

Herriman City

Impact Fee Analysis
Parks, Trails and Recreation

ZIONS BANK  PUBLIC FINANCE

April 22, 2015

TABLE OF CONTENTS

Summary	2
Utah Code Legal Requirements.....	4
Anticipated Impact On or Consumption of Any Existing Capacity of a Public Facility by the Anticipated Development Activity.....	6
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	9
Proportionate Share Analysis.....	11
Calculation of Credits	12
Certification.....	13
Appendix A - Notice of Intent to Prepare a Comprehensive Amendment to the Parks, Recreation, Open Space, and Trails Impact Fee Facilities Plan.....	14
Appendix B –Trails Map	15

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Summary

Herriman City ("City") forms one geographic service area that provides recreation facilities to the residents living in the City. The City currently has 148.45 total park acres, of which 70.33 were purchased by the City. The remaining 78.12 acres were gifted to the City and have not been included in the calculation of impact fees. The City also has an equestrian center and 29.31 trail miles.

Existing service levels are based on the 2014 levels of service in the City for both parks and trails. Both parks and trails intend to increase service levels – parks to a standard of 8.0 acres per 1,000 persons (7.5 acres per 1,000 persons not including local parks) and trails to a standard of 1.5 trail miles per 1,000 persons. The equestrian center, however, has excess capacity and is intended to serve the needs of the entire population of Herriman through at least 2060. Therefore, the City considers that it has no excess capacity in the system other than the equestrian center. The existing and proposed levels of service have been expressed first in acres per 1,000 residents for park, and miles per 1,000 residents for trails; these numbers are then converted to an investment level per 1,000 persons. The parks and trails development in the City is one overall recreation system designed to meet the needs and desires of its residents for physical and leisure activities and therefore the investment level of service reflects the combined level of service for both parks and trails.

Table 1: Summary of Service Levels for Systemwide Facilities

	Demand Unit	Existing LOS	Existing LOS (Non-Gifted – Impact-Fee Eligible)*	Proposed LOS ¹
Parks	Acres per 1,000 persons	4.82	2.28	7.5
	Investment per 1,000 persons	\$1,039,626	\$580,884	\$1,524,083
Trails	Trail miles per 1,000 persons	0.95	0.95	1.5
	Investment per 1,000 persons	\$142,952	\$142,952	\$225,445
Trail Structures	Trail structures per 1,000 persons	\$44,620	\$44,620	\$44,620
Equestrian Center	Investment per 1,000 persons	\$27,792	\$27,792	\$8,564

*LOS = level of service eligible for impact fees that does not include gifted acreage

Existing and proposed service levels, as well as excess capacity are summarized in Table 2 below.

TABLE 2: SUMMARY OF SERVICE LEVELS

Summary of Investment LOS	Existing	Existing (Eligible for Impact Fees)	Proposed	Excess Capacity
Park land per 1,000	\$592,860	\$280,717	\$922,500	\$0
Park improvements per 1,000	\$278,440	\$131,841	\$433,258	\$0

¹ While impact fees can be used to reach the proposed service levels, they have not been used to increase service levels as part of this analysis.

Summary of Investment LOS	Existing	Existing (Eligible for Impact Fees)	Proposed	Excess Capacity
Park mowed acres per 1,000	\$168,326	\$168,326	\$168,326	\$0
Subtotal Parks	\$1,039,626	\$580,884	\$1,524,083	\$0
Trail miles per 1,000	\$142,952	\$142,952	\$225,445	\$0
Trail structures per 1,000	\$44,620	\$44,620	\$44,620	\$0
Equestrian center per 1,000	\$27,792	\$27,792	\$8,564	\$19,228

This forms the basis for the proportionate share analysis which is summarized as follows:

Table 3: Proportionate Share Analysis

Summary of Costs 2014-2023	Total Cost	Demand Units	Fee per Capita
Parks	\$12,248,515.55	21,086	\$580.88
Park Buy-In Costs	\$856,436.00	100,004	\$8.56
Trail Miles	\$3,014,279.83	21,086	\$142.95
Trail Structures	\$940,850.53	21,086	\$44.62
Plan Preparation	\$5,000.00	21,086	\$0.24
Impact Fee Fund Balance	(\$926,671.85)	21,086	(\$43.95)
Fee per Capita			\$733.31

The maximum fee per household takes the fee per capita and multiplies by the appropriate household size² for single-family and multi-family dwelling units.

