

SANTAQUIN CITY



PUBLIC SAFETY IMPACT FEE ANALYSIS



IMPACT FEE ANALYSIS SANTAQUIN CITY

Executive Summary

Background

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

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

New Development and Growth

Projected growth is shown in the following table:

TABLE 1: GROWTH PROJECTIONS, 2019-2030

Year	Households	Non-Residential Square Feet
2019	3,956	1,164,601
2020	4,190	1,233,428
2021	4,437	1,306,322
2022	4,700	1,383,524
2023	4,977	1,465,289
2024	5,272	1,551,886
2025	5,583	1,643,601
2026	5,913	1,740,736
2027	6,263	1,843,611
2028	6,633	1,952,566
2029	7,025	2,067,961
2030	7,440	2,190,175

Source: Santaquin City, Utah County Assessor's Office, ZPFI

Police. This growth is anticipated to result in increased demand on police facilities, as evidenced by an increasing number of police calls for service, with police calls increasing from 9,545 calls in 2019 to an estimated 17,951 calls in 2030.

Fire. 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. Fire calls are projected to grow from 703 calls in 2019 to 1,322 calls in 2030.

Impact on Consumption of Existing Capacity

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

Police. The existing police department has excess capacity sufficient to serve the needs of new development through 2030. Therefore, no new facilities are needed within the timeframe of this study in order to meet growth demands in the City. At the proposed service level of 0.23 building square feet per call and 17,951 calls projected for 2030, new residential and non-residential development will need a total of 4,124 square feet of space by 2030, thereby using up all of the excess capacity in the police station.

Fire. The existing fire department has excess capacity sufficient to serve the needs of new development through 2026, at which time the City plans to construct an additional fire station with approximately 15,000 square feet. At the proposed service level of 9.92 building square feet per call and 1,322 calls projected for 2030, new residential and non-residential development will need a total of 13,114 square feet of space by 2030. With 10,423 square feet in the existing building, the City will need to construct an additional 2,691 square feet by 2030.

Impact on System Improvements by Anticipated Development Activity

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

Police. New development will consume the 4,124 square feet of excess capacity in the existing police station by 2030.

Fire. Excess capacity in the existing fire stations is sufficient to serve the City through 2026 when a new fire station with 15,000 square feet will be built. This assumes a proposed level of service of 9.92 square feet per call.

Proportionate Share Analysis

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

Police. The cost per call for police is \$22.39 as shown below.

TABLE 2: POLICE COST PER CALL CALCULATION

Summary - Cost per Call	
Facilities	\$31.08
Consultant Costs	\$0.51
Fund Balance	(\$9.20)
TOTAL Cost per Call	\$22.39

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

TABLE 3: MAXIMUM POLICE IMPACT FEE

	Calls per Unit/SF	Fee per Unit/SF
Residential	1.596	\$35.72
Non-Residential	0.002088603	\$0.05

Fire. The cost calculations for fire include construction costs associated with a new fire station.

TABLE 4: FIRE FACILITIES COST PER CALL

	Amount
Existing Fire Station	10,423
Future Fire Station	15,000
Capacity Calls for Service	1,051
Proposed LOS - SF per Call	9.92
Capacity Year	2026
Cost per SF of New Station	\$400
Cost of New Station	\$6,000,000
Cost per Call - Facilities	\$3,967.73

When consultant costs and fund balance is included, the cost per call is \$3,556.24.

TABLE 5: FIRE COST PER CALL

	Amount
Facilities	\$3,967.73
Consultant Costs	\$6.93
Fund Balance	(\$418.41)
TOTAL Cost per Call	\$3,556.24

In addition, Santaquin plans on acquiring a new ladder truck in the next 6 years at a cost of \$1,300,000. Only commercial development can be assessed an impact fee for fire vehicles that cost in excess of \$500,000. After reducing the cost by the salvage value at the end of 15 years (useful life of the vehicle), the proportionate share to commercial development is \$1,309.84 per call.

