



Santaquin City

DRAFT Parks, Recreation, Trails and Open Space Impact Fee Analysis

June 2023



ZIONS PUBLIC FINANCE, INC.

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Summary of Impact Fee Analysis (IFA)

Background

Santaquin City (“City”) is experiencing increased demand on its parks, trails, recreation and open space facilities from the rapid residential growth that is occurring in the City. In order to maintain service levels, the City has updated its current Parks, Trails, Recreation and Open Space Master Plan and Impact Fees to reflect current growth conditions, service levels and growth-related facility needs.

The City has determined that there is one service area citywide and that there is no excess capacity in any of the City’s parks, trails, recreation and open space facilities. Only residential development is considered to create demand for parks, trails and recreation facilities and therefore only residential growth has been considered in the determination of impact fees. The City has further decided not to include its recreation facilities in the calculation of impact fees.

Population projections are for growth of 3,966 persons by 2030.

TABLE 1: PROJECTED POPULATION GROWTH, 2023-2030

Year	Population
2023	17,253
2030	21,218
Population Growth, 2023-2030	3,966

Source: Santaquin City; ZPFI

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)

The IFFP considers only *system* facilities in the calculation of impact fees. For the City, this has been determined to mean neighborhood and community parks and trail systems. Pocket parks are considered *project* improvements and have not been included in the calculation of impact fees.

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

The table below shows the declining service levels (LOS) that would occur in the City due to population growth if no new facilities are added.

TABLE 2: IMPACTS TO SERVICE LEVELS DUE TO NEW DEVELOPMENT IF NO IMPROVEMENTS ARE MADE

	2023	2030 LOS
Parks – land acres per 1000 population	2.03	1.65
Parks - open space acres per 1000 population	6.96	5.66
Parks - improvement acres per 1000 population	8.97	7.30
Trails – asphalt linear feet per capita	1.50	1.22
Trails – concrete linear feet per capita	0.25	0.20

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

The demand placed on existing public park facilities by new development activity is attributable to population growth. The City has a 2023 population of 17,253 persons and as a result of anticipated development activity will grow to a projected 21,218 persons by 2030 – an increase of 3,966 persons. As growth occurs as a result of increased development activity, more parks and trails are needed to maintain existing service levels.

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

Costs Reasonably Related to New Development Activity

The cost of new system improvements required to maintain the service levels related to new development activity are based on the costs of system-wide park, open space and trail facilities, as well as the consultant fees for the preparation of the Impact Fee Facilities Plan and the Impact Fee Analysis.

The maximum cost calculated is \$1,411.72 per capita. However, the actual fee charged will be based on the average household size of a residential unit.

TABLE 3: SUMMARY OF MAXIMUM IMPACT FEE CALCULATION – PER CAPITA

Summary of Impact Fees	
Park Land and Improvements	\$1,488.67
Trails - Asphalt	\$179.95
Trails - Concrete	\$34.72
Consultant Cost	\$2.77
Fund Balance - Credit	(\$294.40)
Cost per Capita	\$1,411.72

The per capita cost is then multiplied by the average household size to arrive at the maximum impact fee that can be charged.

TABLE 4: MAXIMUM IMPACT FEE CALCULATION

Residential Unit Type	HH Size	Max Fee
Single-Family	3.89	\$5,491.58
Multi-Family	3.18	\$4,489.26
Overall HH Size	3.78	\$5,336.29

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

An impact fee is a one-time fee that is implemented by a local government on new development to help fund and pay for all or a portion of the costs of public facilities that are needed to serve new development. Additionally, impact fees allow new growth to share in the cost of existing facilities that have excess capacity.

Impact Fee Credits

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. No future fees are anticipated and no credits have been made. Further, the City does not have any bonds currently outstanding for parks, open space or trails.

Utah Code 11-36a

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. Santaquin 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

Utah Code allows cities to include only system-wide parks for the purpose of calculating impact fees. Project-wide parks cannot be used to establish levels of service eligible to be maintained through impact fees. Based on input from the City and the consultants, a system-wide park is defined as a park that serves more than one local development area. System improvements in Santaquin include neighborhood and community parks, open space, and trail systems.

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

1 Impact on Consumption of Existing Capacity

Utah Code 11-36a-304(1)(a): an impact fee analysis shall identify the anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity

Demand Placed on Facilities by New Development Activity

Park Land

Existing park land (impact fee eligible) service levels would decline, due to new development activity, from the existing service level of 2.03 impact-fee eligible acres (land) per 1,000 persons to 1.65 per 1,000 persons if no improvements are made.

