

2016 GENERAL FUND IFFP & IFA

SALT LAKE CITY, UTAH



LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

JULY 2016

A wide-angle photograph of the Salt Lake City skyline. In the foreground, a modern tram is visible on a street. Behind it, a large, light-colored skyscraper with many windows dominates the left side of the frame. To the right, a modern building with a glass facade and a flat roof is partially visible. The sky is blue with scattered white clouds. In the background, other city buildings and a construction crane can be seen.


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INTRODUCTION TO IMPACT FEES



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- Before imposing an impact fee, each local political subdivision or private entity shall prepare:



IMPACT FEE FACILITIES PLAN (IFFP)

Identifies the demands placed upon the City's existing facilities by future development and evaluates how these demands will be met by the City. Outlines the improvements which are intended to be funded by impact fees.



IMPACT FEE ANALYSIS (IFA)

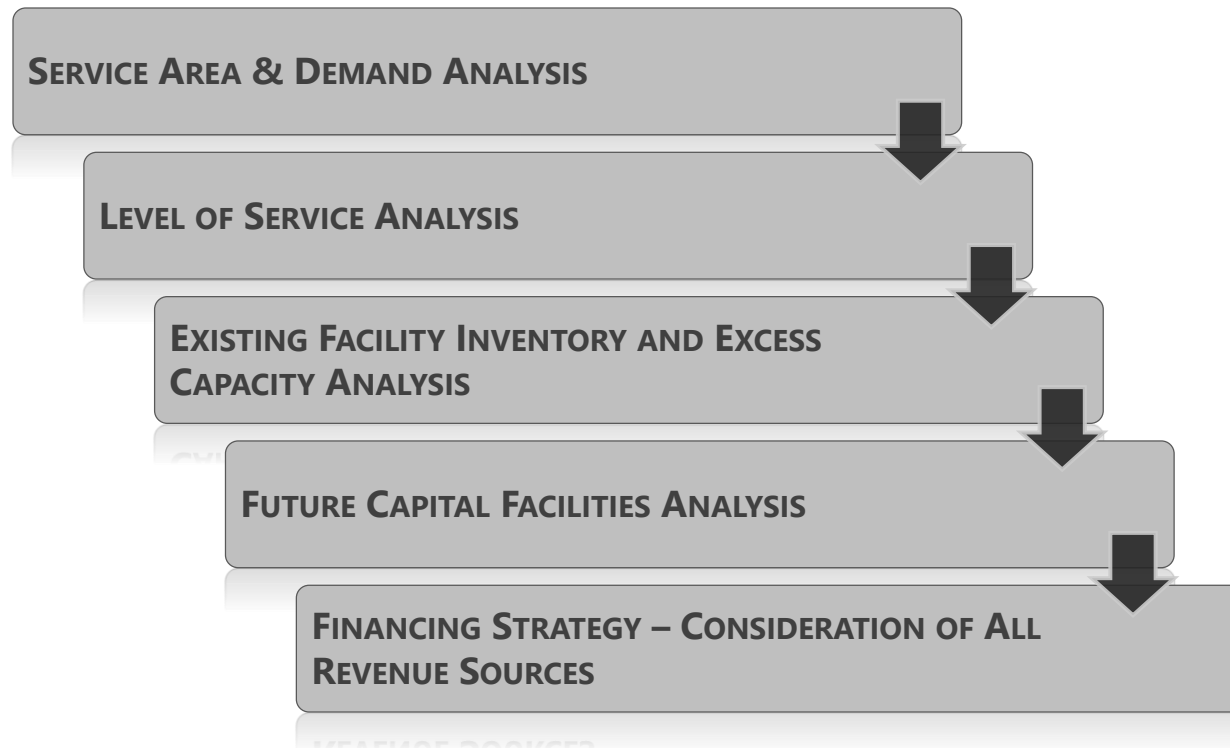
Proportionately allocates the cost of the new facilities and any excess capacity to new development, while ensuring that all methods of financing are considered.

