ORDINANCE NO. 2014-13

AN ORDINANCE ADOPTING A STORM DRAIN IMPACT FEE FACILITIES PLAN AND A STORM DRAIN IMPACT FEE ANALYSIS; ADOPTING AN AMENDED AND UPDATED STORM DRAIN IMPACT FEE; AND ESTABLISHING A SERVICE AREA FOR PURPOSES OF THE STORM DRAIN IMPACT FEES.

WHEREAS, Centerville City (the *"City"*) is a political subdivision of the State of Utah, authorized and organized under applicable provisions of Utah law; and

WHEREAS, the City has legal authority, pursuant to Title 11, Chapter 36a of the Utah Code Annotated, as amended (*"Impact Fees Act"* or *"Act"*), to impose development impact fees as a condition of development approval, which impact fees are used to defray capital infrastructure costs attributable to new development activity; and

WHEREAS, the City has previously enacted and imposed impact fees for storm drain facilities, known and referred to as the Storm Drainage Fees, as more particularly set forth in Section I.F. of the Centerville City Consolidated Fee Schedule; and

WHEREAS, the City desires to update and amend such fees to be referred to hereafter as "Storm Drain Impact Fees" in accordance with applicable provisions of the Impact Fees Act in order to appropriately assign capital infrastructure costs to development in an equitable and proportionate manner as more particularly provided herein; and

WHEREAS, the City properly noticed its intent to prepare the Storm Drain Impact Fee Facilites Plan and the Storm Drain Impact Fee Analysis as required by law and the City has, through its consultants, completed the Storm Drain Impact Fee Facilities Plan and Impact Fee Analysis in accordance with applicable provisions of the Impact Fees Act, which Storm Drain Impact Fee Facilities Plan and Impact Fee Analysis are more particularly described and adopted herein; and

WHEREAS, the City has provided the required notice and held a public hearing before the City Council regarding the proposed Storm Drain Impact Fees, Storm Drain Impact Fee Facilities Plan and Storm Drain Impact Fee Analysis in accordance with applicable provisions of the Impact Fees Act; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF CENTERVILLE CITY, STATE OF UTAH, AS FOLLOWS:

Section I
Ordinance Repealed

The provisions of Ordinance No. 97-21 specifically adopting and amending Storm Drain Impact Fees are hereby repealed and superceded by the provisions of this Ordinance to the extent they relate to Storm Drain Impact Fees. To the extent any provisions of Title 15, Chapter 8, are in conflict with the provisions of this Ordinance regarding Storm Drain Impact Fees, the provisions of this Ordinance shall govern. This Ordinance may be referred to and cited as the "Storm Drain Impact Fees Ordinance."

Section II
Purpose

This Storm Drain Impact Fees Ordinance establishes the City's Storm Drain Impact Fees policies and procedures and is promulgated pursuant to Title 11, Chapter 36a, Part 4, Enactment of Impact Fees, and other requirements of the Impact Fees Act. This Ordinance amends and adopts Storm Drain Impact Fees for storm drain facilities within the City Service Area as defined herein, provides a schedule of Storm Drain Impact Fees for development activity, and sets forth direction for challenging, modifying and appealing Storm Drain Impact Fees. This Ordinance does not replace, supercede, or modify any ordinance regarding impact fees unrelated to Storm Drain facilities and improvements.

Section III
Definitions

Words and phrases that are defined in the Impact Fees Act shall have the same definition in this Storm Drain Impact Fees Ordinance. The following words and phrases are defined as follows:

1. *"City"* means a political subdivision of the State of Utah and is referred to herein as the City of Centerville, Utah.

2. *"Development Activity"* means, except as otherwise provided in the Impact Fees Act, any construction or expansion of a building, structure or use, any change in use of a building or structure, or any changes in the use of land within the Service Area that creates additional demand and need for public facilities related to storm drainage.

3. *"Development Approval"* means any written authorization from the City that authorizes the commencement of development activity.

4. *"Impact Fee"* means a payment of money imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure. "Impact fee" does not include a tax, special assessment, building permit fee, hookup fee, fee for project improvements, or other reasonable permit or application fee.

5. *"Impact Fee Analysis"* means the written analysis of each impact fee required by Section 11-36a-303 of the Impact Fees Act.

6. *"Impact Fee Facilities Plan"* means the plan required by Section 11-36a-301 of the Impact Fees Act.

7. *"Project Improvements"* means site improvements and facilities that are: planned and designed to provide service for development resulting from a Development Activity; necessary for the use and convenience of the occupants or users of development resulting from a Development Activity; and not identified or reimbursed as a system improvement. "Project Improvements" does not mean system improvements as more particularly defined herein.

8. *"Proportionate Share"* means the cost of public facility improvements that are roughly proportionate and reasonably related to the service demands and needs of any Development Activity.

9. *"Public Facilities"* means impact fee facilities as defined in the Impact Fees Act that have a life expectancy of 10 or more years and are owned or operated by or on behalf of a local political subdivision or private entity. For purposes of this Ordinance, and as defined in the Impact Fees Act, impact fee facilities include "storm water, drainage, and flood control facilities" of the City for the Service Area.

10. *"Service Area"* means a geographic area designated by the City on the basis of sound planning or engineering principles in which a public facility, or a defined set of public facilities, provides service within the area. The Service Area for purposes of this Ordinance is more particularly described in Section V.

11. *"System Improvements"* means existing public facilities that are: identified in the impact fee analysis under Section 11-36a-304 of the Impact Fees Act; and designed to provide services to service areas within the community at large and future public facilities identified in the impact fee analysis under Section 11-36a-304 that are intended to provide service to service areas within the community at large. "System improvements" do not include project improvements as defined herein.

SECTION IV
STATUTORY AUTHORITY AND RESTRICTIONS

1. *Impact Fees Act Authority.* The City is authorized to impose impact fees subject to and in accordance with applicable provisions of the Impact Fees Act. An impact fee is defined as a payment of money imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure. Impact fees may only be established for public facilities as defined in Section 11-36a-102 that have a life expectancy of 10 or more years and are owned or operated by or on behalf of a local political subdivision. Public facilities for which impact fees may be imposed include public facilities for storm water, drainage, and flood control facilities.

