

POLICE IMPACT FEE FACILITIES PLAN (IFFP) & IMPACT FEE ANALYSIS (IFA)

CITY OF ST. GEORGE, UTAH



FINAL ADOPTED
JULY 10, 2014


**LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.**

GATEWAY PLAZA BUILDING - 41 N. RIO GRANDE, STE 101 - SALT LAKE CITY, UT 84101
(P) 801-596-0700 - (TF) 800-581-1100 - (F) 801-596-2800 - WWW.LEWISYOUNG.COM

Certification for Impact Fee Facilities Plan and Impact Fee Analysis

IFFP Certification

LYRB certifies that the attached impact fee facilities plan:

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; and,
3. complies in each and every relevant respect with the Impact Fees Act.

IFA Certification

LYRB 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.

LYRB makes this certification with the following caveats:

1. All of the recommendations for implementations of the IFFP made in the IFFP documents or in the IFA documents are followed by City Staff and elected officials.
2. If all or a portion of the IFFP or IFA are modified or amended, this certification is no longer valid.
3. All information provided to LYRB is assumed to be correct, complete, and accurate. This includes information provided by the City as well as outside sources.

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.



TABLE OF CONTENTS

SECTION 1: EXECUTIVE SUMMARY - POLICE IMPACT FEES4
 PROPOSED POLICE IMPACT FEE 4

SECTION 2: GENERAL IMPACT FEE METHODOLOGY6

SECTION 3: OVERVIEW OF SERVICE AREA, DEMAND, AND LOS8
 SERVICE AREA..... 8
 DEMAND UNITS 8
 LEVEL OF SERVICE STANDARDS 9

SECTION 4: EXISTING FACILITIES ANALYSIS11
 VALUE OF EXISTING POLICE INFRASTRUCTURE 11
 EXCESS CAPACITY 12
 MANNER OF FINANCING EXISTING PUBLIC FACILITIES 12

SECTION 5: CAPITAL FACILITY ANALYSIS14
 SYSTEM VS. PROJECT IMPROVEMENTS 14
 FUNDING OF FUTURE FACILITIES 14
 EQUITY OF IMPACT FEES 15
 NECESSITY OF IMPACT FEES 15

SECTION 6: POLICE IMPACT FEE CALCULATION16
 PROPOSED POLICE IMPACT FEES 16
 CONSIDERATION OF ALL REVENUE SOURCES..... 17
 EXPENDITURE OF IMPACT FEES 17
 PROPOSED CREDITS OWED TO DEVELOPMENT 17
 GROWTH-DRIVEN EXTRAORDINARY COSTS 17
 SUMMARY OF TIME PRICE DIFFERENTIAL 17



SECTION 1: EXECUTIVE SUMMARY - POLICE IMPACT FEES

The purpose of the Police Impact Fee Facilities Plan (“IFFP”), with supporting Impact Fee Analysis (“IFA”), is to fulfill the requirements established in Utah Code Title 11 Chapter 36a, the “Impact Fees Act”, and assist the City of St. George (the “City”) in financing and constructing necessary capital improvements for future growth. This document will address the future police capital facilities needed to serve the City through the next six to ten years, as well as address the appropriate impact fees the City may charge to new growth to maintain the established level of service (“LOS”).

- ☐ **Service Area:** The service area for police impact fees includes all areas within the City.
- ☐ **Demand Analysis:** The demand unit used for this analysis is **calls for service**. It is anticipated that the growth projected over the next six to ten years, and through buildout, will impact the City’s existing services through the increase in calls for service. **SECTION 3** of this report outlines the growth in calls for service.
- ☐ **Level of Service:** The target level of service for the police department is **one officer per 1,000 residents**. Currently the number of officers per 1,000 residents is approximately **1.39**. Another way to measure level of service is the square feet of floor space per officer. Currently the police department has approximately **389 sq. ft.** of floor space per officer. The level of service is shown in more detail in **SECTION 3** of this report.
- ☐ **Excess Capacity:** Unlike fire protection and emergency medical service, police protection does not rely on the distance of responding units to a fixed location. Officers generally patrol throughout a city, and the units closest to a call are generally the first to respond. Therefore, a police station’s location is directly determined by growth patterns rather than target response times, and most cities, like the City of St. George, try to position police stations in central locations.
- ☐ **Future Capital Facilities:** The Police Department doesn’t anticipate building any additional facilities in the next six to ten year planning horizon. However, City Administration, the Police Department and the Fire Department estimate that approximately five percent of each fire station built in the future will serve the Police Department. The Fire Department anticipates building an additional station in the next six to ten years, which will include needed space for satellite police offices.

