



## South Weber City

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# Sewer Impact Fees Analysis

August 22, 2017

# Impact Fee Analysis for Sanitary Sewer

## Summary

This Impact Fees Analysis (“IFA”) uses the information provided in South Weber City’s (“City”) recently-completed (June 2017) Capital Facilities Plan and Impact Fee Facilities Plan (“IFFP”)<sup>1</sup> to calculate the proportionate share for impact fees that the City can charge to new development.

## Growth Projections

South Weber City is projected to grow by 688 equivalent residential units (“ERUs”) between 2017 and 2027.

TABLE 1: SOUTH WEBER CITY GROWTH PROJECTIONS

Year	ERCs	Increase in ERCs from 2017 to 2027
2017	2,215	
2018	2,279	64
2019	2,345	130
2020	2,411	196
2021	2,479	264
2022	2,547	332
2023	2,616	401
2024	2,686	471
2025	2,757	542
2026	2,830	615
2027	2,903	688

Source: South Weber City, Sanitary Sewer Capital Facilities Plan and Impact Fee Facilities Plan, June 2017.

## Service Areas

South Weber City forms one geographic service area that provides sewer utility services to properties in the City. The City currently has 2,215 sewer ERUs.<sup>2</sup> The City is projected to grow by 688 ERUs within the next ten years.<sup>3</sup>

<sup>1</sup> South Weber City, Sanitary Sewer Capital Facilities and Impact Fee Facilities, Plan, Jones & Associates, June 2017.

<sup>2</sup> South Weber City, Sanitary Sewer Capital Facilities and Impact Fee Facilities, Plan, Jones & Associates, June 2017, p.17.

<sup>3</sup> South Weber City, Sanitary Sewer Capital Facilities and Impact Fee Facilities, Plan, Jones & Associates, June 2017, p.17.

Existing service levels are based on the 2017 levels of service in the City, as defined in the City's IFFP for Sanitary Sewer dated June 2017. Proposed service levels are intended to be the same as the existing service levels.<sup>4</sup>

The IFFP identified one project with excess capacity. The IFFP states, "South Weber City chose to replace and upsize part of the existing sewer trunk line along Old Fort Road." Only that portion of the project associated with the upsizing for new growth is included in the excess capacity calculation of impact fees. These costs are as follows:

TABLE 2: EXCESS CAPACITY PROJECTS

2016 Sewer Outfall Replacement Project	
Total Cost	\$626,450
Part 1 - 18" Sewer Line	
ERUs Served	770
Percent of Project	32.5%
Proportionate Share of Cost	\$203,596
Part 2 - 21" Sewer Line	
ERUs Served	1,870
Percent of Project	67.5%
Proportionate Share of Cost	\$422,854

New construction projects are outlined in this IFA as listed in the Sanitary Sewer IFFP and total \$2,004,090.

TABLE 3: NEW CONSTRUCTION PROJECTS

Project No.	Project Description	Future Development	Estimated Construction Year
1	Replace trunk line along Old Fort Road and Canyon Dr., to 1475 E	\$239,230	2018-2020
2	Replace trunk line along Canyon Dr., 1700 E, & S. Weber Dr., from 1475 E to 1900 E	\$258,300	2020-2021
4	Replace trunk line along South Weber Drive from 1900 E to 2100 E	\$258,810	2023-2026
5	Sewer line from South Bench, re-route Lester Dr. to CWSID trunk line via 7240 S	\$1,247,750	2023-2026
TOTAL		\$2,004,090	

<sup>4</sup> South Weber City, *Sanitary Sewer Capital Facilities and Impact Fee Facilities, Plan*, Jones & Associates, June 2017, p.18.

Of this amount, \$1,647,492.33 can be attributed to new development between 2017 and 2027.

In addition, impact fees can include the cost of preparing the Sewer Sanitary Sewer IFFP and IFA. There is no impact fee fund balance and there is no bond outstanding. Therefore, no credits have been made for fund balance or for outstanding debt.

The proportionate share analysis for sewer impact fees is as follows:

TABLE 4: PROPORTIONATE SHARE ANALYSIS

Description	Amount
Buy-In to Excess Capacity	\$490.54
New Construction Cost	\$2,394.61
Consultant Costs	\$48.70
<b>Maximum Fee per ERU</b>	<b>\$2,933.85</b>

The maximum gross fee per ERU is \$2,933.85.

The maximum fee per ERU is then applied to the actual number of ERUs or is based on the following schedule for water meter sizes and average flow.