TABLE 5: PARK LAND IMPACTS FROM NEW DEVELOPMENT ACTIVITY, 2023-2030

Year	Population	LOS with No New Improvements (Acres per 1,000 Persons)
2023	17,253	2.03
2024	17,770	1.97
2025	18,303	1.92
2026	18,852	1.86
2027	19,418	1.81
2028	20,000	1.75
2029	20,600	1.70
2030	21,218	1.65

Open Space

Existing open spaced service levels would decline, due to new development activity, from the existing service level of 6.96 acres per 1,000 persons to 5.66 acres per 1,000 persons if no improvements are made.

TABLE 6: OPEN SPACE IMPACTS FROM NEW DEVELOPMENT ACTIVITY, 2023-2030

Open Space	Population	Open Space Acres	Acres per 1,000 Population
2023	17,253	120	6.96
2024	17,770	120	6.75

Open Space	Population	Open Space Acres	Acres per 1,000 Population
2025	18,303	120	6.56
2026	18,852	120	6.37
2027	19,418	120	6.18
2028	20,000	120	6.00
2029	20,600	120	5.83
2030	21,218	120	5.66
Growth 2023-2030	3,966		

Park Improvements

Existing improved acre service levels would decline, due to new development activity, from the existing service level of 8.97 acres per 1,000 persons to 7.30 acres per 1,000 persons if no improvements are made.

TABLE 7: PARK IMPROVEMENT IMPACTS FROM NEW DEVELOPMENT ACTIVITY, 2023-2030

Year	Population	Impact-Fee Eligible Improvement Acres	LOS - Acres per 1,000 Population
2023	17,253	154.79	8.97
2024	17,770	154.79	8.71
2025	18,303	154.79	8.46
2026	18,852	154.79	8.21
2027	19,418	154.79	7.97
2028	20,000	154.79	7.74
2029	20,600	154.79	7.51
2030	21,218	154.79	7.30

Trails

The existing level of service of 1.50 asphalt linear feet per capita will decline to 1.22 linear feet per capita if no new improvements are made.

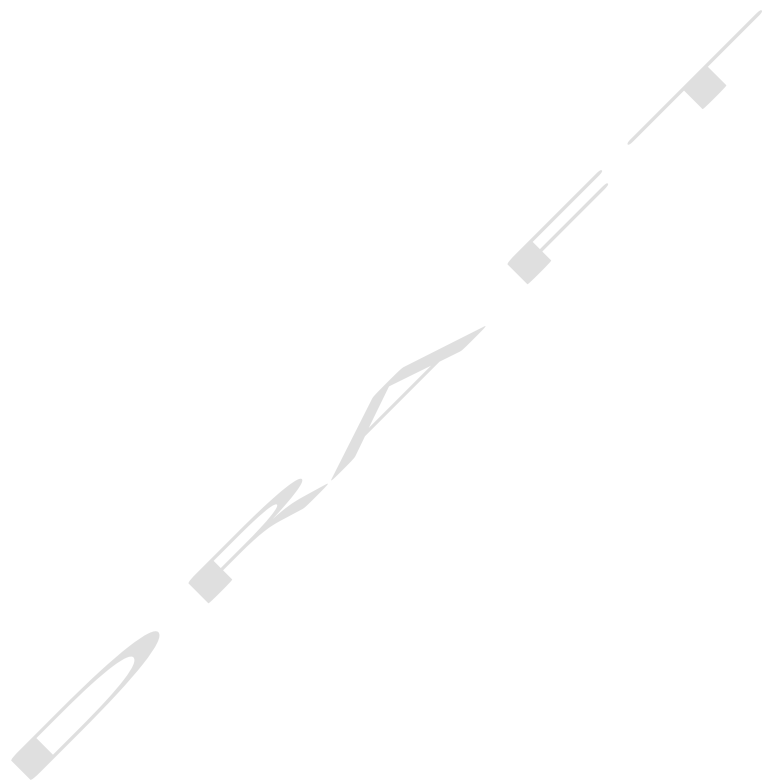
TABLE 8: ASPHALT TRAIL LINEAR FEET PER CAPITA SERVICE LEVEL IMPACTS FROM NEW DEVELOPMENT ACTIVITY, 2023-2030

Year	Population	LOS with No New Improvements (lf per capita)
2023	17,253	1.50
2024	17,770	1.46
2025	18,303	1.41
2026	18,852	1.37
2027	19,418	1.33
2028	20,000	1.29
2029	20,600	1.26
2030	21,218	1.22

The existing level of service of 0.25 concrete linear feet per capita will decline to 0.20 linear feet per capita if no new improvements are made.

TABLE 9: CONCRETE TRAIL LINEAR FEET PER CAPITA SERVICE LEVEL IMPACTS FROM NEW DEVELOPMENT ACTIVITY, 2023-2030

Year	Population	LOS with No New Improvements (lf per capita)
2023	17,253	0.25
2024	17,770	0.24
2025	18,303	0.23
2026	18,852	0.23
2027	19,418	0.22
2028	20,000	0.21
2029	20,600	0.21
2030	21,218	0.20



2

Impact on System Improvements by Anticipated Development Activity

Utah Code 11-36a-304(1)(b): an impact fee analysis shall identify the anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility;

Park Land

In order to maintain current service levels, the City will need to invest over \$2.8 million in park land by 2030.

