

Herriman City



Fire Impact Fee Analysis



IMPACT FEE ANALYSIS HERRIMAN CITY

Executive Summary

Background

The Impact Fee Analysis (IFA) was prepared to meet the requirements of Utah Code §11-36a. Impact fees are a one-time fee charged to new development to help offset the capital costs associated with new growth in a community. Herriman has determined that there is one city-wide service area for fire protection services in the City. Therefore, all development in the City will be charged the same fire impact fee regardless of where the new development takes place.

Impacts from residential and non-residential growth are manifest in increased demand on fire services. The increased demand results in the need for more fire facilities.

New Development and Growth

Projected growth is shown in the following table:

TABLE 1: GROWTH PROJECTIONS, 2020-2030

Year	Households	Non-Residential Square Feet
2020	15,779	3,895,146
2021	16,718	4,126,933
2022	17,640	4,354,762
2023	18,540	4,576,875
2024	19,411	4,791,765
2025	20,246	4,998,049
2026	21,042	5,194,596
2027	21,796	5,380,653
2028	22,505	5,555,656
2029	23,167	5,719,100
2030	23,782	5,870,986

Source: Herriman City; Salt Lake County Assessor's Office

Residential and non-residential growth will result in the need for more fire facility space, as reflected by the growth in fire calls for service.

TABLE 2: PROJECTED GROWTH IN FIRE CALLS FOR SERVICE

Calls for Service - Demand Units	Residential Calls	Non-Residential Calls	Motor Vehicle Pass-Thru Calls	Total Calls for Service	Residential Units	Non-Residential SF

Calls for Service - Demand Units	Residential Calls	Non-Residential Calls	Motor Vehicle Pass-Thru Calls	Total Calls for Service	Residential Units	Non-Residential SF
2018	787	119	24	930	13,150	3,246,332
2019	887	134	27	1,048	14,831	3,661,287
2020	944	142	29	1,115	15,779	3,895,146
2021	1,000	151	31	1,182	16,718	4,126,933
2022	1,055	159	33	1,247	17,640	4,354,762
2023	1,109	167	34	1,311	18,540	4,576,875
2024	1,161	175	36	1,372	19,411	4,791,765
2025	1,211	182	37	1,431	20,246	4,998,049
2026	1,259	190	39	1,488	21,042	5,194,596
2027	1,304	196	40	1,541	21,796	5,380,653
2028	1,347	203	42	1,591	22,505	5,555,656
2029	1,386	209	43	1,638	23,167	5,719,100
2030	1,423	214	44	1,681	23,782	5,870,986

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

The existing fire stations are at capacity and the City intends to rebuild and expand Station 103 in 2021. At existing service levels, the City will need an additional 11,623 square feet of space by 2030.

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

The City is planning to rebuild and expand Station 103, and construct stations 128 and 133 within the next 8 years. These facilities are needed in order to maintain existing service levels.

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

The gross cost per call, before bond credits, is \$10,900.59.

TABLE 3: PROPORTIONATE SHARE ANALYSIS – GROSS COST PER CALL

Growth in Calls for Service, 2020-2030	566
Existing LOS - SF per Call	20.54
SF Needed, 2020-2030	11,623
Cost of New Facilities, 2020-2035	\$14,796,113
Total New SF of Facilities	27,909
Cost Allocation to New Development, 2020-2030	\$6,161,881
Construction Cost per Call	\$10,889.98
Consultant Costs	\$6,000
Growth in Calls, 2020-2030	566
Consultant Cost per Call	\$10.60
TOTAL GROSS COST PER CALL	\$10,900.59

However, credits must be made against this gross cost per call. Herriman is required to assume its fair share of payments on a Unified Fire Service Authority (UFSA) bond. Herriman's responsibility is for the payments allocated to Station 123 - the Rosecrest land and station.

TABLE 4: FIRE BOND CREDIT CALCULATIONS

Year	Principal Total	Calls for Service	Cost per Call	NPV* - Credit per Call	Maximum Cost per Call
2021	\$444,747	1,182	\$376.31	\$3,478.36	\$7,422.23
2022	\$444,920	1,247	\$356.77	\$3,189.00	\$7,711.59
2023	\$446,214	1,311	\$340.44	\$2,911.96	\$7,988.63
2024	\$446,991	1,372	\$325.74	\$2,644.32	\$8,256.27
2025	\$447,250	1,431	\$312.48	\$2,384.69	\$8,515.90
2026	\$446,991	1,488	\$300.48	\$2,131.83	\$8,768.76
2027	\$447,962	1,541	\$290.72	\$1,884.65	\$9,015.94
2028	\$445,977	1,591	\$280.31	\$1,641.05	\$9,259.54
2029	\$447,983	1,638	\$273.53	\$1,401.76	\$9,498.83
2030	\$445,351	1,681	\$264.88	\$1,163.28	\$9,737.31

*NPV = net present value discounted at a rate of 2.5%.