2. *Impact Fees Act Restrictions*. Pursuant to Section 11-36a-202 of the Impact Fees Act, the City may not impose an impact fee to: (1) cure deficiencies in public facilities serving existing development; (2) raise the established level of service of a public facility serving existing development; (3) recoup more than the local political subdivision's costs actually incurred for excess capacity in an existing system improvement; or (4) include 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.

SECTION V
SERVICE AREA

The Impact Fees Act requires the City to establish one or more service areas within which the City will calculate and impose a particular impact fee. The service area within which the proposed Storm Drain Impact Fees will be imposed includes all of the area within the corporate limits and jurisdictional boundaries of the City. The Service Area is more particularly described and set forth in **Exhibit A,** attached hereto and incorporated herein by this reference.

SECTION VI
IMPACT FEE FACILITIES PLAN

1. *Impact Fee Facilities Plan Required.* Pursuant to Section 11-36a-301 of the Impact Fees Act, before imposing or amending an impact fee, the City is required to prepare an impact fee facilities plan to determine the public facilities required to serve development resulting from new development activity. The impact fee facilities plan shall identify the demands placed upon existing public facilities by new development activity and the proposed means by which the City will meet those demands.

2. *Storm Drain Impact Fee Facilities Plan.* The City has, through its consultants, researched and analyzed the factors set forth in Section 11-36a-302 of the Impact Fees Act and has caused to be prepared a Storm Drain Impact Fee Facilities Plan ("IFFP"), as more particularly set forth in **Exhibit B,** attached hereto and incorporated herein by this reference. The Storm Drain IFFP has been prepared based on reasonable growth assumptions for the City and general demand characteristics of current and future users of storm drain facilities. The Storm Drain IFFP identifies the impact on system improvements created by development activity and estimates the proportionate share of the costs of impacts on system improvements that are reasonably related to new development activity. As shown in the Storm Drain IFFP, the City has considered all revenue sources to finance the impacts on system improvements, including grants, bonds, interfund loans, impact fees, and anticipated or accepted dedications of system improvements. The Storm Drain IFFP establishes that impact fees are necessary to maintain a proposed level of service that complies with applicable provisions of Section 11-36a-302 of the Impact Fees Act.

3. *Plan Certificiation.* The Storm Drain IFFP includes a written certification in accordance with Section 11-36a-306 of the Impact Fees Act from the person or entity that prepared the plan certifying that the Storm Drain IFFP complies in each and every relevant respect with the Impact Fees Act.

4. *Compliance with Noticing Requirements.* All noticing requirements set forth in the Impact Fees Act, including, but not limited to, provisions of Title 11, Chapter 36a, Part 5, Notice, including notice of intent to prepare an impact fee facilities plan, notice to adopt or amend an impact fee facilities plan, notice of preparation of impact fee analysis, and notice of intent to adopt impact fee enactment, have been provided. Copies of the Storm Drain IFFP and Storm Drain IFA, together with a summary designed to be understood by a lay person, and this Impact Fee Ordinance, have been made available to the public by placing a copy of the Storm Drain IFFP and Storm Drain IFA, together with the summary, and this Ordinance, in the Centerville Branch of the Davis County Public Library and the City Recorder's Office at Centerville City Hall at least ten (10) days before the public hearing.

5. *Adoption of Storm Drain Impact Fee Facilities Plan.* The Storm Drain IFFP as set forth in **Exhibit B,** is hereby adopted in its entirety by the City in accordance with applicable provisions of the Impact Fees Act.

SECTION VII
IMPACT FEE ANALYSIS

1. *Impact Fee Analysis Required.* Pursuant to Section 11-36a-303 of the Impact Fees Act, each local political subdivision intending to impose an impact fee shall prepare a written analysis of each impact fee to be imposed and a summary of the impact fee analysis designed to be understood by a lay person. The impact fee analysis shall identify the anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity; identify the anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility; demonstrate how the anticipated impacts are reasonably related to the anticipated development activity; estimate the proportionate share of the 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; and identify how the impact fee is calculated.

2. *Storm Drain Impact Fee Analysis.* The City has, through its consultants, researched and analyzed the factors set forth in Section 11-36a-304 of the Impact Fees Act, including the proportionate share analysis required therein, and has caused to be prepared a Storm Drain Impact Fee Analysis ("IFA"), as more particularly set forth in **Exhibit B,** attached hereto and incorporated herein by this reference. The Storm Drain IFA identifies the impacts upon public facilities required by the development activity and demonstrates how those impacts on system improvements are reasonably related to the development activity, estimates the proportionate share of the costs of impacts on system improvements that are reasonably related to the development activity, and identify how the Storm Drain Impact Fees are calculated.

3. *Analysis Certificiation.* The Storm Drain IFA includes a written certification in accordance with Section 11-36a-306 of the Impact Fees Act from the person or entity that prepared the analysis certifying that the Storm Drain IFA complies in each and every relevant respect with the Impact Fees Act.

4. *Compliance with Noticing Requirements.* All noticing requirements set forth in the Impact Fees Act, including, but not limited to, provisions of Title 11, Chapter 36a, Part 5, Notice, including notice of intent to prepare an impact fee facilities plan, notice to adopt or amend an impact fee facilities plan, notice of preparation of impact fee analysis, and notice of intent to adopt impact fee enactment, have been provided. Copies of the Storm Drain IFFP and Storm Drain IFA, together with a summary designed to be understood by a lay person, and this Impact Fee Ordinance, have been made available to the public by placing a copy of the Storm Drain IFFP and Storm Drain IFA, together with the summary, and this Ordinance, in Centerville Branch of the Davis County Public Library and the City Recorder's Office at Centerville City Hall at least ten (10) days before the public hearing.

5. *Adoption of Storm Drain Impact Fee Analysis.* The Storm Drain IFA as set forth in **Exhibit B,** is hereby adopted in its entirety by the City in accordance with applicable provisions of the Impact Fees Act.

SECTION VIII
CALCULATION OF IMPACT FEES

1. *Impact Fee Calculations.* Pursuant to Section 11-36a-305, in calculating an impact fee, the City may include: the construction contract price; the cost of aquiring land, improvements, materials, and fixtures; the cost for planning, surveying, and engineering fees for services provided for and directly related to the construction of the system improvements; and debt service charges if the City might use impact fees as a revenue stream to pay principal and interest on bonds, notes, or other obligations issued to finance the costs of the system improvements. In calculating the proposed Storm Drain Impact Fees, the City has based such amounts calculated on realistic estimates and the assumptions underlying such estimates are more particularly disclosed in the Storm Drain IFA set forth in **Exhibit B.**

2. *Previously Incurred Costs.* To the extent that new growth and development will be served by previously constructed improvements, the City's Storm Drain Impact Fees may include public facility costs and outstanding bond costs related to the Storm Drain improvements previously incurred by the City. However, as provided in the Storm Drain IFA, a buy-in component is not contemplated in the analysis and therefore the interest costs associated with any outstanding storm bond obligations have not been included in the calculation of the Storm Drain Impact Fee.

