



SPECIAL CITY COUNCIL MEETING AGENDA

Wednesday, September 30, 2020

NOTICE IS HEREBY GIVEN that the Herriman City Council shall assemble for a meeting in the City Council Chambers, located at
5355 WEST HERRIMAN MAIN STREET, HERRIMAN, UTAH

5:30 PM - SPECIAL MEETING:

This meeting will also be conducted electronically at www.herriman.org/agendas-and-minutes

1. Discussion and Action Items

- 1.1. Discussion and consideration of an ordinance adopting the Fire/EMS Impact Fee Facilities Plan and Impact Fee Analysis and imposing Fire/EMS Impact Fees; and providing for the calculation and collection of such fees - Chase Andrizzi, City Attorney

2. Future Meetings

- 2.1. October 1 - Planning Commission Meeting 7:00 p.m.
- 2.2. October 14 - City Council work meeting 5:00 p.m.; City Council meeting 7:00 p.m.

3. Events

- 3.1. October 1 - Volunteer Opportunity - Painting at Blackridge; 9:00 a.m.
- 3.2. October 14 - City Council work meeting 5:00 p.m.; City Council meeting 7:00 p.m.

4. Adjournment

In accordance with the Americans with Disabilities Act, Herriman City will make reasonable accommodation for participation in the meeting. Request assistance by contacting Herriman City at (801) 446-5323 and provide at least 48 hours advance notice of the meeting.

ELECTRONIC PARTICIPATION: Members of the City Council may participate electronically via telephone, Skype, or other electronic means during this meeting.

PUBLIC COMMENT POLICY AND PROCEDURE: The purpose of public comment is to allow citizens to address items on the agenda. Citizens requesting to address the Council will be asked to complete a written comment form and present it to Jackie Nostrom, City Recorder. In general, the chair will allow an individual two minutes to address the Council. A spokesperson, recognized as representing a group in attendance, may be allowed up to five minutes. At the conclusion of the citizen comment time, the chair may direct staff to assist the citizen on the issue presented; direct the citizen to the proper administrative department(s); or take no action. This policy also applies to all public hearings. Citizens may also submit written requests (outlining their issue) for an item to be considered at a future council meeting. The chair may place the item on the agenda under citizen comments; direct staff to assist the citizen; direct the citizen to the proper administrative departments; or take no action.

I, Jackie Nostrom, certify the foregoing agenda was emailed to at least one newspaper of general circulation within the geographic jurisdiction of the public body, at the principal office of the public body, on the Utah State Public Notice website www.utah.gov/pmn/index.html and on Herriman City's website at www.herriman.org. Posted and dated this 24th day of September, 2020. /s/ Jackie Nostrom, City Recorder

5355 W. Herriman Main St. • Herriman, Utah 84096
(801) 446-5323 office • (801) 446-5324 fax • herriman.org





STAFF REPORT

DATE: September 23, 2020

TO: The Honorable Mayor and City Council

FROM: Chase Andrizzi, City Attorney

SUBJECT: Fire/EMS Public Safety Impact Fee; IFFP, IFA, and Enactment.

RECOMMENDATION

Approve the Enactment.

DISCUSSION

Herriman City has the authorization to enact impact fees for public facilities as depicted in the Impact Fee Analysis and Impact Fee Facilities Plan for Fire/EMS. The Impact Fee Facilities Plan considers all revenue sources for new growth improvements and analyzes criteria to determine the cost of the related public facilities is reasonably related to new development.

To adopt an updated Impact Fee, the City needs to notice up a public hearing and provide the public an opportunity to review the IFFP, IFA, and Enactment. After the public hearing, the City may choose to adopt, reject, or adopt with modifications the maximum recommended impact fee. Once the impact fee has been enacted, there is a 90-day waiting period before the new impact fee could be collected.

The Public hearing is scheduled for September 23, 2020. If the Enactment is approved at the following meeting (October 13, 2020), the Enactment would take effect on January 11, 2020.

ALTERNATIVES

The Council can reject the Enactment in its entirety. If this were to happen, there would be no Fire/EMS fees collected by the City. The City does not currently assess a Fire/EMS fee as this has historically been collected by UFSA.

The Council could also decrease the recommended impact fees for these items. State statute allows the Council to enact an impact fee for less than the recommended amount, but not more.

