

Herriman City



Parks, Trails and Recreation Impact Fee Analysis





Table of Contents

Table of Contents	2
Summary of Impact Fee Analysis (IFA).....	3
Impact on Consumption of Existing Capacity - <i>Utah Code 11-36a-304(1)(a)</i>	3
Impact on System Improvements by Anticipated Development Activity - <i>Utah Code 11-36a-304(1)(b)</i>	3
Relationship of Anticipated Impacts to Anticipated Development Activity - <i>Utah Code 11-36a-304(1)(c)</i>	4
Proportionate Share Analysis - <i>Utah Code 11-36a-304(1)(d)(i)(ii)</i>	4
Utah Code 11-36a	6
Notice of Intent to Prepare Impact Fee Analysis	6
Preparation of Impact Fee Analysis	6
Certification of Impact Fee Analysis.....	7
Impact Fee Analysis.....	8
Impact on Consumption of Existing Capacity	8
Demand Placed on Facilities by New Development Activity	8
Activity	9
Relationship of Anticipated Impacts to Anticipated Development	11
Activity	11
Proportionate Share Analysis.....	13
Impact Fee Credits	14
Manner of Financing	14
Certification.....	15

Summary of Impact Fee Analysis (IFA)

The City has determined that there is one service area citywide and that all parks, trails and recreation facilities are at full capacity in 2020, with the exception of the equestrian center which has excess capacity. Only residential development is considered to create demand for parks, trails and recreation facilities and therefore only residential growth has been considered in the determination of impact fees.

For the purposes of this analysis, it has been assumed that Herriman has a 2020 population of 62,010 which is expected to increase to 93,465 residents by 2030. This represents anticipated growth of 31,455 persons.

This IFA is organized based on the legal requirements of Utah Code 11-36a-304.

Impact on Consumption of Existing Capacity - Utah Code 11-36a-304(1)(a)

The existing and proposed levels of service have been expressed first in acres per 1,000 residents for parks, and miles/structures per resident for trails; these numbers are then converted to an investment level per capita. The parks and trails development in the City is one overall recreation system designed to meet the needs and desires of its residents for physical and leisure activities and therefore the investment level of service reflects the combined level of service for both parks and trails.¹

TABLE 1: SUMMARY OF SERVICE LEVELS FOR SYSTEMWIDE FACILITIES

Service Levels	Existing LOS	Proposed LOS	Existing Investment per Capita	Proposed Investment per Capita	Excess Capacity
Park Land per Capita (acres per 1,000)	1.61	3.71	\$321.53	\$742.00	(\$420.47)
Park Improvements per Capita (Investment per Capita)			\$381.93	\$881.39	(\$499.46)
Equestrian center per Capita			\$13.81	\$7.39	\$6.42
Trails (miles per capita)	0.000793	0.002003	\$275.38	\$372.35	(\$96.96)
Trail Structures			\$39.91	\$70.96	(\$31.04)

Impact on System Improvements by Anticipated Development Activity - Utah Code 11-36a-304(1)(b)

The table below shows the declining service levels that would occur in Herriman, due to population growth, if no new facilities are added. Each of these declining service levels is discussed in more detail in the body of this report.

¹The City intends to charge impact fees to maintain existing service levels. Proposed service levels will be reached through means other than impact fees. The calculation of service levels is described in more detail in the body of this report.

TABLE 2: IMPACTS TO SERVICE LEVELS DUE TO NEW DEVELOPMENT IF NO IMPROVEMENTS ARE MADE

Summary - per Capita	2020	2030
Park Land	\$321.53	\$213.32
Park Improvements	\$381.93	\$253.39
Trails	\$275.38	\$182.71
Trail Structures	\$39.91	\$26.48

Relationship of Anticipated Impacts to Anticipated Development Activity - Utah Code 11-36a-304(1)(c)

The demand placed on existing public park facilities by new development activity is attributable to population growth. In order to maintain the existing level of service, the projected new development over the next ten years will require the construction or acquisition of new facilities in the amount of \$37,277,578, as stated in 2018 dollars.

