



SARATOGA SPRINGS  
*Utah*

# City of Saratoga Springs

## Sewer Impact Fee Analysis

Project No. 305-19-04

Prepared by:



**BOWEN COLLINS**  
& ASSOCIATES

February 2023

# SEWER IMPACT FEE ANALYSIS

**November 2020**

**(Amended February 2023)**

**Prepared for:**



**Prepared by:**



## TABLE OF CONTENTS

	<b>Page No.</b>
<b>EXECUTIVE SUMMARY.....</b>	<b>ES-1</b>
Introduction.....	ES-1
Why Assess an Impact Fee? .....	ES-1
How are Impact Fees Calculated? .....	ES-1
Impact Fee Calculation.....	ES-2
 <b>IMPACT FEE ANALYSIS.....</b>	 <b>1</b>
Service Areas .....	1
Requirements .....	1
Impact on System - 11-36a-304(1)(a)(b).....	2
Relation of Impacts to Anticipated Development - 11-36a-304(1)(c).....	2
Proportionate Share Analysis - 11-36a-304(d).....	3
Excess Capacity to Accommodate Future Growth.....	3
Future Improvements.....	5
Impact Fee Calculation - 11-36a-304(1)(e).....	6
Bonding Interest Costs .....	6
Planning and Engineering Costs.....	6
Credit for User Fees .....	6
Recommended Impact Fee.....	7
Calculation of Impact Fees for Non-Residential Development.....	7
Additional Considerations - 11-36a-304(2) .....	8
Manner Of Financing - 11-36a-304(2)(a-e).....	8
User Charges .....	8
Bonds.....	8
General Taxes .....	8
Federal and State Grants and Donations .....	8
Timpanogos Special Service District.....	9
Dedication of System Improvements - 11-36a-304(2)(f).....	8
Extraordinary Costs - 11-36a-304(2)(g).....	9
Time-Price Differential - 11-36a-304(2)(h) .....	9
Impact Fee Certification - 11-36a-306(2).....	10

**TABLE OF CONTENTS  
(continued)**

**LIST OF TABLES**

<b>No.</b>	<b>Title</b>	<b>Page No.</b>
ES-1	Impact Fee Calculation per ERU .....	ES-2
1	Projected Saratoga Springs Sewer System Growth – Flow ERUs.....	2
2	Use of Existing Capacity .....	4
3	Impact Fee Eligible Capital Projects.....	5
4	Impact Fee Calculation per ERU.....	6
5	Sewer Impact Fee Based on Water Service Size.....	8

## EXECUTIVE SUMMARY – IFA (SEWER)

### Introduction

An impact fee is a one-time fee, not a tax, imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure. The purpose of the impact fee analysis (IFA) is to calculate the allowable impact fee that may be assessed to new development in accordance with Utah Code.

This document has been amended since its November 2020 version. Updates consist of the following:

- *IFFP Amendment* – The IFFP which supports this IFA was amended in January 2023. The amended IFFP captures actual costs for completed projects and new estimated project costs for proposed projects.
- *Planning and Engineering* – Updated costs for impact fee eligible planning and engineering services have been incorporated in this IFA amendment.

### Why Assess an Impact Fee?

Until new development utilizes the full capacity of existing facilities, the City can assess an impact fee to recover its cost of latent capacity available to serve future development. The general impact fee methodology divides the available capacity of existing and future capital projects between existing and future users. Capacity is measured in terms of Equivalent Residential Units, or ERUs, which represents the demand that a typical single-family residence places on the system.