PROPOSED POLICE IMPACT FEE

The IFFP must properly complete the legislative requirements found in the Impact Fee Act if it is to serve as a working document in the calculation of appropriate impact fees. The calculation of impact fees relies upon the information contained in this analysis. Impact fees are then calculated based on many variables centered on proportionality share and level of service. The following paragraph describes the methodology used for calculating impact fees in this analysis.

GROWTH-DRIVEN (PERPETUATION OF EXISTING LEVEL OF SERVICE)

The methodology utilized in this analysis is based on the increase, or **growth**, in demand. The growth driven method utilizes the existing level of service and perpetuates that level of service into the future. Impact fees are then calculated to provide sufficient funds for the entity to expand or provide additional facilities, as growth occurs within the community. Under this methodology, impact fees are calculated to ensure new development provides sufficient investment to maintain the current level of service (LOS) standards in the community.

POLICE IMPACT FEE CALCULATION

Police impact fees were calculated using a “fair share” approach which assumes new development pays a



portion of all existing and new facilities. The total cost of **all** facilities is divided over the total calls estimated to be served by all facilities. A cost for professional services is also applied. *The fair share approach is recommended in establishing impact fees since all police facilities serve the entire service area.* SECTION 6 further details the calculation of this impact fee.

TABLE 1.1: PROPOSED POLICE IMPACT FEE SCHEDULES

	Annual Calls per Unit	COST PER CALL	IMPACT FEE PER UNIT	2006 FEE	% CHANGE
Residential					
Residential Single-Family (per dwelling unit)	0.316	\$271	\$86	\$109	-22%
Residential Multi-Family (per dwelling unit)	0.444	\$271	\$120	\$49	145%
Mobile Homes (per dwelling unit)	0.483	\$271	\$131	\$57	129%
Non-Residential					
Professional Office (per 1,000 square feet)	0.224	\$271	\$61	\$68	-11%
Commercial (per 1,000 square feet)	0.565	\$271	\$153	\$95	61%
Manufacturing (per 1,000 square feet)	0.057	\$271	\$15	\$6	157%

NON-STANDARD IMPACT FEES

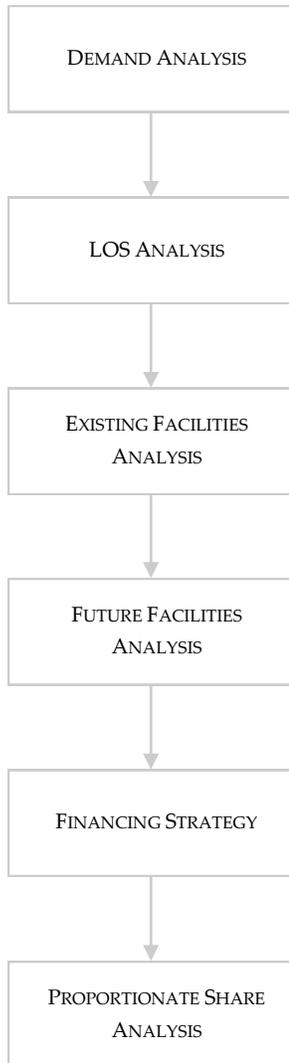
The City reserves the right under the Impact Fees Act to assess an adjusted fee that more closely matches the true impact that the land use will have upon public facilities.¹ This adjustment could result in a lower impact fee if the City determines that a particular user may create a different impact than what is standard for its land use. To determine the impact fee for a non-standard use, the City should use the following formula:

<p>Residential Police Impact Fee Calls per Residence x \$271 = Recommended Impact Fee</p> <p>Non-Residential Police Impact Fee Calls per Unit / (Bldg. Sq. Ft./1,000) x \$271 = Recommended Impact Fee</p>
--

¹ 11-36a-402(1)(c)

SECTION 2: GENERAL IMPACT FEE METHODOLOGY

FIGURE 2.1: IMPACT FEE METHODOLOGY



The purpose of this study is to fulfill the requirements of the Impact Fees Act regarding the establishment of an IFFP and IFA. The IFFP is designed to identify the demands placed upon the City’s existing facilities by future development and evaluate how these demands will be met by the City. The IFFP is also intended to outline the improvements which are intended to be funded by impact fees. The IFA is designed to proportionately allocate the cost of the new facilities and any excess capacity to new development, while ensuring that all methods of financing are considered. Each component must consider the historic level of service provided to existing development and ensure that impact fees are not used to raise that level of service. The following elements are important considerations when completing an IFFP and IFA.

DEMAND ANALYSIS

The demand analysis serves as the foundation for the IFFP. This element focuses on a specific demand unit related to each public service – the existing demand on public facilities and the future demand as a result of new development that will impact public facilities.

