SOUTH DAVIS METRO FIRE AGENCY

FIRE IMPACT FEE FACILITIES PLAN (IFFP) AND IMPACT FEE ANALYSIS (IFA)

JULY 2012

PREPARED BY
LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

IMPACT FEE FACILITIES PLAN AND IMPACT FEE ANALYSIS CERTIFICATION

IFFP Certification

LYRB certifies that the attached impact fee facilities plans prepared for Fire and EMS facilities:

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

IFA Certification

LYRB certifies that the attached impact fee analysis prepared for Fire and EMS facilities:

1. includes only the costs of public facilities that are:
    a. allowed under the Impact Fees Act; and
    b. actually incurred; or
    c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid;
2. does not include:
    a. costs of operation and maintenance of public facilities;
    b. costs for qualifying public facilities that will raise the level of service for the facilities, through impact fees, above the level of service that is supported by existing residents;
    c. an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement;
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 the recommendations for implementations of the IFFP made in the IFFP documents or in the Impact Fee Analysis documents are followed by Agency Staff and elected officials.
2. If all or a portion of the IFFP or Impact Fee Analysis are modified or amended, this certification is no longer valid.
3. All information provided to LYRB is assumed to be correct, complete, and accurate. This includes information provided by the Agency and its Member Cities as well as outside sources.

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SECTION 1: EXECUTIVE SUMMARY - FIRE IMPACT FEES

The purpose of the Fire Impact Fee Facilities Plan ("IFFP"), with supporting Impact Fee Analysis ("IFA"), is to fulfill the requirements established in Utah Code Title 11 Chapter 36a, the "Impact Fees Act", and help South Davis Metro Fire Agency (the "Agency") properly allocate growth related costs related to future growth. This document will address the existing and future fire infrastructure needed to serve the Agency through the next six to ten years, as well as the appropriate impact fees the Agency may charge to new growth to maintain the current and existing level of service ("LOS").

- **Service Area:** The impact fees identified in this document will be assessed within the Agency boundary to the following entities: Centerville, North Salt Lake, West Bountiful, Woods Cross, and portions of Unincorporated Davis County. While Bountiful is within the existing Agency boundaries, the City will not be assessed an impact fee within this analysis at this time.

- **Demand Analysis:** The demand unit used for this analysis is calls for fire and emergency service generated from private land uses. It is anticipated that the growth projected over the next six to ten years, and through buildout, will impact the Agency's existing services through the increase in calls for service. SECTION 3 of this report outlines the growth in calls for service.

- **Level of Service:** The level of service for this analysis is based on a response time of four minutes, as well as an estimate of public facilities expressed in square footage per call. Additional details regarding level of service is found in SECTION 3.

- **Existing Facilities and Excess Capacity:** Excess capacity, or a buy-in component, has been considered for the stations that were recently expanded and relocated in order to maintain the response time and square footage level of service. The stations that were relocated and expanded include Station 82: North Salt Lake (Eaglewood) and Station 85: North Salt Lake (836 W. 1100 N.). It is estimated that a total of $2.2 million was utilized for facility expansion, with $4 million necessary for facility relocation. The combined cost is considered in this analysis as a buy-in component, which will be apportioned to existing and future residents in a proportional and equitable manner.

- **Outstanding Debt:** A total of $2,523,840 is identified as the sum of interest payments anticipated over the life of the bond (the principal is included in the value of existing assets). A total of 46 percent of the interest cost is applied to new development, based on the proportion of the growth related expense and shared relocation cost attributed to new development, relative to the total debt issued, as defined in SECTION 4.

- **Future Capital Facilities:** SDMFA anticipates expanding Station 83 (Centerville) by nearly 5,800 square feet in the next five to ten years. Based on the square footage level of service, a total of 1,903 square feet is considered impact fee eligible. The estimated construction cost of the Station 83 expansion is approximately $1,449,750 of which 33 percent or $475,750 will be impact fee eligible.