### How Are Impact Fees Calculated?

A fair impact fee is calculated by dividing the cost of existing and future facilities by the amount of new growth that will benefit from the unused capacity. Only the capacity that is needed to serve the projected growth within the next ten years is included in the fee. Costs used in the calculation of impact fees include:

- New facilities required to maintain (but not exceed) the proposed level of service identified in the Impact Fee Facilities Plan; only those expected to be built within ten years are considered in the final calculations of the impact fee.
- Historic costs of existing facilities that will serve new development
- Cost of professional services for engineering, planning, and preparation of the Impact Fee Facilities Plan and Impact Fee Analysis

Costs not used in the impact fee calculation:

- Operational and maintenance costs
- Cost of facilities constructed beyond 10 years
- Cost associated with capacity not expected to be used within 10 years
- Cost of facilities funded by grants, developer contributions, or other funds which the City is not required to repay
- Cost of renovating or reconstructing facilities which do not provide new capacity or needed enhancement of services to serve future development

## Impact Fee Calculation

Impact fees for this analysis were calculated by dividing the proportional cost of facilities required to service 10-year growth by the amount of growth expected over the next 10-years based on ERUs. Calculated impact fees by component are summarized in Table ES-1.

**Table ES-1**  
**Impact Fee Calculation per ERU**

System Components	Total Cost of Component	% Serving 10-year Growth	Cost Serving 10-year Growth	10-year ERUs Served	Cost Per ERU
<b>Collection Facilities</b>					
Existing Facilities	\$35,822,184	7.91%	\$2,834,092	5,600	\$506.09
Existing Facility Bonding Interest Costs	\$4,126,080	8.91%	\$367,816	5,600	\$65.68
10-year Projects	\$25,855,116	13.49%	\$3,486,602	5,600	\$622.61
Planning and Engineering	\$83,783	77.58%	\$64,999	2,850	\$22.81
<b>Total</b>	<b>\$65,887,162</b>		<b>\$6,753,509</b>		<b>\$1,217.18</b>

Per Table ES-1, the calculated impact fee for sewer in Saratoga Springs is \$1,217.18/ERU. This is the legal maximum amount that may be charged as an impact fee. A lower amount may be adopted if desired, but a higher fee is not allowable under the requirements of Utah Code. This is separate from any special assessments associated with reimbursement agreements for project level improvements (if applicable) and the impact fee for wastewater conveyance and treatment charged by Timpanogos Special Service District.

## **IMPACT FEE ANALYSIS (SEWER)**

### **INTRODUCTION**

Saratoga Springs City has retained Bowen Collins & Associates (BC&A) to prepare an impact fee analysis (IFA) for its sewer system based on a recently completed impact fee facilities plan. An impact fee is a one-time fee, not a tax, imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure. The purpose of an IFA is to calculate the allowable impact fee that may be assessed to new development in accordance with Utah Code.

### **Service Areas**

The City has historically had two different service areas for planning purposes. These areas have been known as the North Service Area and the South Service Area. These correspond to the areas of the same names identified in the CFP. Generally, properties currently flowing to the Posey Lift Station were included in the North Area and properties currently flowing to the Inlet Park Lift Station were included in the South Area.

The primary reason for a division between the North and South Service Areas was the existence of substantial reimbursement agreements associated with the Posey and Inlet Park Lift Stations. Over the last several years, the City has finalized agreements to retire the reimbursement agreements. As a result, no compelling reason exists for further division between these two service areas. While the north/south convention has still been used for labeling projects in the CFP as a matter of convenience for the reader, this IFA will combine these into a single service area.

### **Requirements**

Requirements for the preparation of an IFA are outlined in Title 11, Chapter 36a of the Utah Code (the Impact Fees Act). Under these requirements, an IFA shall accomplish the following for each facility:

1. Identify the impact of anticipated development activity on existing capacity
2. Identify the impact of anticipated development activity on system improvements required to maintain the established level of service
3. Demonstrate how the impacts are reasonably related to anticipated development activity
4. Estimate the proportionate share of:
  - a. Costs of existing capacity that will be recouped
  - b. Costs of impacts on system improvements that are reasonably related to the new development activity
5. Identify how the impact fee was calculated
6. Consider the following additional issues
  - a. Manner of financing improvements
  - b. Dedication of system improvements
  - c. Extraordinary costs in servicing newly developed properties
  - d. Time-price differential

The following sections of this report have been organized to address each of these requirements.