SECTION IX
IMPACT FEE SCHEDULE AND FORMULA

1. *Impact Fee Schedule or Formula Required.* Pursuant to Section 11-36a-402 of the Impact Fees Act, the City is required to provide a schedule of impact fees for each type of development activity that specifies the amount of the impact fee to be imposed for each type of system improvement or the formula that the City will use to calculate each impact fee.

2. *Maximum Storm Drain Impact Fee Schedule.* Based on the Storm Drain IFA, the maximum Storm Drain Impact Fees which the City may impose on development activity within the defined Service Area for storm drain facilities is set forth in the following schedule:

Maximum Storm Drain Impact Fee Schedule

TABLE 1.2: IMPACT FEE CHANGE

IMPACT FEE SUMMARY	IMPACT FEE	EXISTING	CHANGE
Residential	$3,911	$2,000.00	96%
Commercial	$3,911	$4,000.00	-2%

3. *Rates Established by Resolution.* The City Council, by this Ordinance, approves the maximum Storm Drain Impact Fees in accordance with the Storm Drain IFA set forth in **Exhibit B.** The City reserves the right to establish the Storm Drain Impact Fees as established in this Ordinance by Rate Resolution or Resolution amending the Consolidated Fee Schedule. In no event will the Storm Drain Impact Fees established by Resolution exceed the maximum supportable Storm Drain Impact Fee Schedule as set forth herein.

SECTION X
ADJUSTMENTS AND CREDITS

1. *Adjustments.* In accordance with Section 11-36a-402 of the Impact Fees Act, the City may adjust the Storm Drain Impact Fees at the time the fee is charged to respond to unusual circumstances in specific cases, to address development activity by the State or school district, or to ensure that impact fees are imposed fairly. The Storm Drain Impact Fees may be adjusted at the time the fee is charged in response to unusual circumstances or to fairly allocate costs associated with impacts created by a development activity or project. The Storm Drain Impact Fees assessed to a particular development may also be adjusted should the developer supply sufficient written information, studies and/or data to the City showing a discrepancy between the fee being assessed and the actual impact on the system.

2. *Developer Credits.* In accordance with Section 11-36a-402 of the Impact Fees Act, a developer may be allowed a credit against Storm Drain Impact Fees or proportionate reimbursement of Storm Drain Impact Fees if the developer dedicates land for a system improvement, builds and dedicates some or all of a system improvement; or dedicates a public facility that the City and the developer agree will reduce the need for a system improvement; *provided* that the system improvement is: (i) identified in the City's Storm Drain IFFP; and (ii)

is required by the City as a condition of approving the development activity. To the extent required in Section 11-36a-402, the City shall provide a credit against Storm Drain Impact Fees for any dedication of land for, improvement to, or new construction of, any system improvements provided by the developer if the facilities are system improvements, as defined herein and included in the Storm Drain IFFP; or are dedicated to the public and offset the need for an identified system improvement.

3. *Waiver for "Public Purpose"*. The City Council may, on a project by project basis, authorize exceptions or adjustments to the Storm Drain Impact Fees for those projects the City Council determines to be of such benefit to the community as a whole to justify the exception or adjustment. Such projects may include affordable housing and other development activities with broad public purposes. The City Council may elect to waive or adjust Storm Drain Impact Fees for such projects. Applications for exceptions are to be filed with the City at the time the applicant first requests the extension of service to the applicant's development or property.

SECTION XI
NOTICE AND HEARING

1. *Notice.* All noticing requirements set forth in the Impact Fees Act, including, but not limited to, provisions of Title 11, Chapter 36a, Part 5, Notice, including notice of intent to prepare an impact fee facilities plan, notice to adopt or amend an impact fee facilities plan, notice of preparation of impact fee analysis, and notice of intent to adopt impact fee enactment, have been provided. Copies of the Storm Drain IFFP and Storm Drain IFA, together with a summary designed to be understood by a lay person, and this Impact Fee Ordinance, have been made available to the public by placing a copy of the Storm Drain IFFP and Storm Drain IFA, together with the summary, and this Ordinance, in Centerville Branch of the Davis County Public Library and the City Recorder's Office at Centerville City Hall at least ten (10) days before the public hearing. Notice has also been provided in accordance with applicable provisions of *Utah Code Ann.* § 10-9a-205.

2. *Hearing.* The City Council held a public hearing regarding the Storm Drain IFFP, the Storm Drain IFA, and this Storm Drain Impact Fee Ordinance, on July 1, 2014, and a copy of the Ordinance was available in its substantially final form at the Centerville Branch of the Davis County Public Library and the City Recorder's Office in the Centerville City Hall at least ten (10) days before the date of the hearing, all in conformity with the requirements of *Utah Code Ann.* § 10-9a-205 and applicable noticing provisions of the Impact Fees Act.

SECTION XII
IMPACT FEE ACCOUNTING AND EXPENDITURES

1. *Impact Fees Accounting.* Pursuant to Section 11-36a-601 of the Impact Fees Act, the City will establish a separate interest bearing ledger account for each type of public facility for which an impact fee is collected, deposit a receipt for an impact fee in the appropriate ledger account established herein, and retain the interest earned on each fund or ledger account in the fund or ledger account.

2. *Reporting.* At the end of each fiscal year, the City shall prepare a report on each fund or ledger account showing the source and expenditures as required by law. Annually, the City shall produce and transmit to the State Auditor a certified report in accordance with Section 11-36a-601 in a format developed by the State Auditor.

3. *Impact Fee Expenditures.* Pursuant to Section 11-36a-602 of the Impact Fees Act, the City may expend Storm Drain Impact Fees only for a system improvement: (i) identified in the Storm Drain IFFP; and (ii) for the specific public facility type for which the fee was collected. Impact fees will be expended on a First-In First-Out basis.