TABLE 10: PARK FACILITY NEEDS FROM NEW DEVELOPMENT ACTIVITY, 2023-2030

Year	Population	Total Park Acres to Maintain Proposed LOS	Costs
2023	17,253	36.07	\$12,278,000
2024	17,770	37.09	\$12,646,340
2025	18,303	38.14	\$13,025,730
2026	18,852	39.21	\$13,416,502
2027	19,418	40.32	\$13,818,997
2028	20,000	41.46	\$14,233,567
2029	20,600	42.63	\$14,660,574
2030	21,218	43.83	\$15,100,391
Growth 2023-2030	3,966	8.06	\$2,822,391

Open Space

In order to maintain current service levels, the City will need to invest over \$275,000 in open space by 2030.

TABLE 11: OPEN SPACE NEEDS FROM NEW DEVELOPMENT ACTIVITY, 2023-2030

Year	Population	Total Open Space Acres to Maintain Proposed LOS	Costs
2023	17,253	120.00	\$1,200,000
2024	17,770	123.60	\$1,236,000
2025	18,303	127.31	\$1,273,080
2026	18,852	131.13	\$1,311,272
2027	19,418	135.06	\$1,350,611
2028	20,000	139.11	\$1,391,129
2029	20,600	143.29	\$1,432,863
2030	21,218	147.58	\$1,475,849
Growth 2023-2030	3,966	27.58	\$275,849

Park Improvements

In order to maintain current service levels, the City will need to invest nearly \$3.1 million in park improvements by 2030.

TABLE 12: PARK IMPROVEMENT NEEDS FROM NEW DEVELOPMENT ACTIVITY, 2023-2030

Year	Population	Total Acres with Improvements to Maintain Proposed LOS	Costs
2023	17,253	154.79	\$13,405,203
2024	17,770	159.43	\$13,807,359
2025	18,303	164.22	\$14,221,579
2026	18,852	169.14	\$14,648,227
2027	19,418	174.22	\$15,087,674
2028	20,000	179.44	\$15,540,304
2029	20,600	184.83	\$16,006,513
2030	21,218	190.37	\$16,486,708
Growth 2023-2030	3,966	35.58	\$3,081,506

Trails

In order to maintain current service levels, the City will need to invest an estimated \$851,377 in trail facilities by 2030, including asphalt and concrete trails.

TABLE 13: TRAIL FACILITY NEEDS FROM NEW DEVELOPMENT ACTIVITY, 2022-2030

Year	Population	Asphalt LF to Maintain LOS	Concrete LF to Maintain LOS	Asphalt Costs	Concrete Costs	TOTAL Trail Costs
2023	17,253	25,872	4,279	\$3,104,640	\$599,032	\$3,703,672
2024	17,770	26,648	4,407	\$3,197,779	\$617,003	\$3,814,782
2025	18,303	27,448	4,539	\$3,293,713	\$635,513	\$3,929,226
2026	18,852	28,271	4,676	\$3,392,524	\$654,578	\$4,047,102
2027	19,418	29,119	4,816	\$3,494,300	\$674,216	\$4,168,515
2028	20,000	29,993	4,960	\$3,599,129	\$694,442	\$4,293,571
2029	20,600	30,893	5,109	\$3,707,103	\$715,276	\$4,422,378
2030	21,218	31,819	5,262	\$3,818,316	\$736,734	\$4,555,049
Increase, 2023-2030	3,966	5,947	984	\$713,676	\$137,702	\$851,377

Relationship of Anticipated Impacts to Anticipated Development

3

Activity

Utah Code 11-36a-304(1)(c): an impact fee analysis shall subject to Subsection (2), demonstrate how the anticipated impacts described in Subsections (1)(a) and (b) are reasonably related to the anticipated development activity;

The demand placed on existing park and trail facilities by new development activity is attributed to population growth. The City has a 2023 population of 17,253 persons and as a result of anticipated development activity will grow to a projected 21,218 persons by 2030 – an increase of 3,966 persons. As growth occurs as a result of increased development activity, more parks and trails are needed to maintain existing service levels.

Proportionate Share Analysis

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Utah Code 11-36a-304(1)(d)(i)(ii): an impact fee analysis shall estimate the proportionate share of costs for existing capacity that will be recouped; and the costs of impacts on system improvements that are reasonably related to the new development activity;

Costs for Existing Excess Capacity

The City has no parks, open space or trails facilities with excess capacity in 2023.

Costs Reasonably Related to New Development Activity

The cost of new system improvements required to maintain the existing level of parks and trail services related to new development activity is based on the cost of system-wide park and trail facilities, as well as consultant fees for the preparation of the Impact Fee Facilities Plan and the Impact Fee Analysis.