FISCAL IMPACT

Significant. By approving the Enactment, the Council would be collecting a new impact fee for Fire/EMS public facilities at a rate of \$444.08 per unit for Single-Family units and \$0.27 per square foot of Multi-Family units. These are fees that would be collected with new development and are earmarked, and may only be used, for Fire/EMS public facilities within the City.

Herriman City



DRAFT Fire Impact Fee Facilities Plan



Zions Public Finance, Inc.
September 2020

IMPACT FEE FACILITIES PLAN HERRIMAN CITY

Executive Summary

Background

This Impact Fee Facilities Plan (IFFP) was prepared to meet the requirements of Utah Code §11-36a. Impact fees are a one-time fee charged to new development to help offset the capital costs associated with new growth in a community. Herriman has determined that there is one city-wide service area for fire protection services.

New Development and Growth

Herriman is experiencing rapid growth. Residential and non-residential growth create the demand for new fire capital facilities. Projected growth is shown in the following table:

TABLE 1: GROWTH PROJECTIONS, 2020 -2030

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

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

Identify the Existing and Proposed Levels of Service and Excess Capacity

Utah Code 11-36a-302(1)(a)(i)(ii)(iii)

The IFFP considers only *system* facilities in the calculation of impact fees. For the City, this has been determined to mean fire station buildings. Although fire vehicles that have been acquired previously or will be acquired within the next six years at a cost of \$500,000 or more may be included in the study, Herriman does not have any such vehicles and does not anticipate acquiring such vehicles by 2030. Therefore, no costs for fire vehicles are included in this analysis.

Existing service levels for fire are based on the current capital facilities (i.e., fire building square feet) as measured per demand unit. Demand units increase with development which generates more calls for service and, therefore, the need for more fire station space.

The City had a total of 1,115 calls for service in 2020; of these calls 1,086 originated from development in Herriman in 2020.¹ The remaining calls represent pass-through traffic. With the growth that the City is experiencing, these calls for service will only increase in the future. This growth in calls for service will require increased fire station space in order to meet the demands of new development.

The City averages 0.0598 fire calls per residential dwelling unit and 0.0000365 calls per square foot of nonresidential space. With 22,913 square feet of fire building space, this results in an existing service level of 20.54 square feet of fire facility space for every fire call. The proposed service level is for 24.62 square feet per call calculated by dividing the total fire building square feet in 2035 (50,822 sf) by the projected calls in 2035 (2,064) when these stations will be at capacity and more facilities will be needed.² Two new stations are anticipated to be built by 2030, with capacity to serve Herriman through 2035.

TABLE 2: EXISTING AND PROPOSED SERVICE LEVELS

	TOTAL	Residential	Non-Residential
Existing:			
Fire Calls 2020*	1,115	944	142
Residential Dwelling Units or Non-Residential SF – 2020		15,779	3,895,146
Average Annual Calls per Residential Dwelling Unit or Nonresidential SF		0.0598	0.0000365
Total Attributable Fire Building SF - 2020	22,913	19,392	2,921
Existing LOS - SF per Call		20.54	20.54
Proposed:			
Fire Calls 2035*	2,064	1,747	263
Residential Dwelling Units or Non-Residential SF – 2035		29,198	7,207,832
Total Attributable Fire Building SF - 2035	50,822	43,012	6,480
Proposed LOS - SF per Call		24.62	24.62
*The total includes the pass-thru calls that do not originate in Herriman			

The City intends to build 2 new fire stations within the 10-year timeframe of this analysis and to rebuild its existing Station 103. The rebuild portion of Station 103 cannot be counted in the calculation of impact fees; however, the 5,909 square feet of expansion space can be included. By 2030, the City will have a total of 50,822 square feet of station space.³

¹ Herriman had an average of 930 fire calls for service between 2016 and 2018. These calls have been reduced to account for the fact that 24 of these calls are attributed to pass-through traffic that does not originate in or have a destination in Herriman. Future call projections are based on maintaining the calls per unit residential and nonresidential unit ratios established by the 2016-2018 data.

² Includes residential, non-residential and pass-thru traffic calls

³ Calculated by adding the 22,913 existing square feet with the space of the new facilities: Station 128, 7300 W Main Street (10,000 sf); Station 133, Wood Hollow Station (12,000 sf); and the expansion space at Station 103, Herriman Parkway (5,909 sf).

