SPRINGVILLE CITY

Storm Water Impact Fee Analysis

Prepared by:
Zions Public Finance, Inc.
November 2024

Table of Contents

Executive Summary

Background Information

Zions Public Finance, Inc. (ZPFI) has prepared this Impact Fee Analysis (IFA) for the calculation of appropriate storm water impact fees in Springville (the "City"). This IFA relies on Springville's Storm Water Impact Fee Facilities Plan ("IFFP") prepared by Hansen Allen Luce (HAL) in October 2024 regarding current system capacity and future storm water capital facility needs, cost, and timing.

An impact fee is a one-time fee imposed on new development activity to mitigate the impact of new development on capital facilities. The recommended impact fee structure presented in this analysis has been prepared to satisfy the Impact Fees Act, Utah Code Ann. § 11-36a-101 et. seq., and represents the maximum impact fees that the City may assess. The City will be required to use revenue sources other than impact fees to fund any projects that constitute repair and replacement, cure any existing deficiencies, or increase the level of service for existing users.

Service Area. There is one service area in the City for the purpose of calculating storm water impact fees. This service area matches the City boundaries.

Level of Service. Based on information provided in the IFFP, the level of service for the storm water system is as follows:

- 10-year storm for the initial drainage system
- 25-year for regional detention/retention basins
- 100-year storm must receive consideration in locations where flooding of homes may occur[1]

Growth Projections. The City is anticipated to grow from 37,161 impervious surface ERUs in 2023 to 43,554 impervious surface ERUs in 2033 – an increase of 6,393 ERUs. This will place increased demand on the City's storm water system.[2]

Need for Improvements. The IFFP identifies existing excess capacity in the amount of $271,000 and also identifies the need for construction of new projects totaling over $47 million. New development will be responsible for $38,156,200 of the new construction costs. The existing excess capacity can serve 97 ERUs while the new construction projects will serve 13,056 ERUs.[3]

Credits for Projects that Benefit Existing Development. The IFFP identifies a portion of the new construction costs ($9,730,000) that will benefit existing development. Therefore, a credit must be made so that new development does not pay twice – once in the form of impact fees and then again through higher taxes over time to pay for the portion of the system improvements that benefit existing development.

Credits for Outstanding Bonds. The City does not currently have any outstanding bonds used to pay for storm water improvements.

[1] Springville Storm Water IFFP, p. iv
[2] Springville Storm Water IFFP, p. 2-6
[3] Springville Storm Water IFFP, p. 3-9

Impact on Consumption of Existing Capacity

Utah Code 11-36a-304(1)(a)

The IFFP identifies five projects with excess capacity, acquired at an actual cost of $1,384,234, of which $271,000 is impact-fee eligible and available to serve new development.[4]

Impact on System Improvements by Anticipated New Development

Utah Code 11-36a-304(1)(b)

The City has determined to maintain its current level of storm water service and therefore new improvements to the system are needed as there is not sufficient excess capacity to maintain current service levels given the projected growth. The new system improvements (conveyance and detention) needed years have been identified at a total cost of $47,886,200 of which $38,156,200 can be attributed to new development. Existing development will benefit from $9,730,000 of the costs and credits will therefore need to be made so that new development does not pay twice.

Proportionate Share Analysis and Impact Fee Calculation

Utah Code 11-36a-304(1)(d) and (e) and (2)(a) and (b)

New development will be required to pay for its fair share of existing excess capacity as well as the construction of new system improvements necessitated by new development and consultant costs.

TABLE 1: SUMMARY OF IMPACT FEE BEFORE CREDITS

Summary	Amount
Capacity Cost per ERU	$2,921.55
Consultant Costs	$17.05
Gross Fee before Credits	**$2,938.60**

The maximum allowable impact fee changes each year in the table below in the shaded, far right column, to account for the credits due from the construction costs that benefit existing development. The impact fee fund balance of $1,450,814.86[5] was applied to reduce the cost of new construction that benefits existing development ($9,730,000).