INTRODUCTION TO IMPACT FEES



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- The following elements are important considerations when completing an IFFP and IFA:

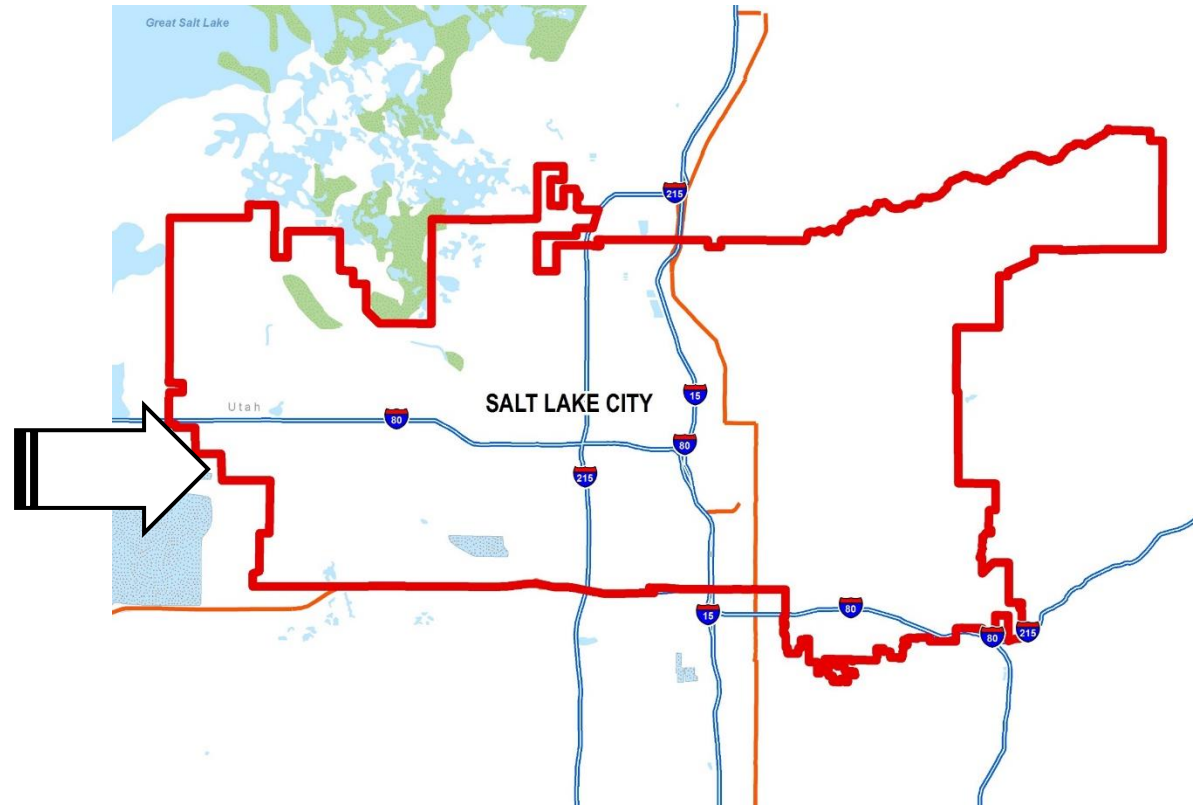


1. SERVICE AREA & DEMAND



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Single City-Wide
Service Area



