

A black and white photograph of the Zions Bank building facade. The image shows classical architectural elements including a large column with an ornate capital, a pediment with the word 'ZIONS' in large letters, and a statue of a figure holding a shield. The text is overlaid on this image.

HIGHLAND, UTAH

**PARKS RECREATION AND TRAILS
IMPACT FEE ANALYSIS**

PREPARED BY

ZIONS BANK PUBLIC FINANCE

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CONTENTS

List of Figures	2
Executive Summary of Impact Fee Analysis	3
Impact on Consumption of Existing Capacity	3
Utah Code 11-36a-304(1)(a)	3
Impact on System Improvements by Anticipated New Development	3
Utah Code 11-36a-304(1)(b)	3
Relation of Anticipated Development Activity to Impacts on Existing Capacity and System Improvements	4
Utah Code 11-36a-304(1)(c)	4
Proportionate Share Analysis and Impact Fee Calculation	4
Utah Code 11-36a-304(1)(d)(e) and (2)(a)(b)	4
Costs of Existing Facilities	4
Costs of System Improvements Related to New Development Activity	5
Outstanding Debt	5
Impact Fee Calculation	5
Manner of Financing for Public Facilities	5
Utah Code 11-36a-304(2)(c)(d)(e)	5
Credits Against Impact Fees	6
Utah Code 11-36a-304(2)(f)	6
Chapter 1: Impact Fee Overview	7
Why Is the City Updating the Previous Analysis?	7
What is an Impact Fee?	7
How Will New Growth Affect the City?	7
Growth in Demand	7
Why Are Impact Fees Necessary?	8
Where Will the Impact Fees Be Assessed?	8
What Costs are Included in the Impact Fee?	9
What Costs Are Not Included in the Impact Fee?	10
How Are the Impact Fees Calculated?	10
What is the Current Level of Service?	10
How are Schools Considered in This Analysis?	10
Chapter 2: Capital Projects and Level of Service Definition	11
Impact Fee Analysis Requirements	11
<i>Consumption of existing capacity, impact on system improvements and how impacts are related to anticipated development activity Utah Code 11-36a-304(1)(a)(b)(c)</i>	11

Growth in Demand	11
Park and Trail Lands	11
Consumption of Existing Capacity by Anticipated New Development	11
Impact on System Improvements by Anticipated New Development	11
Recreation/Trails Facility Improvements	12
Chapter 3: Proportionate Share Analysis	13
Costs for Existing Capacity and System Improvements Related to New Development Activity	13
Utah Code 11-36a-304(1)(d)(i)(ii)	13
Costs for Existing Facilities	14
Outstanding Debt	14
Costs of System Improvements Related to New Development Activity	15
Chapter 4: Certification and Appendices	17
Certification	17

LIST OF FIGURES

Table ES.1 Population Projections and Park Level of Investment – Impact From Development	4
Table ES.2 Per Capita Historic Investment (Parks)	4
Table ES.3 Per Capita Cost for System Improvements Related to New Development – Parks	5
Table ES.4 Parks Impact Fee Calculation	5
Table ES.5 Non-Standard Impact Fee Calculation	5
Figure 1: Population Projection	8
Figure 2: Service Area Map	9
Figure 3: Established Level of Service	10
Figure 4: Projected Population Growth	11
Figure 5: Impact on Established Park LOS by Anticipated Development Activity (with No Future Park/Trail Expenditures)	12
Figure 6: Additional Park and Trail Expenditures Required to Meet Demands Placed on Existing Park by New Development Activity	12
Figure 7: Debt Service Schedule	15
Figure 8: Additional Cost to Maintain LOS - Parks	15
Figure 9: Recommended Legal Parks Impact Fee	16
Figure 10: Non-Standard Calculation	16

EXECUTIVE SUMMARY OF IMPACT FEE ANALYSIS

Section 11-36a-304 of the Utah Code outlines the requirements of an Impact Fee Facilities Plan which is required to identify the following:

- (a) The anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity;
- (b) The anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility;
- (c) Costs for existing capacity that will be recouped; and
- (d) Costs of impacts on system improvements that are reasonably related to the new development activity.

Highland residents enjoy the benefits from: 1) parks and recreation facility improvements that they have purchased; and 2) those that have been gifted to the community. The City will define the level of service based on dollar investment into the parks, recreation and trail facilities. Gifted, donated or grant related items are not included in the analysis. Therefore, assuming a 2014 population of 17,093¹, the current level of service (dollars invested) is \$540.39 per capita. This is made up of a park land, and trail land and associated improvements for each. This is combined for an overall park LOS to be perpetuated into the future.

Therefore, in order to achieve an equitable allocation of costs and benefits, new development needs only pay to maintain the level of service (LOS) that has been purchased by existing development.

Impact on Consumption of Existing Capacity

UTAH CODE 11-36A-304(1)(A)

The City has determined that it would not like to see an increase, nor a decrease in its current level of service. Therefore, there is no excess capacity in the system. The City will continue to invest the same dollar per capita as it has historically.