Table 4: Proportionate Share Analysis

	HH Size	Fee per Household
Single-Family HH Size	3.96	\$2,903.90
Multi-Family HH Size	3.73	\$2,735.24

The maximum fee per household for a single-family unit is \$2,903.90; the maximum fee for a multi-family unit is \$2,735.24.

² Source: 2010 United States Census

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 Bank Public Finance (ZBPF) 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 July 11, 2014. 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 recreation-related facilities will come from residential development only. Residential growth is projected as follows:

TABLE 5: POPULATION GROWTH

Year	Population	Population Growth
2014	30,816	
2015	33,309	2,493
2016	35,802	2,493
2017	38,102	2,300
2018	40,402	2,300
2019	42,702	2,300
2020	45,002	2,300
2021	47,302	2,300
2022	49,602	2,300
2023	51,902	2,300
2024	54,202	2,300
2025	56,502	2,300
TOTAL		25,686

Source: Herriman City

In 2000, the City had a population of 3,246 people; by 2010 the population had increased to 22,538. The City therefore grew by 19,292 persons over the 10-year period, or an average of 1,929 persons per year. While this is somewhat less than the 2,300 to 2,500 persons of projected annual growth through 2025, the historical growth accounts for the extremely slow growth years such as 2008 when the City issued only 44 building permits. In its peak year of 2005, the City issued 900 building permits.

The somewhat higher population figures projected above also take into account the annexation of a significant amount of property known as South Herriman. South Herriman has approximately 2,800 developable acres, of which the City anticipates that roughly 200 will be developed within the next six years.

Therefore, based on the additional land provided by the South Herriman annexation, as well as known future projects, the availability of vacant land, increased access to the City due to the completion of the Mountain View Corridor, the anticipated extension of light rail to the community, the rapid growth being experienced in neighboring communities, and the increased retail and other amenities now available in the City, City staff feel that the estimates shown in the preceding table are reasonable.

Demand Placed on Facilities by New Development Activity

Parks. Park service levels will decline, due to new development activity, from the existing service level of \$580,884 per 1,000 residents to \$344,891 per 1,000 residents by 2023 unless new improvements are made. The current level of park investment is \$17,900,515, based on an investment of \$8,650,590 for park land; \$4,062,800 for park improvements; and \$5,187,125 for park mowed acres.

Table 6: Park Service Level Impacts from New Development Activity

Year	Population	Park Investment Unchanged	LOS per 1,000
2014	30,816	\$17,900,515	\$580,884
2015	33,309	\$17,900,515	\$537,408
2016	35,802	\$17,900,515	\$499,986
2017	38,102	\$17,900,515	\$469,805
2018	40,402	\$17,900,515	\$443,060
2019	42,702	\$17,900,515	\$419,196
2020	45,002	\$17,900,515	\$397,772
2021	47,302	\$17,900,515	\$378,430
2022	49,602	\$17,900,515	\$360,883
2023	51,902	\$17,900,515	\$344,891

Excess capacity in the equestrian center will be partially consumed by 2023, but with excess capacity still remaining. The proposed LOS for the equestrian facility is an investment of \$8,564 per 1,000 residents and the facility will have an investment level of service of \$16,501 per resident in 2023.

Table 7: Equestrian Center Service Level Impacts from New Development Activity

Year	Population	Equestrian Center Investment	LOS per 1,000
2014	30,816	\$856,436	\$27,792
2015	33,309	\$856,436	\$25,712
2016	35,802	\$856,436	\$23,921
2017	38,102	\$856,436	\$22,477
2018	40,402	\$856,436	\$21,198
2019	42,702	\$856,436	\$20,056
2020	45,002	\$856,436	\$19,031
2021	47,302	\$856,436	\$18,106
2022	49,602	\$856,436	\$17,266
2023	51,902	\$856,436	\$16,501

Trails. Trail mile service levels will decline, due to new development activity from the existing service level of \$142,952 per 1,000 residents to \$84,875 per 1,000 residents by 2023 unless new trail miles are added. Trail mile investment is based on 14.7 existing paved/urban trails at a cost of

\$215,000 per mile; 7.4 unpaved trails at a cost of \$100,000 per mile; and 7.21 primitive trails at a cost of \$70,000 per mile for a total of \$4,405,200.