TABLE 3: INVESTMENT REQUIRED, 2

Amenity	Improvements Needed, 2020-2030
Parks	\$22,127,276
Park Buy-In Costs – Equestrian	\$856,436
Trail Miles	\$8,662,223.08
Trail Structures	\$1,255,461
Plan Preparation	\$10,000
Impact Fee Fund Balance	\$4,366,181.94
Total	\$37,277,578

Proportionate Share Analysis - Utah Code 11-36a-304(1)(d)(i)(ii)

This forms the basis for the proportionate share analysis which is summarized as follows:

TABLE 4: PROPORTIONATE SHARE ANALYSIS

Amenity	Improvements Needed, 2020-2030	Demand Units	Cost per Capita
Parks	\$22,127,276	31,455	\$703.46
Park Buy-In Costs – Equestrian	\$856,436	115,844	\$7.39
Trail Miles	\$8,662,223.08	31,455	\$275.38
Trail Structures	\$1,255,461	31,455	\$39.91
Plan Preparation	\$10,000	31,455	\$0.32
Impact Fee Fund Balance	\$4,366,181.94	31,455	(\$138.81)
Total	\$37,277,578		\$887.66

The maximum fee per household takes the fee per capita and multiplies by the appropriate household size for single-family and multi-family dwelling units.

TABLE 5: MAXIMUM IMPACT FEES

	Household Size*	Fee per Household
Single-Family HH Size	4.00	\$3,550.64
Multi-Family HH Size	3.55	\$3,151.19

*Source: American Community Survey

The maximum fee per household for a single-family unit is \$3,550.64; the maximum fee for a multi-family unit is \$3,151.19.

Utah Code 11-36a

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

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 which is required to:

- (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.

Impact Fee Analysis

Utah Code allows cities to include only system-wide parks for the purpose of calculating impact fees. Project-wide parks cannot be used to establish levels of service eligible to be maintained through impact fees. Based on input from the City and the consultants, a system-wide park is defined as a park that serves more than one local development area. System-wide parks in Herriman include neighborhood, community and regional parks.

This IFA is organized based on the legal requirements of Utah Code 11-36a-304.

1 Impact on Consumption of Existing Capacity

Utah Code 11-36a-304(1)(a): an impact fee analysis shall identify the anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity

Demand Placed on Facilities by New Development Activity

Impacts on recreation-related facilities will come from residential development only. Residential growth is projected as follows:

TABLE 6: POPULATION GROWTH

Year	Population	Population Growth
2020	62,010	
2021	65,700	3,690
2022	69,327	3,627
2023	72,863	3,536
2024	76,284	3,421
2025	79,568	3,284
2026	82,697	3,129
2027	85,659	2,962
2028	88,445	2,786
2029	91,047	2,602
2030	93,465	2,418
TOTAL		31,455

Source: Herriman City

With a 2020 population of 62,010 persons and a projected population of 93,465 in 2030, the City is expected to grow by 31,455 persons during the 10-year period, or an average of 3,146 persons per year. This significant and rapid growth will place pressure on the City's existing parks, recreation and trails system. This projected growth per year is consistent with what the City has experienced in the past. In 2010, Herriman had a population of 22,519 persons. By 2020, the population had increased to 62,010 persons for average growth of 3,949 persons per year during that time period.

2

Impact on System Improvements by Anticipated Development Activity

Utah Code 11-36a-304(1)(b): an impact fee analysis shall identify the anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility;

Parks. Park service levels will decline, due to new development activity, from the existing service level of 1.61 acres per 1,000 residents to 1.07 acres. Investment levels will decline from \$321.53 to \$213.32 per capita unless new improvements are made.

TABLE 7: PARK LAND SERVICE LEVEL IMPACTS FROM NEW DEVELOPMENT ACTIVITY

Year	Population	Service Levels if No New Facilities	Per Capita Investment if No New Facilities
2020	62,010	1.61	\$321.53
2021	65,700	1.52	\$303.47
2022	69,327	1.44	\$287.59
2023	72,863	1.37	\$273.64
2024	76,284	1.31	\$261.37
2025	79,568	1.25	\$250.58
2026	82,697	1.21	\$241.10
2027	85,659	1.16	\$232.76
2028	88,445	1.13	\$225.43
2029	91,047	1.09	\$218.99
2030	93,465	1.07	\$213.32

Park improvement service levels will decline from \$381.93 to \$253.39 per capita unless new improvements are made.