PROPOSED FIRE IMPACT FEE

The IFFP must properly complete the legislative requirements found in the Impact Fee Act if it is to serve as a working document in the calculation of appropriate impact fees. The calculation of impact fees relies upon the information contained in this analysis. Impact fees are then calculated based on many variables centered on proportionality share and level of service. Table 1.1 illustrates the proposed impact fee based on each land-use type.

TABLE 1.1: PROPOSED FIRE/EMS IMPACT FEE SCHEDULES

	CALLS PER UNIT	IMPACT FEE COST PER CALL	IMPACT FEE PER UNIT	2006 FEE	% CHANGE
Combined Residential per Unit/ Room (Incl. Single Family, Multifamily and Nursing/Assisted Living)					
Combined Residential	0.093	$5,066	$471	$390	21%
Non-Residential per 1,000 Square Feet (SF)					
Hotel/Motel	0.085	$5,066	$428	$234	83%
General Commercial	0.047	$5,066	$240	$120	101%
Office	0.022	$5,066	$114	$78	46%
School/Education Centers	0.069	$5,066	$350	$445	-21%
Churches/Meeting Places	0.021	$5,066	$106	$50	112%
Industrial	0.005	$5,066	$25	$29	-14%

The analysis assumes that the cost of relocating facilities is shared by both existing and future residents, as this was considered necessary to maintain the response time level of service. As a result, new development is assessed a portion of this cost, as well as any outstanding debt, based on the proportionate impact from new development. The analysis also assumes new development will be required to maintain the square footage level of service by paying for a portion of the new facilities being constructed. This analysis assumes future growth related facilities will be funded on a pay-as-you-go basis, utilizing impact fee and other local revenues.

NON-STANDARD IMPACT FEES

The Agency reserves the right under the Impact Fees Act to assess an adjusted fee that more closely matches the true impact that the land use will have upon public facilities.[1] This adjustment could result in a lower impact fee if the Agency 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 Agency should use the following formula:

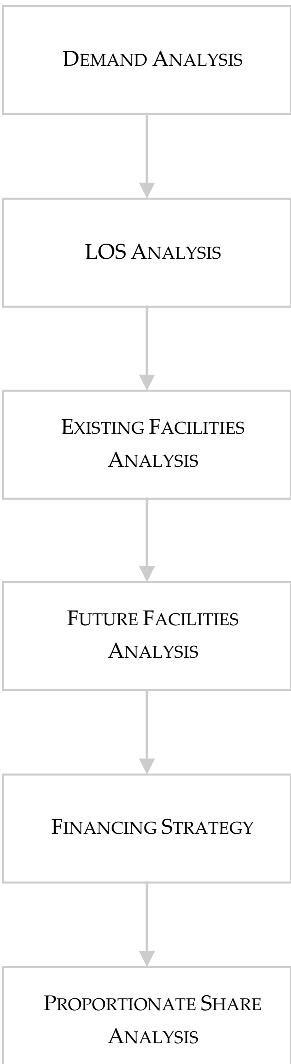
Residential Fire Impact Fee
Calls per Residence x $5,066 = Recommended Impact Fee

Non-Residential Fire Impact Fee
Calls per Unit / (Bldg. Sq. Ft./1,000) x $5,066 = Recommended 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 IFFP and IFA. The IFFP is designed to identify the demands placed upon the Agency's existing facilities by future development and evaluate how these demands will be met by the Agency. The IFFP is also intended to outline the improvements which are intended to be funded by impact fees. The IFA is designed to proportionately allocate the cost of the new facilities and any excess capacity to new development, while ensuring that all methods of financing are considered. Each component must consider the historic level of service provided to existing development and ensure that impact fees are not used to raise that level of service. The following elements are important considerations when completing an IFFP and IFA.

