ORDINANCE NO. 06-02A

ROLL CALL

VOTING	YES	NO
MAYOR DALE R. BARNEY *(votes only in case of tie)*		
SHERMAN E. HUFF *Councilmember*		
PAUL M. CHRISTENSEN *Councilmember*		
GLENN A. JAMES *Councilmember*		
ROY L. JOHNS *Councilmember*		
EVERETT KELEPOLO *Councilmember*		

I MOVE this ordinance be adopted: _____
I SECOND the foregoing motion: _____

ORDINANCE 06-02A

AN ORDINANCE EXTENDING THE EFFECTIVE DATE FOR THE IMPLEMENTATION OF IMPACT FEES

WHEREAS, Spanish Fork City amended its impact fees following a public hearing held on the 6th day of August, 2002; and

WHEREAS, despite numerous public meetings and a public hearing held before the Spanish Fork City Council, with notices published according to the law, in an effort to notify all interested parties that the City was updating its impact fee analysis and proposed fee changes; and

WHEREAS, despite the effort to give broad public notice, the City has received complaints from some contractors that they were not aware of the changes and had negotiated home prices with prospective buyers based upon the prior fees; and

WHEREAS, Spanish Fork City had used its emergency powers to make the impact fees

effective immediately in order to fairly allocate the costs; and

WHEREAS, waiting an additional 20 days following the passage and publication of the ordinance would not impose a financial hardship on the City; and

WHEREAS, the additional 20 days can give the City the opportunity to notify the contractors who build in the City on a regular basis of the changes in the impact fees;

NOW THEREFORE, be enacted and ordained by the Spanish Fork City Council as follows:

SECTION 1

Ordinance 06-02 amending impact fees, passed by the Council on the 6th day of August, 2002 shall have an effective date of the 16th day of September, 2002.

SECTION2

This ordinance shall not become part of the Spanish Fork City Municipal Code.

DATED this 20th day of August, 2002.

PASSED AND ORDERED PUBLISHED BY THE CITY COUNCIL OF SPANISH FORK, UTAH, this 20th day of August, 2002.

Dale R. Barney

DALE R. BARNEY, Mayor

ATTEST:

Kent R. Clark

KENT R. CLARK, City Recorder

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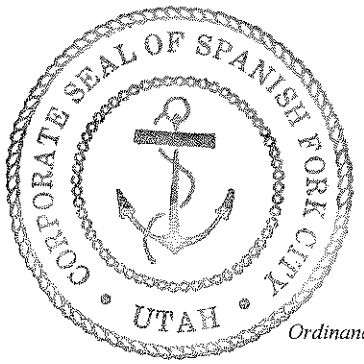

ORDINANCE NO. 06-02

ROLL CALL

VOTING	YES	NO
MAYOR DALE R. BARNEY *(votes only in case of tie)*		
SHERMAN E. HUFF *Councilmember*		
EVERETT KELEPOLO *Councilmember*		
GLENN A. JAMES *Councilmember*		
ROY L. JOHNS *Councilmember*		
PAUL M. CHRISTENSEN *Councilmember*		

I MOVE this ordinance be adopted:_____
I SECOND the foregoing motion:_____

ORDINANCE 06 - 02

AN ORDINANCE ENACTING THE IMPACT FEES

OF SPANISH FORK CITY

WHEREAS, Spanish Fork City continues to experience extremely rapid growth; and,

WHEREAS, new facilities are necessary to accommodate the growth; and

WHEREAS, it is fair and equitable that the entities responsible for the new facilities pay for the cost thereof; and

WHEREAS, impact fees are an appropriate mechanism to pay for facilities made necessary by rapid growth; and

WHEREAS, Spanish Fork City has prepared a capital facilities plan as part of its

comprehensive general plan; and

WHEREAS, the capital facilities plan has been recently amended in order to remain current with the growth and needs of the city; and

WHEREAS, an analysis has been prepared whereby the needs, costs, and equitable allocation of those costs has been determined and fairly apportioned; and

WHEREAS, the City has an immediate need for parks and recreation facilities to accommodate the new growth; and