Impact on System Improvements by Anticipated New Development

UTAH CODE 11-36A-304(1)(B)

The City has incurred a historic cost per capita for parks, recreation and trails. The parks level of service is defined by dollars invested, or \$853.24 per capita. If the City does not construct future park facilities, the LOS would decline from \$853.24 to \$739.83 dollars invested by the year 2024.²

¹ Calculated using the Census 2010 Data and Hansen Allen & Luce projections

² \$14,584,357 dollars invested divided by population

TABLE ES.1 POPULATION PROJECTIONS AND PARK LEVEL OF INVESTMENT – IMPACT FROM DEVELOPMENT³

Year	Population	Level of Investment	Percent Decrease
2014	17,093	\$ 853.24	
2015	17,355	840.35	1.51%
2016	17,617	827.86	1.49%
2017	17,879	815.73	1.47%
2018	18,141	803.94	1.44%
2019	18,403	792.50	1.42%
2020	18,665	781.37	1.40%
2021	18,927	770.56	1.38%
2022	19,189	760.04	1.37%
2023	19,451	749.80	1.35%
2024	19,713	739.83	1.33%

Relation of Anticipated Development Activity to Impacts on Existing Capacity and System Improvements

UTAH CODE 11-36A-304(1)(C)

The demand placed on existing public park facilities by new development activity is attributed to population growth. Highland City has a 2014 population of 17,093 persons and, as a result of anticipated development activity, will grow to a projected 19,713 persons by 2024 – an increase of 2,620 persons. Highland City's population is expected to grow to approximately 27,849 and slow as it approaches buildout. As growth occurs, more parks and trails spending is needed to maintain existing standards.

Proportionate Share Analysis and Impact Fee Calculation

UTAH CODE 11-36A-304(1)(D)(E) AND (2)(A)(B)

COSTS OF EXISTING FACILITIES

In order to achieve “an equitable allocation to the costs borne in the past and to be borne in the future, in comparison to the benefits already received and yet to be received,”⁴ The total historical cost for parks, trails, land and recreation facility improvements paid for by the City is \$14,584,357. Table ES.2 shows the *historic* cost and cost per capita.

TABLE ES.2 PER CAPITA HISTORIC INVESTMENT (PARKS)

Parks, Recreation and Trails		
Year	Improvements	Original Cost
Total Improvements		\$ 14,584,357
LOS Improvements per Capita		\$ 853.24

³ Full growth projection and details found in Appendix 1 of this document

⁴ Utah Code 11-36a-302(3)

COSTS OF SYSTEM IMPROVEMENTS RELATED TO NEW DEVELOPMENT ACTIVITY

The City intends to at least maintain its existing level of service in the parks system. Based on the per capita park acreage and recreation facility improvement spending required to maintain the existing level of park services, Table ES.3 shows the total park spending requirement of \$2,235,477.45 required to maintain the established level of purchased park and recreation facility services over the next ten years (through 2024).

TABLE ES.3 PER CAPITA COST FOR SYSTEM IMPROVEMENTS RELATED TO NEW DEVELOPMENT – PARKS

Per Capita Cost	Growth In Population	Total Cost of Future Park System Spending Requirements
\$ 853.24	2,620	\$ 2,235,477

OUTSTANDING DEBT

The City has a 2007 Sales Tax Revenue Bond that funded recreation facilities that will serve all users in Highland, and therefore will be spread across the buildout population. The bond financed the two large parks intended to serve all of the Highland population. Principal amount totals \$7.315M and total proceeds equal \$11.223M. The full debt service schedule can be found in the appendix of this document.

IMPACT FEE CALCULATION

Based on the per capita cost for buy-in to existing capacity and the per capita cost of impacts on system improvements related to new development to maintain the established parks LOS, Figure ES.4 shows the impact fee per household. With an average household size of 4.39⁵ persons, the fee per residential single family household equals \$4,378.

TABLE ES.4 PARKS IMPACT FEE CALCULATION

Parks & Recreation Impact Fee Assessment	
Impact Fee per Single Family Residential Unit	\$ 4,378
Impact Fee per Multi-Family Residential Unit	4,239

The City may, on a case by case basis, work directly with a developer to adjust the standard impact fee to respond to unusual circumstances and ensure that impact fees are imposed fairly. This adjusted impact fee calculation is detailed below.

TABLE ES.5 NON-STANDARD IMPACT FEE CALCULATION

Parks & Recreation Non-Standard Impact Fee Formula
Multiply Number of Persons per Household by Impact Fee per Capita of \$997.34

**Parks & Recreation fee is assessed to residential land uses only*

Manner of Financing for Public Facilities

UTAH CODE 11-36A-304(2)(C)(D)(E)

Impact fees will be used to fund the established purchased level of park services, but will not fully fund the level of park services currently enjoyed by Highland City residents due to donated park land and donated improved recreation facilities. Therefore, additional system-wide park land and recreation facility improvements beyond those funded through impact fees that are desired to maintain this “higher” level of service will be paid for by the community through other funding mechanisms such as GO bonds, special assessments, user charges, general taxes, etc.

⁵ 2010 Census

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 the improvements are constructed.

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.

CHAPTER 1: IMPACT FEE OVERVIEW

WHY IS THE CITY UPDATING THE PREVIOUS ANALYSIS?

The City has commissioned this Parks, Recreation and Trails Impact Fee Analysis amendment to accomplish the following:

- Determine the maximum impact fee that may be assessed to new development;
- Update capital need projections and account for historic costs of facilities;
- Put the analysis in compliance with the changes to the Impact Fees Act effective May 2011;
- Include an Impact Fee Facilities Plan (IFFP) with a ten year capital planning horizon; and
- More clearly define the current level of service and the future level of service that the City will provide.