### **IMPACT ON SYSTEM - 11-36a-304(1)(a)(b)**

Growth within the City's service area, and projections of sewer flows resulting from said growth is discussed in detail in the City's Impact Fee Facilities Plan. For the purposes of impact fee calculation, growth in the system has been expressed in terms of equivalent residential units (ERUs). An ERU represents the demand that a typical single-family residence places on the system. Growth in ERUs projected for the service area is summarized in Table 1.

**Table 1**  
**Projected Saratoga Springs Sewer System Growth – Flow ERUs**

<b>Year</b>	<b>Total Projected ERUs</b>	<b>Design Total Sewer Flow (mgd)</b>
2020	9,035	2.02
2021	9,635	2.15
2022	10,235	2.29
2023	10,785	2.41
2024	11,335	2.53
2025	11,885	2.65
2026	12,435	2.78
2027	12,985	2.90
2028	13,535	3.02
2029	14,085	3.15
2030	14,635	3.27

As indicated in the table, projected growth for the 10-year planning window of this impact fee analysis is 5,600 ERUs. In order to maintain the established level of service, projected future growth will be met through a combination of available excess capacity in existing facilities and construction of additional capacity in new facilities. Use of excess capacity and required system improvements are detailed in the Impact Fee Facilities Plan.

### **RELATION OF IMPACTS TO ANTICIPATED DEVELOPMENT - 11-36a-304(1)(c)**

To satisfy the requirements of state law, it is necessary to show that all impacts identified in the impact fee analysis are reasonably related to the anticipated development activity. This has been documented in detail in Impact Fee Facilities Plan. In short, only that capacity directly associated with demand placed upon existing system facilities by future development has been identified as an impact of the development. The steps completed to identify the impacts of anticipated development are as follows.

1. **Existing Demand** – The demand existing development places on the system was estimated based on historic demand records.
2. **Existing Capacity** – The capacities of existing facilities were calculated based on the level of service criteria established for each type of facility in the Impact Fee Facilities Plan.



3. **Existing Deficiencies** – Existing deficiencies in the system were looked for by comparing defined levels of service against calculated capacities. If existing deficiencies exist, projects were identified to eliminate the deficiencies. Costs associated with existing deficiencies were not assigned to impacts of development.
4. **Future Demand** - The demand future development will place on the system was estimated based on development projections as discussed in the Impact Fee Facilities Plan.
5. **Future Demand Use of Existing Capacity** – Whenever possible, excess capacity in existing facilities has been used to serve future demands. Where this occurs, the amount of capacity used by future growth has been calculated as described in detail in the Impact Fee Facilities Plan.
6. **Future Deficiencies** – Where excess capacity is inadequate to meet projected demands, future deficiencies in the system were identified using the same established level of service criteria used for existing demands.
7. **Recommended Improvements** – Needed system improvements were identified to meet demands associated with future development.

### **PROPORTIONATE SHARE ANALYSIS - 11-36a-304(d)**

A comprehensive proportionate share analysis associated with anticipated future development and its impact on the system was completed as part of the Impact Fee Facilities Plan. A summary of that analysis is contained here with additional discussion of the costs of facilities impacted by growth.

### **Excess Capacity to Accommodate Future Growth**

The amount of existing capacity used by existing users, growth during the 10-year planning window, and growth beyond the 10-year planning window was analyzed in detail as part of the Impact Fee Facilities Plan. Based on the analysis, the calculated cost of excess capacity in existing system facilities used by growth in the planning window is summarized in Table 2.