TABLE 3: NEW FIRE STATION CONSTRUCTION

Location	Station	Construction Year	Square Feet (sf)
103	Herriman Pkwy – Rebuild*	2021	10,000
128	7300 W Main Street	2025	10,000
133	Wood Hollow Station	2028	12,000
TOTAL			32,000

*Plans are to rebuild the 4,091 sf of the existing station and construct an additional 5,909 sf at the station.

Identify Demands Placed Upon Existing Public Facilities by New Development Activity at the Proposed Level of Service

Utah Code 11-36a-302(1)(a)(iv)

If no new facilities are constructed, the fire department will have a deficiency of 11,623 square feet of station space by 2030. Service levels will decline from the current level of service (LOS) of 20.54 square feet per call to 13.6 square feet per call by 2030.

Identify How the Growth Demands Will Be Met

Utah Code 11-36a-302(1)(a)(v)

Growth demands will be met through the rebuild and expansion of Station 103, as well as the construction of Stations 128 and 133.

Consideration of Revenue Sources to Finance Impacts on System Improvements

Utah Code 11-36a-302(2)

This Impact Fee Facilities Plan includes a thorough discussion of all potential revenue sources for public safety improvements. These revenue sources include grants, bonds, interfund loans, transfers from the General Fund, impact fees and anticipated or accepted dedications of system improvements.

Utah Code Legal Requirements

Utah law requires that communities prepare an Impact Fee Facilities Plan before preparing an Impact Fee Analysis (IFA) and enacting an impact fee. Utah law also requires that communities give notice of their intent to prepare and adopt an IFFP. This IFFP follows all legal requirements as outlined below. The City has retained Zions Public Finance, Inc. (ZPFI) to prepare this Impact Fee Facilities Plan in accordance with legal requirements.

Notice of Intent to Prepare Impact Fee Facilities Plan

A local political subdivision must provide written notice of its intent to prepare an IFFP before preparing the Plan (Utah Code §11-36a-501). This notice must be posted on the Utah Public Notice website. The City has complied with this noticing requirement for the IFFP.

Preparation of Impact Fee Facilities Plan

Utah Code requires that each local political subdivision, before imposing an impact fee, prepare an impact fee facilities plan. (Utah Code 11-36a-301).

Section 11-36a-302(a) of the Utah Code outlines the requirements of an IFFP which is required to identify the following:

- (i) identify the existing level of service
- (ii) establish a proposed level of service
- (iii) identify any excess capacity to accommodate future growth at the proposed level of service
- (iv) identify demands placed upon existing facilities by new development activity at the proposed level of service; and
- (v) identify the means by which the political subdivision or private entity will meet those growth demands.

Further, the proposed level of service may:

- (i) exceed the existing level of service if, independent of the use of impact fees, the political subdivision or private entity provides, implements, and maintains the means to increase the existing level of service for existing demand within six years of the date on which new growth is charged for the proposed level of service; or
- (ii) establish a new public facility if, independent of the use of impact fees, the political subdivision or private entity provides, implements, and maintains the means to increase the existing level of service for existing demand within six years of the date on which new growth is charged for the proposed level of service.

In preparing an impact fee facilities plan, each local political subdivision shall generally consider all revenue sources to finance the impacts on system improvements, including:

- (a) grants
- (b) bonds
- (c) interfund loans
- (d) transfers from the General Fund
- (e) impact fees; and
- (f) anticipated or accepted dedications of system improvements.

Certification of Impact Fee Facilities Plan

Utah Code states that an impact fee facilities plan shall include a written certification from the person or entity that prepares the impact fee facilities plan. This certification is included at the conclusion of this analysis.

Existing Service Levels

Utah Code 11-36a-302(1)(a)(i)(ii)(iii)

Growth in Demand

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

TABLE 4: GROWTH PROJECTIONS, 2020-2030

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

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

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

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

TABLE 5: FIRE – PROJECTED GROWTH IN FIRE CALLS FOR SERVICE

Calls for Service - Demand Units	Residential Calls	Non-Residential Calls	Motor Vehicle Pass-Thru Calls	Total Calls for Service	Residential Units	Non-Residential SF
2018	787	119	24	930	13,150	3,246,332
2019	887	134	27	1,048	14,831	3,661,287
2020	944	142	29	1,115	15,779	3,895,146
2021	1,000	151	31	1,182	16,718	4,126,933
2022	1,055	159	33	1,247	17,640	4,354,762
2023	1,109	167	34	1,311	18,540	4,576,875
2024	1,161	175	36	1,372	19,411	4,791,765
2025	1,211	182	37	1,431	20,246	4,998,049
2026	1,259	190	39	1,488	21,042	5,194,596