TABLE 5: MAXIMUM FEES BASED ON WATER METER SIZE AND RATIOS

Water Meter Size	Operating Flow	Ratio	Maximum Fee
<b>Residential:</b>			
Apartments (3+ units per complex)– 0.75 ERU		.75	\$2,200.39
Residential (Single-Family, Duplexes, Townhomes, Condos) – 1”	50	1	\$2,933.85
<b>Non-Residential:</b>			
Water – Commercial – 1 ½”	75	1.5	\$4,400.77
Water – Commercial – 2”	100	2	\$5,867.70
Water – Commercial – 3”	320	6.4	\$18,776.62
Water – Commercial – 4”	500	10	\$29,338.48

## Utah Code Legal Requirements

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

### Notice of Intent to Prepare Impact Fee Analysis

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

A copy of the notice is included in Appendix A.

### Preparation of Impact Fee Analysis

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

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

- (1) An impact fee analysis shall:
  - (a) identify the anticipated impact on or consumption of any existing capacity of a public facility by the anticipated development activity;
  - (b) identify the anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility;
  - (c) demonstrate how the anticipated impacts described in Subsections (1)(a) and (b) are reasonably related to the anticipated development activity;
  - (d) estimate the proportionate share of:
    - (i) the costs for existing capacity that will be recouped; and
    - (ii) the costs of impacts on system improvements that are reasonably related to the new development activity; and
  - (e) identify how the impact fee was calculated.
- (2) In analyzing whether or not the proportionate share of the costs of public facilities are reasonably related to the new development activity, the local political subdivision or private entity, as the case may be, shall identify, if applicable:
  - (a) the cost of each existing public facility that has excess capacity to serve the anticipated development resulting from the new development activity;
  - (b) the cost of system improvements for each public facility;
  - (c) other than impact fees, the manner of financing for each public facility, such as user charges, special assessments, bonded indebtedness, general taxes, or federal grants;
  - (d) the relative extent to which development activity will contribute to financing the excess capacity of and system improvements for each existing public facility, by such

means as user charges, special assessments, or payment from the proceeds of general taxes;

- (e) the relative extent to which development activity will contribute to the cost of existing public facilities and system improvements in the future;
- (f) the extent to which the development activity is entitled to a credit against impact fees because the development activity will dedicate system improvements or public facilities that will offset the demand for system improvements, inside or outside the proposed development;
- (g) extraordinary costs, if any, in servicing the newly-developed properties; and
- (h) the time-price differential inherent in fair comparisons of amounts paid at different times.

### Certification of Impact Fee Analysis

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

## Anticipated Impact On or Consumption of Any Existing Capacity of a Public Facility by the Anticipated Development Activity

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

### Anticipated Development Activity

Impacts on sewer facilities will come from both residential and nonresidential growth. Growth is projected in the IFFP as follows:

TABLE 6: ERU GROWTH

Year	ERUs	Cumulative Growth in ERUs
2017	2,215	
2018	2,279	64
2019	2,345	130
2020	2,411	196
2021	2,479	264
2022	2,547	332
2023	2,616	401
2024	2,686	471
2025	2,757	542
2026	2,830	615
2027	2,903	688
2038 (buildout)	3,770	

### Demand Placed on Facilities by New Development Activity

New development between 2017 and 2027 will consume a portion of the excess capacity of Part 1 – 18" sewer line and Part 2 – 21" sewer line. The actual costs of the facilities, as well as the cost consumed by new development is shown in the following table.

TABLE 7: ACTUAL COST OF EXISTING SYSTEM AND CONSUMPTION BY NEW DEVELOPMENT 2017-2027

<b>2016 Sewer Outfall Replacement Project</b>	
Total Cost	\$626,450.00
<b>Part 1 - 18" Sewer Line</b>	
ERUs Served	770
Percent of Project	32.5%
Proportionate Share of Cost	\$203,596
<b>Part 2 - 21" Sewer Line</b>	
ERUs Served	1,870
Percent of Project	67.5%
Proportionate Share of Cost	\$422,854

## Identify the Anticipated Impact on System Improvements Required by the Anticipated Development Activity to Maintain the Established Level of Service for Each Public Facility and Demonstrate How the Anticipated Impacts are Reasonably Related to the New Development Activity

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

The IFFP identifies the new projects needed to meet the demand on the sewer system by the anticipated development activity. The projects needed between 2017 and 2027 total \$1,647,492.33.

TABLE 8: NEW CONSTRUCTION PROJECTS

Project No.	Project Description	Future Development	Estimated Construction Year	ERUs Served	% to New Development, 2017-2027	Cost to New Development, 2017-2027
1	Replace trunk line along Old Fort Road and Canyon Dr., to 1475 E	\$239,230	2018-2020	854	81%	\$192,728.62
2	Replace trunk line along Canyon Dr., 1700 E, & S. Weber Dr., from 1475 E to 1900 E	\$258,300	2020-2021	854	81%	\$208,091.80
4	Replace trunk line along South Weber Drive from 1900 E to 2100 E	\$258,810	2023-2026	266	100%	\$258,810.00
5	Sewer line from South Bench, re-route Lester Dr. to CWSID trunk line via 7240 S	\$1,247,750	2023-2026	869	79%	\$987,861.91
TOTAL		\$2,004,090				\$1,647,492.33

## Proportionate Share Analysis

The proportionate share analysis is calculated by taking five components of the impact fees:

- 1) Buy-in to the actual costs of existing, excess capacity;
- 2) Proportionate share of the cost of constructing new facilities;
- 3) Consultant costs associated with the sewer impact fees;
- 4) Credits for any impact fee fund balance; and
- 5) Credits for any payments to be made on any outstanding bonds.