TABLE 2: SUMMARY OF MAXIMUM IMPACT FEE, 2024-2033

Year	Payment	ERUs	Payment per ERU	NPV*	Max Fee per ERU
2024	$827,919	37,756	$21.93	$158.67	$2,779.94
2025	$827,919	38,360	$21.58	$144.67	$2,793.93
2026	$827,919	38,973	$21.24	$130.32	$2,808.28
2027	$827,919	39,957	$20.72	$115.59	$2,823.01
2028	$827,919	40,231	$20.58	$100.65	$2,837.95
2029	$827,919	40,874	$20.26	$85.11	$2,853.50
2030	$827,919	41,528	$19.94	$69.11	$2,869.50

[4] Springville Storm Water IFFP, p. 3-9

[5] Source: Springville City as of June 2024

Year	Payment	ERUs	Payment per ERU	NPV*	Max Fee per ERU
2031	$827,919	42,193	$19.62	$52.63	$2,885.98
2032	$827,919	42,868	$19.31	$35.64	$2,902.97
2033	$827,919	43,554	$19.01	$18.10	$2,920.50

*NPV = net present value discounted at 5 percent

Based on the IFFP, one ERU is equivalent to 4,200 square feet of impervious surface.[6] Therefore, fees can be charged on the ratios of impervious surface for various residential lot sizes as shown in the IFFP.[7] The IFFP states that, "for residential developments between the typical impervious area for the lot size groupings provided, [these groupings] should be applied rather than requiring an exact measurement. The number of ERUs for non-residential developments should be based on the impervious square footage shown on the development plans. It is the City's policy to receive impact fees at plat recordation for the storm water system."[8] Ratios and fees by year are shown in detail in Tables 12 and 13 of this IFA.

Overview of the Storm Water Impact Fees

Summary

An impact fee is intended to recover the City's costs of building storm water system capacity to serve new residential and non-residential development rather than passing all these growth-related costs on to existing users through rates. The Utah Impact Fees Act allows only certain costs to be included in an impact fee so that only the fair cost of expansionary projects or existing unused capacity paid for by the City is assessed through an impact fee.

Costs to be Included in the Impact Fee

The impact fees proposed in this analysis are calculated based upon:

- Excess capacity in the City's storm water system;
- New capital infrastructure for storm water systems that will serve new development; and
- Professional and planning expenses related to the construction of system improvements that will serve new development.

The costs that cannot be included in the impact fee are as follows:

- Costs for projects that cure system deficiencies;
- Costs for projects that increase the Level of Service (LOS) above that which is currently provided;
- Operations and maintenance costs;
- Costs of facilities funded by grants or other funds that the City does not have to repay; and
- Costs of reconstruction of facilities that do not have capacity to serve new growth.

Utah Code Legal Requirements

Utah law requires that communities prepare an Impact Fee Analysis (IFA) before enacting an impact fee. Utah law also requires that communities give notice of their intent to prepare and adopt an IFA. This IFA

[6]Springville Storm Water IFFP, p. 2-3
[7]Springville Storm Water IFFP, p. 2-3
[8]Springville Storm Water IFFP, p. 2-3

follows all legal requirements as outlined below. The City has retained ZPFI to prepare this IFA in accordance with legal requirements.

Notice of Intent to Prepare Impact Fee Analysis

A local political subdivision must provide written notice of its intent to prepare an IFA before preparing the Plan (Utah Code §11-36a-503). This notice must be posted on the Utah Public Notice website.

Preparation of Impact Fee Analysis

Utah Code requires that each local political subdivision, before imposing an impact fee, prepare an impact fee analysis. (Utah Code 11-36a-304).

Section 11-36a-304 of the Utah Code outlines the requirements of an impact fee analysis as follows:

(1) An impact fee analysis shall:
- (a) identify the anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity;
- (b) identify the anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility;
- (c) demonstrate how the anticipated impacts described in Subsections (1)(a) and (b) are reasonably related to the anticipated development activity;
- (d) estimate the proportionate share of:
  - (i) the costs for existing capacity that will be recouped; and
  - (ii) the costs of impacts on system improvements that are reasonably related to the new development activity; and
- (e) identify how the impact fee was calculated.