The primary goal of the Impact Fee Analysis is to ensure the fee meets the requirements of the Impact Fees Act, Utah Code 11-36a-101 *et seq.* The sections and subsections of the Impact Fee Analysis will directly address the following items, required by the code:

- Impact Fee Analysis Requirements (Utah Code 11-36a-304)
 - Identify existing capacity to serve growth
 - Proportionate Share Analysis
 - Identify the level of service
 - Identify the impact of future development on existing and future improvements
- Calculated fee (Utah Code 11-36a-305)
- Certification (Utah Code 11-36a-306)

WHAT IS AN IMPACT FEE?

An impact fee is a one-time fee, not a tax, charged to new development to recover the City's cost of park facilities with capacity that new growth will utilize. The fee is assessed at the time of building permit issuance as a condition of development approval. The calculation of the impact fee must strictly follow the Impact Fees Act to ensure that the fee is equitable and fair.

This analysis shows that there is a fair comparison between the impact fee charged to new development and the impact the new development will have upon the system in terms of taking available capacity. Impact fees are charged to development according to single family or multi-family land use classifications.

HOW WILL NEW GROWTH AFFECT THE CITY?

Growth in Demand

Based on the most recent Census, Highland City had a 2010 population of 15,523 and currently has an estimated population of 17,093. The City projects a population of approximately 27,849 by 2053 and slows in growth as it approaches buildout. This growth in residential population will generate demand for additional parks and improved recreation facilities. Figure 1 shows the projected growth in Highland City through 2024. It is anticipated that future commercial growth will not place any additional demand on park facilities. Therefore, this demand analysis considers only future population growth.

FIGURE 1: POPULATION PROJECTION⁶

Year	Population	% Increase
2014	17,093	
2015	17,355	1.53%
2016	17,617	1.51%
2017	17,879	1.49%
2018	18,141	1.47%
2019	18,403	1.44%
2020	18,665	1.42%
2021	18,927	1.40%
2022	19,189	1.38%
2023	19,451	1.37%
2024	19,713	1.35%

WHY ARE IMPACT FEES NECESSARY?

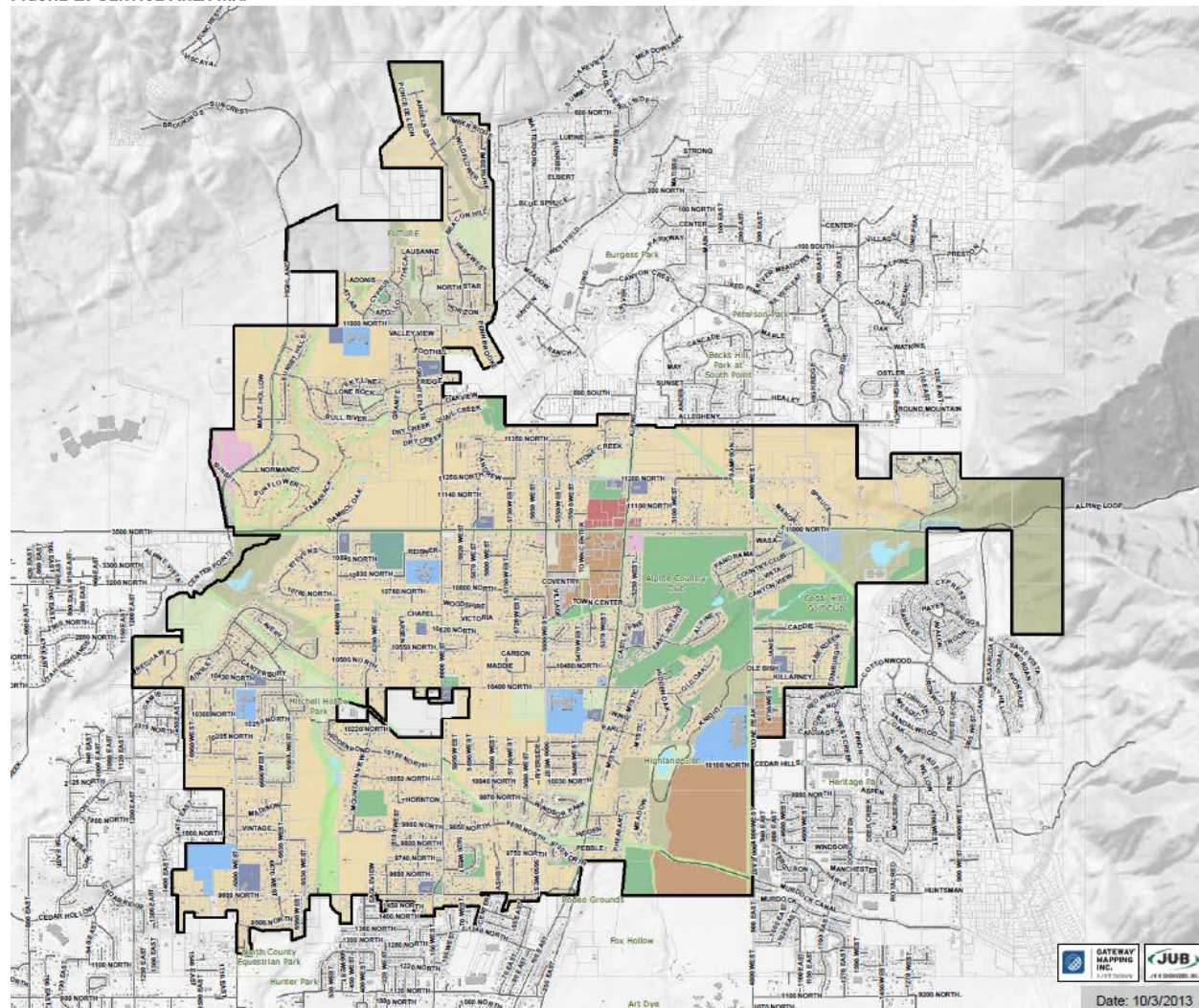
Impact fees are necessary to allocate the costs of maintaining the existing level of service to the new growth that will benefit from it. Impact fees help to shield existing users from shouldering the burden of paying not only for the capacity that they use but also from funding the cost of capacity needed for new development to occur.