The cost per call is then applied to the number of calls per unit.

TABLE 5: 2021 MAXIMUM FIRE FEES

	Calls per Unit	Fee per Unit
Residential – per unit	0.059831317	\$444.08
Nonresidential – per building sf	0.0000365	\$0.27

The maximum fee that can be charged each year is shown in the table below.

TABLE 6: MAXIMUM FIRE FEES PER YEAR

Maximum Fees per Year	Gross Fee	Credits	Maximum Cost per Call After Credits	Maximum Fee - Residential	Maximum Fee - Nonresidential
2021	\$10,900.59	\$3,478.36	\$7,422.23	\$444.08	\$0.27
2022	\$10,900.59	\$3,189.00	\$7,711.59	\$461.39	\$0.28
2023	\$10,900.59	\$2,911.96	\$7,988.63	\$477.97	\$0.29
2024	\$10,900.59	\$2,644.32	\$8,256.27	\$493.98	\$0.30
2025	\$10,900.59	\$2,384.69	\$8,515.90	\$509.52	\$0.31
2026	\$10,900.59	\$2,131.83	\$8,768.76	\$524.65	\$0.32
2027	\$10,900.59	\$1,884.65	\$9,015.94	\$539.44	\$0.33
2028	\$10,900.59	\$1,641.05	\$9,259.54	\$554.01	\$0.34
2029	\$10,900.59	\$1,401.76	\$9,498.83	\$568.33	\$0.35
2030	\$10,900.59	\$1,163.28	\$9,737.31	\$582.60	\$0.36

Utah Code Legal Requirements

Preparation of Impact Fee Analysis. Utah Code requires that “each local political subdivision... intending to impose an impact fee shall prepare a written analysis (Impact Fee Analysis or IFA) of each impact fee” (Utah Code 11-36a-303). 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.

Section 11-36a-304 of the Utah Code outlines the requirements of an impact fee analysis which is required to identify the following:

- anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity;

- anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility;

- how anticipated impacts are reasonably related to the anticipated development activity

- the proportionate share of:

 - costs for existing capacity that will be recouped; and

 - costs of impacts on system improvement that are reasonably related to the new development activity; and

 - how the impact fee was calculated.

Further, 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:

- the cost of each existing public facility that has excess capacity to serve the anticipated development resulting from the new development activity;

- the cost of system improvements for each public facility;

- 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;

- the relative extent to which development activity will contribute to financing the excess capacity of and system improvements for each existing public facility, by means such as user charges, special assessments, or payment from the proceeds of general taxes;

- the relative extent to which development activity will contribute to the cost of existing public facilities and system improvements in the future;

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;

extraordinary costs, if any, in servicing the newly developed properties; and

the time-price differential inherent in fair comparisons of amounts paid at different times.

Calculating Impact Fees. Utah Code 11-36a-305 states that for purposes of calculating an impact fee, a local political subdivision or private entity may include the following:

construction contract price;

cost of acquiring land, improvements, materials, and fixtures;

cost for planning, surveying, and engineering fees for services provided for and directly related to the construction of the system improvements; and

for a political subdivision, debt service charges if the political subdivision might use impact fees as a revenue stream to pay the principal and interest on bonds, notes or other obligations issued to finance the costs of the system improvements.

Additionally, the Code states that each political subdivision or private entity shall base impact fee amounts on realistic estimates and the assumptions underlying those estimates shall be disclosed in the impact fee analysis.

Certification of Impact Fee Analysis. Utah Code 11-36a-306 states that an impact fee analysis shall include a written certification from the person or entity that prepares the impact fee analysis. This certification is included at the conclusion of this analysis.