(2) In analyzing whether or not the proportionate share of the costs of public facilities are reasonably related to the new development activity, the local political subdivision or private entity, as the case may be, shall identify, if applicable:
- (a) the cost of each existing public facility that has excess capacity to serve the anticipated development resulting from the new development activity;
- (b) the cost of system improvements for each public facility;
- (c) other than impact fees, the manner of financing for each public facility, such as user charges, special assessments, bonded indebtedness, general taxes, or federal grants;
- (d) the relative extent to which development activity will contribute to financing the excess capacity of and system improvements for each existing public facility, by such means as user charges, special assessments, or payment from the proceeds of general taxes;
- (e) the relative extent to which development activity will contribute to the cost of existing public facilities and system improvements in the future;
- (f) the extent to which the development activity is entitled to a credit against impact fees because the development activity will dedicate system improvements or public facilities that will offset the demand for system improvements, inside or outside the proposed development;
- (g) extraordinary costs, if any, in servicing the newly-developed properties; and
- (h) the time-price differential inherent in fair comparisons of amounts paid at different times.

Calculating Impact Fees

Utah Code states that for purposes of calculating an impact fee, a local political subdivision or private entity may include:
- (a) the construction contract price;
- (b) the cost of acquiring land, improvements, materials, and fixtures;

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

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

Certification of Impact Fee Analysis

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

Impact Fee Enactment

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

Impact from Growth Upon the City's Facilities and Level of Service

Utah Code 11-36a-304(1)(a)(c)

Storm Water Service Area

The City has one service area for the purpose of calculating storm water impact fees. This service area matches the boundaries of Springville City.

Growth in Demand

The City projects that it will grow by approximately 6,393 impervious surface ERUs during the 10-year impact fee planning horizon in this IFA.

TABLE 3: STORM WATER GROWTH PROJECTIONS

Year	Impervious Surface ERUs
2023	37,161
2024	37,756
2025	38,360
2026	38,973
2027	39,957
2028	40,231
2029	40,874
2030	41,528
2031	42,193
2032	42,868
2033	43,554

Source: Springville Storm Water IFFP, p. 3-1

Existing and Proposed Level of Service Analysis

According to the City's IFFP, the existing service level for storm water collection in Springville is as follows:

- 10-year storm for the initial drainage system
- 25-year for regional detention/retention basins
- 100-year storm must receive consideration in locations where flooding of homes may occur.[9]

Impact on Capacity from Development Activity

Utah Code 11-36a-304(1)(a)

Existing Capacity

According to the IFFP, there is currently excess capacity in the storm water system. Therefore, new development will be charged a buy-in fee as a part of the proposed storm water impact fee. The IFFP estimates that the remaining capacity is sufficient to serve 97 ERUs.[10]

TABLE 4: SUMMARY OF EXISTING EXCESS CAPACITY

Description	Capacity Remaining (%)	Project Costs	Impact-Fee Eligible Costs
Regional Detention Pond	50%	$100,000.00	$50,000.00
Regional Detention Pond	25%	$285,438.62	$71,360.00
Regional Detention Pond	10%	$815,403.79	$81,540.00
36-inch pipeline from basin to 1200 West	50%	$85,016.52	$42,507.00
42 and 48-inch pipeline along 400 South	25%	$98,375.00	$25,593.00
TOTAL		**$1,384,234**	**$271,000**

Source: Springville Storm Water IFFP, p. 2-5; ZPFI

System Improvements Required from Development Activity

Utah Code 11-36a-304(1)(b)(c), (2)(b)

Impact on System Improvements by Anticipated New Development

The City has determined to maintain its current level of storm water service. Therefore, additional storm water improvements will be required to maintain the established storm water level of service. The means by which the City will meet growth demands include constructing the following projects as set forth in the IFFP. This will occur through requiring new development to pay for its fair share of new construction projects over the next 10 years.

New construction projects are estimated to cost $47,886,200 with $38,156,200 allocated to new growth and the capacity to serve an additional 13,056 ERUs. The remaining $9,730,000 is necessary for existing development.

[9] Springville Storm Water IFFP, p. iv
[10] Springville Storm Water IFFP, p. 3-9

TABLE 5: NEW SYSTEM IMPROVEMENTS SUMMARY

	Existing Deficiency Costs	Impact Fee Eligible Costs	Project Fee Costs
Conveyance	$9,730,000	$29,481,200	$39,211,200
Detention		$8,675,000	$8,675,000
TOTAL	**$9,730,000**	**$38,156,200**	**$47,886,200**

Source: IFFP, p. iv

A more detailed breakdown of the capital facilities required is shown in Table 6.