The cost per capita for maintaining existing service levels for parks and open space is \$1,558.22.

TABLE 14: PER CAPITA COST TO MAINTAIN LOS FOR PARK LAND, OPEN SPACE AND IMPROVEMENTS

Description	Amount
Park Land	
2023 LOS Park Land Acres per 1000	2.033
Cost per Acre Land	\$350,000
Acres Needed, 2023-2030	8.06
Land Investment Required, 2023-2030	\$2,822,391
Park Land Cost per Capita	\$711.66
Park Improvements	
2023 Park Improvement Acres per 1000	8.97
Cost per Acre of Improvements	\$86,603
Improvement Acres Needed, 2023-2030	35.58
Improvement Investment Required, 2023-2030	\$3,081,506
Improvement Cost per Capita	\$777.00
Open Space	
2023 Open Space Acres per 1000	6.96

Description	Amount
Cost per Acre	\$10,000
Open Space Acres Needed, 2023-2030	27.58
Open Space Investment Required, 2023-2030	\$275,849
Open Space Cost per Capita	\$69.56
TOTAL COST PER CAPITA	\$1,558.22

The per capita cost to maintain the existing level of service for trails is \$214.67 for asphalt and concrete trails combined.

TABLE 15: PER CAPITA COST TO MAINTAIN LOS FOR TRAILS

TRAILS	Amount
Asphalt	
Asphalt Trails lf	25,872
2023 LOS - lf per capita	1.50
Cost per lf	\$120.00
Linear feet needed, 2023-2030	5,947
Investment Needed	\$713,676
Cost per capita - Asphalt	\$179.95
Concrete	
Concrete Trails lf	4,279
2023 LOS - lf per capita	0.2480
Cost per lf	\$140.00
Linear feet needed, 2023-2030	983.58
Investment Needed	\$137,702
Cost per capita - Concrete	\$34.72
TOTAL TRAILS	\$214.67

The Impact Fee Facilities Plan and Impact Fee Analysis consultant cost is \$2.77 per capita.

TABLE 16: PER CAPITA CONSULTANT COSTS

Description	Amount
Consultant Costs	\$11,000
Population Growth, 2023-2030	3,966
Cost per Capita	\$2.77

A credit must be made for the impact fee fund balance of nearly \$1.2 million that can be used to offset the costs associated with new development.

TABLE 17: FUND BALANCE CREDIT

Impact Fee Fund Balance	
Fund Balance	\$1,167,549.71
Growth, 2023-2030	3,966
Credit per Capita	(\$294.40)

The total cost is \$1,411.72 per capita.

TABLE 18: COST PER CAPITA

Summary of Impact Fees	
Park Land and Improvements	\$1,488.67
Trails - Asphalt	\$179.95
Trails - Concrete	\$34.72
Consultant Cost	\$2.77
Fund Balance - Credit	(\$294.40)
Cost per Capita	\$1,411.72

The per capita cost is then multiplied by the average household size to arrive at the maximum impact fee that can be charged.

TABLE 19: MAXIMUM ALLOWABLE IMPACT FEE

Residential Unit Type	HH Size	Max Fee
Single-Family	3.89	\$5,491.58
Multi-Family	3.18	\$4,489.26
Overall HH Size	3.78	\$5,336.29

5

Manner of Financing

Utah Code 11-36a-304(2)(c)(d)(e)(f)(g)(h): an impact fee analysis shall identify, if applicable: other than impact fees, the manner of financing for each public facility such as user charges, special assessments, bonded indebtedness, federal taxes, or federal grants;

An impact fee is a one-time fee that is implemented by a local government on new development to help fund and pay for all or a portion of the costs of public facilities that are needed to serve new development. These fees are usually implemented to help reduce the economic burden on local jurisdictions that are trying to deal with population and commercial growth within the area. As a matter of policy and legislative discretion, a City may choose to have new development pay the full cost of its share of new public facilities if the facilities would not be needed except to service new development. However, local governments may use other sources of revenue to pay for the new facilities required to service new development and use impact fees to recover the cost difference between the total cost and the other sources of revenue. Additionally, impact fees allow new growth to share in the cost of existing facilities that have excess capacity.

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.

Additional system-wide park land and recreation facility improvements beyond those funded through impact fees that are desired to maintain a higher proposed level of service will be paid for by the community through other revenue sources such as user charges, special assessments, GO bonds, general taxes, etc.

Impact Fee Credits

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 for which a developer receives credit should be included in the IFFP and must be agreed upon with the City before construction begins.

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.

In order to meet the City's moderate income housing objectives, impact fees may be modified for moderate-income housing, although alternate sources of funding for the recreation facilities must be identified. Moderate income housing objectives are required by the State of Utah.

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.