Calls for Service - Demand Units	Residential Calls	Non-Residential Calls	Motor Vehicle Pass-Thru Calls	Total Calls for Service	Residential Units	Non-Residential SF
2027	1,304	196	40	1,541	21,796	5,380,653
2028	1,347	203	42	1,591	22,505	5,555,656
2029	1,386	209	43	1,638	23,167	5,719,100
2030	1,423	214	44	1,681	23,782	5,870,986

Existing Service Levels

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

TABLE 6: EXISTING FIRE STATIONS

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

Source: Unified Fire Authority

The existing service level is calculated by dividing the 22,913 square feet by the total number of calls (1,115) in 2020 to arrive at an existing service level of 20.54 fire station square feet per call.

Proposed Level of Service

Herriman plans to build two new fire stations by 2020, and to expand space in its existing Station 103.

TABLE 7: FUTURE FIRE STATIONS

Location	Station	Construction Year	Square Feet*	Cost in \$2020	Construction Year Expense
103	Herriman Pkwy - Rebuild	2021	5,909	\$4,500,000	\$2,738,822
128	7300 W Main Street	2025	10,000	\$4,500,000	\$5,216,733
133	Wood Hollow Station	2028	12,000	\$5,400,000	\$6,840,558
TOTAL			27,909		\$14,796,113

*Expansion square feet only. Station 103 currently has 4,091 square feet resulting in a total of 10,000 square feet after the rebuild and expansion.

Excess Capacity

The existing fire stations are at capacity; therefore, the City plans to rebuild Station 103 in 2021 and to add 5,909 square feet to Station 103.

Identify Demands Placed upon Existing Facilities by New Development Activity at the Proposed Level of Service

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

TABLE 8: FACILITIES NEEDED (FIRE BUILDING SQUARE FEET) TO MAINTAIN EXISTING FIRE SERVICE LEVELS

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

Identify the Means by Which the Political Subdivision or Private Entity Will Meet Those Growth Demands

The City will meet the proposed growth demands by constructing Stations 128 and 133, and by rebuilding and expanding Station 103.

Manner of Financing for Public Facilities

Utah Code 11-36a-304(2)(c)(d)(e)

Impact fees will be used to fund the established growth-driven fire station needs.

Credits Against Impact Fees

Utah Code 11-36a-304(2)(f)

The Impact Fees Act requires credits to be paid back to development for future fees that may be paid to fund system improvements found in the IFFP so that new development is not charged twice. Credits

may also be paid back to developers who have constructed or directly funded items that are included in the IFFP 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 or improvements required to offset density or as a condition for development. Any item that a developer funds must be included in the IFFP if a credit is to be issued and must be agreed upon with the City before construction of the improvements.

In the situation that a developer chooses to construct facilities found in the IFFP in lieu of impact fees, the arrangement must be made through the developer and the City.

The standard impact fee can also be decreased to respond to unusual circumstances in specific cases in order 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.

At the discretion of the City, impact fees may be modified for low-income housing, although alternate sources of funding must be identified.

Grants

The City is unaware of any potential grant sources for future public safety facilities. However, should it be the recipient of any such grants, it will then look at the potential to reduce impact fees.

Bonds

The City will assume bond payments from the Unified Fire Service Authority (UFSA). The bond payments are for Station 123 – the Rosecrest land and fire station.

Transfer from General Fund

To the extent that the City is able to generate net revenues in its General Fund, it may choose to transfer all or a portion of the net revenues to the City's capital fund. It is most likely that, if net revenues should be generated, they will be used to reach the proposed service levels described in this IFFP and not to offset the demands generated by new development, which is anticipated to be offset with impact fees.

Impact Fees

Because of the growth anticipated to occur in the City, impact fees are a viable means of allowing new development to pay for the impacts that it places on the existing system. This IFFP is developed in accordance with legal guidelines so that an Impact Fee Analysis may be prepared and the City may charge impact fees for public safety.

Anticipated or Accepted Dedications of System Improvements

Any item that a developer funds must be included in the IFFP if a credit against impact fees is to be issued and must be agreed upon with the City before construction of the improvements.