TABLE 6: FIRE VEHICLE CALCULATIONS

	Amount
Ladder truck	\$1,300,000
Salvage value	\$200,000
Life of vehicle in years	15
Capacity calls of vehicle	1,683
Commercial calls as % of all calls	20.1%
Cost attributable to commercial	\$220,600
Commercial calls 2020-2036	168
Cost per commercial call	\$1,309.84

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

TABLE 7: 2020 MAXIMUM FIRE FEES

FIRE	Calls per Unit/SF	Fee per Unit/SF	Vehicle Cost/SF	Per SF
Residential	0.1393	\$495.43		
Non-Residential	0.000121057147	\$0.43	\$0.16	\$0.59

Summary of Police and Fire Costs

Maximum police and fire costs are summarized in the table below:

TABLE 8: MAXIMUM PUBLIC SAFETY FEES

	Police	Fire	TOTAL
Residential	\$35.72	\$495.43	\$531.15
Non-Residential	\$0.05	\$0.5891	\$0.64

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. Santaquin 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 public safety buildings and fire vehicles with a cost of \$500,000 or more in the calculation of impact fees. 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 9: GROWTH PROJECTIONS, 2019-2030

Year	Households	Non-Residential Square Feet
2019	3,956	1,164,601
2020	4,190	1,233,428
2021	4,437	1,306,322
2022	4,700	1,383,524
2023	4,977	1,465,289
2024	5,272	1,551,886
2025	5,583	1,643,601
2026	5,913	1,740,736
2027	6,263	1,843,611
2028	6,633	1,952,566
2029	7,025	2,067,961
2030	7,440	2,190,175

Source: Santaquin City; Utah County Assessor's Office, ZPFI

Police: Both residential and nonresidential growth will create the need for more police facilities. This increased demand is evident through the increased calls for service.

TABLE 10: POLICE – PROJECTED GROWTH IN CALLS FOR SERVICE

Year	Households	Residential Calls	Residential Ratio	Non-Residential Calls	Non-Residential Call Ratio per SF	Total Impact-Fee Eligible Calls	TOTAL CALLS
2019	3,956	6,312	1.596	2,432	0.002089	8,745	9,545
2020	4,190	6,685	1.596	2,576	0.002089	9,261	10,109
2021	4,437	7,080	1.596	2,728	0.002089	9,809	10,707
2022	4,700	7,499	1.596	2,890	0.002089	10,388	11,339
2023	4,977	7,942	1.596	3,060	0.002089	11,002	12,009
2024	5,272	8,411	1.596	3,241	0.002089	11,653	12,719
2025	5,583	8,908	1.596	3,433	0.002089	12,341	13,471
2026	5,913	9,435	1.596	3,636	0.002089	13,071	14,267
2027	6,263	9,992	1.596	3,851	0.002089	13,843	15,110
2028	6,633	10,583	1.596	4,078	0.002089	14,661	16,003
2029	7,025	11,208	1.596	4,319	0.002089	15,528	16,949
2030	7,440	11,871	1.596	4,574	0.002089	16,445	17,951
2031	7,668	12,234	1.596	4,714	0.002089	16,949	18,500
2032	7,902	12,609	1.596	4,859	0.002089	17,468	19,067
2033	8,144	12,995	1.596	5,008	0.002089	18,003	19,651
2034	8,394	13,393	1.596	5,161	0.002089	18,554	20,252
2035	8,651	13,803	1.596	5,319	0.002089	19,122	20,872
2036	8,916	14,226	1.596	5,482	0.002089	19,708	21,512
2037	9,189	14,661	1.596	5,650	0.002089	20,311	22,170
2038	9,470	15,110	1.596	5,823	0.002089	20,933	22,849
2039	9,760	15,573	1.596	6,001	0.002089	21,574	23,549
2040	10,059	16,050	1.596	6,185	0.002089	22,235	24,270

Fire: Both residential and nonresidential growth will create the need for more fire facilities. This increased demand is evident through the increased calls for service.