DEMAND ANALYSIS

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

LEVEL OF SERVICE ANALYSIS

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

EXISTING FACILITY INVENTORY

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

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

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

FUTURE CAPITAL FACILITIES ANALYSIS

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

FINANCING STRATEGY – CONSIDERATION OF ALL REVENUE SOURCES

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

PROPORTIONATE SHARE ANALYSIS

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

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

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

SERVICE AREA

Utah Code requires the impact fee enactment to establish one or more service areas within which impact fees will be imposed.[4] The impact fees identified in this document will be assessed within the Agency boundary to the following entities: Centerville, North Salt Lake, West Bountiful, Woods Cross, and portions of Unincorporated Davis County. While Bountiful is within the existing Agency boundaries, the City will not be assessed an impact fee within this analysis at this time, due to the previous contributions of the City toward fire facilities.

DEVELOPMENT BY ZONING CLASS

Table 3.1 summarizes the Agency's existing and future residential dwelling units, and the developed and undeveloped non-residential land-uses. The data in the table below is used to project the future number of calls per developed unit.

TABLE 3.1: DEVELOPMENT BY ZONING CLASS

	DEVELOPED ACRES	DEVELOPED	UNDEVELOPED
Residential		**Units**	**Units**
Residential	11,572.55	30,952	4,762
Non-Residential		**Square Feet (SF)**	
Commercial	1,214.69	7,936,791	2,444,593
Office	147.97	1,611,426	681,453
Industrial	1,822.11	19,842,778	4,984,484
Source: Municipal Zoning and Land Use Data by Community, LYRB			

The IFFP, in conjunction with the impact fee analysis, is designed to accurately assess the true impact of a particular user upon the Agency's infrastructure and prevent existing users from subsidizing new growth. 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 Agency 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

This element focuses on the specific demand unit related to fire services, which will be calls for service. The demand analysis focuses on two main elements:

1. The existing demand on public facilities; and,
2. The future demand as a result of new development that will impact public facilities.

To do this, two data sets are utilized: zoning data and existing parcel land-use data. The zoning data is used to evaluate existing call volumes and project future calls for service, whereas the parcel data is used to determine the average call ratios for specific property types. While there may be differences in the data sets, this provides a way to reasonably forecast future calls, while apportioning the impact fee costs to the specific development types.

Existing call data was analyzed in relation to the current parcel data within the Agency to determine the current level of service by **detailed** land-use type. Call data was collected from 2009 through 2011 to determine the average calls for residential and non-residential development. Call data was broken out into additional land use categories using parcel data as shown in Table 3.2.

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

TABLE 3.2: RATIO OF CALLS PER DEVELOPED UNIT USING PARCEL DATA

	DEVELOPED UNITS/SF	FIRE CALLS 2009-2011	HISTORIC AVG. CALLS	CALLS PER DEVELOPED UNIT
Combined Residential* (Units)	31,602	8,793	2,930	0.093
Hotel/Motel (SF)	272,106	68	23	0.085
General Commercial (SF)	6,306,720	896	299	0.047
Office (SF)	1,784,654	121	40	0.022
School/Education Centers (SF)	1,491,212	309	103	0.069
Churches/Meeting Places (SF)	1,719,618	108	36	0.021
Industrial (SF)	4,876,256	304	101	0.005
Total		**10,599**	**3,532**	
* Includes nursing care facilities (on a per room basis)				

Table 3.3 combines the general land-use categories from each City, with the call statistics applied to these categories. Nursing facility call data is combined with the commercial since the future commercial land-use data does not identify specific undeveloped acreage for this land use type. This results in a change in the calls per developed unit for the residential category. However, at the direction of the Agency, the final impact fee analysis addresses a combined residential category which includes nursing facilities due to the similarities in the population served.