1. SERVICE AREA & DEMAND

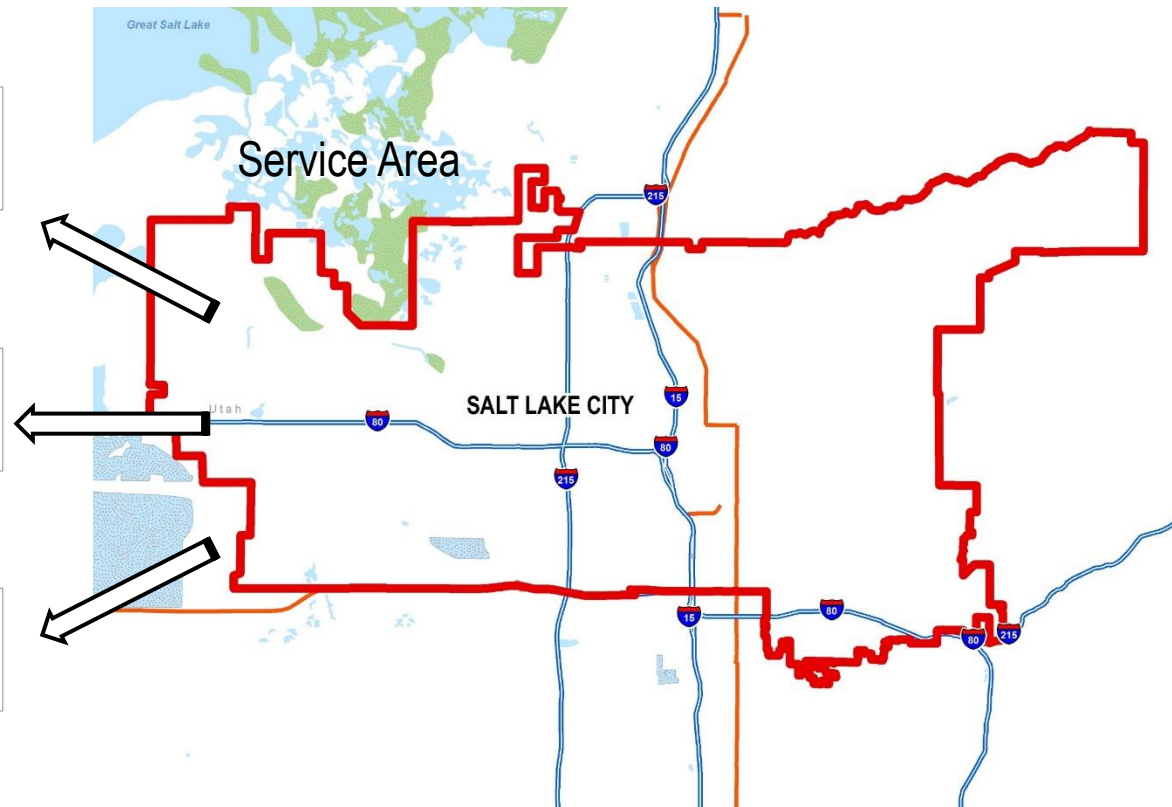


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Identifying specific demand unit
(Calls vs. trips vs. population)

Determine existing demand and
future demand

IFFP Planning Horizon = Projects
occurring within 6-10 yrs



2. LOS ANALYSIS



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- Identify existing level of service (LOS)
- Identify proposed LOS
- Proposed LOS cannot exceed existing LOS
- New development can only be charged for the proportionate cost of the new facilities that maintain the LOS

2. LOS ANALYSIS



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- Parks
 - \$1,553 total value per Capita.
- Fire
 - 1.61 station square feet per Call and 1.44 non-station square feet per Call.
 - SLCFD has a 3.81 minute response time to Fires with Imminent Life Threat.
- Police
 - 359 square feet per Officer (excluding new public safety building) and 3.46 Officers per 1,000 Calls.
- Transportation
 - LOS C (Multimodal transportation).

3. EXISTING FACILITIES



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- Inventory existing facilities based on original value, type and useful life
- Calculate system capacity by component (e.g. storage facilities vs. source/supply)
- Delineate system improvements vs. project improvements in existing facilities

Facility Inventory necessary to establish any excess capacity within the system

3. EXISTING FACILITIES



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■ Parks

- Estimated value of \$298.6M in land and improvement value.
- 2012 Study showed a value of \$321.3M.

■ Fire

- Original cost of existing fire stations estimated at \$24.1M (excluding Public Safety Building).
- 2012 Study showed \$95.3M (replacement value).

■ Police

- \$8.4M existing facility value (excluding Public Safety Building).
- 2012 Study showed a value of \$133.4M including Public Safety Building (replacement value).