TABLE 6: NEW SYSTEM IMPROVEMENTS BY PROJECT

Project ID	Total with Eng & Cont.	Impact Fee Eligible
A02	$359,000	$35,900
A06	$42,000	$42,000
A10	$67,000	$40,200
A11	$75,000	$52,500
A12	$606,000	$30,300
A16	$1,163,000	$116,300
C01	$1,178,000	$1,178,000
C02	$606,000	$606,000
C04	$1,514,000	$1,514,000
C05	$1,835,000	$1,835,000
C06	$453,000	$453,000
C07	$1,253,000	$1,253,000
C08	$719,000	$719,000
C09	$2,080,000	$2,080,000
C10	$972,000	$972,000
C11	$693,000	$693,000
C12	$602,000	$602,000
C13	$529,000	$529,000
C14	$369,000	$369,000
C17	$2,414,000	$2,414,000
C18	$388,000	$388,000
C19	$1,968,000	$1,968,000
C21	$900,000	$900,000
C22	$743,000	$743,000
C23	$2,234,000	$2,234,000
C25	$1,228,000	$1,228,000
C28	$685,000	$685,000
C30	$377,000	$377,000

Project ID	Total with Eng & Cont.	Impact Fee Eligible
C31	$133,000	$133,000
C32	$506,000	$506,000
C33	$776,000	$776,000
C34	$958,000	$958,000
C35	$618,000	$618,000
C36	$579,000	$579,000
C37	$254,000	$254,000
C38	$1,159,000	$1,159,000
C39	$195,000	$195,000
C40	$246,000	$246,000
RD01	$366,000	$366,000
RD02	$366,000	$366,000
RD03	$499,000	$499,000
RD05	$699,000	$699,000
RD06	$1,698,000	$1,698,000
RD08	$366,000	$366,000
RD10	$699,000	$699,000
RD12	$866,000	$866,000
RD14	$266,000	$266,000
RD15	$2,031,000	$2,031,000
RD17	$699,000	$699,000
RD18	$120,000	$120,000
TOTAL	**$40,150,000**	**$38,156,200**

*Additional projects which are solely attributable to curing deficiencies for existing development are not listed in this table. However, the total amount of $9,730,000 of existing deficiencies is included in the calculation of credits.

Relation of Anticipated Development Activity to Impacts on System Improvements

The demand placed on existing storm water improvements by new development activity is attributed to the increased developed (impervious) acres and ERUs related to both residential and nonresidential growth.

Proportionate Share Analysis

Utah Code 11-36a-304(1)(d)(e)

Maximum Legal Storm Water Impact Fee per Acre

The Impact Fees Act requires the Impact Fee Analysis to estimate the proportionate share of the existing excess capacity and future costs for system improvements that benefit new growth that can be recouped through impact fees.

Existing Capacity and New Construction Costs

The existing storm water system has existing, excess capacity; therefore, a buy-in component is factored into the impact fee calculation which is based on the actual cost of the improvements at the time acquired. In addition, new construction projects are needed.

TABLE 7: PROPORTIONATE SHARE ANALYSIS, CAPACITY COSTS

Existing Capacity and New Construction	
Existing Excess Capacity Cost	$271,000
Excess Capacity ERUs	97
New Construction Cost	$38,156,200
New Construction Capacity	13,056
Total Cost	$38,427,200
Total Capacity	13,153
Cost per ERU	**$2,921.55**

Consultant Costs

The Impact Fees Act allows for fees charged to include the reimbursement of consultant costs incurred in the preparation of the IFA.

Consultant costs are estimated at $109,000 to prepare the IFFP and IFA that was necessary to calculate defensible impact fees.[11] The consultant studies are considered to serve development over the next 10 years. Based on the ERUs served over the next 10 years, the total consultant cost per ERU is calculated at $17.05.

TABLE 8: PROPORTIONATE SHARE ANALYSIS, CONSULTANT COSTS

Category	Amount
Total Consultant Costs	$109,000
Growth in ERUs, 2023-2033	6,393
Cost per ERU	**$17.05**

Impact Fee Fund Balance

The City has $1,450,814.86 of funds in its storm water impact fee account.[12] This credit will be used to reduce the cost of the facilities for existing development for which impact fees were collected.