Table 8: Trail Miles Service Level Impacts from New Development Activity

Year	Population	Trail Mile Investment	LOS per 1,000
2014	30,816	\$4,405,200	\$142,952
2015	33,309	\$4,405,200	\$132,253
2016	35,802	\$4,405,200	\$123,043
2017	38,102	\$4,405,200	\$115,616
2018	40,402	\$4,405,200	\$109,034
2019	42,702	\$4,405,200	\$103,161
2020	45,002	\$4,405,200	\$97,889
2021	47,302	\$4,405,200	\$93,129
2022	49,602	\$4,405,200	\$88,811
2023	51,902	\$4,405,200	\$84,875

Trail structures are closely related to trail miles and are the trailheads, boardwalks, lighting, etc., needed to make the trails accessible and functional for public use. The level of service for trail structures is \$44,620 per 1,000 persons. This LOS will decline to \$26,492 by the year 2023 if no new trail structures are added. Trail structure investment is calculated based on five trail structures at a cost of \$275,000 each for a total cost of \$1,375,000.

Table 9: Trail Structure Service Level Impacts from New Development Activity

Year	Population	Structures Investment	LOS per 1000
2014	30,816	\$1,375,000	\$44,620
2015	33,309	\$1,375,000	\$41,280
2016	35,802	\$1,375,000	\$38,406
2017	38,102	\$1,375,000	\$36,087
2018	40,402	\$1,375,000	\$34,033
2019	42,702	\$1,375,000	\$32,200
2020	45,002	\$1,375,000	\$30,554
2021	47,302	\$1,375,000	\$29,069
2022	49,602	\$1,375,000	\$27,721
2023	51,902	\$1,375,000	\$26,492

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)

Parks. The City will need to acquire additional park lands and improvements to maintain its existing and proposed service levels. Service levels will decline, as a result of population growth unless new facilities are constructed or acquired. Impact fees will be used to maintain the existing service levels for park land and improvements. They will not be used to raise service levels or for replacement, repair or maintenance costs.

Table 10: Park Land, Improvements, and Irrigated Acres Investment Required to Maintain Proposed Standard through 2023

Year	Population	LOS per 1,000*	Investment Required	Increased Investment
2014	30,816	\$580,884	\$17,900,515	\$0
2015	33,309	\$537,408	\$19,348,658	\$1,448,143
2016	35,802	\$499,986	\$20,796,801	\$2,896,287
2017	38,102	\$469,805	\$22,132,834	\$4,232,319
2018	40,402	\$443,060	\$23,468,867	\$5,568,352
2019	42,702	\$419,196	\$24,804,899	\$6,904,385
2020	45,002	\$397,772	\$26,140,932	\$8,240,417
2021	47,302	\$378,430	\$27,476,965	\$9,576,450
2022	49,602	\$360,883	\$28,812,998	\$10,912,483
2023	51,902	\$344,891	\$30,149,030	\$12,248,516

*Assumes no new investment takes place.

Because there is excess capacity in the equestrian center, new development will be required to buy in to the center and no new construction will be required.

Trails. The City will also need to maintain its existing service levels for trails through impact fees. Service levels may be raised through other funding sources, but not through the use of impact fees. The City currently has 29.31 trail miles, which equates to an existing trails standard of 0.95 linear trail miles per 1,000 residents. Because there is no excess capacity in the existing trails system, there is no buy-in component applicable to the calculation of impact fees. In order to maintain its proposed level of service (which is the same as the existing service level), the City will need to acquire an additional 20.06 trail miles by 2023, thus bringing the total trail miles to 49.37. Projected costs for the additional trail miles will reach over \$3 million by 2023.