LEVEL OF SERVICE ANALYSIS

The demand placed upon existing public facilities by existing development is known as the existing “Level of Service” (“LOS”). Through the inventory of existing facilities, combined with the growth assumptions, this analysis identifies the level of service which is provided to a community’s existing residents and ensures that future facilities maintain these standards. Any excess capacity identified within existing facilities can be apportioned to new development. Any demand generated from new development that overburdens the existing system beyond the existing capacity justifies the construction of new facilities.

EXISTING FACILITY INVENTORY

In order to quantify the demands placed upon existing public facilities by new development activity, the Impact Fee Facilities Plan provides an inventory of the City’s existing system improvements. To the extent possible, the inventory valuation should consist of the following information:

- ▣ Original construction cost of each facility;
- ▣ Estimated date of completion of each future facility;
- ▣ Estimated useful life of each facility; and,
- ▣ Remaining useful life of each existing facility.

The inventory of existing facilities is important to properly determine the excess capacity of existing facilities and the utilization of excess capacity by new development.

FUTURE CAPITAL FACILITIES ANALYSIS

The demand analysis, existing facility inventory and LOS analysis allow for the development of a list of capital projects necessary to serve new growth and to maintain the existing system. This list includes any excess capacity of existing facilities as well as future system improvements necessary to maintain the level of service. Any demand generated from new development that overburdens the existing system beyond the existing capacity justifies the construction of new facilities.

**FINANCING STRATEGY – CONSIDERATION OF ALL REVENUE SOURCES**

This analysis must also include a consideration of all revenue sources, including impact fees, future debt costs, alternative funding sources and the dedication of system improvements, which may be used to finance system improvements.² In conjunction with this revenue analysis, there must be a determination that impact fees are necessary to achieve an equitable allocation of the costs of the new facilities between the new and existing users.³

PROPORTIONATE SHARE ANALYSIS

The written impact fee analysis is required under the Impact Fees Act and must identify the impacts placed on the facilities by development activity and how these impacts are reasonably related to the new development. The written impact fee analysis must include a proportionate share analysis, clearly detailing each cost component and the methodology used to calculate each impact fee. A local political subdivision or private entity may only impose impact fees on development activities when its plan for financing system improvements establishes that impact fees are necessary to achieve an equitable allocation to the costs borne in the past and to be borne in the future (UCA 11-36a-302).

² 11-36a-302(2)

³ 11-36a-302(3)

SECTION 3: OVERVIEW OF SERVICE AREA, DEMAND, AND LOS

SERVICE AREA

Utah Code requires the impact fee enactment to establish one or more service areas within which impact fees will be imposed.⁴ The impact fee identified in this document will be assessed to a single city-wide service area.

DEVELOPMENT BY ZONING CLASS

TABLE 3.1 summarizes the City's existing and future residential dwelling units, and the developed and undeveloped non-residential land-uses.

TABLE 3.1: DEVELOPMENT BY ZONING CLASS

	MEASUREMENT	DEVELOPED	UNDEVELOPED	TOTAL
Residential				
Residential Single-Family	Units	24,892	27,371	52,263
Residential Multi-Family	Units	7,331	2,335	9,666
Mobile Homes	Units	1,310	47	1,357
Total: Residential		33,533	29,754	63,287
Non Residential				
Professional Office	Per 1,000 Sq. Ft.	572	456	1,027
Commercial	Per 1,000 Sq. Ft.	10,639	13,568	24,208
Manufacturing	Per 1,000 Sq. Ft.	7,844	6,510	14,353
Total: Non Residential		19,055	20,534	39,588

Source: City of St. George, LYRB, American Community Survey (ACS) 2010

The IFFP, in conjunction with the IFA, is designed to accurately assess the true impact of a particular user upon the City's infrastructure and prevent existing users from subsidizing new growth. Impact fees should be used to fund the costs of growth-related capital infrastructure based upon the historic funding of the existing infrastructure and the intent of the City is to equitably allocate the costs of growth-related infrastructure in accordance with the true impact that a user will place on the system.

DEMAND UNITS

This element focuses on the specific demand unit related to police services, which will be calls for service. The demand analysis identifies the existing demand on public facilities and the future demand as a result of new development that will impact public facilities. The demand analysis also provides projected annual growth in demand units over the planning horizon of the IFFP.

Existing call data was analyzed in relation to the current land-use within the City to determine the current level of service by land-use type. Call data was collected from 2009 through 2011 to determine the average calls for residential and non-residential development.