**Table 2**  
**Use of Existing Capacity**

Project ID	Project Name	Total Construction Cost	Percent Attributable to Existing Users	Percent Attributable to Growth (2021-2030)	Percent Attributable to Growth (2031 + )
Inlet Park	Original Inlet Park Construction (includes settlement agreements)	\$1,141,967	35.2%	3.0%	61.8%
L9	Northshore Lift Station	\$1,450,050	0.0%	4.8%	95.2%
N1a	Redwood Road Sewer Line from Pioneer Crossing to Approx 830 North	\$1,480,472	13.1%	7.0%	79.9%
N1b	North Trunk – Redwood Rd and Pioneer Xing to Riverside Drive	\$4,192,569	14.6%	8.9%	76.4%
N1d	Redwood Road to Jordan River	\$3,802,429	11.9%	6.8%	81.3%
N1g	The Crossings Sewer Upsize	\$34,661	0.0%	20.1%	79.9%
N2	Exchange Drive to Project N1 (no redwood Rd. trunkline replacement; new line to parallel existing line)	\$538,496	0.0%	4.0%	96.0%
N2a	Market Street to Redwood Rd. Extension	\$154,150	0.0%	4.0%	96.0%
N3a	Sewer Line Near Tractor Supply	\$1,016,175	1.2%	3.5%	95.3%
N3b	New SR 73 Trunk from the Springs/Wildflower to Tractor Supply	\$1,180,000	0.3%	3.9%	95.8%
N3c	Wildflower Outfall West MVC	\$2,319,116	0.0%	4.2%	95.8%
N5	North Line Extension and Redwood Road Crossing	\$1,153,507	0.2%	8.8%	91.0%
N7a	Willow Glen Sewer	\$212,876	0.7%	10.5%	88.9%
N8a	Sewer Outfall At Perelle Meadows	\$133,676	0.0%	31.1%	68.9%
S0.1	Ironwood Realign Sewer Main	\$96,066	96.6%	2.3%	1.1%
S1.2	River Crossing Trunk (Suspended)	\$2,149,846	11.9%	6.8%	81.3%
S1.3	River Crossing Trunk – Outfall	\$5,016,308	11.4%	7.4%	81.2%
S2.1a	School House Road Sewer Line	\$608,142	98.5%	0.1%	1.4%
S2.2a	Lakeside Phase 1 Sewer Upsize	\$64,743	8.1%	19.3%	72.6%
S2.2b	Inlet Park Trunk – Phase 2, Golf Course Main	\$2,623,375	4.8%	19.7%	75.4%
S4.1a	Parkway Blvd Crossing at Redwood Road	\$287,431	22.8%	12.4%	64.8%
S4.1b	Redwood Road to Gravity Outfall	\$3,068,862	7.0%	4.7%	88.3%
S4.2a	Redwood Road Gravity Extension – Parkway Blvd to Grandview Blvd (Replace Existing)	\$2,107,830	25.0%	13.5%	61.5%
SAR.019	Sewer line between 6800 North (400 South) & entrance to SSD	\$118,158	30.7%	7.0%	62.3%
SAR.104	Smith's Sewer Outfall	\$350,778	37.7%	6.3%	56.0%
SAR.126	Inlet Park Lift Station Upgrade Project	\$144,748	35.2%	3.0%	61.8%
SAR.131	Upper Sewer Extension - Benches Portion	\$40,600	56.1%	9.3%	34.6%
SAR.162A, B, C	Harbor Bay Lift Station 7 and Outfall (Separate from Reimbursement Assessment)	\$93,856	10.7%	36.4%	53.0%
SAR.207	Lift Station Upgrade at Harbor Bay Park	\$241,297	28.3%	12.1%	59.6%
<b>Total or Average</b>		<b>\$35,822,184</b>	<b>12.4%</b>	<b>7.9%</b>	<b>79.6%</b>

Note: The previously completed projects shown above only includes those with excess capacity to serve future growth over the next 10 years. Other City facilities without excess capacity or facilities that were built without cost to the City are not shown.

Included in the table is the actual construction costs of existing components of the City's wastewater system. These are not depreciated replacement costs, but the actual cost at the time of construction.

In this study, public facility costs already incurred by the City will be included in the impact fee only to the extent that new growth will be served by the previously constructed improvements.