WHERE WILL THE IMPACT FEES BE ASSESSED?

The impact fees will be assessed within the City's current service area which includes the current City boundaries and future annexation areas to which the City will provide park land and improvements. A detailed map of the service area is included in the attached Appendix and in the figure below.

⁶ Source: Hansen Allen & Luce Growth Projections

FIGURE 2: SERVICE AREA MAP



WHAT COSTS ARE INCLUDED IN THE IMPACT FEE?

Impact fee revenues may not be spent on capital projects or associated costs, such as financing interest expense, that constitute repair and replacement, cure any existing deficiencies, or raise the existing level of service for current users. Impact fees cannot fund operational expenses. The proposed impact fees will be assessed throughout the entire Impact Fee Service Area.

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

- The investment in park land (dollars) per capita
- The historic cost investment for park improvements per capita;
- The investment in trail land (dollars) per capita;
- The historic cost investment for trail improvements per capita;
- Growth projections over the next ten years
- Average household size (from 2010 Census) for the Single Family and Multi-Family land uses.

WHAT COSTS ARE NOT INCLUDED IN THE IMPACT FEE?

The costs, both direct capital and financing, that cannot be included in the impact fee are as follows:

- Projects that increase the level of service above that which is currently provided;
- Operations and maintenance costs;
- Costs of facilities funded by grants or other funds that the City does not have to repay; and
- Costs of reconstruction of facilities that do not have capacity to serve new growth.

HOW ARE THE IMPACT FEES CALCULATED?

To calculate a fair impact fee we determine the existing level of investment for parks, recreation and trails per capita. The level of service is perpetuated into the future. As the City grows over the next ten years, it will continue to provide new growth with the same investment per capita. The historic cost for land and improvements for parks and trails per capita are added together with any future/existing bond finance expenses. This is multiplied by future growth and that becomes the impact fee qualifying costs. The impact fee qualifying cost per capita is then multiplied by the Census provided persons per household for single family residential and multi-family residential land uses respectively.

WHAT IS THE CURRENT LEVEL OF SERVICE?

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 Highland City, a system-wide park is defined as a park that serves more than one local development area, therefore only, Regional (City Funded), Community and Neighborhood Parks are included into the “core” park level of service.

Highland City’s system-wide park lands consist of land that was purchased by the City. The City funded \$14.5M in park lands, improvements and trails. The total detailed inventory is found in Appendix C of this document. The total investment per capita is detailed in the table below.

FIGURE 3: ESTABLISHED LEVEL OF SERVICE

Parks, Recreation and Trails		
Year	Improvements	Original Cost
Total Improvements		\$ 14,584,357
LOS Improvements per Capita		\$ 853.24

HOW ARE SCHOOLS CONSIDERED IN THIS ANALYSIS?

Schools are not assessed a park impact fee. The Utah State Code 11-36a-202(2)(a)(ii) prohibits the imposition of an impact fee on a school district or charter school for a park, recreation facility, open space or trail. The park impact fees are assessed to single family and multi-family residential homes.

CHAPTER 2: CAPITAL PROJECTS AND LEVEL OF SERVICE DEFINITION

IMPACT FEE ANALYSIS REQUIREMENTS

Consumption of existing capacity, impact on system improvements and how impacts are related to anticipated development activity Utah Code 11-36a-304(1)(a)(b)(c)

Growth in Demand

Based on the most recent Census, Highland City had a 2010 population of 15,523 and currently has an estimated population of 17,093. This growth in residential population will generate demand for additional parks and improved recreation facilities and increased park spending. Figure 5 shows the projected growth in Highland City through 2024 as well as the decrease in the LOS if no future park land is added. It is anticipated that future commercial growth will not place any additional demand on parks facilities. Therefore, this demand analysis considers only future population growth.

FIGURE 4: PROJECTED POPULATION GROWTH

Year	Population	% Increase
2014	17,093	
2015	17,355	1.53%
2016	17,617	1.51%
2017	17,879	1.49%
2018	18,141	1.47%
2019	18,403	1.44%
2020	18,665	1.42%
2021	18,927	1.40%
2022	19,189	1.38%
2023	19,451	1.37%
2024	19,713	1.35%

Park and Trail Lands

CONSUMPTION OF EXISTING CAPACITY BY ANTICIPATED NEW DEVELOPMENT

The City has determined that it desires to maintain its current level of park, recreation and trails services and there is no excess capacity in the system.