Credits for Projects Benefitting Existing Development

Credits need to be made for the portion of new projects that benefit existing development. The IFFP identifies portions of the new improvement projects that will benefit existing development. Therefore, a credit must be made for these projects so that new development does not pay twice – once through the collection of an impact fee and then again through increased taxes to offset the portion benefitting existing development. The total amount of project costs benefitting existing development is $9,730,000 as shown

[11] An additional $141,000 will be needed for planning costs during the timeframe of this analysis but will be included when impact fees are updated.

[12] Source: Springville City

in Table 5. These costs are first reduced by the City's fund balance of $1,450,814.86 and then spread across 10 years in the following analysis so that credits can be made.

TABLE 9: CREDITS FOR COSTS BENEFITTING EXISTING DEVELOPMENT

Year	Payment	ERUs	Payment per ERU	NPV*
2024	$827,919	37,756	$21.93	$158.67
2025	$827,919	38,360	$21.58	$144.67
2026	$827,919	38,973	$21.24	$130.32
2027	$827,919	39,957	$20.72	$115.59
2028	$827,919	40,231	$20.58	$100.65
2029	$827,919	40,874	$20.26	$85.11
2030	$827,919	41,528	$19.94	$69.11
2031	$827,919	42,193	$19.62	$52.63
2032	$827,919	42,868	$19.31	$35.64
2033	$827,919	43,554	$19.01	$18.10

*NPV = net present value discounted at 5 percent

Summary of Impact Fees

The calculated maximum cost per ERU, before credits, is $2,938.60 as shown in Table 10 below.

TABLE 10: SUMMARY OF 2024 IMPACT FEE PER ERU

Summary	
Capacity Cost per ERU	$2,921.55
Consultant Costs	$17.05
Gross Fee before Credits	**$2,938.60**

The maximum allowable impact fee changes each year in the table below to account for the credits due from the remaining construction cost amounts that benefit existing development.

TABLE 11: SUMMARY OF MAXIMUM IMPACT FEE, 2024-2033

Year	Gross Fee	Credit	Max Fee per ERU
2024	$2,938.60	$158.67	$2,779.94
2025	$2,938.60	$144.67	$2,793.93
2026	$2,938.60	$130.32	$2,808.28
2027	$2,938.60	$115.59	$2,823.01
2028	$2,938.60	$100.65	$2,837.95
2029	$2,938.60	$85.11	$2,853.50
2030	$2,938.60	$69.11	$2,869.50
2031	$2,938.60	$52.63	$2,885.98
2032	$2,938.60	$35.64	$2,902.97
2033	$2,938.60	$18.10	$2,920.50

Based on the IFFP, one ERU is equivalent to 4,200 square feet of impervious surface.[13] Therefore, fees can be charged on the ratios of impervious surface for various residential lot sizes as shown in the IFFP.[14] The IFFP states that, "for residential developments between the typical impervious area for the lot size groupings provided, [these groupings] should be applied rather than requiring an exact measurement. The number of ERUs for non-residential developments should be based on the impervious square footage shown on the development plans. It is the City's policy to receive impact fees at plat recordation for the storm water system."[15]

TABLE 12: SUMMARY OF MAXIMUM IMPACT FEE, 2024-2033, BY LOT SIZE, PART 1

	<2,000 sf	2,000-3,999 sf	4,000-5,999 sf	6,000- 7,999 sf
Average % Impervious	85%	67%	51%	47%
Typical Impervious Area (sf)	Lot size x 85%	1,900	2,650	3,450
ERU	Lot size x 85% / 4,200 sf	0.45	0.63	0.82
Fee by Year				
2025	Lot size x 85% / 4,200 sf x cost for 1 ERU (8,000 sf to 10,889 sf)	$1,257	$1,760	$2,291
2026	Lot size x 85% / 4,200 sf x cost for 1 ERU (8,000 sf to 10,889 sf)	$1,264	$1,769	$2,303
2027	Lot size x 85% / 4,200 sf x cost for 1 ERU (8,000 sf to 10,889 sf)	$1,270	$1,778	$2,315
2028	Lot size x 85% / 4,200 sf x cost for 1 ERU (8,000 sf to 10,889 sf)	$1,277	$1,788	$2,327
2029	Lot size x 85% / 4,200 sf x cost for 1 ERU (8,000 sf to 10,889 sf)	$1,284	$1,798	$2,340
2030	Lot size x 85% / 4,200 sf x cost for 1 ERU (8,000 sf to 10,889 sf)	$1,291	$1,808	$2,353
2031	Lot size x 85% / 4,200 sf x cost for 1 ERU (8,000 sf to 10,889 sf)	$1,299	$1,818	$2,367
2032	Lot size x 85% / 4,200 sf x cost for 1 ERU (8,000 sf to 10,889 sf)	$1,306	$1,829	$2,380
2033	Lot size x 85% / 4,200 sf x cost for 1 ERU (8,000 sf to 10,889 sf)	$1,314	$1,840	$2,395