TABLE 3.2: HISTORIC POLICE CALL DATA BY LAND USE CATEGORY

LAND USE	POLICE CALLS 2009-2011	3 YEAR AVERAGE # OF CALLS
Residential Single-Family	23,624	7,875
Residential Multi-Family	9,768	3,256
Mobile Homes	1,897	632
Professional Office	384	128
Commercial	18,019	6,006
Manufacturing	1,331	444
Total Calls:	55,022	18,341

⁴ UC 11-36a-402(a)

TABLE 3.3: RATIO OF CALLS PER DEVELOPED UNIT

	DEVELOPED UNITS	HISTORIC AVG. ANNUAL CALLS	CALLS PER DEVELOPED UNIT
Residential Single-Family (per dwelling unit)	24,892	7,875	0.316
Residential Multi-Family (per dwelling unit)	7,331	3,256	0.444
Mobile Homes(per dwelling unit)	1,310	632	0.483
Professional Office (per 1,000 square feet)	572	128	0.224
Commercial (per 1,000 square feet)	10,639	6,006	0.565
Manufacturing (per 1,000 square feet)	7,844	444	0.057
Total	52,588	18,341	

In all, an average of 18,341 calls for service were attributed to residential and non-residential development (not including calls placed from public land-uses – i.e. government buildings, parks, etc. – and calls that cannot be traced to identifiable land-uses).

The call ratio analysis establishes the existing level of service for residential and non-residential land-uses. A review of existing business in the City shows a mix of business types including building materials, home furnishings, food stores, general merchandise, automotive dealers, gasoline service stations, eating and drinking establishments, communications, motion pictures, wholesale trade, miscellaneous retail, amusement and recreation, electric, gas, and sanitary services, hotels and other lodging. This suggests the call data is based on a variety of business that reflects a cross-section of the types of business that will likely continue to develop in the City.

In order to determine the demand placed upon existing public facilities by new development, this analysis projects the additional call volume that undeveloped land-uses will generate. An in-depth analysis has been prepared to determine the number of developed units or acres of land in each zoning category, and the number of calls per unit or acre of land has been assigned to each land-use category. As shown in TABLE 3.4, the future police calls are projected based upon the number of historic calls within each land-use category.

TABLE 3.4: POLICE CALL PROJECTIONS TO BUILDOUT

	CALLS PER UNIT	UNDEVELOPED UNITS	ADDITIONAL ANNUAL CALLS TO BUILDOUT
Residential Single-Family (per dwelling unit)	0.316	27,371	8,649
Residential Multi-Family (per dwelling unit)	0.444	2,335	1,037
Mobile Homes(per dwelling unit)	0.483	47	23
Professional Office (per 1,000 square feet)	0.224	456	102
Commercial (per 1,000 square feet)	0.565	13,568	7,666
Manufacturing (per 1,000 square feet)	0.057	6,510	371
Total		50,288	17,848

The police call projections include police calls to private land-uses within the City only. Therefore, calls placed from public land-uses, including government buildings, parks, etc., calls that cannot be traced to identifiable land-uses, and calls outside of the City have not been included in the call projections shown in TABLE 3.4.

LEVEL OF SERVICE STANDARDS

The target level of service for the police department is one officer per 1,000 residents. Currently the number of officers per 1,000 residents is approximately 1.39. Another way to measure level of service is the square feet of floor space per officer. Currently the police department has approximately 389 sq. ft. of floor space per officer.

POLICE FACILITIES NEEDS ASSESSMENT

To determine the impacts new development will place on the existing system this analysis also considers the current building square feet per call. Impact fees cannot be used to finance an increase in the level of service to

current or future users of the infrastructure. Based on the historic call data shown above there is approximately 18,341 calls annually. This equates to 2.21 sq. ft. of existing facilities per call.

TABLE 3.5: POLICE FACILITIES NEEDS ASSESSMENT

	POLICE FACILITIES
Total Current Sq. Ft.	40,449
Average Annual Calls	18,341
Sq. Ft./Call	2.21
Future Annual Calls to Buildout	17,848
Additional Square Feet Needed	39,363

Based on the historic level of service, a total of 39,363 new square feet will be necessary to serve new development and maintain the same proportionality of square footage at buildout. This is based on 2.21 sq. ft. per call as identified in the needs assessment.

SECTION 4: EXISTING FACILITIES ANALYSIS

VALUE OF EXISTING POLICE INFRASTRUCTURE

In order to quantify the demands placed upon existing public facilities by new development activity, the Impact Fee Facilities Plan provides an inventory of the City's existing facilities. To the extent possible, the inventory valuation should consist of the following information:

- ☐ Original construction cost of each existing capital facility;
- ☐ Estimated useful life of each facility; and,
- ☐ Remaining useful life of each existing facility.

TABLE 4.1 outlines the existing facilities inventory. The Police Department currently shares two facilities with the Fire Department, thus only the percent of Stations 7 and 8 used by the Police Department are included in the square footage and cost estimates that make up the impact fee.