4. *Time of Expenditure.* Except as otherwise provided by law, the City shall expend or encumber Storm Drain Impact Fees for a permissible use within six (6) years of their receipt. For purposes of this calculation, the first funds received shall be deemed to be the first funds expended.

5. *Extension of Time.* Pursuant to Section 11-36a-602 of the Impact Fees Act, the City may hold the impact fees for longer than six (6) years if it identifies in writing: (i) an extraordinary and compelling reason why the fees should be held longer than six (6) years; and (ii) an absolute date by which the fees will be expended.

6. *Refunds.* Pursuant to Section 11-36a-603 of the Impact Fees Act, the City shall refund any Storm Drain Impact Fees paid by a developer, plus interest earned, when: (i) the developer does not proceed with the development activity and files a written request for a refund; (ii) the fees have not been spent or encumbered; and (iii) no impact has resulted. An impact that would preclude a developer from a refund from the City may include any impact reasonably identified by the City, including, but not limited to, the City having sized facilities and/or paid for, installed and/or caused the installation of facilities based in whole or in part upon the developer's planned development activity even though that capacity may, at some future time, be utilized by another development.

7. *Other Impact Fees.* To the extent allowed by law, the City Council may negotiate or otherwise impose impact fees and other fees different from those currently charged. Those charges may, at the discretion of the City Council, include but not be limited to reductions or increases in impact fees, all or part of which may be reimbursed to the developer who installed improvements that service the land to be connected with the City's system.

8. *Additional Fees and Costs.* The Storm Drain Impact Fees authorized herein are separate from and in addition to user fees and other charges lawfully imposed by the City and other fees and costs that may not be included as itemized component parts of the Storm Drain Impact Fee Schedule. In charging any such fees as a condition of development approval, the City recognizes that the fees must be a reasonable charge for the service provided.

9. *Fees Effective at Time of Payment.* Unless otherwise provided in the City's Consolidated Fee Schedule, the City will collect the Storm Drain Impact Fees prior to final plat recording or prior to building permit issuance, as applicable. The fees will be calculated by the

City. Unless the City is otherwise bound by a contractual requirement, the Storm Drain Impact Fees shall be determined from the fee schedule in effect at the time of payment.

10. *Imposition of Additional Fee or Refund after Development.* Should any developer undertake development activities such that the ultimate acreage or other impact of the development activity is not revealed to the City, either through inadvertence, neglect, a change in plans, or any other cause whatsoever, and/or the Storm Drain Impact Fee is not initially charged against all acreage within the development, the City shall be entitled to charge an additional Storm Drain Impact Fee to the developer or other appropriate person covering the acreage for which an impact fee was not previously paid.

SECTION XIII
CHALLENGES TO IMPACT FEES

1. *Request for Information.* Pursuant to Section 11-36a-701, a person or entity required to pay a Storm Drain Impact Fee who believes the the impact fee does not meet the requirements of law may file a written request for information with the City Manager. As required by law, the City Manager shall, within two (2) weeks after the receipt of the request for information provide the person or entity with the Storm Drain IFFP, the Storm Drain IFA, and any other relevant information relating to the Storm Drain Impact Fee.

2. *Advisory Opinion.* A potentially aggrieved person may request an advisory opinion from a neutral third party regarding compliance of the Storm Drain Impact Fees with the Impact Fees Act by filing such request with the Office of the Property Rights Ombudsman in accordance with the procedures and provisions of Title 13, Chapter 43, known as the Property Rights Ombudsman Act. The aggrieved party requesting an advisory opinion is not required to exhaust the admininstrative appeals procedures set forth in Subsection 4 before requesting an advisory opinion.

3. *Appeal.* A person or entity that has paid Storm Drain Impact Fees under the provisions of this Ordinance may challenge such impact fees pursuant to the provisions set forth in Title 11, Chapter 36a, Part 7 of the Impact Fees Act regarding Challenges.

a. *Grounds for Challenge.* Pursuant to Section 11-36a-701, a person or entity that has paid Storm Drain Impact Fees under the provisions of this Ordinance may challenge: (1) the impact fees; (2) whether the City complied with the notice requirements of the Impact Fees Act with respect to the imposition of the impact fees; and/or (3) whether the City complied with other procedural requirements of the Impact Fees Act for imposing the impact fee.

b. *Sole Remedy.* The sole remedy for challenging the notice requirements is the equitable remedy of requiring the City to correct the defective notice and repeat the process. The sole remedy for challenging the impact fee is a refund of the difference between what the person or entity paid as an impact fee and the amount the impact fee should have been if it had been correctly calculated. Reasonable attorneys fees may be awarted to the substantially prevailing party to the extent provided in the Impact Fees Act.

c. *Initiation.* A challenge to an impact fee is initiated by filing:

i. An appeal to the City Council pursuant to the admininstrative a appeal procedures set forth herein;

ii. A request for arbitration as provided in Section 11-36a-705 of the Impact Fees Act; or

iii. An action in district court.

d. *Time Restrictions.* The time for filing a challenge to the impact fees shall be filed in accordance with the time limitations set forth in Section 11-36a-702, depending upon the type of challenge. The deadline to file an action in district court is tolled from the date that a challenge is filed using the admininstrative procedures set forth in Subsection 4 until thirty (30) days on which a final decision is rendered in the administrative appeals procedure.

4. *Administrative Appeal Procedure.* The City hereby adopts an administrative appeal procedure to consider and decide challenges to the Storm Drain Impact Fees. Any person or entity that has paid a Storm Drain Impact Fee pursuant to this Ordinance may challenge or appeal the impact fee by filing written notice of administrative appeal with the City Manager within thirty (30) days after the day on which the person or entity paid the impact fee. The notice of appeal shall set forth the grounds for the appeal and shall include any applicable filing fees as set forth in the City's Consolidated Fee Schedule. Upon receiving the written notice of appeal, the City Council shall set a hearing date to consider the merits of the challenge or appeal. The person or entity challenging or appealing the fee may appear at the hearing and present any written or oral evidence deemed relevant to the challenge or appeal. Representatives of the City may also appear and present evidence to support the imposition of the fee. The City Council shall hold a hearing and make a decision within thirty (30) days after the date the challenge or appeal is filed.

5. *Mediation.* In addition to the methods of challenging an impact fee as provided herein, a specified public agency may require the City to participate in mediation of any applicable impact fee in accordance with the provisions of Section 11-36a-704 of the Impact Fees Act. A written request for mediation must be filed in accodance with Section 11-36a-704 no later than thirty (30) days after the day on which the impact fee is paid.