TABLE 13: SUMMARY OF MAXIMUM IMPACT FEE, 2024-2033, BY LOT SIZE, PART 2

	8,000-10,889 sf	10,890 sf-21,779 sf	>21,780 sf
Average % Impervious	45%	39%	32%
Typical Impervious Area (sf)	4,200	5,450	10,400

[13]Springville Storm Water IFFP, p. 2-3
[14]Springville Storm Water IFFP, p. 2-3
[15]Springville Storm Water IFFP, p. 2-3

ERU	1.00	1.30	2.48
Fee by Year			
2025	$2,794	$3,632	$6,929
2026	$2,808	$3,651	$6,965
2027	$2,823	$3,670	$7,001
2028	$2,838	$3,689	$7,038
2029	$2,853	$3,710	$7,077
2030	$2,869	$3,730	$7,116
2031	$2,886	$3,752	$7,157
2032	$2,903	$3,774	$7,199
2033	$2,921	$3,797	$7,243

Manner of Financing, Credits, Etc.

Utah Code 11-36a-304(2)(c)(d)(e)(f)(g) and (h)

An impact fee is a one-time fee that is implemented by a local government on new development to fund and pay for the proportionate costs of public facilities (system improvements) that are needed to serve new development. As a matter of policy and legislative discretion, a City may choose to have new development pay the full cost of its proportionate share of new public facilities and existing facilities that have excess capacity to service new development through impact fees. Alternatively, local governments may elect to subsidize new development by using other sources of revenue (user charges, special assessments, bonds, taxes, grants) to pay for the new facilities required to service new development and use impact fees to recover the cost difference between the total cost of the new facilities and the other sources of revenue.

At the current time, no other sources of funding other than impact fees have been identified, but to the extent that any are identified and received in the future, then impact fees will be reduced accordingly. The City has found that it is necessary to charge an impact fee to maintain the existing level of service into the future.

Additional system improvements beyond those funded through impact fees that are desired to raise the level of service will be paid for by the community through other revenue sources such as user charges, special assessments, General Obligation bonds, general taxes, etc.

Impact Fee Credits

The Impact Fee Act requires that the IFA consider the relative extent to which new development activity will contribute to financing the excess capacity of and system improvements for new and public facilities, by such means as user charges, special assessments, or payment from the proceeds of general taxes so that new development is not charged twice. This IFA clearly identifies the amount of excess capacity to be paid for by new development. This portion of the impact fee calculation can be credited back to the General Fund as a repayment for prior investment in capital facilities.

In terms of new facilities, all impact fee amounts collected must be spent for the specific project improvements identified by the engineering firm contracted by the City and incorporated into this IFA.

Impact fees are required to be used within 6 years of collection. No user fees, special assessments, etc., are contemplated to offset any of the costs associated with the new storm water facilities.

Credits may also be paid back to developers who have constructed or directly funded system improvements that are identified by the City's contracted engineering firm or donated to the City in lieu of impact fees, including the dedication of land for system improvements. This situation does not apply to developer exactions for project improvements. Any item for which a developer receives credit should be included in the approved infrastructure and must be agreed upon with the City before construction begins.

The standard impact fee can also be decreased to respond to unusual circumstances in specific cases to ensure that impact fees are imposed fairly. In certain cases, a developer may submit studies and data that clearly show a need for adjustment.

Extraordinary Costs and Time Price Differential

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

Certification

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

1. Includes only the costs of public facilities that are:
    a. allowed under the Impact Fees Act; and
    b. actually incurred; or
    c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid.
2. Does not include:
    a. costs of operation and maintenance of public facilities; or
    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;
3. Offsets costs with grants or other alternate sources of payment; and
4. Complies in each and every relevant respect with the Impact Fees Act.