TABLE 4.1: ORIGINAL COST OF EXISTING FACILITIES

DESCRIPTION	DATE IN SERVICE	SQ. FT.	% OF FACILITY (POLICE)	% TO ST. GEORGE	TOTAL POLICE SQ. FT. (ST. GEORGE)	ORIGINAL COST	COST TO POLICE & ST. GEORGE
Police Station	1997	18,900	100%	100%	18,900	\$2,440,483	\$2,440,483
Target Shed	2000	126	100%	100%	126	\$500	\$500
Evidence Bldg	1992	1,200	100%	100%	1,200	\$28,000	\$28,000
Reactive Steel Shelter	2000	414	100%	100%	414	\$1,000	\$1,000
Reactive Steel Range	2000	450	100%	100%	450	\$1,500	\$1,500
Cinder Block Bunker	1978	100	100%	100%	100	\$500	\$500
Training Structure	1998	720	100%	100%	720	\$2,000	\$2,000
West Bunker	1996	216	100%	100%	216	\$5,000	\$5,000
Tire House	1996	2,904	100%	100%	2,904	\$9,000	\$9,000
East Bunker	1996	432	100%	100%	432	\$20,000	\$20,000
Bomb Bunker	1989	200	100%	100%	200	\$1,000	\$1,000
Animal Shelter	1994	2,600	100%	100%	2,600	\$50,000	\$50,000
Webb Hill Tower Bldg	2005	360	100%	100%	360	\$60,000	\$60,000
Webb Hill Tower	2005	-	100%	100%	-	\$55,000	\$55,000
Downtown Station (100 East)	2009	4,012	100%	100%	4,012	\$500,000	\$500,000
Fire Station 7	2003	10,355	20%	100%	2,071	\$1,201,061	\$240,212
Fire Station 8	2011	12,000	5%	100%	600	\$2,381,083	\$119,054
East Annex for Storage ¹	2013	69,344	4%	100%	2,848	\$1,099,950	\$45,176
East Annex for Drug Task Force ²	2013	-	7%	47%	2,296	see above	\$36,427
East Annex Remodel for Task Force ³	2013	-	100%	47%	-	\$316,670	\$148,835
East Annex Remodel for Storage	2013	-	100%	100%	-	\$176,470	\$176,470
East Annex Remodel for Architect Fees ⁴	2013	-	60%	100%	-	\$46,000	\$27,600
Total Existing Improvements		124,333			40,449	\$8,395,217	\$3,967,757

1 - The police recently relocated 2,848 sq. ft. of storage area to the Courthouse (now known as the East Annex). This makes up approximately four percent of the total Courthouse square footage. After an exchange between the City and the State, the net purchase price of the Courthouse was approximately \$1,320,950. However, the City recently received \$221,000 from the State to repair water damage that occurred prior to the transfer of property to the City. Thus, the total cost of the East Annex was \$1,099,950.

2 - The Drug Task Force has recently relocated to the East Annex and will occupy approximately 4,880 sq. ft. which makes up approximately seven percent of the total Courthouse sq. ft. The Task Force is made up of employees from St. George,

Hurricane, Ivins, Washington City, and Washington County. St. George employees make up approximately 47% of the employees in the Task Force. Thus, these percentages will be applied to the total square footage and cost of the Courthouse. 3 - St. George invested approximately \$316,670 into remodeling the area of the Courthouse dedicated to the Task Force. Since St. George employees only make up 47% of the Task Force, only 47% of the remodel costs will be applied to the impact fee. 4 - The total architect fees for assisting in the Courthouse remodel were approximately \$46,000. However, only 30% of these costs were related to the police portion.

EXCESS CAPACITY

Unlike fire protection and emergency medical service, police protection does not rely on the distance of responding units to a fixed location. Officers generally patrol throughout a city, and the units closest to a call are generally the first to respond. For this reason, calculating a defined amount of excess capacity in any one police facility can prove to be difficult. This impact fee has been calculated using a fair share approach, which assumes that new development will pay a portion of all of the existing and new fire stations. The total value of all impact fee eligible improvements (existing and future) will be spread over the total number of calls that can be served by those facilities. Thus, new growth will only pay a portion of the costs for the existing facilities as well as the future facilities.

MANNER OF FINANCING EXISTING PUBLIC FACILITIES

The City's existing facilities have been funded by existing development through impact fees, general fund revenues, and the issuance of debt. The City has received no State and/or Federal grants to fund existing police infrastructure.