Table 11: Trail Mile Investment Required to Maintain Proposed Standard

Year	Population	LOS per 1,000	Trail Miles Needed	Facilities Needed	Additional Investment Required
2014	30,816	\$142,952	29.31	\$4,405,200	\$0
2015	33,309	\$132,253	31.68	\$4,761,579	\$356,379
2016	35,802	\$123,043	34.05	\$5,117,957	\$712,757
2017	38,102	\$115,616	36.24	\$5,446,746	\$1,041,546
2018	40,402	\$109,034	38.43	\$5,775,535	\$1,370,335
2019	42,702	\$103,161	40.62	\$6,104,324	\$1,699,124
2020	45,002	\$97,889	42.80	\$6,433,113	\$2,027,913
2021	47,302	\$93,129	44.99	\$6,761,902	\$2,356,702
2022	49,602	\$88,811	47.18	\$7,090,691	\$2,685,491
2023	51,902	\$84,875	49.37	\$7,419,480	\$3,014,280

Further, the City will need an additional investment of \$940,851 to maintain its proposed standard of trail structures.

Table 12: Trail Structures Required to Maintain Proposed Standard

Year	Population	LOS per 1000	Trail Miles Needed	Facilities Needed	Additional Investment Required
2014	30,816	\$44,620	29.31	\$1,375,000	\$0
2015	33,309	\$41,280	31.68	\$1,486,237	\$111,237
2016	35,802	\$38,406	34.05	\$1,597,474	\$222,474
2017	38,102	\$36,087	36.24	\$1,700,099	\$325,099
2018	40,402	\$34,033	38.43	\$1,802,724	\$427,724
2019	42,702	\$32,200	40.62	\$1,905,349	\$530,349
2020	45,002	\$30,554	42.80	\$2,007,975	\$632,975
2021	47,302	\$29,069	44.99	\$2,110,600	\$735,600
2022	49,602	\$27,721	47.18	\$2,213,225	\$838,225
2023	51,902	\$26,492	49.37	\$2,315,851	\$940,851

Proportionate Share Analysis

The proportionate share analysis is calculated by taking the total costs required to serve the needs of new development, as well as the buy-in proportionate share for the equestrian center, and dividing by the total demand units served. Demand units show the increase in population from 2014 to 2023. Total costs were calculated in the previous section on meeting the demands of new development and are summarized below.

Table 13: Proportionate Share Analysis

Summary of Costs 2014-2023	Total Cost	Demand Units	Fee per Capita
Parks	\$12,248,515.55	21,086	\$580.88
Park Buy-In Costs (total)	\$856,436.00	100,004	\$8.56
Trail Miles	\$3,014,279.83	21,086	\$142.95
Trail Structures	\$940,850.53	21,086	\$44.62
Plan Preparation	\$5,000.00	21,086	\$0.24
Impact Fee Fund Balance	(\$926,671.85)	21,086	(\$43.95)
Fee per Capita	\$12,248,515.55	21,086	\$580.88

The fee per capita is then calculated by multiplying the per capita fee by appropriate household sizes for single-family and multi-family development.

Table 14: Proportionate Share Analysis

	HH Size	Fee per Household
Single-Family HH Size	3.96	\$2,903.90
Multi-Family HH Size	3.73	\$2,735.24

The maximum impact fee that can be charged to new development is \$2,903.90 for single-family residential and \$2,735.24 for multi-family residential.

Calculation of Credits

There is no outstanding debt on the parks and recreation facilities and therefore no credits have been applied.

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Certification

Zions Bank Public Finance 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 a Comprehensive Amendment to the Parks, Recreation, Open Space, and Trails Impact Fee Facilities Plan