TABLE 8: PARK IMPROVEMENTS SERVICE LEVEL IMPACTS FROM NEW DEVELOPMENT ACTIVITY

Year	Population	LOS per Capita
2020	62,010	\$381.93
2021	65,700	\$360.48
2022	69,327	\$341.62
2023	72,863	\$325.04
2024	76,284	\$310.46
2025	79,568	\$297.65
2026	82,697	\$286.39
2027	85,659	\$276.49
2028	88,445	\$267.78
2029	91,047	\$260.12
2030	93,465	\$253.39

Excess capacity in the equestrian center will be partially consumed by 2030, but with excess capacity still remaining. The proposed LOS for the equestrian facility is \$7.39 at buildout.

TABLE 9: EQUESTRIAN CENTER SERVICE LEVEL IMPACTS FROM NEW DEVELOPMENT ACTIVITY

Year	Population	Existing Equestrian Center Investment	LOS per 1,000
2020	62,010	\$856,436	\$13.81
2021	65,700	\$856,436	\$13.04
2022	69,327	\$856,436	\$12.35
2023	72,863	\$856,436	\$11.75
2024	76,284	\$856,436	\$11.23
2025	79,568	\$856,436	\$10.76
2026	82,697	\$856,436	\$10.36
2027	85,659	\$856,436	\$10.00
2028	88,445	\$856,436	\$9.68
2029	91,047	\$856,436	\$9.41
2030	93,465	\$856,436	\$9.16

Trails. Trail mile service levels will decline, due to new development activity from the existing service level of \$275.38 per capita to \$182.71 per capita.

TABLE 10: TRAIL MILE IMPACTS FROM NEW DEVELOPMENT ACTIVITY

Year	Population	Trail Investment 2020	LOS per Capita	Trail Miles per Capita
2020	62,010	\$17,076,600	\$275.38	0.00079
2021	65,700	\$17,076,600	\$259.92	0.00075
2022	69,327	\$17,076,600	\$246.32	0.00071
2023	72,863	\$17,076,600	\$234.37	0.00067
2024	76,284	\$17,076,600	\$223.86	0.00064
2025	79,568	\$17,076,600	\$214.62	0.00062
2026	82,697	\$17,076,600	\$206.50	0.00059
2027	85,659	\$17,076,600	\$199.36	0.00057
2028	88,445	\$17,076,600	\$193.08	0.00056
2029	91,047	\$17,076,600	\$187.56	0.00054
2030	93,465	\$17,076,600	\$182.71	0.00053

Trail structure service levels will decline, due to new development activity, from the existing service level of \$39.91 per capita to \$26.48 per capita by 2030 unless new trail miles are added.

TABLE 11: TRAIL STRUCTURE SERVICE LEVEL IMPACTS FROM NEW DEVELOPMENT ACTIVITY

Year	Population	Existing Trail Mile Investment	LOS per 1,000
2020	62,010	\$2,475,000	\$39.91
2021	65,700	\$2,475,000	\$37.67
2022	69,327	\$2,475,000	\$35.70

Year	Population	Existing Trail Mile Investment	LOS per 1,000
2023	72,863	\$2,475,000	\$33.97
2024	76,284	\$2,475,000	\$32.44
2025	79,568	\$2,475,000	\$31.11
2026	82,697	\$2,475,000	\$29.93
2027	85,659	\$2,475,000	\$28.89
2028	88,445	\$2,475,000	\$27.98
2029	91,047	\$2,475,000	\$27.18
2030	93,465	\$2,475,000	\$26.48

3 Relationship of Anticipated Impacts to Anticipated Development Activity

Utah Code 11-36a-304(1)(c): an impact fee analysis shall subject to Subsection (2), demonstrate how the anticipated impacts described in Subsections (1)(a) and (b) are reasonably related to the anticipated development activity;

Parks. The City will need to acquire 50.57 additional park acres by 2030 in order to maintain its existing service level. The current service level will decline, as a result of population growth unless new facilities are constructed or acquired. Impact fees will be used to maintain the existing service levels for park land and improvements. They will not be used to raise service levels or for replacement, repair or maintenance costs.