■ Transportation

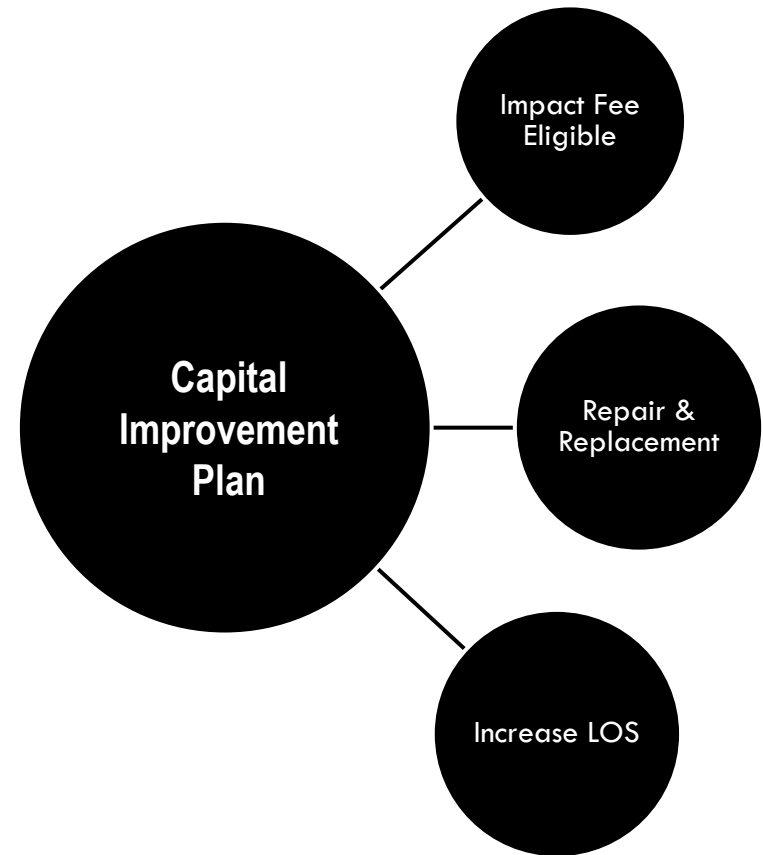
- \$338.6M in signals, street lights, bridges, roads, curbs and gutters.
- 2012 Study showed a value of \$1.72B (replacement value).

4. FACILITIES TO SERVE GROWTH



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- Determine necessary projects to cure existing deficiencies or raise the level of service (not included in IFA)
- Identify existing excess capacity utilization (this will serve as a buy-in component in the IFA)
- Outline future capital facilities for new growth (typically this is part of a capital facilities or master plan)
- Differentiate between system improvements and project improvements.
- Identify the capacity of future projects based on the base demand unit (i.e. # of ERCs served by new water tank).



PARK CIP



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- Based on the expected changes in population through 2025, the City will need to invest approximately **\$44M** in park improvements.
 - Annual average future spending of **\$4.4M**.
 - Historic spending average of **\$2.6M** annually (excluding debt).
- A total of **\$39M** in Capital Improvement Cost is identified in the Parks & Public Lands CIP (including Tier 1-3 and CAM Projects).

FIRE CIP



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- Total of **\$26.3M** is identified as future station capital costs, with nearly **\$3.0M** for training facilities.
 - The 2012 Study showed a total of **\$13.6M**.
 - Historic CIP spending averaged **\$1.2M** annually, (excluding debt).

Stations	Construction Year Cost	Less Impact Fee Fund Balance	Remaining Cost to Fire	Expansion Cost
Fire Station #14 Land Acquisition	\$539,000	(\$125,812)	\$413,188	\$231,887
Fire Station #14 - Relocation and Expansion; Construction	\$10,759,250	(\$2,511,390)	\$8,247,860	\$4,628,814
Fire Station #3 Land Acquisition	\$309,000	(\$72,126)	\$236,874	\$132,937
Fire Station #3 - Relocation and Expansion; Construction	\$11,196,249	(\$2,613,393)	\$8,582,856	\$4,816,819
Interest Expense	\$3,459,052	(\$807,401)	\$2,651,651	\$1,488,144
Total	\$26,262,551	(\$6,130,121)	\$20,132,430	\$11,298,601

Facilities	Construction Year Cost	Less Impact Fee Fund Balance	Cost to Fire	Expansion Cost
Fire Training Center - Renovation of old #14	\$424,360	(\$99,053)	\$325,307	\$325,307
Fire Training Center - Large Equipment Garage	\$2,575,000	(\$601,048)	\$1,973,952	\$1,973,952
Total	\$2,999,360	(\$700,101)	\$2,299,259	\$2,299,259

POLICE CIP



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- Current CIP shows **\$9.8M** in new capital cost.
 - The 2012 IFA included a total of **\$9.0M** in capital cost, of which **\$262K** was impact fee eligible.