### Future Improvements

In addition to using available existing capacity, demand associated with projected future development will be met through the construction of additional capacity in new facilities. A primary focus of the Impact Fee Facilities Plan was the identification of projects required to serve new development. The results of the Impact Fee Facilities Plan are summarized in Table 3. Included in the table are the costs of each required project and the portion of costs associated with development in the planning window.

**Table 3**  
**Impact Fee Eligible Capital Projects**

Project ID	Project Name	Total Construction Cost	Percent Attributable to Existing Users	Percent Attributable to Growth (2021-2030)	Percent Attributable to Growth (2031 + )
L11	Fairway Blvd. Lift Station (Lift 11)	\$3,942,000	0.0%	21.2%	78.8%
N1c	New 48" from Riverside Drive to Existing Stub west of Jordan River	\$3,654,000	13.7%	8.3%	78.0%
N1e	Reroute Posey Lift Station (Lift 2) Force Main	\$272,000	12.6%	7.8%	79.5%
N1f	Complete Connection of 15" from 400 N to 42" at Redwood Rd./500 N. and adjust flow at 3 manholes along Redwood Road	\$58,000	14.6%	8.9%	76.4%
S2.6	Redwood Rd. Replacement north of Wildlife Blvd. and south of Silver Fox Lane	\$1,851,000	5.6%	17.9%	76.5%
S2.7	Redwood Rd. Replacement from Lake Mountain Drive to Wildlife Blvd.	\$1,199,000	5.7%	13.7%	80.6%
S4.2b	New Redwood Rd. Trunk from 2015 South to Grandview Blvd.	\$2,292,780	24.7%	14.3%	61.0%
S4.3	Ring Road, Colt Drive, and Hunter Road Connections	\$588,336	22.4%	3.2%	74.4%
N9b	West North Shore Collector	\$2,084,000	0.2%	33.8%	66.0%
S3	New West to East Trunk North of Beacon Point	\$3,584,000	0.0%	5.3%	94.7%
S5a	New Foothill Blvd. Trunk to South End of City	\$4,183,000	0.0%	3.0%	97.0%
S6a	New West to East Trunk North of Tickville Gulch	\$2,147,000	0.0%	21.3%	78.6%
<b>Total or Average</b>		<b>\$25,855,116</b>	<b>5.5%</b>	<b>13.5%</b>	<b>81.0%</b>

All cost estimates contained in this IFA have been taken directly from the IFFP. The basis of these estimates is documented in the IFFP.

### **IMPACT FEE CALCULATION - 11-36a-304(1)(e)**

Using the information contained in the previous sections, impact fees can be calculated by dividing the proportional cost of facilities required to service 10-year growth by the amount of growth expected over the next 10-years. Calculated impact fees by component are summarized in Table 4.

**Table 4**  
**Impact Fee Calculation per ERU**

<b>System Components</b>	<b>Total Cost of Component</b>	<b>% Serving 10-year Growth</b>	<b>Cost Serving 10-year Growth</b>	<b>10-year ERUs Served</b>	<b>Cost Per ERU</b>
<b>Collection Facilities</b>					
Existing Facilities	\$35,822,184	7.91%	\$2,834,092	5,600	\$506.09
Existing Facility Bonding Interest Costs	\$4,126,080	8.91%	\$367,816	5,600	\$65.68
10-year Projects	\$25,855,116	13.49%	\$3,486,602	5,600	\$622.61
Planning and Engineering	\$83,783	77.58%	\$64,999	2,850	\$22.81
<b>Total</b>	<b>\$65,887,162</b>		<b>\$6,753,509</b>		<b>\$1,217.18</b>

### **Bonding Interest Costs**

In addition to construction costs, Table 4 includes the cost of bond interest expense where applicable. This could include any interest costs on existing facilities where new growth will benefit from excess capacity and future interest costs for bonds required to build projects needed for growth as identified in the Impact Fee Facilities Plan. In the case of the Saratoga Springs City wastewater system, there is one outstanding bond, the 2018 revenue bond. The principal borrowed under this loan was \$9,970,000 with interest costs of \$4,126,080. The proceeds from this bond were used for the construction of several new gravity trunk lines. Interest associated with this loan has been calculated based on the actual bond amortization schedule. The bond has an average interest rate of 3.25% and a payback period of 20 years. Like project construction costs, only that portion of interest expense associated with capacity for growth is included in the impact fee calculation.