TABLE 12: PARK LAND INVESTMENT REQUIRED TO MAINTAIN EXISTING STANDARD

Year	Population	Population Growth	Additional Park Acres Needed
2020	62,010	-	
2021	65,700	3,690	5.93
2022	69,327	3,627	5.83
2023	72,863	3,536	5.68
2024	76,284	3,421	5.50
2025	79,568	3,284	5.28
2026	82,697	3,129	5.03
2027	85,659	2,962	4.76
2028	88,445	2,786	4.48
2029	91,047	2,602	4.18
2030	93,465	2,418	3.89
TOTAL	31,455		50.57

At a cost of \$200,000 per acre, the City will need to make an investment in land of \$10,113,688 by 2030. The City will also need to make an investment in park improvements of \$12,013,588 million by 2030.

TABLE 13: PARK IMPROVEMENTS INVESTMENT REQUIRED TO MAINTAIN EXISTING LOS

Year	Population	Investment Required	Increased Investment
2020	62,010	\$23,683,440	\$0
2021	65,700	\$25,092,760	\$1,409,319
2022	69,327	\$26,478,017	\$2,794,577
2023	72,863	\$27,828,520	\$4,145,079
2024	76,284	\$29,135,100	\$5,451,660
2025	79,568	\$30,389,356	\$6,705,916
2026	82,697	\$31,584,413	\$7,900,973
2027	85,659	\$32,715,688	\$9,032,248
2028	88,445	\$33,779,743	\$10,096,303
2029	91,047	\$34,773,523	\$11,090,083
2030	93,465	\$35,697,029	\$12,013,588

Because there is excess capacity in the equestrian center, new development will be required to buy in to the center and no new construction will be required.

Trails. The City will also need to maintain its existing service levels for trails through impact fees. Service levels may be raised through other funding sources, but not through the use of impact fees. The City currently has 49.17 trail miles, which equates to an existing trails standard of 0.000793 linear trail miles per capita. Because there is no excess capacity in the existing trails system, there is no buy-in component applicable to the calculation of impact fees. In order to maintain its existing level of service, the City will need to acquire an additional 24.94 trail miles by 2030. Projected costs for the additional trail miles will reach nearly \$8.7 million by 2030.

TABLE 14: TRAIL MILE INVESTMENT REQUIRED TO MAINTAIN EXISTING LOS

Year	Population	Investment Required	Increased Investment
2020	62,010	\$17,076,600	\$0
2021	65,700	\$18,092,769	\$1,016,169
2022	69,327	\$19,091,589	\$2,014,989
2023	72,863	\$20,065,349	\$2,988,749
2024	76,284	\$21,007,440	\$3,930,840
2025	79,568	\$21,911,803	\$4,835,203
2026	82,697	\$22,773,482	\$5,696,882
2027	85,659	\$23,589,171	\$6,512,571
2028	88,445	\$24,356,392	\$7,279,792
2029	91,047	\$25,072,943	\$7,996,343
2030	93,465	\$25,738,823	\$8,662,223

Further, the City will need an additional investment of nearly \$1.26 million to maintain its proposed standard of trail structures (trailheads and pedestrian underpasses).

TABLE 15: TRAIL STRUCTURES REQUIRED TO MAINTAIN PROPOSED STANDARD

Year	Population	Investment Required	Increased Investment
2020	62,010	\$2,475,000	\$0
2021	65,700	\$2,622,279	\$147,279
2022	69,327	\$2,767,043	\$292,043
2023	72,863	\$2,908,175	\$433,175
2024	76,284	\$3,044,717	\$569,717
2025	79,568	\$3,175,791	\$700,791
2026	82,697	\$3,300,679	\$825,679
2027	85,659	\$3,418,901	\$943,901
2028	88,445	\$3,530,098	\$1,055,098
2029	91,047	\$3,633,951	\$1,158,951
2030	93,465	\$3,730,461	\$1,255,461

Summary. Based on the recently-completed Parks, Recreation and Trails Master Plan, impact fee revenues are needed to fill gaps in existing park service areas. By 2060, the Master Plan identifies the need for 449 acres of parkland. Map 4 of the Master Plan suggests specific areas for additional parks. The Master Plan also lists dog parks as needed. While all existing park improvements will need to be expanded in the future, the Master Plan lists especially the need for small/medium pavilions, restrooms, playgrounds, sports fields, courts, benches and picnic tables.