6. *Declaratory Judgment Action.* Pursuant to Section 11-36a-701, a person or entity residing in or owning property within the Service Area, or an organization, association, or a corporation representing the interests of persons or entities owning property within the Service Area, are deemed to have standing to file a declaratory judgment action challenging the validity of an impact fee.

SECTION XIV
MISCELLANEOUS

1. *Severability.* If any section, subsection, paragraph, clause or phrase of this Storm Drain Impact Fee Ordinance shall be declared invalid for any reason, such decision shall not affect the remaining portions of this Ordinance, which shall remain in full force and effect, and for this purpose, the provisions of this Storm Drain Impact Fee Ordinance are declared to be severable.

2. *Interpretation.* This Storm Drain Impact Fee Ordinance has been divided into sections, subsections, paragraphs and clauses for convenience only and the interpretation of this Ordinance shall not be affected by such division or by any heading contained herein.

3. *Other Impact Fees Not Repealed.* Except as otherwise specifically provided herein, this Storm Drain Impact Fee Ordinance shall not repeal, modify or affect any impact fee of the City in existence as of the effective date of this Ordinance.

SECTION XV
EFFECTIVE DATE

In accordance with the provisions of *Utah Code Ann.* § 11-36a-401, this ordinance and the impact fees adopted herein or pursuant hereto shall not take effect until ninety (90) days after the day on which the ordinance is approved.

[Signature Page to Follow]

PASSED AND APPROVED this 1st day of July, 2014.

CENTERVILLE CITY COUNCIL

By: ______________________
Mayor Paul A. Cutler

[SEAL]

VOTING:

Council Member Averett	Yea X	Nay ___
Council Member Fillmore	Yea X	Nay ___
Council Member Higginson	Yea X	Nay ___
Council Member Ivie	Yea X	Nay ___
Council Member Wright	Yea X	Nay ___

ATTEST:

By______________________
Marsha L. Morrow, City Recorder

DEPOSITED in the office of the City Recorder this 3 day of July, 2014.

RECORDED this 3 day of July, 2014.

EXHIBIT A

STORM DRAIN IMPACT FEE SERVICE AREA

Centerville City
Storm Drain Impact Fee Service Area

Date: 6/17/2014

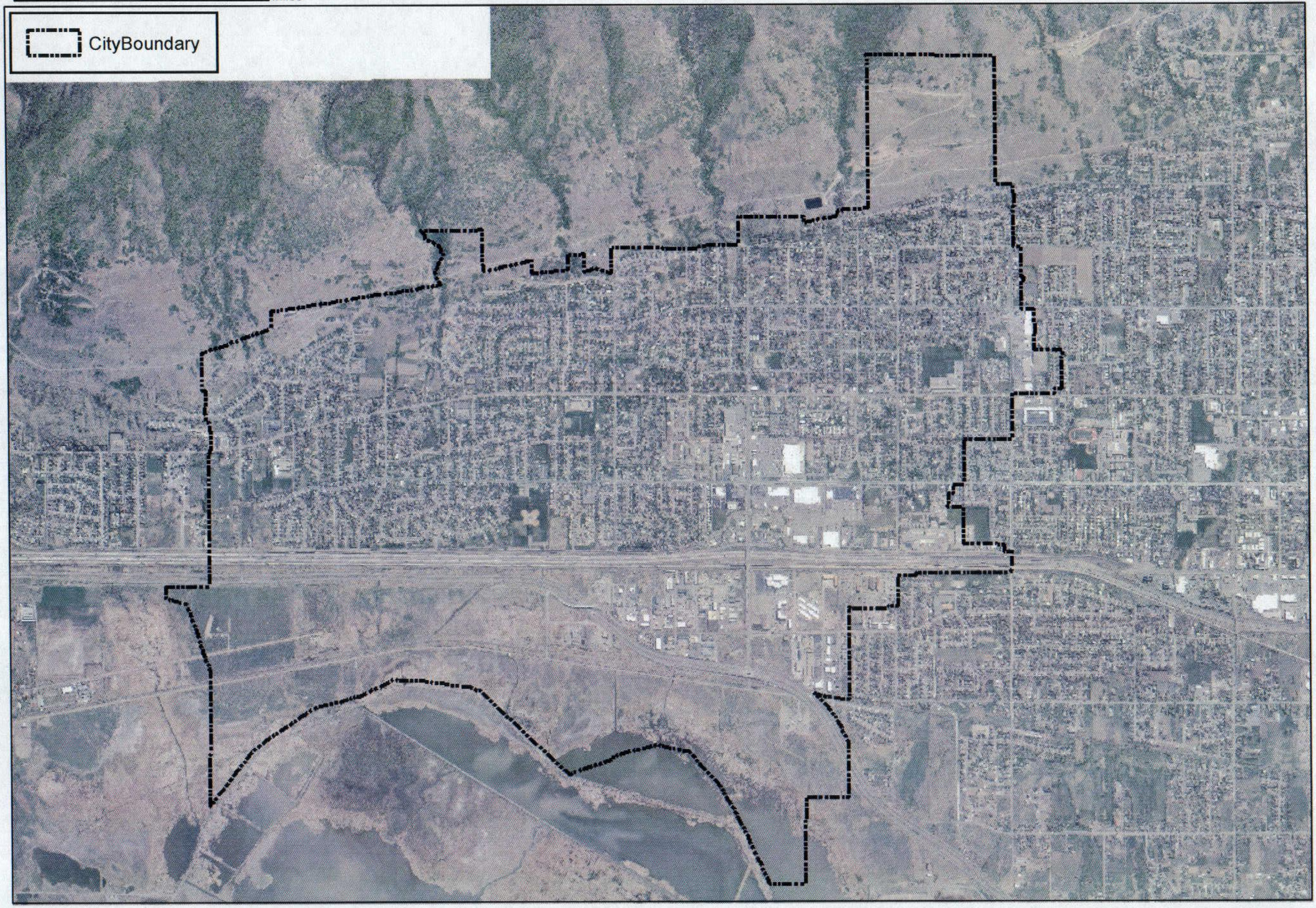

EXHIBIT B

STORM DRAIN IMPACT FEE FACILITIES PLAN AND STORM DRAIN IMPACT FEE ANALYSIS

STORM DRAIN
IMPACT FEE FACILITIES PLAN (IFFP) AND IMPACT FEE ANALYSIS (IFA)

CENTERVILLE CITY

JUNE 2014

LEWIS YOUNG
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IMPACT FEE CERTIFICATION

IFFP CERTIFICATION

Lewis Young Robertson & Burningham, Inc. and Centerville City jointly certify that the Impact Fee Facilities Plan ("IFFP") prepared for storm drain 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;
    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.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.
CENTERVILLE CITY

IFA CERTIFICATION

Lewis Young Robertson & Burningham, Inc. certifies that the Impact Fee Analysis ("IFA") prepared for storm drain 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;
    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;
    d. offsets costs with grants or other alternate sources of payment; and
3. complies in each and every relevant respect with the Impact Fees Act.