### **Planning and Engineering Costs**

Utah Code allows for the cost of planning and engineering associated with impact fee calculations to be recovered as part of an impact fee. The cost of applicable studies completed by the City directly associated with planning for future growth have been included in Table 4. Only the actual costs, incurred by the City, related to planning and engineering for new growth have been included in this document. No future costs or projections have been added.

Included in the table is the calculated portion of the studies dedicated to planning for future growth (based on hours spent) and the number of ERUs served during the expected useful life of the planning documents (five years).

## Credit for User Fees

In some cases, an impact fee facility plan may include some portion of bonding being used for projects that have at least a portion of their costs that benefit existing users. For projects where this is the case, future users will pay for their portion of capacity via impact fees. They cannot also be expected to pay through user rates the portion of future bonds that will be used to build capacity or remedy deficiencies for existing users. This creates the need for a credit for future users.

This is not the case for Saratoga Springs. In recent years, several projects were partially funded by the 2018 revenue bond. However, the portion of these projects not funded by the bond was paid for from existing cash reserves. The amount paid from cash reserves exceeded the liability existing users had relative to addressing existing deficiencies. Thus, the bond proceeds have been used exclusively for building capacity for future users. Because no portion of the bond payments will be used to benefit existing users, there is no need to create a credit in the impact fee for future users.

## Recommended Impact Fee

Per Table 4, the calculated impact fee for sewer in Saratoga Springs is \$1,217.18/ERU. This is the legal maximum amount that may be charged as an impact fee. A lower amount may be adopted if desired, but a higher fee is not allowable under the requirements of Utah Code. This is separate from any additional charges levied by the City for hookup costs or for other reasonable permit and application fees.

## Calculation of Impact Fees for Non-Residential Development

The calculations above have been based on an equivalent residential unit (ERU). For non-residential development and residential development that does not meet the definition of an ERU, the City will assign an ERU equivalency based on water service size, consistent with the water impact fee. Calculations for one ERU have been based on a standard  $\frac{3}{4}$ " water service size. Larger water services are assumed to serve more than 1 ERU and will have a higher corresponding impact fee. Table 5 and indicates the impact fee rate schedule based on water service size for the sewer impact fees. The ERU factor is calculated based on the American Water Works Association (AWWA) rated capacity for a meter matching the identified service size.

**Table 5**  
**Sewer Impact Fee Based on Water Service Size**

Water Service Size	ERU	Impact Fee
$\frac{3}{4}$ "	1.00	\$1,217.18
1"	1.67	\$2,032.70
1 $\frac{1}{2}$ "	3.33	\$4,053.22
2"	5.33	\$6,487.59
3"	10.00	\$12,171.84
4"	16.67	\$20,290.45
6"	33.33	\$40,568.73
8"	53.33	\$64,912.40

**ADDITIONAL CONSIDERATIONS - 11-36a-304(2)****MANNER OF FINANCING - 11-36a-304(2)(a-e)**

As part of this Impact Fee Analysis, it is important to consider how each facility has been or will be paid for. Potential infrastructure funding includes a combination of different revenue sources.

**User Charges**

Because infrastructure must generally be built ahead of growth, there often arises situations in which projects must be funded ahead of expected impact fee revenues. In some cases, the solution to this issue will be bonding. In others, funds from existing user rate revenue will be loaned to the impact fee fund to complete initial construction of the project and will be reimbursed later as impact fees are received. Interfund loans should be considered in subsequent accounting of impact fee expenditures.

