact fees proposed in this analysis will be assessed within Eagle Mountain City's defined Service Areas. TABLES 6.1-6.3 below illustrate the impact fees which can include an appropriate buy-in component, the costs of constructing future storm water related improvements and any debt related expense. The proportionate share analysis determines the proportionate cost assignable to new development based on the proposed capital projects and the estimated ERUs served by the proposed projects.

TABLE 6.1: IMPACT FEE PER ERU – NORTH SERVICE AREA

	CONST. YEAR COST	% TO GROWTH	COST TO GROWTH	LESS: IMPACT FEE FUND BALANCE	REMAINING COST TO GROWTH	% TO 5-YEAR DEMAND	COST TO 5-YEAR DEMAND	ERUs SERVED	COST PER ERU
Future Facilities	\$3,422,585	35%	\$1,191,643	\$764,352	\$427,290	100%	\$427,290	2,073	\$206
Professional Expense	\$2,600	100%	\$2,600			100%	\$2,600	2,073	\$1
Total Future Facilities Fee Per ERU									\$207
Tickville Wash Equity Buy In									\$75
Total Combined Impact Fee									\$282

TABLE 6.2: IMPACT FEE PER ERU – SOUTH SERVICE AREA

	CONST. YEAR COST	% TO GROWTH	COST TO GROWTH	LESS: IMPACT FEE FUND BALANCE	REMAINING COST TO GROWTH	% TO 5-YEAR DEMAND	COST TO 5-YEAR DEMAND	ERUs SERVED	COST PER ERU
Future Facilities	\$13,957,632	100%	\$13,957,632	\$294,383	\$13,663,249	3%	\$426,360	798	\$534
Professional Expense	\$2,600	100%	\$2,600			100%	\$2,600	798	\$3
Total Future Facilities Fee Per ERU									\$537
98-3 SID Equity Buy In									\$113
EM Properties Property Equity Buy In									\$29
Total Combined Impact Fee									\$679

TABLE 6.3: IMPACT FEE PER ERU – WEST SERVICE AREA

	CONST. YEAR COST	% To GROWTH	COST TO GROWTH	LESS: IMPACT FEE FUND BALANCE	REMAINING COST TO GROWTH	% TO 5-YEAR DEMAND	COST TO 5-YEAR DEMAND	ERUS SERVED	COST PER ERU
Future Facilities	\$27,185,237	100%	\$27,185,237	\$12,906	\$27,172,331	0%	\$83,862	35	\$2,396
Professional Expense	\$2,600	100%	\$2,600			100%	\$2,600	35	\$74
Total Future Facilities Fee Per ERU									\$2,470

NON-STANDARD STORM WATER IMPACT FEES

The City reserves the right under the Impact Fees Act¹⁰ to assess an adjusted fee that more closely matches the true impact that the land use will have upon the City's storm water system. This adjustment could result in a different impact fee if evidence suggests a particular user will create a different impact than what is standard for its category. The impact fee for non-standard development would be determined based on the calculation of ERUs based on the stated LOS variables in this document, multiplied by the fee per ERU, as shown below.

FORMULA FOR NON-STANDARD STORM WATER IMPACT FEES:

- ☰ North Service Area: ERU Count * \$282 = Impact Fee
- ☰ South Service Area: ERU Count * \$679 = Impact Fee
- ☰ West Service Area: ERU Count * \$2,470 = Impact Fee

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 within six years after each impact fee is paid. Impact fees collected 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 system improvements included in the Impact Fee Facilities Plan that would otherwise be paid for through user fees. Credits may also be paid to developers who have constructed and donated system 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 system 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. A construction inflation adjustment is applied to projects completed after 2018 (the base year cost estimate).

¹⁰ UC 11-36a-402(1)(c)