The Master Plan proposes 62.1 miles of paved trails, 1.4 miles of unpaved trails, and 52.2 miles of primitive trails. These trails are needed to fill key trail gaps and make critical connections in the existing trail system.

4

Proportionate Share Analysis

Utah Code 11-36a-304(1)(d)(i)(ii): an impact fee analysis shall estimate the proportionate share of costs for existing capacity that will be recouped; and the costs of impacts on system improvements that are reasonably related to the new development activity;

The proportionate share analysis is calculated by taking the total costs required to serve the needs of new development, as well as the buy-in proportionate share for the equestrian center, and dividing by the total demand units served. Total costs were calculated in the previous section on meeting the demands of new development and are summarized below.

TABLE 16: PROPORTIONATE SHARE ANALYSIS

Amenity	Improvements Needed, 2020-2030	Demand Units	Cost per Capita
Parks	\$22,127,276	31,455	\$703.46
Park Buy-In Costs - Equestrian	\$856,436	115,844	\$7.39
Trail Miles	\$8,662,223.08	31,455	\$275.38
Trail Structures	\$1,255,461	31,455	\$39.91
Plan Preparation	\$10,000	31,455	\$0.32
Impact Fee Fund Balance	\$4,366,181.94	31,455	(\$138.81)
Total	\$37,277,578		\$887.66

The fee per capita is then calculated by multiplying the per capita fee by appropriate household sizes for single-family and multi-family development.

The maximum fee per household takes the fee per capita and multiplies by the appropriate household size for single-family and multi-family dwelling units.

TABLE 17: MAXIMUM IMPACT FEES

	Household Size*	Fee per Household
Single-Family HH Size	4.00	\$3,550.64
Multi-Family HH Size	3.55	\$3,151.19

*Source: American Community Survey

The maximum fee per household for a single-family unit is \$3,550.64; the maximum fee for a multi-family unit is \$3,151.19.

5

Impact Fee Credits

Utah Code 11-36a-304(1)(e): an impact fee analysis shall, based on the requirements of this chapter, identify how the impact fee was calculated;

There are no bonds outstanding on parks or trails facilities and therefore no credits need to be made against the gross impact fee.

6

Manner of Financing

Utah Code 11-36a-304(2)(c)(d)(e)(f)(g)(h): an impact fee analysis shall identify, if applicable: other than impact fees, the manner of financing for each public facility such as user charges, special assessments, bonded indebtedness, federal taxes, or federal grants;

An impact fee is a one-time fee that is implemented by a local government on new development to help fund and pay for all or a portion of the costs of public facilities that are needed to serve new development. These fees are usually implemented to help reduce the economic burden on local jurisdictions that are trying to deal with population and commercial growth within the area. As a matter of policy and legislative discretion, a City may choose to have new development pay the full cost

of its share of new public facilities if the facilities would not be needed except to service new development. However, local governments may use other sources of revenue to pay for the new facilities required to service new development and use impact fees to recover the cost difference between the total cost and the other sources of revenue. Additionally, impact fees allow new growth to share in the cost of existing facilities that have excess capacity.

At the current time, no other sources of funding other than impact fees have been identified, but to the extent that any are identified and received in the future, then impact fees will be reduced accordingly.

Additional system-wide park land and recreation facility improvements beyond those funded through impact fees that are desired to maintain a higher proposed level of service will be paid for by the community through other revenue sources such as user charges, special assessments, GO bonds, general taxes, etc.

Impact Fee Credits

The Impact Fees Act requires credits to be paid back to development for future fees that may be paid to fund system improvements found in the IFFP so that new development is not charged twice. Credits may also be paid back to developers who have constructed or directly funded items that are included in the IFFP or donated to the City in lieu of impact fees, including the dedication of land for system improvements. This situation does not apply to developer exactions or improvements required to offset density or as a condition for development. Any item for which a developer receives credit should be included in the IFFP and must be agreed upon with the City before construction begins.

In the situation that a developer chooses to construct facilities found in the IFFP in lieu of impact fees, the arrangement must be made through the developer and the City.

Extraordinary Costs and Time Price Differential

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

Certification

Zions Bank Public Finance 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;
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.