Lewis Young Robertson & Burningham, Inc. makes this certification with the following caveats:

1. All of the recommendations for implementation of the IFFP made in the IFFP documents or in the IFA documents are followed by City Staff and elected officials.
2. If all or a portion of the IFFP or IFA 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 City as well as outside sources.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

SECTION 1: EXECUTIVE SUMMARY

The purpose of the Storm Drain 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 Centerville City (the "City") plan necessary capital improvements for future growth. This document will address the future storm drain infrastructure needed to serve the City through the next six to ten years, as well as the appropriate impact fees the City may charge to new growth to maintain the level of service ("LOS"). The **Centerville City Drainage Master Plan Update 2014**, along with information from the City, provides the information utilized in the analysis for the purposes of calculating impact fees.

- **Impact Fee Service Area:** The service area for storm drain impact fees includes all areas within the City. This document identifies capital projects that will help to maintain the same level of service enjoyed by existing residents into the future.
- **Demand Analysis:** The demand unit utilized in this analysis is acres of residential and commercial land. As residential and commercial growth occurs within the City, it generates an impact on the storm drain system. The storm drain capital improvements identified in this study are based on maintaining the current level of service.
- **Level of Service:** The existing and proposed level of service for the City's storm system is based on a 10 year storm event, while the County Drainage Systems (stream channels) are designed to handle the 100 year storm event. This is the basic level of service that is being provided to the residents at this time.[1]
- **Excess Capacity:** While the storm drain system may have excess in individual lines, it was determined that system-wide excess capacity is minimal or too difficult to evaluate. As a result, the City has chosen to exclude a buy-in portion within the calculation of the impact fee.
- **Capital Facilities Analysis:** Due to the projected growth within the City, approximately $3,684,000 of future storm drain improvements will be needed in the next ten years. Approximately $797,210 is attributed to growth.
- **Outstanding Debt:** Since a buy-in component is not contemplated in this analysis, the interest cost associated with any outstanding storm bond obligations has not been included in the calculation of the impact fee.
- **Funding of Future Facilities:** This analysis assumes future growth related facilities will be funded through a combination of utility revenues and impact fee revenues.

PROPOSED STORM DRAIN IMPACT FEE

The storm drain impact fees proposed in this analysis will be assessed within all areas of the City. The tables below illustrate the appropriate fee associated with storm drain projects occurring within the next ten years.

TABLE 1.1: IMPACT FEE PER ACRE

STORM DRAIN PROPORTIONATE SHARE ANALYSIS	GROWTH RELATED COSTS	% TO IFFP	COST TO IFFP	UNDEVELOPED ACRES	FEE PER ACRE
Buy-In Component	-	-	-	208	-
Future Storm Drain Projects	$797,210	100%	$797,210	208	$3,833
Proposed Financing Costs	-	100%	-	208	-
Professional Expenses	$16,200	100%	$16,200	208	$78
(Less Impact Fee Fund Balance)	-	100%	-	208	-
Total	**$813,410**		**$813,410**		**$3,911**

[1] Storm Drain Master Plan Update 2014, Executive Summary, page 2

TABLE 1.2: IMPACT FEE CHANGE

IMPACT FEE SUMMARY	IMPACT FEE	EXISTING	CHANGE
Residential	$3,911	$2,000.00	96%
Commercial	$3,911	$4,000.00	-2%

NON-STANDARD STORM DRAIN IMPACT FEES

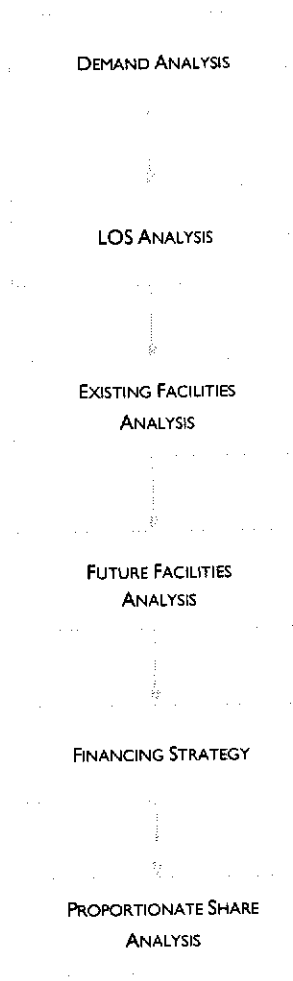
The City reserves the right under the Impact Fees Act to assess an adjusted fee that more closely matches the true impact that the land use will have upon public facilities.[2] This adjustment could result in a different impact fee if the City determines that a particular user may create a different impact than what is standard for its land use.

[2] 11-36a-402(1)(c)

SECTION 2: GENERAL 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 City's existing facilities by future development and evaluate how these demands will be met by the City. 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.

FIGURE 2.1: IMPACT FEE METHODOLOGY



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 system 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, to the extent possible the Impact Fee Facilities Plan provides an inventory of the City's existing **system** facilities. The inventory valuation should include the original construction cost and estimated useful life of each 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

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.[3] In conjunction with this revenue analysis, there must be a determination that impact

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

fees are necessary to achieve an equitable allocation of the costs of the new facilities between the new and existing users.[4]

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).

[4] 11-36a-302(3)

SECTION 3: OVERVIEW OF 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.[5] The impact fees identified in this document will be assessed to a single, city-wide service area. It is anticipated that the growth projected over the next six to ten years and through build-out, will impact the City's existing services. Storm Drain infrastructure will need to be expanded in order to maintain the existing level of service. Impact fees have become an ideal mechanism for funding growth-related infrastructure. This analysis is 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 isn't paying for existing system deficiencies.