**Bonds**

None of the costs contained in the IFFP included bonding. Where City financial plans identify bonding will be required to finance impact fee eligible improvements, the portion of bond cost and interest expense attributable to future growth has been added to the calculation of the impact fee.

**General Taxes**

If taxes are used to pay for infrastructure, they should be accounted for in the impact fee calculation. Specifically, any contribution made by property owners through taxes should be credited toward their available capacity in the system. In this case, no taxes are proposed for the construction of infrastructure.

**Federal and State Grants and Donations**

Impact fees cannot reimburse costs funded or expected to be funded through federal grants and other funds that the City has received for capital improvements without an obligation to repay. Grants and donations are not currently contemplated in this analysis. If grants become available for constructing facilities, impact fees will need to be recalculated and an appropriate credit given. Any existing infrastructure funded through past grants has been removed from the system cost.

**Timpanogos Special Service District**

It should be emphasized that the impact fees calculated as part of this analysis are for facilities owned and operated by Saratoga Springs City only. Wastewater for City residents also requires the use of capacity in conveyance and treatment facilities owned and operated by Timpanogos Special Service District (TSSD). TSSD has adopted its own impact fee that is separate and in addition to the impact fee calculated here.

**DEDICATION OF SYSTEM IMPROVEMENTS - 11-36a-304(2)(f)**

Developer exactions are not the same as grants. If a developer constructs a system improvement or dedicates land for a system improvement identified in the IFFP or dedicates a public facility that is recognized to reduce the need for a system improvement, the developer may be entitled to an appropriate credit against that particular developer's impact fee liability or a proportionate reimbursement.

If the value of the credit is less than the development's impact fee liability, the developer will owe the balance of the liability to the City. If the recognized value of the improvements/land dedicated is more than the development's impact fee liability, the City may be required to reimburse the difference to the developer.

It should be emphasized that the concept of impact fee credits pertains to system level improvements only. Developers will be responsible for the construction of project improvements (i.e. improvements not identified in the impact fee facilities plan) without credit against the impact fee.

### **EXTRAORDINARY COSTS - 11-36a-304(2)(g)**

The Impact Fees Act indicates the analysis should include consideration of any extraordinary costs of servicing newly developed properties. In cases where one area of potential growth may cost significantly more to service than other growth, a separate service area may be warranted. No areas with extraordinary costs have been identified as part of this analysis.

### **TIME-PRICE DIFFERENTIAL - 11-36a-304(2)(h)**

Utah Code allows consideration of time-price differential in order to create fairness for amounts paid at different times. To address time-price differential, this analysis includes a conversion to present value cost for future expenditures. In the case of future construction costs, it has been assumed that the return rate on investment will be roughly equivalent to construction inflation and current construction estimates have been used in the calculation of impact fees. Per the requirements of the Code, existing infrastructure cost is based on actual historical costs without adjustment.

**IMPACT FEE CERTIFICATION - 11-36a-306(2)**

This report has been prepared in accordance with Utah Code Title 11, Chapter 36a (the "Impact Fees Act"), which prescribes the laws pertaining to the imposition of impact fees in Utah. The accuracy of the IFFP relies in part upon planning, engineering, and other source data, provided by the City and its designees.

In accordance with Utah Code Annotated, 11-36a-306(2), Bowen Collins & Associates makes the following certification:

I certify that the attached impact fee analysis:

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

A handwritten signature in black ink, appearing to read "Keith J. Larson", is written over a horizontal line.

Keith J. Larson, P.E.



**Salt Lake Area Office:**

154 East 14075 South  
Draper, Utah 84020

Phone: (801) 495-2224

Fax: (801) 495-2225

**Boise Area Office:**

776 East Riverside Drive  
Suite 250

Eagle, Idaho 83616

Phone: (208) 939-9561

Fax: (208) 939-9571

**Southern Utah Area Office:**

20 North Main

Suite 107

St. George, Utah 84770

Phone: (435) 656-3299

Fax: (435) 656-2190



**BOWEN COLLINS**  
& A S S O C I A T E S