Impact Fee Enactment. Utah Code 11-36a-202 states that a local political subdivision or private entity wishing to impose impact fees shall pass an impact fee enactment in accordance with Section 11-36a-402. Additionally, an impact fee imposed by an impact fee enactment may not exceed the highest fee justified by the impact fee analysts. An impact fee enactment may not take effect until 90 days after the day on which the impact fee enactment is approved.

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 Analysis (Utah Code 11-36a-503(1)). This notice must be posted on the Utah Public Notice website. The City has complied with this noticing requirement for the IFA by posting notice.

Impact Fee Analysis

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))*

Demand Placed on Facilities by New Development Activity

Impacts on public safety facilities will come from both residential and non-residential growth. This growth is projected as follows:

TABLE 7: GROWTH PROJECTIONS, 2020-2030

Year	Households	Non-Residential Square Feet
2020	15,779	3,895,146
2021	16,718	4,126,933
2022	17,640	4,354,762
2023	18,540	4,576,875
2024	19,411	4,791,765
2025	20,246	4,998,049
2026	21,042	5,194,596
2027	21,796	5,380,653
2028	22,505	5,555,656
2029	23,167	5,719,100
2030	23,782	5,870,986

Source: Herriman City; Salt Lake County Assessor's Office

Residential and nonresidential growth will create increased demand for fire services as demonstrated by the increased calls for service that are projected to occur.

The increased fire calls for service, originating in Herriman, are projected as shown in the following table. Additional calls for pass-through traffic are also shown, but these calls are not included in the calculation of impact fees.

TABLE 8: FIRE – PROJECTED GROWTH IN FIRE CALLS FOR SERVICE

Calls for Service - Demand Units	Residential Calls	Non-Residential Calls	Motor Vehicle Pass-Thru Calls	Total Calls for Service	Residential Units	Non-Residential SF
2018	787	119	24	930	13,150	3,246,332
2019	887	134	27	1,048	14,831	3,661,287
2020	944	142	29	1,115	15,779	3,895,146
2021	1,000	151	31	1,182	16,718	4,126,933

Calls for Service - Demand Units	Residential Calls	Non-Residential Calls	Motor Vehicle Pass-Thru Calls	Total Calls for Service	Residential Units	Non-Residential SF
2022	1,055	159	33	1,247	17,640	4,354,762
2023	1,109	167	34	1,311	18,540	4,576,875
2024	1,161	175	36	1,372	19,411	4,791,765
2025	1,211	182	37	1,431	20,246	4,998,049
2026	1,259	190	39	1,488	21,042	5,194,596
2027	1,304	196	40	1,541	21,796	5,380,653
2028	1,347	203	42	1,591	22,505	5,555,656
2029	1,386	209	43	1,638	23,167	5,719,100
2030	1,423	214	44	1,681	23,782	5,870,986

Herriman has two existing fire stations – Station 103 and Station 123 – with a total of 22,913 square feet. These two stations are at capacity.

TABLE 9: EXISTING FIRE STATIONS

Location	Station	Total SF	Actual Cost
103	Herriman	4,091	\$162,886
103	Herriman Pkwy Land		\$199,167
123	Rosecrest	18,822	\$5,152,297
123	Rosecrest Land		\$851,141

Identify the Means by Which the Political Subdivision or Private Entity Will Meet Those Growth Demands – *Utah Code 11-36a-304((1)(b))*

The City's fire station space is currently at capacity. In order to maintain existing service levels, the City will need to construct 11,623 additional square feet of space by 2030.

TABLE 10: FACILITIES NEEDED (FIRE BUILDING SQUARE FEET) TO MAINTAIN EXISTING FIRE SERVICE LEVELS

Calls for Service - Demand Units	Total Calls for Service	Station SF Needed at Existing Service Level	Excess Capacity (Deficit)
2020	1,115	22,913	-
2021	1,182	24,276	(1,363)
2022	1,247	25,617	(2,704)
2023	1,311	26,923	(4,010)
2024	1,372	28,187	(5,274)
2025	1,431	29,401	(6,488)
2026	1,488	30,557	(7,644)
2027	1,541	31,651	(8,738)
2028	1,591	32,681	(9,768)
2029	1,638	33,642	(10,729)
2030	1,681	34,536	(11,623)

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

Additional fire station facilities are needed due to new development and growth. One way of measuring the increased demand for services is through the number of calls for service. As calls for service increase, fire departments are forced to expand and need more space to house their activities.