IMPACT ON SYSTEM IMPROVEMENTS BY ANTICIPATED NEW DEVELOPMENT

Because the City has determined that it desires to maintain its current level of park services and does not have excess capacity at any system-wide park, the City will need to purchase additional park lands to maintain the established purchased park land LOS. As shown in Figure 6, the existing established level of service of \$853.24 per capita drops to \$739.83 acres per capita over the next ten years (through 2024) and continues to drop if *no* additional park improvements are developed or no additional park system money is spent to serve future anticipated development.

FIGURE 5: IMPACT ON ESTABLISHED PARK LOS BY ANTICIPATED DEVELOPMENT ACTIVITY (WITH NO FUTURE PARK/TRAIL EXPENDITURES)

Year	Population	Level of Investment	Percent Decrease
2014	17,093	\$ 853.24	
2015	17,355	840.35	1.51%
2016	17,617	827.86	1.49%
2017	17,879	815.73	1.47%
2018	18,141	803.94	1.44%
2019	18,403	792.50	1.42%
2020	18,665	781.37	1.40%
2021	18,927	770.56	1.38%
2022	19,189	760.04	1.37%
2023	19,451	749.80	1.35%
2024	19,713	739.83	1.33%

Figure 6 shows the annual park expenditures that the City will need to be purchased by the City through 2024 to maintain the established level of service.

FIGURE 6: ADDITIONAL PARK AND TRAIL EXPENDITURES REQUIRED TO MEET DEMANDS PLACED ON EXISTING PARK BY NEW DEVELOPMENT ACTIVITY

Year	Population	Spending Per Year
2014	17,093	
2015	17,355	223,547.74
2016	17,617	223,547.74
2017	17,879	223,547.74
2018	18,141	223,547.74
2019	18,403	223,547.74
2020	18,665	223,547.74
2021	18,927	223,547.74
2022	19,189	223,547.74
2023	19,451	223,547.74
2024	19,713	223,547.74
Total		\$ 2,235,477.45

Recreation/Trails Facility Improvements

Highland City's system-wide parks include a wide variety of recreation facility improvements that were purchased by the City and recreation facility improvements that were donated to the City. However, in order to assure an equitable allocation of costs borne in the past to costs borne in the future,⁷ only recreation facility improvements that were purchased by the City will be used in determining impact fees. Recreation facility improvements that were donated to the City are assumed to have been donated to the City's system of parks through build-out. Future residents will not be expected to pay for a level of park service that current residents have not purchased through impact fees or other means.

⁷ Utah Code 11-36a-302(3)

CHAPTER 3: PROPORTIONATE SHARE ANALYSIS

Costs for Existing Capacity and System Improvements Related to New Development Activity

UTAH CODE 11-36A-304(1)(D)(I)(II)

The Impact Fees Act requires that the Impact Fee Analysis estimate the proportionate share of the 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.

Part of the proportionate share analysis is a consideration of the manner of funding existing public facilities. Historically the City has funded existing infrastructure through several different funding sources including:

- General Fund Revenues
- Grants
- Bond Proceeds
- Developer Exactions
- Impact Fees
- RAP Tax

In calculating the value and any potential buy-in component (for existing infrastructure capacity) of this analysis, no grant funded infrastructure has been included. A good deal of the park infrastructure included in the analysis was all bond funded projects. Bond funded projects are impact fee eligible expenses. In order to ensure fairness to existing users, impact fees are an appropriate means of funding future capital infrastructure because using impact fees places a burden on future users that is equal to the burden that was borne in the past by existing users. (Utah Impact Fees Act, 11-36a-304(2) (c) (d))

Just as the existing infrastructure was funded through different means it is required by the Impact Fees Act to evaluate all means of funding future capital. There are positive and negative aspects to the various forms of funding. It is important to evaluate each.

General Fund

The general fund has been funded in one form or another by existing users. It would be an additional burden to existing users to use this revenue source to fund future capital to meet the needs of future users. This is not an equitable policy and can place too much stress on the tight budgets of the general fund.

Property Taxes

It is true that property taxes may be a stable source of income. However, property taxes are not based on the tax payer's impact upon a system. Property taxes are based upon property valuation. Using property taxes to fund future capital again places too much burden on existing users and subsidizes growth.

Impact Fees

Impact fees are a fair and equitable means of providing infrastructure for future development. They provide a rational nexus between the costs borne in the past and the costs required in the future. The Impact Fees Act ensures that future development is not paying any more than what future growth will demand. Existing users and future users receive equal treatment; therefore impact fees are the optimal funding mechanism for future growth related capital needs.

Developer Credits

If projects included in the Impact Fee Facilities Plan (or a project that will offset the demand for a system improvement that is listed in the IFFP) are constructed by developers, that developer is entitled to a credit against impact fees owed. (Utah Impact Fees Act, 11-36a-304(2) (f)).

RAP Tax

A RAP Tax fund is a collection of money accrued through sales taxes on purchases made within the limits of the city or county that has voted to adopt the program. Since this funding source is subject to popular vote, this is not a guaranteed, stable revenue stream.