Certification

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

1. Includes only the costs of public facilities that are:
 - a. allowed under the Impact Fees Act; and

- b. actually incurred; or
- c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid;

2. Does not include:

- a. costs of operation and maintenance of public facilities;
- b. costs for qualifying public facilities that will raise the level of service for the facilities, through impact fees, above the level of service that is supported by existing residents;
- c. an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement;

3. Complies in each and every relevant respect with the Impact Fees Act.

DRAFT

Herriman City



DRAFT Fire Impact Fee Analysis



IMPACT FEE ANALYSIS

HERRIMAN CITY

Executive Summary

Background

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

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

New Development and Growth

Projected growth is shown in the following table:

TABLE 1: GROWTH PROJECTIONS, 2020-2030

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

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

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

TABLE 2: PROJECTED GROWTH IN FIRE CALLS FOR SERVICE

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

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

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

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

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

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

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

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

TABLE 3: PROPORTIONATE SHARE ANALYSIS – GROSS COST PER CALL

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

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

TABLE 4: FIRE BOND CREDIT CALCULATIONS

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

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

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

TABLE 5: 2021 MAXIMUM FIRE FEES

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

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

TABLE 6: MAXIMUM FIRE FEES PER YEAR

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

Utah Code Legal Requirements

Preparation of Impact Fee Analysis. Utah Code requires that “each local political subdivision... intending to impose an impact fee shall prepare a written analysis (Impact Fee Analysis or IFA) of each impact fee” (Utah Code 11-36a-303). This IFA follows all legal requirements as outlined below. The City has retained Zions Public Finance, Inc. (ZPFI) to prepare this Impact Fee Analysis in accordance with legal requirements.

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

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

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

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

- the proportionate share of:

 - costs for existing capacity that will be recouped; and

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

- how the impact fee was calculated.

Further, in analyzing whether or not the proportionate share of the costs of public facilities are reasonably related to the new development activity, the local political subdivision or private entity, as the case may be, shall identify, if applicable:

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

- the cost of system improvements for each public facility;

- other than impact fees, the manner of financing for each public facility such as user charges, special assessments, bonded indebtedness, general taxes, or federal grants;

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

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

the extent to which the development activity is entitled to a credit against impact fees because the development activity will dedicate system improvements or public facilities that will offset the demand for system improvements, inside or outside the proposed development;

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

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

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

construction contract price;

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

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

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

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

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

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

Notice of Intent to Prepare Impact Fee Analysis. A local political subdivision must provide written notice of its intent to prepare an IFA before preparing the Analysis (Utah Code 11-36a-503(1)). This notice must be posted on the Utah Public Notice website. The City has complied with this noticing requirement for the IFA by posting notice.

Impact Fee Analysis

This IFA is organized based on the legal requirements of Utah Code 11-36a-304.

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

Demand Placed on Facilities by New Development Activity

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

TABLE 7: GROWTH PROJECTIONS, 2020-2030

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

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

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

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

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

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

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

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

TABLE 9: EXISTING FIRE STATIONS

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

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

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

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

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

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

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

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

The proportionate share analysis includes the following steps:

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

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

TABLE 11: PROPORTIONATE SHARE ANALYSIS – GROSS COST PER CALL

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

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

TABLE 12: FIRE BOND CREDIT CALCULATIONS

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

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

TABLE 13: 2021 MAXIMUM FIRE FEES

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

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

TABLE 14: MAXIMUM FIRE FEES PER YEAR

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

Certification

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

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

HERRIMAN, UTAH
ORDINANCE NO. 20

AN ORDINANCE ADOPTING AN IMPACT FEE FACILITIES PLAN, IMPACT FEE ANALYSIS, AND AN IMPACT FEE ENACTMENT THAT IMPOSES A FIRE/EMS PUBLIC SAFETY IMPACT FEE; PROVIDING FOR THE CALCULATION AND COLLECTION OF SUCH FEE; AND PROVIDING FOR APPEAL, ACCOUNTING, SEVERABILITY OF THE SAME, AND OTHER RELATED MATTERS

WHEREAS, the Herriman City Council (the “Council”) met in regular meeting on September 23, 2020, to consider, among other things, adopting an Impact Fee Enactment that imposes a Fire/EMS Public Safety Impact Fee; providing for the calculation of the same; and other related matters; and

WHEREAS, Herriman City (the “City”) is authorized to enact impact fees for certain public facilities in accordance with the Utah Impact Fees Act (the “Act”) as set forth in Utah Code Ann. § 11-36a-101 et seq.; and