TABLE 3.3: RATIO OF CALLS PER DEVELOPED UNIT USING GENERAL ZONING DATA

	DEVELOPED UNITS/SF	HISTORIC AVG. CALLS	CALLS PER DEVELOPED UNIT
Residential (Units)	30,952	2,376	0.077
Commercial (SF)	7,936,791	1,015	0.128
Office (SF)	1,611,426	40	0.025
Industrial (SF)	19,842,778	101	0.005
Total		**3,532**	

In all, an average of 3,532 calls for service were attributed to residential and non-residential development (not including calls placed from public land-uses – i.e. government buildings, parks, etc. – and calls that cannot be traced to identifiable land-uses).

In order to determine the demand placed upon existing public facilities by new development, this analysis projects the additional call volume that undeveloped land-uses will generate. As shown in Table 3.4, the future fire calls are projected based upon the number of historic calls within general land-use categories. The fire call projections include fire calls to private land-uses within the Agency service area only. Therefore, calls placed from public land-uses, including government buildings, parks, etc., calls that cannot be traced to identifiable land-uses, and calls outside of the service area have not been included in the fire call projections shown in Table 3.4.

TABLE 3.4: FIRE CALL PROJECTIONS

	CALLS PER DEVELOPED UNIT	UNDEVELOPED UNITS/SQUARE FEET	ADDITIONAL CALLS TO BUILDOUT
Single and Multi-Family Residential (Units)	0.077	4,762	367
Commercial (SF)	0.128	2,444,593	313
Office (SF)	0.025	681,453	17
Industrial (SF)	0.005	4,984,484	25
Total New Calls			**722**
Total New Calls Since 2005			934
The New Calls Since 2005 is calculated by comparing the current Average System Calls of 3,532, less the average call volume from 2001-2005 of 3,320 as presented in the 2006 study.			

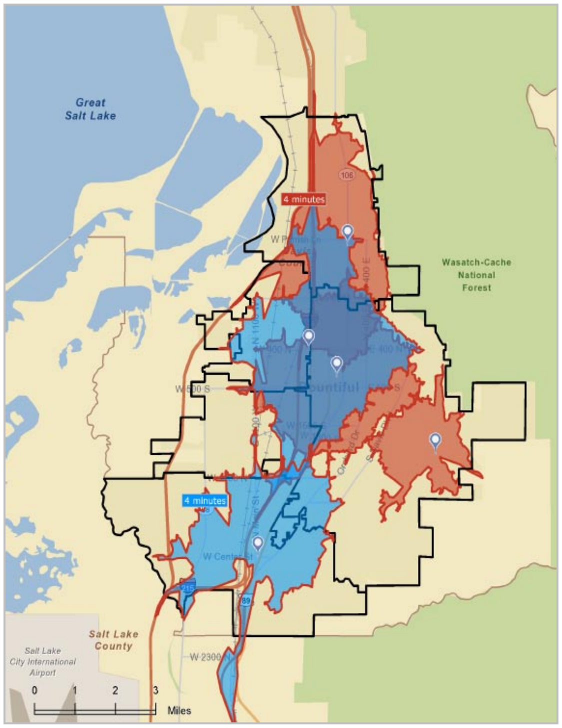
It is important to restate that the call projections are based on the utilization of two data sets: detailed parcel data and general zoning information. Due to the nature of the zoning data, there is a difference in the calls per unit generally, as shown in Table 3.3 and 3.4, and the detailed calls for service as calculated in Table 3.2 (and used in the proportionate share analysis). Since the zoning data does not identify specific development types (i.e. nursing facilities vs. retail commercial space) and the parcel data does not identify future zoning information, a general zoning analysis is applied to provide an estimate of future calls, whereas the parcel data is used to provide an estimate of the impact fee for specific types of development.

The future growth within the service area will impact the fire department's ability to provide adequate fire protection throughout the service area. Future development will 1) increase the calls for service, 2) affect acceptable response times as a result of geographic expansion of the Agency's developed areas, and 3) contribute to increased roadway congestion resulting in decreased response times.