Time-Price Differential

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

Other

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 for the recreation facilities must be identified.

COSTS FOR EXISTING FACILITIES

The existing improvements were funded by the general fund. Only the historic cost of improvements is used in this analysis.

OUTSTANDING DEBT

The City has a 2007 Sales Tax Revenue Bond that funded recreation facilities that will serve all users in Highland, and therefore will be spread across the buildout population. The bond financed the two large parks intended to serve the Highland population. Principal amount totals \$7.315M and total proceeds equal \$11.223M. The debt service schedule is found in the following table.

FIGURE 7: DEBT SERVICE SCHEDULE

Date	Principal	Interest Rate	Interest Payment	FY Payment
3/1/2008	-	-	220,531	220,531
3/1/2009	225,000	4.50%	309,981	534,981
3/1/2010	230,000	4.50%	299,744	529,744
3/1/2011	240,000	4.50%	289,169	529,169
3/1/2012	250,000	4.50%	278,144	528,144
3/1/2013	260,000	4.50%	266,669	526,669
3/1/2014	275,000	4.50%	254,631	529,631
3/1/2015	285,000	4.50%	242,031	527,031
3/1/2016	300,000	4.50%	228,869	528,869
3/1/2017	320,000	4.50%	214,919	534,919
3/1/2018	330,000	5.25%	199,056	529,056
3/1/2019	350,000	4.00%	183,394	533,394
3/1/2020	360,000	4.00%	169,194	529,194
3/1/2021	375,000	4.05%	154,400	529,400
3/1/2022	385,000	4.05%	139,010	524,010
3/1/2023	395,000	4.13%	123,067	518,067
3/1/2024	425,000	4.15%	106,101	531,101
3/1/2025	430,000	4.15%	88,360	518,360
3/1/2026	445,000	4.20%	70,093	515,093
3/1/2027	480,000	4.20%	50,668	530,668
3/1/2028	955,000	4.25%	20,294	975,294
	7,315,000		3,908,323	11,223,323

COSTS OF SYSTEM IMPROVEMENTS RELATED TO NEW DEVELOPMENT ACTIVITY

The City intends to at least maintain its existing level of service through construction of additional parks and recreational facility improvements or continued annual spending on the park system through bond payments. For the purpose of quantifying the need for *additional* park, recreation and trails land and recreational facilities, this study uses the City's established purchased park land and recreational facilities cost per capita for parks without excess capacity. As growth occurs as a result of increased development activity, more parks and recreational spending is needed to maintain existing standards.

Based on the investment per capita required to maintain the existing level of park, recreation and trail services, Figure 8 shows the total additional park expenses and associated costs for park lands and recreation facility improvements required to maintain the current level of park and recreation services each year through 2025. The "*Per Capita Cost*" is the "*LOS*" multiplied by growth in population. The result is the "*Total Cost for Future Park System Spending Requirements*".

FIGURE 8: ADDITIONAL COST TO MAINTAIN LOS - PARKS

Per Capita Cost	Growth In Population	Total Cost of Future Park System Spending Requirements
\$ 853.24	2,620	\$ 2,235,477

Based on the per capita cost of impacts on system improvements, related to new development to maintain the established parks LOS, and consideration of interest on the outstanding bond, Figure 9 shows the impact fee per household. With an average single family household size of 4.39⁸ persons, the fee per household equals \$4,378. Multi-family households are typically smaller, and Highland is no exception at 4.25 persons per household. Therefore, the fee for multi-family is \$4,239

FIGURE 9: RECOMMENDED LEGAL PARKS IMPACT FEE

Parks & Recreation Impact Fee Assessment		
Impact Fee per Single Family Residential Unit	\$	4,378
Impact Fee per Multi-Family Residential Unit		4,239

The Highland City Council has the discretion to set the actual impact fees to be assessed, but they may not exceed the maximum allowable fee calculated. The City may, on a case by case basis, work directly with a developer to adjust the standard impact fee to respond to unusual circumstances and ensure that impact fees are imposed fairly. This adjusted impact fee calculation will be based on the cost per unit defined above, multiplied by the number of units created by the applicable development type.

FIGURE 10: NON-STANDARD CALCULATION

Parks & Recreation Non-Standard Impact Fee Formula
Multiply Number of Persons per Household by Impact Fee per Capita of \$997.34

**Parks & Recreation fee is assessed to residential land uses only*

⁸ 2010 Census

CHAPTER 4: CERTIFICATION AND APPENDICES

CERTIFICATION

In accordance with Utah Code Annotated, 11-36a-306(2), Zions Bank Public Finance (Zions), makes the following certification:

Zions certify that the attached Impact Fee Analysis:

1. includes only the cost 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. cost of qualifying public facilities that will raise the level of service for the facilities, through impact fees, above the level of service that is supported by existing residents;
 - 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. offset costs with grants or other alternate sources of payment; and
4. complies in each and every relevant respect with the Impact Fees Act.