WHEREAS, Zion’s Public Finance, Inc. has prepared an Impact Fee Analysis (“IFA”) and Impact Fee Facilities Plan (“IFFP”) for Fire/EMS that analyzes proposed public facilities and associated impact fees as provided in the Act; and

WHEREAS, the proposed Fire/EMS Public Safety Impact Fees set forth in the attached IFA are in addition to the Police Public Safety Impact Fees adopted by the Council on August 14, 2019; and

WHEREAS, the IFFP (i) considers all revenue sources for financing public facility system improvements necessary to accommodate future growth, (ii) analyzes statutory criteria for determining whether a proportionate share of the cost of new Public Facilities is reasonably related to new development activity as set forth in the Act, and (iii) sets forth the methodology used to calculate the impact fees proposed for the Public Facilities; and

WHEREAS, the Impact Fee Analysis Consultant, Zions Public Finance, Inc., certified its work under Utah Code Ann. § 11-36a-306(2); and

WHEREAS, following the appropriate public notices as required by the Act and after providing copies of the IFFP, IFA, and the Enactment to the public, the Herriman City Council met to ascertain the facts regarding this matter and receive public comment, which facts and comments are found in the public record of the Council’s consideration; and

WHEREAS, as provided in the Act, it is proposed that the current impact fee for Fire/EMS public safety facilities be modified and that impact fees be enacted, all as set forth below; and

WHEREAS, after considering the facts and comments presented to the Herriman City Council, the Council finds (i) growth and development within the City is creating continuing demand for Fire/EMS public safety facilities to serve such development, (ii) impact fees are

necessary to fairly distribute the costs of public facilities to serve new development, (iii) impact fees established by this ordinance constitute a proper proportionate share of the cost of public facilities which are reasonably related to new development activity as set forth in the Act and the IFFP; (iv) the impact fee established by this ordinance was developed by conservative analysis and justified by the IFFP; and (v) adoption of this ordinance reasonably furthers the health, safety and general welfare of current and future residents of Herriman City.

NOW, THEREFORE, BE IT ORDAINED by the Herriman City Council as follows:

Section 1. Findings. The Council finds and determines as follows:

1.1. All required notices have been given and made and public hearings conducted as required by the Impact Fees Act with respect to the Fire/EMS Public Safety Impact Fee Facilities Plan, the Impact Fee Analysis, and this Impact Fee Enactment (“Ordinance”); and

1.2. Growth and development activities in Herriman City will create additional demands on its infrastructure. The facility improvement requirements which are analyzed in the Impact Fee Facilities Plan and the Impact Fee Analysis are the direct result of the additional facility needs caused by future development activities. The persons responsible for growth and development activities should pay a proportionate share of the costs of the facilities needed to serve the growth and development activity; and

1.3. Impact fees are necessary to achieve an equitable allocation to the costs borne in the past and to be borne in the future, in comparison with the benefits already received and yet to be received; and

1.4. In enacting and approving the Impact Fee Analysis and this Ordinance, the Council has taken into consideration, and in certain situations will consider on a case-by-case basis in the future, the future capital facilities and needs of Herriman City, the capital financial needs of Herriman City which are the result of Herriman City’s future facilities’ needs, the distribution of the burden of costs to different properties within Herriman City based on the demand for public safety facilities of Herriman City by such properties, the financial contribution of those properties and other properties similarly situated in Herriman at the time of computation of the required fee and prior to the enactment of this Ordinance, all revenue sources available to Herriman City, and the impact on future facilities that will be required by growth and new development activities in Herriman City; and

1.5. The provisions of this Ordinance shall be liberally construed in order to carry out the purpose and intent of the Council in establishing the impact fee program.

Section 2. Definitions.

2.1. Except as provided below, words and phrases that are defined in the Impact Fees Act shall have the same meaning in this Ordinance; and

2.2. “Service Area” shall mean the boundaries of Herriman City; and

2.3. “Utah State Impact Fees Act” shall mean Title 11, Chapter 36a, Utah Code Annotated or its successor state statute if that title and chapter is renumbered, recodified, or amended.

Section 3. Adoption.

3.1 The Council hereby approves and adopts the Fire/EMS Public Safety Impact Fee Facilities Plan and Impact Fee Analysis attached and the analyses reflected therein. The Impact Fee Facilities Plan and the Impact Fee Analysis are incorporated herein by reference and adopted as though fully set forth herein.