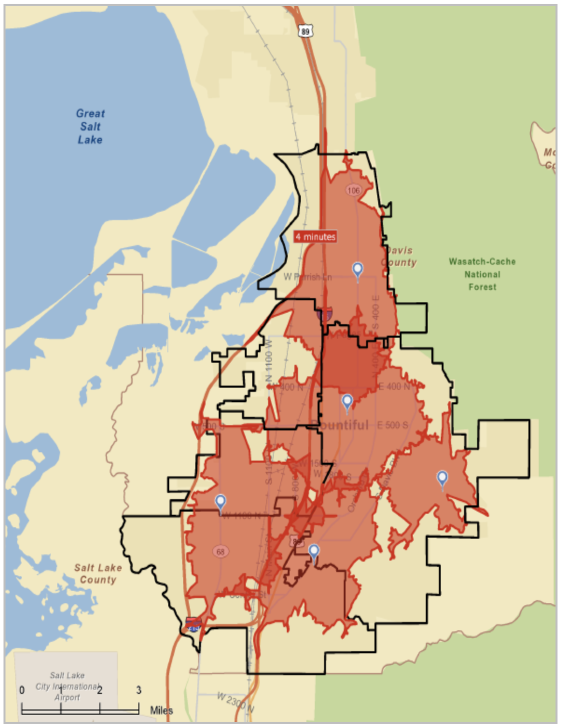
LEVEL OF SERVICE STANDARDS

The level of service for this analysis is based on a response time of four minutes, as well as an estimate of facility square footage per call. Based on maintaining a four (4) minute response time, existing facilities were relocated and expanded beginning in 2006. As illustrated in the maps below, this allowed for the appropriate coverage of the service area.

MAP: 2005 RESPONSE TIME COVERAGE
LOS : 4 MINUTE RESPONSE TIME 90% OF CALLS



MAP: 2012 RESPONSE TIME COVERAGE
LOS : 4 MINUTE RESPONSE TIME 90% OF CALLS



Due to the need to maintain the response time level of service square footage level of service, existing stations were recently expanded. The stations that were relocated and expanded include Station 82: North Salt Lake (Eaglewood) and Station 85: North Salt Lake (836 W. 1100 N.). Based on the 2005 pre-construction level of service, SDMFA provided 11.78 square feet (sf) of fire facilities per call based on the following calculation:

44,424 sf (2005) / 3,772 calls for service (as identified in the 2006 impact fee analysis) = 11.78 sf/call

Based on the square footage level of service, a total of 1,903 additional sf of fire facilities will be required in the future:

934 new calls since 2005 x 11.78 sf/call = 10,999 sf
Actual new sf built to date = 9,096, leaving 1,903 remaining to construct

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SECTION 4: EXISTING FACILITIES ANALYSIS

The Agency currently operates five fire stations as shown below.

TABLE 4.1: EXISTING FIRE FACILITIES

	STATION 81 BOUNTIFUL	STATION 82 NORTH SALT LAKE	STATION 83 CENTERVILLE	STATION 84 BOUNTIFUL	STATION 85 NORTH SALT LAKE	TOTAL SF
Living Quarters & Other	10,624	2,641	1,912	3,363	3,808	22,348
Apparatus Bay	7,644	7,120	2,050	2,521	11,837	31,172
TOTALS:	**18,268**	**9,761**	**3,962**	**5,884**	**15,645**	**53,520**

VALUE OF EXISTING FIRE INFRASTRUCTURE

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

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

The inventory of existing facilities is important to properly determine the excess capacity of existing facilities and the utilization of excess capacity by new development. The total value of all existing inventory is approximately $15.2 million. However, the buy-in analysis only considers the cost incurred from the 2005 relocation and expansion cost initiative with the associated outstanding debt in this analysis.

EXCESS CAPACITY

Excess capacity or a buy-in component has been considered for the stations that were recently expanded and relocated in order to maintain the response time level of service. The stations that were relocated and expanded include Station 82: North Salt Lake (Eaglewood) and Station 85: North Salt Lake (836 W. 1100 N.). The table below shows the total construction cost for the relocation and expansion of these stations. The growth related cost of $2.2 million is the facility expansion cost, while the difference of $4 million is allocated as shared relocation cost.