In 1996, the Municipal Building Authority of the City of St. George issued Lease Revenue Bonds, Series 1996B to finance the acquisition and construction of a public safety facility to house the City's police department. In 1998, the Series 1998A Bonds were issued and used to retire and refund the Authority's outstanding Lease Revenue Bonds, Series 1996B. The public safety portion of the total refunded amount was approximately 34 percent. Therefore, approximately 34 percent of the total interest cost for the Series 1998A Bonds will be applied in the calculation of the police impact fee. TABLE 4.2 illustrates the debt service for the Series 1998A Bonds and the interest component included in the calculation of the impact fee.

TABLE 4.2: OUTSTANDING DEBT, SERIES 1998A BONDS

1998 A BONDS (REFUNDING) DEBT SERVICE SCHEDULE				
Payment Date	Principal	Interest	Period Total	Annual Debt Service
3/1/1999		\$54,215	\$54,215	\$54,215
9/1/1999	\$340,000	128,405	468,405	
3/1/2000		123,135	123,135	591,540
9/1/2000	355,000	123,135	478,135	
3/1/2001		117,100	117,100	595,235
9/1/2001	375,000	117,100	492,100	
3/1/2002		110,350	110,350	602,450
9/1/2002	375,000	110,350	485,350	
3/1/2003		103,413	103,413	588,763
9/1/2003	395,000	103,413	498,413	
3/1/2004		95,908	95,908	594,320
9/1/2004	505,000	95,908	600,908	
3/1/2005		86,186	86,186	687,094
9/1/2005	250,000	86,186	336,186	
3/1/2006		81,186	81,186	417,373
9/1/2006	255,000	81,186	336,186	
3/1/2007		76,086	76,086	412,273
9/1/2007	270,000	76,086	346,086	



1998 A BONDS (REFUNDING) DEBT SERVICE SCHEDULE				
Payment Date	Principal	Interest	Period Total	Annual Debt Service
3/1/2008		70,551	70,551	416,638
9/1/2008	280,000	70,551	350,551	
3/1/2009		64,776	64,776	415,328
9/1/2009	290,000	64,776	354,776	
3/1/2010		58,614	58,614	413,390
9/1/2010	305,000	58,614	363,614	
3/1/2011		52,056	52,056	415,670
9/1/2011	315,000	52,056	367,056	
3/1/2012		45,205	45,205	412,261
9/1/2012	330,000	45,205	375,205	
3/1/2013		37,780	37,780	412,985
9/1/2013	345,000	37,780	382,780	
3/1/2014		30,018	30,018	412,798
9/1/2014	360,000	30,018	390,018	
3/1/2015		21,738	21,738	411,755
9/1/2015	375,000	21,738	396,738	
3/1/2016		12,925	12,925	409,663
9/1/2016	395,000	12,925	407,925	
3/1/2017		3,643	3,643	411,568
9/1/2017	155,000	3,643	158,643	158,643
Total	\$6,270,000	\$2,563,958	\$8,833,958	\$8,833,958
% to Public Safety		34%		
Interest Cost (Outstanding Debt)		\$881,860		

Funding the future improvements through impact fees places a similar burden upon future users compared to existing users. The City’s objective is to fairly and equitably recover the costs of new growth-related infrastructure from new development. This implies that new growth will be expected to pay its fair share of the costs that will be incurred for improvements that serve new growth. Additionally, general fund monies spent on existing facilities that serve new development can also be reimbursed through impact fees.

CAPACITY FOR GROWTH IN POLICE STATIONS

As development continues to occur within the City, the need for police officers and police facilities will increase which will force the City to construct additional facilities. This will allow for the existing level of service to be maintained and related capital facilities to be adequately funded.

SECTION 5: CAPITAL FACILITY ANALYSIS

Unlike fire protection and emergency medical service, police protection does not rely on the distance of responding units to a fixed location. Officers generally patrol throughout a city, and the units closest to a call are generally the first to respond. Therefore, a police station's location is directly determined by growth patterns rather than target response times, and most cities will try to position police stations in central locations.

The Police Department doesn't anticipate building any additional facilities in the next six to ten years. However, the Fire Department has estimated that approximately five percent of the fire station built in the future will serve the Police Department as shown below in TABLE 5.1.

TABLE 5.1: ESTIMATED COST OF FUTURE FACILITIES

FACILITIES	YEAR	TOTAL SQ. FT.	2013 CONSTRUCTION TOTAL	CONSTRUCTION YEAR COST	% TO POLICE	% TO ST. GEORGE/CITY FUNDED	TOTAL POLICE SQ. FT.	TOTAL IMPACT FEE ELIGIBLE COST
Southeast Station (Little Valley/Fort Pierce)	2016	12,000	\$2,200,000	\$2,266,662	5%	100%	600	\$113,333
Total		12,000	\$2,200,000	\$2,266,662			600	\$113,333

SYSTEM VS. PROJECT IMPROVEMENTS

System improvements are defined as existing and future public facilities that are intended to provide services to service areas within the community at large.⁵ Project improvements are improvements and facilities that are planned and designed to provide service for a specific development (resulting from a development activity) and considered necessary for the use and convenience of the occupants or users of that development.⁶ The Impact Fee Analysis may only include the costs of impacts on system improvements related to new growth within the proportionate share analysis. Since police services serve the entire community, the construction of police buildings are considered system improvements.