DEMAND UNITS

As shown in Table 3.1, the total amount of undeveloped acres in the City equals 625 acres. Of these undeveloped acres, approximately 208 acres will be served by the proposed IFFP projects completed within the next ten years.

TABLE 3.1: CITY-WIDE GROWTH PROJECTIONS

	ACRES
Acres Developed	1,543
Acres Undeveloped	625
Acres Developed in IFFP Horizon	**208**

Source: Centerville City

LEVEL OF SERVICE STANDARDS

Impact fees cannot be used to finance an increase in the level of service to current or future users of capital improvements. Therefore, it is important to identify the storm drain level of service to ensure that the new capacities of projects financed through impact fees do not exceed the established standard. The Storm Drain Master Plan states the following regarding the existing and proposed level of service:

> "In general, City Drainage systems are designed to handle the 10 year storm event, while the County Drainage Systems (stream channels) are designed to handle the 100 year storm event. This is the basic level of service that is being provided to the residents at this time. While there are still some areas of the City that are located within the 100 year flood plain, most of the flood plains are limited to undeveloped areas in the City."[6]

[5] UC 11-36a-402(1)(a)
[6] Storm Drain Master Plan Update 2014, Executive Summary, page 2

SECTION 4: EXISTING FACILITIES INVENTORY

EXCESS CAPACITY

The intent of the equity buy-in component is to recover the costs of the unused capacity in existing infrastructure from new development. While the storm drain system may have excess capacity in individual lines, it was determined that system-wide excess capacity is minimal or too difficult to evaluate. As a result, the City has chosen to exclude a buy-in portion within the calculation of the impact fee.

MANNER OF FINANCING EXISTING PUBLIC FACILITIES

The City has funded its existing capital infrastructure through a combination of different revenue sources, including general utility fund revenues, the issuance of debt, and revenues received from other governmental agencies. This analysis has removed all funding that has come from federal grants and donations from non-resident citizens to ensure that none of those infrastructure items are included in the level of service.

The City has one piece of outstanding debt related to the system's capacity: the 2012 Water Revenue and Refunding Bonds, of which approximately $945,000 is related to Storm Drain infrastructure. The Series 2012 bonds refunded the 2002A Water Revenue Bonds and the 2003 Water Revenue Bonds. A portion of these bonds were originally used to fund the existing storm drain system. However, since a buy-in component is not contemplated in this analysis, the interest cost associated with these bonds has not been included in the calculation of the impact fee.

SECTION 5: CAPITAL FACILITY ANALYSIS

The estimated costs attributed to new growth were analyzed based on existing development versus future development patterns. From this analysis, a portion of future development costs were attributed to new growth and included in this impact fee analysis as shown in Table 5.1. Capital projects related to curing existing deficiencies were not included in the calculation of the impact fees. The costs of projects related to curing existing deficiencies cannot be funded through impact fees.

Total future project costs equate to $3,684,000, as shown in the table below. Approximately $797,210 is related to new growth.

TABLE 5.1: ILLUSTRATION OF CAPITAL IMPROVEMENTS SCHEDULED TO BE COMPLETED IN THE NEXT 10 YEARS

#	DESCRIPTION	TOTAL	CITY	COUNTY	UDOT	DEVELOPER	GROWTH
1	Legacy Trail and Sheep Rd at 1000 N. - new 72 x 44" culvert "	67,000	33,500	33,500	-	-	-
2	Lund Lane - new 36 culvert at UTA / UPRR "	225,000	75,000	-	-	150,000	-
3	400 East - 850 South to 700 South	82,000	82,000	-	-	-	-
4	Nola Drive - 1200 North to 1350 North	126,000	126,000	-	-	-	-
5	Main Street - 100 North to 50 South - Replace old 15 to 18" CMP "	152,000	38,000	-	114,000	-	-
6	Main Street - Pheasant Drive to Chase Lane including crossing at Pheasant Drive - Replace old CMP	253,000	63,250	-	189,750	-	-
7	Main Street - 1075 North (J.P. Stewart south property line) - replace 24 CMP w/ 36" RCP "	69,000	17,250	-	51,750	-	-
8	Main Street crossing at Rigby property -replace 24 CMP w/ 24" RCP also includes new 18" system running east "	224,000	53,760	-	53,760	-	116,480
9	Main Street crossing at 1700 North (Jennings Lane) - replace 24 CMP w/ 24" RCP also includes new 18" system running east "	185,000	44,400	-	44,400	-	96,200
10	Main Street - 725 South (Centerville Jr.High south property line) - replace 24 CMP "	49,000	12,250	-	36,750	-	-
11	Frontage Rd - 100 South (Kohl's south property line) - replace 24 CMP w/ 36" RCP "	51,000	43,860	-	-	-	7,140
12	Frontage Rd - 400 North (Parrish Lane) -replace 36 CMP "	175,000	175,000	-	-	-	-
13	Frontage Rd - 625 North (McDonald's North PL) - replace 24 CMP "	40,000	40,000	-	-	-	-
14	Frontage Rd - 750 North (Creekview) - replace 24 CMP "	41,000	41,000	-	-	-	-
15	Frontage Rd - 1000 North (Barnard and Parrish Overflow) - new 48 culvert "	100,000	41,500	41,500	-	-	17,000
16	Frontage Rd - 1300 N. (Community Park) -replace 42 CMP "	70,000	70,000	-	-	-	-
17	Frontage Rd - 1375 N. (North PL Community Park) replace 2 - 24 possibly with one new 36" culvert at new grade "	60,000	60,000	-	-	-	-
18	Frontage Rd - 1875 N. (Villa de France) -replace 24 CMP - new 36" culvert "	65,000	65,000	-	-	-	-
19	Frontage Rd - 2050 N. (Lexington) - replace 24 CMP "	45,000	21,600	-	-	-	23,400
20	Frontage Rd - 2150 N. (Millet) - replace 24 CMP w/ 24" RCP "	49,000	23,520	-	-	-	25,480
21	Frontage Rd. - 2175 N.- replace 24 CMP w/ 24" RCP "	51,000	24,480	-	-	-	26,520
22	Frontage Rd. - Air Products & Tri-City -replace 2 - 24 CMP w/ 2 - 24" RCP "	75,000	36,000	-	-	-	39,000
23	UDOT Maintenance Shed - Barnard Creek -1250 West to Legacy Trail - replace 24 CMP w/ 36" RCP "	160,000	80,000	40,000	40,000	-	-
24	Home Depot Storm drain, drainage ditch and Detention Basin cleaning	250,000	250,000	-	-	-	-
25	I - 15 - Lund Lane - replace 24 CMP w/ 36" RCP "	367,000	130,285	-	130,285	-	106,430
26	I - 15 / UTA / UPRR - Air Products & Tri-City - replace 2 - 24 CMP w/ 2 - 24" RCP "	653,000	156,720	-	156,720	-	339,560
	Totals	**$3,684,000**	**$1,804,375**	**$115,000**	**$817,415**	**$150,000**	**$797,210**