3.2 The Fire/EMS Public Safety Impact Fees enacted by this Ordinance shall be enacted and collected as set forth herein and in addition to the Police Public Safety Impact Fees adopted by the Council on August 14, 2019.

Section 4. Impact Fee Calculations.

4.1. *Impact Fees.* Fire/EMS Public Safety Impact Fees are hereby imposed on the basis of the Impact Fee Analysis and shall be paid as a condition of issuing a building permit from the City or other developmental approval. The impact fees imposed by this Ordinance shall be added to the Herriman Master Fees Schedule and shall be as follows:

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

4.2. *Developer Credits/Developer Reimbursements.* A developer, including a school district or charter school, may be allowed a credit against or proportionate reimbursement of 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 Herriman City and the developer agree will reduce the need for a system improvement. A credit against impact fees shall be granted 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 to the respective utilities, or are dedicated to the public and offset the need for an identified future improvement; and

4.3. *Adjustment of Fees.* The Council may adjust (but not above the maximum allowable fee) the standard impact fees at the time the fee is charged in order to respond to an unusual circumstance in specific cases and to ensure that the fees are imposed fairly. The Council may adjust the amount of the fees to be imposed if the fee payer submits studies and data clearly showing that the payment of an adjusted impact fee is more consistent with the true impact being placed on the system; and

4.4. *Impact Fee Accounting.* Herriman City shall establish a separate interest-bearing ledger account for the cash impact fees collected pursuant to this Ordinance. Interest earned on such account shall be allocated to that account.

- (a) Reporting. At the end of each fiscal year, Herriman City shall prepare a report generally showing the source and amount of all monies collected, earned and received by the fund or account and of each expenditure from the fund or account. The report shall also identify impact fee funds by the year in which they were received, the project from which the funds were collected, the capital projects from which the funds were budgeted, and the projected schedule for expenditure and be provided to the State Auditor on the appropriate form found on the State Auditor's Website; and
- (b) Impact Fee Expenditures. Funds collected pursuant to the impact fees shall be deposited in such account and only be used by the City to construct and upgrade the respective facilities to adequately service development activity or used as otherwise approved by law; and
- (c) Time of Expenditures. Cash impact fees collected pursuant to this Ordinance are to be expended, dedicated or encumbered for a permissible use within six (6) years of receipt by Herriman. Herriman may hold previously dedicated or unencumbered fees for longer than six (6) years if it identifies in writing, before the expiration of the six-year period, (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.
- (d) Extension of Time. The City may hold unencumbered impact fees collected pursuant to this Enactment for longer than six (6) years if the Council 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.

4.5. Refunds. The City shall refund any impact fee collected pursuant to this Enactment as set forth in Utah Code Ann § 11-36a-303, as amended or when:

- (a) the fee payer has not proceeded with the development activity and has filed a written request with the Council for a refund; and
- (b) the fees have not been spent or encumbered within six years of the payment date; and
- (c) no impact has resulted.

4.6. Additional Fees and Costs. The Impact Fees authorized hereby are separate from and in addition to user fees and other charges lawfully imposed by the City, such as engineering and inspection fees, building permit fees, review fees, and other fees and costs that

are not included as part of the Impact Fee.

4.7 *Fees Effective at Time of Payment.* Unless the City is otherwise bound by a contractual requirement, the Impact Fee shall be determined in accordance with this Enactment.

Section 5. Appeal.

5.1. Any person required to pay an impact fee who believes the fee does not meet the requirements of the law may file a written request for information with the City; and

5.2. Within two weeks of the receipt of the request for information the City shall provide the person or entity with a copy of the reports and with any other relevant information relating to the impact fee; and

5.3. Any person or entity required to pay an impact fee imposed under this article, who believes the fee does not meet the requirements of law may request and be granted a full administrative appeal of that grievance. An appeal shall be made to the City within thirty (30) calendar days of the date of the action complained of, or the date when the complaining person reasonably should have become aware of the action; and

5.4 The notice of the administrative appeal to the Council shall be filed and shall contain the following information:

- (a) The person's name, mailing address, and daytime telephone number; and
- (b) A copy of the written request for information and a brief summary of the grounds for appeal; and
- (c) The relief sought.

Section 6. Effective Date. This Ordinance, and the Impact Fees enacted hereunder, shall take effect _____, _____ 2020.

[signatures on following page]

PASSED AND APPROVED this ____ day of _____, 2020.

HERRIMAN

David Watts, Mayor

ATTEST:

Jackie Nostrom, MMC City Recorder