



DRAFT PUBLIC SAFETY
IMPACT FEE ANALYSIS



IMPACT FEE ANALYSIS PARK CITY

Executive Summary

Background

The Impact Fee Analysis (IFA) was prepared to meet the requirements of Utah Code §11-36a. Impact fees are a one-time fee charged to new development to help offset the capital costs associated with new growth in a community. Park City has determined that there is one city-wide service area. 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, commercial, and institutional growth are manifest in increased demand on 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	Commercial SF	Institutional SF
2019	9,851	4,168,444	1,316,185
2020	9,876	4,178,488	1,319,357
2021	9,909	4,192,550	1,323,797
2022	9,942	4,206,612	1,328,237
2023	9,976	4,220,675	1,332,677
2024	10,009	4,234,737	1,337,118
2025	10,042	4,248,799	1,341,558
2026	10,075	4,262,861	1,345,998
2027	10,109	4,276,924	1,350,438
2028	10,142	4,290,986	1,354,878
2029	10,175	4,305,048	1,359,318
2030	10,208	4,319,110	1,363,758

Source: Park City; Summit County Assessor's Office

This growth is anticipated to result in increased demand on police facilities, as evidenced by an increasing number of police calls for service.

TABLE 2: PROJECTED GROWTH IN POLICE CALLS FOR SERVICE

Year	Residential Calls	Commercial Calls	Institutional Calls	Total Calls	Pass-Thru Calls*	Total Impact Fee Eligible Calls
2019	7,298	6,890	3,240	17,549	120	17,429

Year	Residential Calls	Commercial Calls	Institutional Calls	Total Calls	Pass-Thru Calls*	Total Impact Fee Eligible Calls
2020	7,317	6,907	3,248	17,593	121	17,472
2021	7,341	6,931	3,259	17,652	121	17,531
2022	7,366	6,954	3,270	17,711	122	17,590
2023	7,391	6,977	3,281	17,771	122	17,649
2024	7,415	7,000	3,292	17,830	122	17,707
2025	7,440	7,024	3,303	17,889	123	17,766
2026	7,465	7,047	3,314	17,948	123	17,825
2027	7,489	7,070	3,325	18,007	124	17,884
2028	7,514	7,093	3,336	18,067	124	17,943
2029	7,538	7,116	3,347	18,126	124	18,001
2030	7,563	7,140	3,357	18,185	125	18,060

*Pass-thru calls are calls that do not originate or have a destination within Park City

Impact on Consumption of Existing Capacity

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

The existing police department has excess capacity sufficient to serve the needs of new development through 2030. Therefore, no new facilities are needed in order to meet growth demands in the City. At the proposed service level of 1.26 building square feet per call, new residential, commercial, and institutional development will need a total of 23,000 square feet of space by 2030.

Impact on System Improvements by Anticipated Development Activity

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

As stated above, the existing police station has excess capacity intended to serve the community through 2030. Therefore, new development will be required to buy into this existing, excess capacity.

Proportionate Share Analysis -

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

The cost per call for police, before bond credits, is \$414.94 as shown below.

TABLE 3: POLICE COST PER CALL CALCULATION

Summary - Cost per Call	
Facilities	\$401.43
Consultant Costs	\$13.51
Gross Cost per Call	\$414.94

The City has one remaining bond payment on the 2014A Sales Tax Bond that was partially issued to pay for the existing police station. The 2021 payment is for \$28,380. With an estimated 17,531 impact-fee eligible calls for service in 2021,¹ the resulting credit is \$1.62 per call.

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

TABLE 4: 2020 MAXIMUM POLICE IMPACT FEE

Maximum Fees	Cost per Call	Calls per Unit	Maximum Fee per Unit/per sf
Residential	\$413.32	0.740864	\$306.21
Commercial	\$413.32	0.001653	\$0.68
Institutional	\$413.32	0.002462	\$1.02

¹ Total calls for service in 2021 are estimated to reach 17,652. However, pass-thru traffic calls are not calculated in the credit calculation.

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. Park 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 public safety buildings 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 residential, commercial, and institutional growth. This growth is projected as follows:

TABLE 5: GROWTH PROJECTIONS, 2019-2030

Year	Households	Commercial SF	Institutional SF
2019	9,851	4,168,444	1,316,185
2020	9,876	4,178,488	1,319,357
2021	9,909	4,192,550	1,323,797
2022	9,942	4,206,612	1,328,237
2023	9,976	4,220,675	1,332,677
2024	10,009	4,234,737	1,337,118
2025	10,042	4,248,799	1,341,558
2026	10,075	4,262,861	1,345,998
2027	10,109	4,276,924	1,350,438
2028	10,142	4,290,986	1,354,878
2029	10,175	4,305,048	1,359,318
2030	10,208	4,319,110	1,363,758

Source: Park City; Summit County Assessor's Office

Residential, commercial, and institutional growth will create increased demand for public safety services as demonstrated by the increased calls for service that are projected to occur.

