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

CENTERVILLE CITY

JULY 2014

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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%

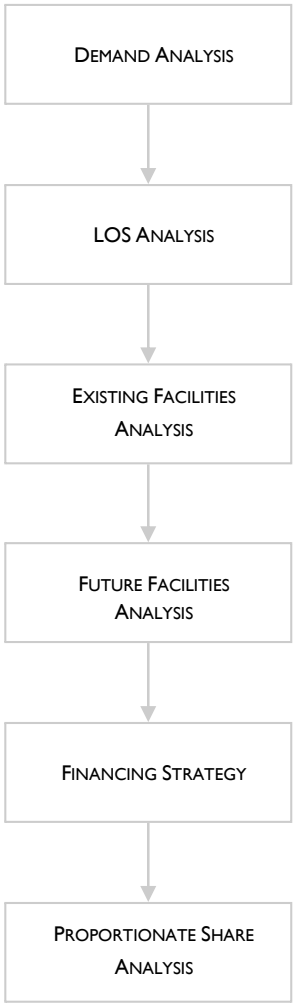
NON-STANDARD STORM DRAIN IMPACT FEES

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

FIGURE 2.1: IMPACT FEE METHODOLOGY



The purpose of this study is to fulfill the requirements of the Impact Fees Act regarding the establishment of an IFFP and IFA. The IFFP is designed to identify the demands placed upon the 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.

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 fees are

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

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 "[7]	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

[7] The City portion of this project is considered growth related. However, the existing impact fee fund balance will be used to fund this project. Thus, it is not included as a growth-related project for the purposes of calculating the future impact fee. Upon funding of this project, it is anticipated that there will be no outstanding impact fee fund balance remaining for future growth-related projects.

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.[8] 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.[9] 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.[10] 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.[11]

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 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.

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

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.[12]

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.

[12] 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[13] 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 different impact fee if evidence suggests a particular user will create a different impact than what is standard for its category.

[13] 11-36a-402(1)(c)

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.