TABLE 4.2: EXISTING FACILITY COST RELATED TO NEW GROWTH

	STATION 82 (EAGLEWOOD) NORTH SALT LAKE	STATION 85 (REDWOOD RD) WEST BOUNTIFUL	TOTAL
Total Square Footage	9,761	15,645	53,520
Total New SF	3,100	5,996	9,096
Percent to Growth	**32.0%**	**38.0%**	**17.0%**
Estimated Original Relocation and Construction Cost	$2,932,804	$3,327,353	$6,260,157
Total Expansion Related Cost	**$938,497**	**$1,264,394**	**$2,202,892**
Source: SDMFA, 2012			

The analysis assumes that the cost of relocating facilities is shared by both existing and future residents. A total of **$2,202,892 is identified as facility expansion cost**, with the remaining **$4,057,266 allocated as shared relocation cost**. The relocation of facilities was necessary to maintain the response time level of service. As a result, new development is assessed 17 percent of this cost, or $689,735, based on the new calls for service from 2012 through buildout.

In addition, SDMFA has expanded facilities by a total of 9,096 new sf since 2006 to maintain the square footage level of service. New development is apportioned 100 percent of the expansion costs ($2,202,892) based on the square footage level of service discussed in Section 3.

MANNER OF FINANCING EXISTING PUBLIC FACILITIES

SDMFA has outstanding debt related to the expansion initiative that expires in 2032. The debt service is shown in the table below. **A total of $2,523,840** is identified as the sum of interest payments anticipated over the life of the bond (the principal is included in the value of existing assets).

TABLE 4.3: OUTSTANDING DEBT

DEBT SERVICE SCHEDULE					
DATE	PRINCIPAL	COUPON	INTEREST	TOTAL P+I	FISCAL TOTAL
10/1/2007	-	0%	-	-	-
10/1/2008	101,000	4%	168,200	269,200	269,200
10/1/2009	105,000	4%	164,160	269,160	269,160
10/1/2010	109,000	4%	159,960	268,960	268,960
10/1/2011	114,000	4%	155,600	269,600	269,600
10/1/2012	118,000	4%	151,040	269,040	269,040
10/1/2013	123,000	4%	146,320	269,320	269,320
10/1/2014	128,000	4%	141,400	269,400	269,400
10/1/2015	133,000	4%	136,280	269,280	269,280
10/1/2016	138,000	4%	130,960	268,960	268,960
10/1/2017	144,000	4%	125,440	269,440	269,440
10/1/2018	149,000	4%	119,680	268,680	268,680
10/1/2019	155,000	4%	113,720	268,720	268,720
10/1/2020	162,000	4%	107,520	269,520	269,520
10/1/2021	168,000	4%	101,040	269,040	269,040
10/1/2022	175,000	4%	94,320	269,320	269,320
10/1/2023	182,000	4%	87,320	269,320	269,320
10/1/2024	189,000	4%	80,040	269,040	269,040
10/1/2025	197,000	4%	72,480	269,480	269,480
10/1/2026	205,000	4%	64,600	269,600	269,600
10/1/2027	213,000	4%	56,400	269,400	269,400
10/1/2028	221,000	4%	47,880	268,880	268,880
10/1/2029	230,000	4%	39,040	269,040	269,040
10/1/2030	239,000	4%	29,840	268,840	268,840
10/1/2031	249,000	4%	20,280	269,280	269,280
10/1/2032	258,000	4%	10,320	268,320	268,320
Total	**$4,205,000**		**$2,523,840**	**$6,728,840**	**-**

A total of 46 percent of the interest cost is applied to new development, based on the proportion of the growth related expense and shared relocation cost attributed to new development, relative to the total debt issued as shown in the following formula:

$2,892,627 (Relocation Cost $689,735 and Expansion Cost $2,202,892) / $6,260,157 (Total Cost of Facilities) = 46%

The interest cost will likely be reduced due to the refunding of the outstanding bonds. If this occurs SDMFA will need to adjust the impact fees to account for this reduced cost.