FUNDING OF FUTURE FACILITIES

The IFFP must also include a consideration of all revenue sources, including impact fees and the donations (dedication) of system improvements, which may be used to finance system improvements.⁷ In conjunction with this revenue analysis, there must be a determination that impact fees are necessary to achieve an equitable allocation of the costs of the new facilities between the new and existing users.⁸

The City does not anticipate any donations from new development for future system-wide capital improvements related to police facilities.

PROPERTY TAX REVENUES

Property tax revenues are not specifically identified in this analysis as a funding source for capital projects, but inter-fund loans can be made from the general fund which will ultimately include some property tax revenues. Inter-fund loans will be repaid once sufficient impact fee revenues have been collected.

GRANTS AND DONATIONS

Grants and donations are not currently contemplated in this IFFP. However, the impact fees will be adjusted if grants become available to reflect the grant monies received. A donor will be entitled to a reimbursement for the value of the improvements funded through impact fees if donations are made by new development. SECTION 6

⁵ UC 11-36a-102(20)

⁶ UC 11-36a102(13)

⁷ UC 11-36a-302(2)

⁸ UC 11-36a-302(3)



further addresses developer donations.

IMPACT FEE REVENUES

Impact fees have become an ideal mechanism for funding growth-related infrastructure. Impact fees are charged to ensure that new growth pays its proportionate share of the costs for the development of public infrastructure. Impact fee revenues can also be attributed to the future expansion of public infrastructure if the revenues are used to maintain an existing level of service. Increases to an existing level of service cannot be funded with impact fee revenues. Analysis is required to accurately assess the true impact of a particular user upon the City infrastructure and to prevent existing users from subsidizing new growth.

DEBT FINANCING

The Impact Fees Act allows for the costs related to the financing of future capital projects to be legally included in the impact fee. This allows the City to finance and quickly construct infrastructure for new development and reimburse itself later from impact fee revenues for the costs of issuing debt. However, the Police and Fire Department is currently planning to fund all future facilities on a pay-as-you-go basis, thus no financing costs are included in the impact fee analysis relative to funding of future capital improvements. Should the City incur additional cost as a result of the need to issue debt, the impact fee should be updated to account for this cost.

EQUITY OF IMPACT FEES

Impact fees are intended to recover the costs of capital infrastructure that relate to future growth. The impact fee calculations are structured for impact fees to fund 100% of the growth-related facilities identified in the proportionate share analysis as presented in the impact fee analysis. Even so, there may be years that impact fee revenues cannot cover the annual growth-related expenses. In those years, other revenues such as general fund revenues will be used to make up any annual deficits. Any borrowed funds are to be repaid in their entirety through impact fees.

NECESSITY OF IMPACT FEES

An entity may only impose impact fees on development activity if the entity's plan for financing system improvements establishes that impact fees are necessary to achieve parity between existing and new development. This analysis has identified the improvements to public facilities and the funding mechanisms to complete the suggested improvements. Impact fees are identified as a necessary funding mechanism to help offset the costs of new capital improvements related to new growth. In addition, alternative funding mechanisms are identified to help offset the cost of future capital improvements.

SECTION 6: POLICE IMPACT FEE CALCULATION

The written impact fee analysis relies upon the information contained in this analysis. The following briefly discusses the methodology for calculating police impact fees.

PROPOSED POLICE IMPACT FEES

The police impact fees proposed in this analysis will be assessed within all areas of the City. As stated above, the impact fee analysis allocates the existing and future police facilities within the ten year planning horizon to current and future development.

Police impact fees are calculated using a “fair share” approach which assumes new development pays a portion of all existing and new stations. The fair share approach, is recommended in establishing impact fees since all police facilities serve the entire service area. This approach provides an equitable distribution of the existing and proposed facilities that will serve development. The cost per call for police facilities is found in TABLE 6.1 and is the basis for the maximum impact fees per land use category shown in TABLE 6.2.