Zions makes this certification with the following caveats:

1. All of the recommendations for implementations of the Impact Fee Facilities Plans ("IFFPs") made in the IFFP documents or in the impact fee analysis documents are followed in their entirety by Highland City staff and elected officials.
2. If all or a portion of the IFFPs or impact fee analyses are modified or amended, this certification is no longer valid.
3. All information provided to Zions Bank Public Finance, its contractors or suppliers is assumed to be correct, complete and accurate. This includes information provided by Highland City and outside sources. Copies of letters requesting data are included as appendices to the IFFPs and the impact fee analysis.

Dated: April 21, 2015

ZIONS BANK PUBLIC FINANCE

Notice Date & Time: September 11, 2014 | 7:00 AM - 11:59 PM

Description/Agenda:

Notice Title: Notice of Intent to Create Impact Fee Facilities Plans and Amended Impact Fee Written Analyses

NOTICE OF INTENT TO CREATE IMPACT FEE FACILITIES PLANS AND AMENDED IMPACT FEE WRITTEN ANALYSES

Highland City, a municipality of the State of Utah, located in Utah County, Utah intends to commence the preparation of independent and comprehensive Impact Fee Facilities Plans and Written Impact Fee Analyses for the services of secondary water, sanitary sewer, parks, recreation and trails, roads and public safety. Therefore, pursuant to the provisions of 11-36a-501 and 503 of the Utah Code, as amended 2011, notice is hereby provided to you of the intent of Highland City to create an Impact Fee Facilities Plans and amend Highland City's Impact Fee Written Analyses. The location(s) that will be included in the Impact Fee Facilities Plans and Impact Fee Analyses are all areas within the legal Highland City limits and the declared annexation areas of Highland City.

BY ORDER OF THE CITY COUNCIL OF HIGHLAND CITY

Public Notice Website <http://www.utah.gov/pmn/sitemap/notice/231435.html>

APPENDIX A: POPULATION PROJECTIONS

	A	B	C	
1	Year	Population	% Increase	1
2	2014	17,093		2
3	2015	17,355	1.53%	3
4	2016	17,617	1.51%	4
5	2017	17,879	1.49%	5
6	2018	18,141	1.47%	6
7	2019	18,403	1.44%	7
8	2020	18,665	1.42%	8
9	2021	18,927	1.40%	9
10	2022	19,189	1.38%	10
11	2023	19,451	1.37%	11
12	2024	19,713	1.35%	12
	A	B	C	

APPENDIX B: PARK ACRES

	A	B	
1	Park Name	Acres	1
2	Canterbury North Park	4.12	2
3	Canterbury Park Circle	2.68	3
4	Dry Creek Bench West	3.5	4
5	Heritage Park	6.3	5
6	Highland Glen Park	76	6
7	Merlin B. Larson Park	1.89	7
8	Mitchell Hollow Park	11.6	8
9	Wimbledon Park	4.2	9
10	Windsor Meadows Park	5	10
11	Town Center Splash Pad		11
12	Town Center Plaza	3.5	12
13	Dry Creek Hollow Park	44	13
14	Beacon Hills	10	14
15	Spring Creek	12	15
16	Mountain Ridge	17.6	16
18	Dry Creek North East	2.75	18
19	Apple Blossom	1.7	19
20	Totals	206.84	20
21			21

A

B

APPENDIX C: PARK INVENTORY AND LEVEL OF SERVICE

Year	4800 W Soccer Fields/Park Road	Asset and Land Purchase	Beacon Hills Park	Canterbury Park	Highland Glen Park Imp	Highland Hills Open Space	Highland Wter Bldg & El Park	Hillside Land Purchase	Park Construction	Professional & Tech. Services	Spring Creek Park Construction	Town Center Park	Trails	View Point Hillside Replanting	Grand Total
FY 1992	10,615.07							32,336.03	6,039.54		9,100.00				58,090.64
FY 1993								473.75							473.75
FY 1994								3,150.02	11,705.44		50,992.00				65,847.46
FY 1995								11,000.00	5,844.21		5,000.00				21,844.21
FY 1996								1,455.76	11,306.01		(0.00)				12,761.77
FY 1997									21,384.63						21,384.63
FY 1998									30,075.00						30,075.00
FY 1999		200,280.00											2,829.23		203,109.23
FY 2000		200,000.00			1,119.69								10,047.50		211,167.19
FY 2001		200,000.00			20,718.85								52,908.92		273,627.77
FY 2002		60,000.00			4,983.41				131,239.02	12,817.53	8,350.00		128,433.79		345,825.75
FY 2003	16,677.73	57,500.00			5,270.44				260,002.47	9,106.97			31,764.13		380,321.74
FY 2004		57,500.00			14,666.11				556,770.25	8,779.17			69,907.40		707,622.93
FY 2005	1,970.00	80,000.00			32,983.59				133,489.07	65,839.67			94,586.90		408,869.23
FY 2006		514,111.62		67,300.35	32,208.99				204,442.58	51,335.33			80,177.58		949,576.45
FY 2007	59,335.36	88,857.14	15,600.76	43,917.98	7,498.02	34,821.76	8,438.39	426,636.00	91,409.92	88,935.13			204,266.58		1,069,717.04
FY 2008	140,144.82	3,007,655.20	1,800.00	11,695.78	5,782.00	6,800.00			146,950.83	23,479.59		1,000.00	58,631.54		3,403,939.76
FY 2009	104,590.43	2,563,500.00		204.22		179,679.93			127,448.97	102,753.58	104,591.20	1,221,306.08	36,983.39		4,441,057.80
FY 2010	12,877.50		3,079.66			12,280.00	5,208.93		47,472.56		887.50	716,810.26	37,602.00		836,218.41
FY 2011	331.50		69,657.50			29,740.00			14,850.00				17,609.33	15,766.04	147,954.37
FY 2012					34,009.50				2,661.00					8,352.71	45,023.21
FY 2013			731,463.50												731,463.50
FY 2014			174,691.49										(17,609.33)		157,082.16
FY 2015													61,303.27		61,303.27
Grand Total	346,542.41	7,029,403.96	996,292.91	123,118.33	159,242.60	263,321.69	13,647.32	475,051.56	1,803,091.50	363,046.97	178,920.70	1,939,116.34	869,442.23	24,118.75	14,584,357.27