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SECTION 5: CAPITAL FACILITY ANALYSIS

SDMFA anticipates expanding Station 83 (Centerville) by nearly 5,800 square feet in the next five to ten years. Based on the square footage level of service (11.78 sf/call), a total of 1,903 square feet (or approximately 33 percent of the total) is considered impact fee eligible. The estimated construction cost of the Station 83 expansion is approximately $1,449,750 of which 33 percent, or $475,750, will be impact fee eligible.

TABLE 5.1: ILLUSTRATION OF PROPOSED CAPITAL IMPROVEMENTS

	YEAR OF CONSTRUCTION	TOTAL SQUARE FOOTAGE	ESTIMATED COST
Station 83 - Expansion of Centerville Station	2013-2014	5,799	$1,449,750

SYSTEM VS. PROJECT IMPROVEMENTS

System improvements are defined as existing public facilities designed to provide services to service areas within the community at large and future public facilities that are intended to provide services to service areas within the community at large.[5] Project improvements are improvements and facilities that are planned and designed to provide service for a specific development (resulting from a development activity) and considered necessary for the use and convenience of the occupants or users of that development.[6] The Impact Fee Analysis may only include the costs of impacts on system improvements related to new growth within the proportionate share analysis. Since fire services serve the entire community, the construction of fire safety buildings are considered system improvements.

FUNDING OF FUTURE FACILITIES

The IFFP must also include a consideration of all revenue sources, including impact fees and the dedication of system improvements, which may be used to finance system improvements.[7] In conjunction with this revenue analysis, there must be a determination that impact fees are necessary to achieve an equitable allocation of the costs of the new facilities between the new and existing users.[8]

The Agency does not anticipate any donations from new development for future system-wide capital improvements related to fire facilities.

PROPERTY TAX REVENUES

Property tax revenues are not directly available to the Agency as a funding mechanism.

GRANTS AND DONATIONS

If the Agency receives grant money to fund fire facilities, the impact fees will need to be adjusted accordingly to reflect the grant monies received. A donor will be entitled to a reimbursement for the value of the improvements funded through impact fees if donations are made by new development.

IMPACT FEE REVENUES

Impact fees have become an ideal mechanism for funding growth-related infrastructure. 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 level of service. Increases to an existing level of service cannot be funded with impact fee revenues. Analysis is required to accurately assess the true impact of a particular user upon the Agency infrastructure and to prevent existing users from subsidizing new growth.

[5] UC 11-36a-102(20)
[6] UC 11-36a102(13)
[7] UC 11-36a-302(2)
[8] UC 11-36a-302(3)

DEBT FINANCING

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 Agency to finance and quickly construct infrastructure for new development and reimburse itself later from impact fee revenues for the costs of issuing debt. However, the Agency is currently planning to fund all future growth related facilities on a pay-as-you-go basis, thus no financing costs are included in the impact fee analysis relative to funding of future capital improvements. Should the Agency incur additional cost as a result of the need to issue debt, the impact fee should be updated to account for this cost.

EQUITY OF IMPACT FEES

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

NECESSITY OF IMPACT FEES

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

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SECTION 6: FIRE IMPACT FEE CALCULATION

The written impact fee analysis relies upon the information contained in this analysis. The following briefly discusses the methodology for calculating fire impact fees.

PROPOSED FIRE IMPACT FEES

The fire/EMS impact fees proposed in this analysis will be assessed within Centerville, North Salt Lake, West Bountiful, Woods Cross, and portions of Unincorporated Davis County. Bountiful is not assessed an impact fee within this analysis. As stated above, the impact fee analysis allocates the existing and future fire stations within the ten year planning horizon to current and future development.