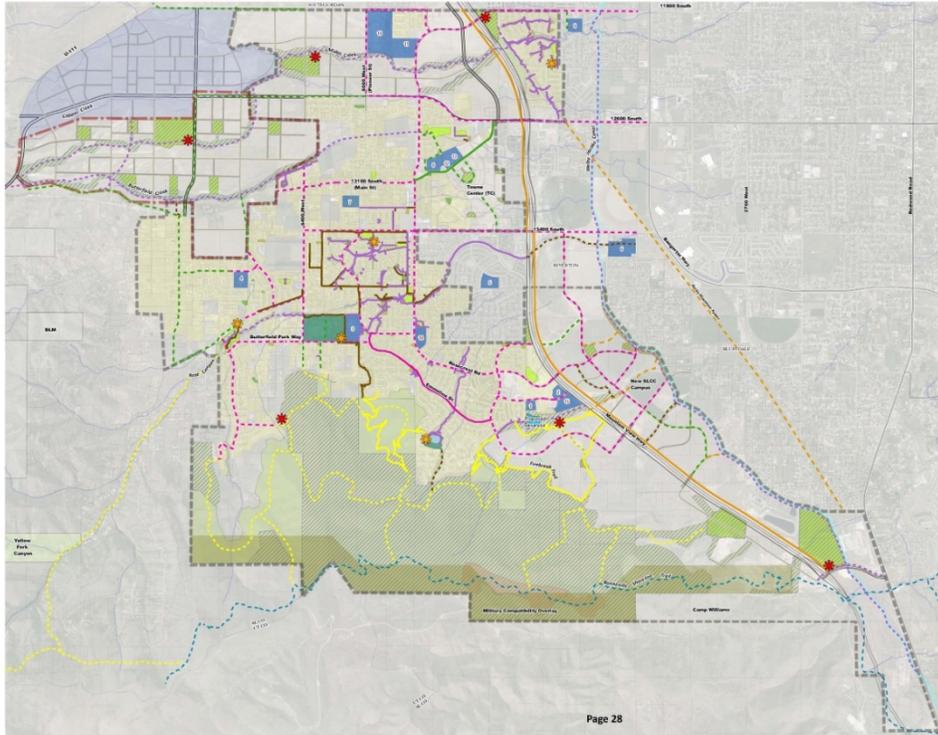
Notice of Preparation of Parks, Recreation, Open Space, and Trails Impact Fee Facilities Plan and Analysis

July 11, 2014

Notice is hereby given that Herriman intends to prepare and/or contract for the preparation of an Impact Fee Facilities Plan and Analysis for Parks, Recreation, Open Space, and Trail facilities. The Plan and Analysis includes all of the property within the current City boundaries. Those receiving this Notice are invited to provide information to be considered in adopting the analysis. For information about the analysis or proposed Impact Fee, please contact Bryn McCarty at 13011 S Pioneer St, Herriman, Utah 84096, or e-mail planning@herriman.org. Any information should be provided in writing.

HERRIMAN CITY

Appendix B –Trails Map



MAP 5
Existing and Proposed
Trails & Bike Paths

Legend:

- Herriman City Boundary
- 2025 Annexation Area
- Future Annexation Area

Trails

- Existing Paved Trail
- Existing Unpaved Trail
- Existing Primitive Trail
- Existing Separated, Shared Use Bike Path
- Existing On-Street, Striped Bike Lane
- Existing On-Street, Signed Bike Route
- Proposed Separated, Shared Use Bike Path
- Proposed Paved Trail
- Proposed Unpaved Trail
- Proposed Primitive Trail
- Proposed On-Street, Striped Bike Lane
- Proposed On-Street, Signed Bike Route
- Proposed Bonneville Shoreline Trail
- Existing Trailhead
- Future Trailhead

Parks

- Existing Community Park
- Existing Neighborhood Park
- Existing Local Park
- Proposed Park
- Proposed Resort Recreational

Open Space

- Existing Open Space (Maintained)
- Existing Open Space (Natural)
- Proposed Open Space (Maintained)
- Proposed Open Space (Natural)
- Existing Residential

Schools & Public Facilities

1. Providence Hall Elementary	8. Middle Creek Elementary
2. Providence Hill Junior High School	9. Herriman High School
3. Herriman Middle School	10. Cooper Mountain Middle School
4. Butler Field Elementary	11. Herriman Library
5. South Hill Elementary	12. Alton Square Recreation Center
6. South Hill Middle School	13. South Hill Elementary
7. Herriman Elementary	14. Providence High School
8. Silver Creek Elementary	

Herriman City Parks, Recreation,
Open Space & Trails Master Plan

0 0.5 1 Miles June 2014