APPENDIX D: ASSETS

A		B		C	
Parks, Recreation and Trails					
Year	Improvements			Original Cost	
Total Improvements				\$	14,584,357
LOS Improvements per Capita				\$	853.24

A B C

APPENDIX E: DEBT SUMMARY

A B C D E
2007 Sales Tax Revenue Bond

1	Date	Principal	Interest Rate	Interest Payment	FY Payment	1
2	3/1/2008	\$ -	-	\$ 220,531	\$ 220,531	2
3	3/1/2009	225,000	4.50%	309,981	534,981	3
4	3/1/2010	230,000	4.50%	299,744	529,744	4
5	3/1/2011	240,000	4.50%	289,169	529,169	5
6	3/1/2012	250,000	4.50%	278,144	528,144	6
7	3/1/2013	260,000	4.50%	266,669	526,669	7
8	3/1/2014	275,000	4.50%	254,631	529,631	8
9	3/1/2015	285,000	4.50%	242,031	527,031	9
10	3/1/2016	300,000	4.50%	228,869	528,869	10
11	3/1/2017	320,000	4.50%	214,919	534,919	11
12	3/1/2018	330,000	5.25%	199,056	529,056	12
13	3/1/2019	350,000	4.00%	183,394	533,394	13
14	3/1/2020	360,000	4.00%	169,194	529,194	14
15	3/1/2021	375,000	4.05%	154,400	529,400	15
16	3/1/2022	385,000	4.05%	139,010	524,010	16
17	3/1/2023	395,000	4.13%	123,067	518,067	17
18	3/1/2024	425,000	4.15%	106,101	531,101	18
19	3/1/2025	430,000	4.15%	88,360	518,360	19
20	3/1/2026	445,000	4.20%	70,093	515,093	20
21	3/1/2027	480,000	4.20%	50,668	530,668	21
22	3/1/2028	955,000	4.25%	20,294	975,294	22
23		\$ 7,315,000		\$ 3,908,323	\$ 11,223,323	23
24	A	B	C	D	E	24

APPENDIX F: PER CAPITA COST PER CAPITAL EXPENSE

	A	B	C	
	<i>Parks, Recreation and Trails Historic Investment Per Capita</i>			
	Total Cost per Capita			
1	Per Capita Cost	Growth In Population	Total Cost of Future Park System Spending Requirements	1
2	\$ 853.24	2,620	\$ 2,235,477	2
3				3
	A	B	C	

APPENDIX G: IMPACT FEE CALCULATION

	A	B	C	D	
1	Facility	Cost	Population Served	Fee Per Capita	1
	Proportionate Share				
2	Park Land and Improvement Expense	\$ 2,235,477	2,620	\$ 853	2
4	2007 Sales Tax Debt Service	11,223,323	27,849	403	4
5	2007 Sales Tax Debt Proceeds	(7,315,000)	27,849	(263)	5
6	Professional Expenses	9,869	2,620	4	6
7	Total Fee Per Capita			\$ 997	7
	Single Family Impact fee				
8	Average Household Size/Owner Occupied*			4.39	8
9	Impact Fee per Household Unit			\$ 4,378	9
10	Multi Family Impact Fee				10
11	Average Household Size/Multi Family*			4.25	11
12	Impact Fee per Household/Multi Family			\$ 4,239	12
13	<i>*Source: 2010 Census</i>				13
14					14
15	Parks & Recreation Impact Fee Assessment				15
16	Impact Fee per Single Family Residential Unit	\$ 4,378			16
17	Impact Fee per Multi-Family Residential Unit	4,239			17
18					18
19					19
20	Parks & Recreation Non-Standard Impact Fee Formula				20
21	Multiply Number of Persons per Household by Impact Fee per Capita of \$997.34				21
22	<i>*Parks & Recreation fee is assessed to residential land uses only</i>				22
	A	B	C	D	

APPENDIX H: PROJECTED ANNUAL EXPENSES

	A	B	C	
1	Year	Population	Spending Per Year	1
	2014	17,093		
2	2015	17,355	223,547.74	2
3	2016	17,617	223,547.74	3
4	2017	17,879	223,547.74	4
5	2018	18,141	223,547.74	5
6	2019	18,403	223,547.74	6
7	2020	18,665	223,547.74	7
8	2021	18,927	223,547.74	8
9	2022	19,189	223,547.74	9
10	2023	19,451	223,547.74	10
11	2024	19,713	223,547.74	11
	Total		\$ 2,235,477.45	
	A	B	C	