TABLE 11: FIRE – PROJECTED GROWTH IN CALLS FOR SERVICE

Year	Households	Residential Calls	Adjusted Residential Ratio	Non-Residential Calls	Adjusted Non-Residential Call Ratio per SF	Total Impact-Fee Eligible Calls	TOTAL Calls
2019	3,956	551	0.1393	141	0.000121	692	703
2020	4,190	584	0.1393	149	0.000121	733	745
2021	4,437	618	0.1393	158	0.000121	776	789
2022	4,700	655	0.1393	167	0.000121	822	835
2023	4,977	693	0.1393	177	0.000121	871	885
2024	5,272	734	0.1393	188	0.000121	922	937

Year	Households	Residential Calls	Adjusted Residential Ratio	Non-Residential Calls	Adjusted Non-Residential Call Ratio per SF	Total Impact-Fee Eligible Calls	TOTAL Calls
2025	5,583	778	0.1393	199	0.000121	977	992
2026	5,913	824	0.1393	211	0.000121	1,034	1,051
2027	6,263	872	0.1393	223	0.000121	1,096	1,113
2028	6,633	924	0.1393	236	0.000121	1,160	1,179
2029	7,025	979	0.1393	250	0.000121	1,229	1,248
2030	7,440	1,036	0.1393	265	0.000121	1,302	1,322
2031	7,668	1,068	0.1393	273	0.000121	1,341	1,363
2032	7,902	1,101	0.1393	282	0.000121	1,383	1,404
2033	8,144	1,135	0.1393	290	0.000121	1,425	1,447
2034	8,394	1,169	0.1393	299	0.000121	1,468	1,492
2035	8,651	1,205	0.1393	308	0.000121	1,513	1,537
2036	8,916	1,242	0.1393	318	0.000121	1,560	1,584
2037	9,189	1,280	0.1393	327	0.000121	1,608	1,633
2038	9,470	1,319	0.1393	337	0.000121	1,657	1,683
2039	9,760	1,360	0.1393	348	0.000121	1,707	1,734
2040	10,059	1,401	0.1393	358	0.000121	1,760	1,787

Police. New development will consume all 4,124 square feet of the excess capacity in the existing police station by 2030.

TABLE 12: FACILITIES NEEDED (POLICE BUILDING SQUARE FEET) TO MAINTAIN PROPOSED POLICE SERVICE LEVELS

Year	Total Calls for Service	Total Police SF Needed
2019	9,545	2,193
2020	10,109	2,322
2021	10,707	2,460
2022	11,339	2,605
2023	12,009	2,759
2024	12,719	2,922
2025	13,471	3,095
2026	14,267	3,278
2027	15,110	3,471
2028	16,003	3,677
2029	16,949	3,894
2030	17,951	4,124

Fire. Excess capacity in the existing fire station (10,423 sf) is sufficient to serve the City through 2026 when a new fire station with 15,000 square feet will be built. This assumes a proposed level of service of 9.92 square feet per call.

TABLE 13: FACILITIES NEEDED (FIRE BUILDING SQUARE FEET) TO MAINTAIN PROPOSED FIRE SERVICE LEVELS

Year	Total Calls	Building SF Needed
2019	703	6,973
2020	745	7,385
2021	789	7,822
2022	835	8,284
2023	885	8,774
2024	937	9,292
2025	992	9,841
2026	1,051	10,423
2027	1,113	11,039
2028	1,179	11,691
2029	1,248	12,382
2030	1,322	13,114

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

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

Police. The City will meet the proposed growth demands by allowing new development to buy into the existing excess capacity of the police station. The existing station has 1,931 square feet of excess capacity with a total of 4,124 existing building square feet. By 2030, growth in Santaquin will consume the excess capacity of the existing police station. Total actual cost of the existing police station at the time it was acquired was \$2,300,000. The police department is allocated \$557,953¹ of the total cost of the building based on its fair share ratio of building space.

Fire. The City will meet the proposed growth demands by building a new fire station. The existing station has 10,423 square feet of space, with 3,450 square feet of excess capacity. By 2026, Santaquin will have consumed this excess capacity. And, by 2030, the City will need 2,691 square feet of additional space.

