



IMPACT FEES IN UTAH 2008

Impact fees

- n one-time charge against growth to pay the average cost of those capital facilities required to support new development without compromising the level of service afforded by existing public facilities
- n Limited to statutorily-defined capital facilities

Roads

Water

Waste Water

Storm water

Municipal Power

Parks

Public Safety Facilities

Impact Fees Analysis

Step 1: Estimate projected growth

Step 2: Assess existing level of service for each capital facilities

Step 3: Determine excess capacity and need for new capacity for each type of capital facility without raising or lowering LOS

- What is the cost of existing capital facilities capacity to serve growth?

Step 4: For each type of capital facility, estimate the actual municipal cost incurred (if any) of all CIP needs to accommodate projected growth (6 years)

Step 5: Explore all alternate and mitigating funding sources for the CIP projects

Step 6: Establish gross fee (actual unmitigated cost of growth ÷ projected growth)

Step 7: Adjust gross fee for other revenue sources (exactions, grants, etc.)

Step 8: Allow for fee adjustments for developer offsets

Growth cannot provide higher LOS

CIP must be funded

Transparency

Certification

Max fee justified

Certification

"I certify that the attached impact fee analysis:

1. Includes only such costs for capital facilities as are allowed in UCA 11-36-202 and are projected to be spent or encumbered in six years;
2. Contains no cost for operation and maintenance of capital facilities;
3. Offsets all costs with all alternate sources of funding;
4. Estimates and offsets the value to the capital facilities funding of taxes paid on growth properties;
5. Does not include capital facilities that will raise the LOS for existing residents; and
6. Complies in each and every respect with the Impact Fees Act"



Process

- Provide Notice and Invitation to Participate to Affected Entities, State, PRC
- Prepare written CFP/Impact Fee analysis
- Prepare summary of CFP/Impact Fee analysis in laymen's terms
- Place copy of the analysis and the laymen's summary at public library at least 14 days prior to public hearing
- Properly post notice of a public hearing in at least three public places and publish notice in a newspaper of general circulation in the jurisdiction
- Hold public hearing
- Adopt Impact Fee Ordinance which contains a fee schedule or formula, a provision to respond to unusual impact fee circumstances, and a provision for a developer's independent fee analysis



Impact Fee Process

Inclusive and
Inviting

Accurate and
Certified

Individualized
for each fee
and each
permit

Separately
Accounted for
and
Challengeable

Accounting—Track each fee in and out

- (1) separate interest bearing ledger accounts for each type of public facility for which an impact fee is collected;
- (2) deposit impact fee receipts in the appropriate ledger account;
- (3) retain the interest earned on each fund or account; and
- (4) at the end of each fiscal year, prepare a report on each fund or account showing:
 - (a) the source and amount of all monies collected, earned, and received by the fund or account; and
 - (b) each expenditure from the fund or account.



Refunds – No footprints rule



A local political subdivision shall refund any impact fees paid by a developer, *plus interest earned*, when:

1. the developer does not proceed with the development activity and has filed a written request for a refund;
2. the fees have not been spent or encumbered; and
3. no impact has resulted.

OR

Funds not expended or encumbered within 6 years, without explanation

Fire trucks over
\$500,000

Itemization of
each fee
calculation

2009
Changes

State buildings

Certification by
Consultant or
staff