The cost per call is found in Table 6.1 and is the basis for the maximum impact fees per land use category shown in Table 6.2.

TABLE 5.1: ESTIMATE OF IMPACT FEE COSTS PER CALL

	ORIGINAL COST	% TO GROWTH	IMPACT FEE ELIGIBLE	NEW DEVELOPMENT CALLS	COST PER CALL
Shared Relocation Cost	$4,057,266	17%	$689,735	722	$955
Growth Related Cost (2006 Projects)	$2,202,892	100%	$2,202,892	934	$2,359
Expansion of Centerville Station	$1,449,750	33%	$475,750	934	$509
Total Interest Costs	$2,523,840	46%	$1,160,966	34	$1,243
Total	**$10,233,747**		**$4,529,343**		**$5,066**

At the request of the fire agency, a combined residential category was used to determine the impact fee. This category includes single family, multifamily and nursing/assisted living facilities based on similarities in the population served (i.e. residential populations). As a result, a combined call ratio of 0.093 calls per unit is applied to this category.

TABLE 5.2: RECOMMENDED FIRE/EMS IMPACT FEE SCHEDULE

	CALLS PER UNIT	IMPACT FEE COST PER CALL	IMPACT FEE PER UNIT	2006 FEE	% CHANGE
Combined Residential per Unit/Room (Incl. Single Family, Multifamily and Nursing/Assisted Living					
Combined Residential	0.093	$5,066	$471	$390	21%
Non-Residential (per 1,000 SF)					
Hotel/Motel	0.085	$5,066	$428	$234	83%
General Commercial	0.047	$5,066	$240	$120	101%
Office	0.022	$5,066	$114	$78	46%
School/Education Centers	0.069	$5,066	$350	$445	-21%
Churches/Meeting Places	0.021	$5,066	$106	$50	112%
Industrial	0.005	$5,066	$25	$29	-14%

By calculating the capacity of the proposed facilities based on the level of service for all call types and then determining a cost per call, the proportional impact for residential and commercial development is not burdened by the impact of other uses (i.e. government, public or other non-impact fee related). The cost per call is then multiplied by the actual demand unit of measurement, or calls per unit for each development type.

NON-STANDARD FIRE IMPACT FEES

The Agency 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 fire facilities. [9] This adjustment could result in a higher impact fee if the Agency determines that a particular user may create a greater impact than what is standard for its land use. The Agency may also decrease the impact fee if the developer can provide documentation evidence, or alternative-credible analysis that the proposed impact will be lower than normal. The formula for determining a non-standard impact fee, assuming the fair share approach, is found below.

FORMULA FOR NON-STANDARD FIRE/EMS IMPACT FEES:

Residential Fire Impact Fee
Calls per Residence x $5,066 = Recommended Impact Fee

Non-Residential Fire Impact Fee
Calls per Unit / (Bldg. Sq. Ft./1,000) x $5,066 = Recommended 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 with six years after each impact fee is paid. Impact fees collected in the next five to six years should be spent only on those projects outlined in the IFFP as growth related costs to maintain the LOS.

PROPOSED CREDITS OWED TO DEVELOPMENT

The Impact Fees Act requires that credits be paid back to development for future fees that will pay for growth-driven projects included in the Impact Fee Facilities Plan that would otherwise be paid for through user fees. Credits may also be paid to developers who have constructed and donated facilities to that Agency that are included in the IFFP in-lieu of impact fees. This situation does not apply to developer exactions or improvements required to offset density or as a condition of development. Any project that a developer funds must be included in the IFFP if a credit is to be issued.

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

GROWTH-DRIVEN EXTRAORDINARY COSTS

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

SUMMARY OF TIME PRICE DIFFERENTIAL

Due to recessionary conditions currently affecting the State, construction inflation is not considered in the calculation of the impact fee as it relates to new facilities constructed after 2012.

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