Relationship of Anticipated Impacts to Anticipated Development Activity

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

Additional public safety 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, public safety 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 for police and fire includes the following steps:

¹ Calculated as follows: $(4,124/17,951) * \$2,300,000$

- 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

Police. New development will buy into the existing, excess capacity in the police station. The total building cost was \$2,300,000 and \$557,953 is attributable to the police station square footage. Dividing by the total capacity calls in 2030 (17,951 calls) results in an average cost per call of \$31.08.

TABLE 14: POLICE – BUY-IN TO EXCESS CAPACITY IN EXISTING STATION

	Amount
Existing Police Facility SF (portion of building)	4,124
Total SF of Civic Bldg	17,000
% of Building Space	0.24
Actual Cost of Existing Building	\$2,300,000
Capacity Calls for Service 2030	17,951
Bldg Cost to Police Department	\$557,952.94
Cost per SF of Existing Bldg	\$135.29
Cost per Call – Facilities	\$31.08

In addition, consultant costs² have been added to total costs and credits have been made for the impact fee fund balance.³ The total cost per call is \$22.39.

TABLE 15: POLICE – GROSS COST PER CALL

	Amount
Facilities	\$31.08
Consultant Costs	\$0.51
Fund Balance	(\$9.20)
TOTAL Cost per Call	\$22.39

The cost per call is then multiplied by the number of calls per residential unit or per non-residential square foot to arrive at the total cost per residential unit and non-residential square foot for police facilities.

TABLE 16: POLICE COST PER RESIDENTIAL UNIT AND NONRESIDENTIAL SQUARE FOOT CALCULATION

	Calls per Unit/SF	Fee per Unit/SF
Residential	1.596	\$35.72
Non-Residential	0.002088603	\$0.05

² Consultant costs are \$8,000 for the Public Safety Impact Fee Facilities Plan and Public Safety Impact Fee Analysis, divided equally between the police fees and the fire fees.

³ Based on information provided by Santaquin City, the total impact fee fund balance is \$241,647.18 for fire and \$72,180.33 for police.

Fire. In order to maintain the current level of service for all users, new development will need to pay for its fair share of the construction of a new fire station.

TABLE 17: FIRE FACILITY COSTS PER CALL

	Amount
Existing Fire Station	10,423
Future Fire Station	15,000
Capacity Calls for Service	1,051
Proposed LOS - SF per Call	9.92
Capacity Year	2026
Cost per SF of New Station	\$400
Cost of New Station	\$6,000,000
Cost per Call - Facilities	\$3,967.73

In addition, consultant costs and the impact fee fund balance, as discussed previously, have been added to total costs per call. The gross cost per call, before bond credits is \$3,556.24.

TABLE 18: FIRE GROSS COSTS PER CALL

	Amount
Facilities	\$3,967.73
Consultant Costs	\$6.93
Fund Balance	(\$418.41)
TOTAL Cost per Call	\$3,556.24

Santaquin plans on acquiring a new ladder truck in the next 6 years at a cost of \$1,300,000. Only commercial development can be assessed an impact fee for fire vehicles that cost in excess of \$500,000. After reducing the cost by the salvage value at the end of 15 years (useful life of the vehicle), the proportionate share to commercial development is \$1,309.84 per call.

TABLE 19: FIRE VEHICLE CALCULATIONS

	Amount
Ladder Truck	\$1,300,000
Salvage value	\$200,000
Life of vehicle in years	15
Capacity calls of vehicle	1,683
Commercial calls as % of all calls	20.1%
Cost attributable to commercial	\$220,600
Commercial calls 2020-2036	168
Cost per commercial call	\$1,309.84

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

TABLE 20: 2020 MAXIMUM FIRE FEES

FIRE - 2020	Calls per Unit/SF	Fee per Unit/SF	Vehicle Cost	Per SF
Residential	0.1393	\$495.43		
Non-Residential	0.000121057	\$0.43	\$0.16	\$0.59

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.