Proportionate Share Analysis – *Utah Code 11-36a-304((1)(d))*

The proportionate share analysis includes the following steps:

- 1) Project increased population and nonresidential growth
- 2) Project increased calls for service, keeping the ratio of calls for service for residential units and nonresidential square feet constant with existing ratios
- 3) Project the need for increased building floor space or consumption of existing, excess capacity
- 4) Calculate the cost per call by dividing the cost of the public safety building square feet needed by the growth in calls
- 5) Allocate the cost per call to residential and nonresidential units based on the number of calls per residential unit and nonresidential square feet, respectively

The gross cost per call, before bond credits, is \$10,900.59.

TABLE 11: PROPORTIONATE SHARE ANALYSIS – GROSS COST PER CALL

Growth in Calls for Service, 2020-2030	566
Existing LOS - SF per Call	20.54
SF Needed, 2020-2030	11,623
Cost of New Facilities, 2020-2035	\$14,796,113
Total New SF of Facilities	27,909
Cost Allocation to New Development, 2020-2030	\$6,161,881
Construction Cost per Call	\$10,889.98
Consultant Costs	\$6,000
Growth in Calls, 2020-2030	566
Consultant Cost per Call	\$10.60
TOTAL GROSS COST PER CALL	\$10,900.59

However, credits must be made against this gross cost per call. Herriman is required to assume its fair share of payments on a Unified Fire Service Authority (UFSA) bond. Herriman's responsibility is for the payments allocated to Station 123 - the Rosecrest station and land.

TABLE 12: FIRE BOND CREDIT CALCULATIONS

Year	Principal Total	Calls for Service	Cost per Call	NPV - Credit per Call	Maximum Cost per Call
2021	\$444,747	1,182	\$376.31	\$3,478.36	\$7,422.23
2022	\$444,920	1,247	\$356.77	\$3,189.00	\$7,711.59
2023	\$446,214	1,311	\$340.44	\$2,911.96	\$7,988.63
2024	\$446,991	1,372	\$325.74	\$2,644.32	\$8,256.27
2025	\$447,250	1,431	\$312.48	\$2,384.69	\$8,515.90
2026	\$446,991	1,488	\$300.48	\$2,131.83	\$8,768.76
2027	\$447,962	1,541	\$290.72	\$1,884.65	\$9,015.94
2028	\$445,977	1,591	\$280.31	\$1,641.05	\$9,259.54
2029	\$447,983	1,638	\$273.53	\$1,401.76	\$9,498.83
2030	\$445,351	1,681	\$264.88	\$1,163.28	\$9,737.31

The cost per call is then applied to the number of calls per unit.

TABLE 13: 2021 MAXIMUM FIRE FEES

	Calls per Unit	Fee per Unit
Residential – per unit	0.059831317	\$444.08
Nonresidential – per building sf	0.0000365	\$0.27

The maximum fee that can be charged each year is shown in the table below.

TABLE 14: MAXIMUM FIRE FEES PER YEAR

Maximum Fees per Year	Gross Fee	Credits	Maximum Cost per Call After Credits	Maximum Fee - Residential	Maximum Fee - Nonresidential
2021	\$10,900.59	\$3,478.36	\$7,422.23	\$444.08	\$0.27
2022	\$10,900.59	\$3,189.00	\$7,711.59	\$461.39	\$0.28
2023	\$10,900.59	\$2,911.96	\$7,988.63	\$477.97	\$0.29
2024	\$10,900.59	\$2,644.32	\$8,256.27	\$493.98	\$0.30
2025	\$10,900.59	\$2,384.69	\$8,515.90	\$509.52	\$0.31
2026	\$10,900.59	\$2,131.83	\$8,768.76	\$524.65	\$0.32
2027	\$10,900.59	\$1,884.65	\$9,015.94	\$539.44	\$0.33
2028	\$10,900.59	\$1,641.05	\$9,259.54	\$554.01	\$0.34
2029	\$10,900.59	\$1,401.76	\$9,498.83	\$568.33	\$0.35
2030	\$10,900.59	\$1,163.28	\$9,737.31	\$582.60	\$0.36

Certification

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

1. includes only the costs of public facilities that are:
 - a. allowed under the Impact Fees Act; and
 - b. actually incurred; or
 - c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid;

2. does not include:
 - a. costs of operation and maintenance of public facilities;
 - b. costs for qualifying public facilities that will raise the level of service for the facilities, through impact fees, above the level of service that is supported by existing residents;
 - 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.