TABLE 6.1: ESTIMATE OF IMPACT FEE COSTS PER CALL

	ESTIMATED COST	IF ELIGIBLE	COST TO IMPACT FEES	CALLS SERVED ¹	COST PER CALL
Existing Facilities	\$3,967,757	100%	\$3,967,757	18,613	\$213
Outstanding Debt ²	\$881,860	100%	\$881,860	18,613	\$47
Future Facilities ³	\$113,333	100%	\$113,333	18,613	\$6
Total			\$4,962,950		\$267
Professional Expense ⁴			\$9,675	2,432	\$4
Total Impact Fee Cost per Call⁶					\$271

Table Notes:

1 – Calls Served: The cost for existing facilities, outstanding debt, and future facilities is applied to the demand estimated for the total existing and future facilities. Demand served is calculated by dividing the respective square footage of the existing (40,449 Sq. Ft.) and future facilities (600 Sq. Ft.) as shown in TABLES 4.1 and 5.1. by the 2.21 Sq. Ft. per call as shown in TABLE 3.5.

2 - Outstanding Debt: 34 percent of the interest on the Series 1998A Refunding Bonds has been included in the impact fee calculations.

3 - Future Facilities: This includes only the portion of the future fire station that will be utilized by the police force as explained in SECTION 5.

4 - Professional Expense: This is the actual cost to update the IFFP and IFA. The City can use this portion of the impact fee to reimburse itself for the expense of updating the IFFP and IFA. The cost is divided over the additional calls generated in the next six years.

5 - Total Impact Fee Cost per Call: Since the impact fee fund balance is negligible, it has not been included in the calculation of the impact fee.

TABLE 6.2: RECOMMENDED POLICE IMPACT FEE SCHEDULE

	Annual Calls per Unit	COST PER CALL	IMPACT FEE PER UNIT	2006 FEE	% CHANGE
Residential					
Residential Single-Family (per dwelling unit)	0.316	\$271	\$86	\$109	-22%
Residential Multi-Family (per dwelling unit)	0.444	\$271	\$120	\$49	145%
Mobile Homes (per dwelling unit)	0.483	\$271	\$131	\$57	129%
Non-Residential					
Professional Office (per 1,000 square feet)	0.224	\$271	\$61	\$68	-11%
Commercial (per 1,000 square feet)	0.565	\$271	\$153	\$95	61%
Manufacturing (per 1,000 square feet)	0.057	\$271	\$15	\$6	157%

NON-STANDARD POLICE IMPACT FEES

The City reserves the right under the Impact Fees Act to assess an adjusted fee that more closely matches the true impact that the land use will have upon public facilities.⁹ This adjustment could result in a higher impact fee if the City determines that a particular user may create a greater impact than what is standard for its land use. The City may also decrease the impact fee if the developer can provide documentation evidence, or alternative-credible analysis that the proposed impact will be lower than normal. The formula for determining a non-standard impact fee, assuming the fair share approach, is found below.

FORMULA FOR NON-STANDARD POLICE IMPACT FEES:

<p style="text-align: center;">Residential Police Impact Fee Calls per Residence x \$271 = Recommended Impact Fee</p> <p style="text-align: center;">Non-Residential Police Impact Fee Calls per Unit / (Bldg. Sq. Ft./1,000) x \$271 = Recommended Impact Fee</p>
--

CONSIDERATION OF ALL REVENUE SOURCES

The Impact Fees Act requires the proportionate share analysis to demonstrate that impact fees paid by new development are the most equitable method of funding growth-related infrastructure. See SECTION 5 for further discussion regarding the consideration of revenue sources.

EXPENDITURE OF IMPACT FEES

Legislation requires that impact fees should be spent or encumbered with six years after each impact fee is paid. Impact fees collected in the next five to six years should be spent only on those projects outlined in the IFFP as growth related costs to maintain the LOS.

PROPOSED CREDITS OWED TO DEVELOPMENT

The Impact Fees Act requires that credits be paid back to development for future fees that will pay for growth-driven projects included in the Impact Fee Facilities Plan that would otherwise be paid for through user fees. Credits may also be paid to developers who have constructed and donated facilities to that City that are included in the IFFP in-lieu of impact fees. This situation does not apply to developer exactions or improvements required to offset density or as a condition of development. Any project that a developer funds must be included in the IFFP if a credit is to be issued.

In the situation that a developer chooses to construct facilities found in the IFFP in-lieu of impact fees, the decision must be made through negotiation with the developer and the City on a case-by-case basis.

GROWTH-DRIVEN EXTRAORDINARY COSTS

The City does not anticipate any extraordinary costs necessary to provide services to future development.

SUMMARY OF TIME PRICE DIFFERENTIAL

The Impact Fees Act allows for the inclusion of a time price differential to ensure that the future value of costs incurred at a later date are accurately calculated to include the costs of construction inflation. A one percent annual construction inflation adjustment is applied to projects completed after 2013 (the base year cost estimate).

⁹ UC 11-36a-402(1)(c)