FACILITIES	CONST. YEAR	TOTAL SQ. FT.	EST. COST	CONST. YEAR COST	Less Impact Fee Fund Balance	IFFP Cost
Sugarhouse Precinct	2019	39,256	\$9,000,000	\$9,834,543	(\$3,893,924)	\$5,940,619

Includes Land and Construction

TRANSPORTATION CIP



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- ▣ A total of **\$41.8M** identified as growth related cost.
 - 2012 Study showed **\$10.5M**.

Project #	Estimated Cost	Const. Year Cost	%Other	% City	Growth Related Cost
0 -10 Year Transportation CFP	\$43,780,000	\$52,547,086	\$1,868,809	\$50,678,278	\$24,975,574
0-10 Year Streets CIP	\$259,420,600	\$275,186,267	\$9,853,187	\$246,191,392	\$16,830,387
Total	\$303,200,600	\$327,733,353	\$11,721,995	\$296,869,669	\$41,805,960
Less Impact Fee Fund Balance					(\$7,239,460)
Remaining					\$34,566,500

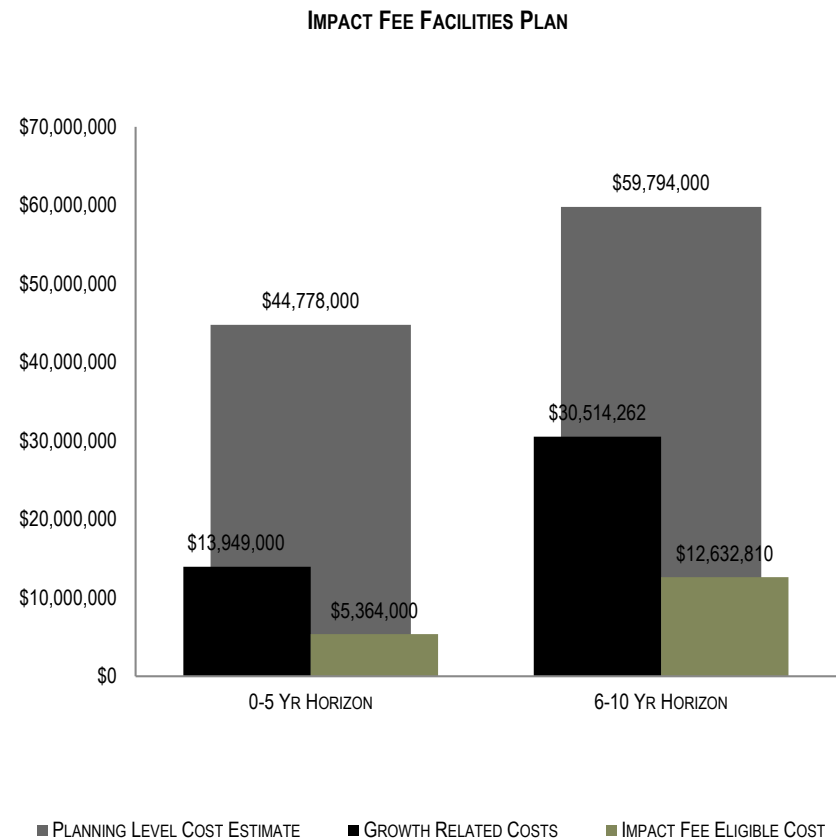
- ▣ Historic CIP shows an average of **\$11.0M** annually (excluding debt).

5. FINANCING STRATEGY



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- Consider all revenue sources in the financing of system improvements
- Illustrate existing and future public facilities funding mechanisms
- Purpose: To show that impact fees are necessary to achieve equity.



5. FINANCING STRATEGY



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- **Parks**

- Funded from impact fee and general fund revenues.

- **Fire**

- The City is anticipating using a bond to fund all or a portion of the future fire stations. A total of approximately **\$3.5M** in interest cost is also included in this analysis.

- **Police**

- We do not have the financing component included at this point. Analysis assumes impact fees and general fund revenues will pay for proposed facilities.

- **Transportation**

- We do not have the financing component included at this point. Analysis assumes impact fees and general fund revenues will pay for proposed facilities.

PROPORTIONATE SHARE ANALYSIS SUMMARY



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