TABLE 6: PROJECTED GROWTH IN POLICE CALLS FOR SERVICE

Year	Residential Calls	Commercial Calls	Institutional Calls	Total Calls	Pass Thru	Total Impact Fee Eligible Calls
2019	7,298	6,890	3,240	17,549	120	17,549
2020	7,317	6,907	3,248	17,593	121	17,593
2021	7,341	6,931	3,259	17,652	121	17,652
2022	7,366	6,954	3,270	17,711	122	17,711
2023	7,391	6,977	3,281	17,771	122	17,771
2024	7,415	7,000	3,292	17,830	122	17,830
2025	7,440	7,024	3,303	17,889	123	17,889

Year	Residential Calls	Commercial Calls	Institutional Calls	Total Calls	Pass Thru	Total Impact Fee Eligible Calls
2026	7,465	7,047	3,314	17,948	123	17,948
2027	7,489	7,070	3,325	18,007	124	18,007
2028	7,514	7,093	3,336	18,067	124	18,067
2029	7,538	7,116	3,347	18,126	124	18,126
2030	7,563	7,140	3,357	18,185	125	18,185

New development will consume 804 additional square feet of the excess capacity in the existing police station by 2030. The police station has 23,000 square feet and is intended to serve the needs of the community through 2030.

TABLE 7: FACILITIES NEEDED (POLICE BUILDING SQUARE FEET) TO MAINTAIN PROPOSED POLICE SERVICE LEVELS

Year	Residential Calls	Commercial Calls	Institutional Calls	Total Police SF Needed
2019	7,298	6,890	3,240	22,196
2020	7,317	6,907	3,248	22,251
2021	7,341	6,931	3,259	22,326
2022	7,366	6,954	3,270	22,401
2023	7,391	6,977	3,281	22,476
2024	7,415	7,000	3,292	22,551
2025	7,440	7,024	3,303	22,626
2026	7,465	7,047	3,314	22,700
2027	7,489	7,070	3,325	22,775
2028	7,514	7,093	3,336	22,850
2029	7,538	7,116	3,347	22,925
2030	7,563	7,140	3,357	23,000
Growth, 2019-2030	265	250	117	804

*SF = square feet

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

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

The City will meet the estimated growth demands by requiring new development to buy into the existing, excess capacity in the police station.

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 includes the following steps:

- 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

New development will buy into the existing, excess capacity in the police station. The police station was acquired at a cost of \$7,300,000. The projected growth in calls between 2020 and 2030 represents 3.3 percent of the capacity of the police facility. Therefore, new development should be required to pay for 3.3 percent of the actual cost of the station (\$237,674). Divided by the anticipated growth in calls (592), this results in an average cost per call of \$401.43.

TABLE 8: POLICE – BUY-IN TO EXCESS CAPACITY IN EXISTING STATION

	Amount
Existing Police Facility SF	23,000
Capacity Calls for Service	18,185
Growth in Calls, 2020-2030	592
Actual Cost of Existing Police Facility	\$7,300,000
% of Cost to New Development, 2020-2030	3.3%
Cost to New Development, 2020-2030	\$237,674
Cost per Call – Facilities	\$401.43

In addition, consultant costs² have been added to total costs. The total gross cost per call is \$414.94.

TABLE 9: POLICE – GROSS COST PER CALL

	Amount
Facilities	\$401.43
Consultant Costs	\$13.51
TOTAL Cost per Call	\$414.94

² Consultant costs are \$8,000 for the Pubic Safety Impact Fee Facilities Plan and Public Safety Impact Fee Analysis.

The City has one remaining bond payment on the 2014A Sales Tax Bond that was partially issued to pay for the existing police station. The 2021 payment is for \$28,380. With an estimated 17,531 impact-fee eligible calls for service in 2021,³ the resulting credit is \$1.62 per call.

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

TABLE 10: 2020 MAXIMUM POLICE IMPACT FEE

Maximum Fees	Cost per Call	Calls per Unit	Maximum Fee per Unit/per sf
Residential	\$413.32	0.740864	\$306.21
Commercial	\$413.32	0.001653	\$0.68
Institutional	\$413.32	0.002462	\$1.02

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.

³ Total calls for service in 2021 are estimated to reach 17,652. However, pass-thru traffic calls are not calculated in the credit calculation.