The City has determined the projects included in this Impact Fee Facilities Plan using capital project and engineering data, planning analysis and other information. The City has provided 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 designed to provide services to service areas within the community at large.[7] 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.[8] To the extent possible, 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 of system improvements, which may be used to finance system improvements.[9] 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.[10]

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. Revenues from other government agencies (i.e. Davis County and UDOT) have been identified to help offset future capital costs. If these revenues are not available in the future, the impact fee analysis should be revised.

Other revenues such as utility rate revenues, property taxes, sales tax revenues, 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 capital project needs. Impact fee revenues are generally considered non-operating revenues and help offset future capital costs.

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 can be made from the general fund which would ultimately include some property tax revenues. Inter-fund loans would be repaid once sufficient impact fee revenues have been collected. The City does not currently assess interest on money borrowed from the general fund; however, the City may adopt a policy to do so.

Grants, Donations and Other Contributions: Grants and donations are not expected as a future funding source. The impact fees should be adjusted if grant monies are received. New development may be entitled to a reimbursement for any grants or donations received by the City for growth related projects, or for developer funded IFFP projects. It is anticipated that future project improvements will be funded by the developer. These costs have been removed from the calculation of the impact fee.

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 included in the impact fee. This allows the City to finance and quickly construct

[7] 11-36a-102(21)
[8] 11-36a-102(14)
[9] 11-36a-302(2)
[10] 11-36a-302(3)

infrastructure for new development and reimburse itself later from impact fee revenues for the costs of principal and interest. However, financing costs are not included in this analysis as a means to fund future projects.

PROPOSED CREDITS OWED TO DEVELOPMENT

The Impact Fees Act requires a local political subdivision or private entity to ensure that the impact fee enactment allows a developer, including a school district or a charter school, to receive a credit against or proportionate reimbursement of an impact fee if the developer: (a) dedicates land for a system improvement; (b) builds and dedicates some or all of a system improvement; or (c) dedicates a public facility that the local political subdivision or private entity and the developer agree will reduce the need for a system improvement.[11]

The facilities must be considered system improvements or be dedicated to the public, and offset the need for an improvement identified in the IFFP.

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 percent 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.

[11] 11-36a-402(2)

SECTION 6: STORM DRAIN IMPACT FEE CALCULATION

The calculation of impact fees relies upon the information contained in this analysis. Impact fees are calculated based on many variables centered on proportionality and level of service. The City currently provides storm drain services to its residents and businesses. As a result of new growth, the storm drain system is in need of expansion to perpetuate the level of service that the City has historically maintained. The Centerville City Drainage Master Plan Update 2014, along with information from the City, provides the information utilized in the analysis for the purposes of calculating impact fees.

PROPOSED STORM DRAIN IMPACT FEE

PLAN BASED (FEE BASED ON DEFINED CIP)

Impact fees can be calculated based on a defined set of costs specified for future development. The improvements are identified in a capital plan 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 level of service and determine any excess capacity in existing facilities that could serve new growth. Impact fees are then calculated based on many variables centered on proportionality share and level of service.

STORM DRAIN IMPACT FEE CALCULATION

The storm drain impact fees proposed in this analysis will be assessed within all areas of the City. The tables below illustrate the appropriate fee associated with storm drain projects occurring within the next ten years. The proportionate share analysis determines the proportionate cost assignable to new development based on the proposed capital projects and the acres served by the proposed projects.

TABLE 6.1: IMPACT FEE PER ACRE

STORM DRAIN PROPORTIONATE SHARE ANALYSIS	GROWTH RELATED COSTS	% TO IFFP	COST TO IFFP	UNDEVELOPED ACRES	FEE PER ACRE
Buy-In Component	-	-	-	208	-
Future Storm Drain Projects	$797,210	100%	$797,210	208	$3,833
Proposed Financing Costs	-	100%	-	208	-
Professional Expenses	$16,200	100%	$16,200	208	$78
(Less Impact Fee Fund Balance)	-	100%	-	208	-
Total	**$813,410**		**$813,410**		**$3,911**

Table Notes:
Buy-In Component: System-wide excess capacity is minimal or to difficult to evaluate. Thus, a buy-in component is not included in this analysis.
Future Storm Drain Projects: Total future project costs equate to $3,684,000 in the planning horizon, of which $797,210 is related to new growth.
Proposed Financing Costs: Financing will not be used to fund future projects. Thus the cost associated with this option is not included in the analysis.
Professional Expense: Professional expenses include planning related costs and the cost to complete the impact fee analysis.
Impact Fee Fund Balance: According to the City, there is no impact fee fund balance available to offset the cost of future growth related projects.

A total of $797,210 is identified as the future growth related capital cost to maintain the level of service for new development activity. The professional expense includes the current cost to update the IFFP and IFA. The professional expense and the costs for future projects are apportioned based on the acres anticipated to be served by these facilities. The total fee per acre is estimated at **$3,911**.

TABLE 6.2: IMPACT FEE CHANGE

IMPACT FEE CONVERSION	IMPACT FEE	EXISTING	CHANGE
Residential	$3,911	$2,000.00	96%
Commercial	$3,911	$4,000.00	-2%

NON-STANDARD STORM DRAIN IMPACT FEES

The City reserves the right under the Impact Fees Act[12] to assess an adjusted fee that more closely matches the true impact that the land use will have upon the City's storm drain system. This adjustment could result in a

[12] 11-36a-402(1)(c)

different impact fee if evidence suggests a particular user will create a different impact than what is standard for its category.

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 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.

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. While an inflation component may be included in the impact fee analysis to reflect the future cost of facilities, at the request of the City it is not considered in the cost estimates in this study. However, the impact fee analysis should be updated regularly to account for changes in costs estimates over time.