### Excess Capacity Calculation.

The excess capacity calculation is calculated by taking the actual cost of the existing facilities and multiplying by the percentage of excess capacity and then dividing by the total number of ERUs served.

TABLE 9: PROPORTIONATE SHARE CALCULATION FOR EXISTING, EXCESS CAPACITY

<b>2016 Sewer Outfall Replacement Project</b>	
Total Cost	\$626,450.00
<b>Part 1 - 18" Sewer Line</b>	
ERUs Served	770
Percent of Project	32.5%
Proportionate Share of Cost	\$203,596
Cost per ERU	\$264.41
<b>Part 2 - 21" Sewer Line</b>	
ERUs Served	1,870
Percent of Project	67.5%
Proportionate Share of Cost	\$422,854
Cost per ERU	\$226.13

This results in a total buy-in cost of \$490.54 per ERU.

#### New Construction Calculation.

The proportionate fee for the construction of new facilities is calculated by taking the cost attributable to new development over the next ten years (\$1,647,492.33) and dividing by the growth in ERUs over that same time period (688 ERUs).

TABLE 10: PROPORTIONATE SHARE CALCULATION FOR NEW FACILITIES

<b>NEW CONSTRUCTION</b>	<b>Amount</b>
New Construction Cost	\$2,004,090
Cost Attributable to New Development, 2017-2027	\$1,647,492.33
Growth in ERUs, 2017-2027	688
<b>New Construction Cost per ERU</b>	<b>\$2,394.61</b>

#### Consultant Costs.

The costs incurred by the consultants in preparing the IFFP and IFA can be included as part of the impact fees calculation. These costs are shown below.

TABLE 11: PROPORTIONATE SHARE CALCULATION FOR CONSULTANT COSTS

<b>Description</b>	<b>Amount</b>
Jones & Associates	\$30,506.25
ZPFI	\$3,000.00
Total Consultant Costs	\$33,506.25
<b>Consultant Cost per ERU</b>	<b>\$48.70</b>

**Impact Fee Fund Balance.**

There is currently no impact fee fund balance.

**Summary of Impact Fees**

The maximum gross impact fee that can be charged is \$2,933.85 per ERU.

TABLE 12: SUMMARY OF PROPORTIONATE SHARE CALCULATION

Description	Amount
Buy-In to Excess Capacity	\$490.54
New Construction Cost	\$2,394.61
Consultant Costs	\$48.70
<b>Total Cost per ERU</b>	<b>\$2,933.85</b>

The maximum fee per ERU is then applied to the actual number of ERUs or is based on the following schedule for water meter sizes and average flow.

TABLE 13: MAXIMUM FEES BASED ON WATER METER SIZE AND RATIOS

Water Meter Size	Operating Flow	Ratio	Maximum Fee
<b>Residential:</b>			
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<b>Non-Residential:</b>			
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Water – Commercial – 3”	320	6.4	\$18,776.62
Water – Commercial – 4”	500	10	\$29,338.48

**Calculation of Credits for Outstanding Debt**

There is no outstanding debt and therefore no credits need to be made.

## 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; or
  - 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.

## Appendix A - Notice of Intent to Prepare Sewer Impact Fee Analysis

## Utah Public Notice

Documents Updated

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- [IFFP Intent.pdf - 1/30/17 2:21 PM](#)

### City Council

[\*Notice of intent to prepare an impact facilities plan\*](#)

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**Notice Date & Time:** 2/7/17 5:00 PM

### **Description/Agenda:**

Pursuant to the requirements of Utah Code Ann. 11-36a-501 and 11-36a-503, notice is hereby given of South Weber City's to contract to prepare or amend Impact Fee Facilities Plans and Impact Fee Written Analysis for culinary water, sewer, storm water, streets, parks and trails, fire, and public safety. The geographical area where the proposed impact fee facilities will be located is the entire City limits.

### **Notice of Special Accommodations:**

N/A

### **Notice of Electronic or telephone participation:**

N/A

### **Other information:**

### **Location:**

1600 E. South Weber Dr., South Weber, 84405

### **Contact information:**

Tom Smith, [tsmith@southwebercity.com](mailto:tsmith@southwebercity.com), 8014793177