WHEREAS, major improvements, including development of new sources of culinary water are necessary to accommodate the growth; and

WHEREAS, storm water facilities are needed in various areas of the City in order for those areas to develop and accommodate the growth; and

WHEREAS, a new electric sub-station and related upgrades are necessary to provide electric power to service all of the new growth; and

WHEREAS, upgrades to the sewer plant are necessary to increase the biological capacity necessary to accommodate new growth; and

WHEREAS, the city is currently installing a pressure irrigation (secondary water) system for outdoor watering, which is necessary to extend the life of the culinary water system and allow for growth demands on the culinary water; and

WHEREAS, the holding pond and transmission line of the pressure irrigation system is being built in order to accommodate future growth; and

WHEREAS, it is fair and equitable that new residents pay their share of the buy-in cost of existing infrastructure, taking into account those factors identified in Utah Code Ann. §11-36-201; and

WHEREAS, all sources of revenue have been analyzed and considered by the City; and

WHEREAS, the City has previously adopted impact fees, which bases and analyses should be reviewed on a regular basis; and

WHEREAS, a written analysis dated July 15, 2002 has been prepared by professional consultants; and

WHEREAS, the written analysis has been available for public inspection for at least 14 days; and

WHEREAS, the analysis identifies the impact on improvements needed to the water system (both culinary and secondary), electric power system, sewer system, storm water facilities, and the recreation facilities required by the development activities; and

WHEREAS, the analysis demonstrates how those impacts on the improvements are related to the development activities; and

WHEREAS, the analysis makes a conservative estimate of the proportionate share of the cost of impacts on the system improvements that are reasonably related to the development activity; and

WHEREAS, the analysis identifies the amount of impact fee that could be imposed and how that fee was calculated; and

WHEREAS, the City has identified and analyzed, through the impact fee analysis, those criteria set forth in Utah Code Ann. §11-36-201(5)(b); and

WHEREAS, the impact fee proposed by this impact fee enactment does not exceed the highest fee justified by the impact fee analysis; and

WHEREAS, a public hearing was held before the Spanish Fork City Council on the 13th day of August 2002, wherein public comment was received, not only from concerned citizens, but from developers involved in the current development within the City; and

WHEREAS, the impact fee enactment has been available for public inspection for at least 14 days preceding the public hearing; and

WHEREAS, in order to protect the health, safety, and welfare of the residents of the City, it is necessary to impose an impact fee on new development to pay for the improvements made necessary to the culinary water system, pressure irrigation (secondary water) system, sewer system, electric system, storm water facilities, and recreational facilities by that new development;

NOW THEREFORE, be it enacted and ordained by the Spanish Fork City Council as follows:

SECTION I.

1. The culinary water impact fee is hereby amended for each residential dwelling unit located in the City.

2. The amount of the impact fee for culinary water is $1,395.00 for each single family detached residence, and $1,023.00 for all other residential units.

3. The culinary water impact fee is hereby amended for each building in the City based upon the size of meter providing culinary water to the building.

4. The amount of the impact fee for culinary water for non-residential users is $1,395.00 for a one inch meter; $2,710.00 for a one and one-half (1½) inch meter; $4,334.00 for a two inch meter; $9,823.00 for a three inch meter; and $16,829.00 for a four inch meter. Fees for meters larger than four inches will be based on an annualized average day demand and the net capital cost per gallon of capacity.

5. A pressure irrigation impact fee is hereby imposed for each building within the city.

6. The amount of the impact fee for each single family detached residential building is $429.00. For all other residential and non-residential buildings, the impact fee shall be calculated based on the capital cost per acre by type of development, less principal payment for each connection to the system.

7. The recreational facility impact fee is hereby amended for each residential dwelling in the City.

8. The amount of the recreational facility impact fee is $2,080.00 per single family detached residential dwelling. All other residential dwellings shall pay an impact fee of $1,526.00 per unit.

9. The municipal power impact fee is hereby amended for each building in the City based upon the size of service.

10. The amount of the impact fee shall be as follows:

Single Phase Service Size (KVA)

24 (100A 120/240V)	$ 715.00
30 (125A 120/240V)	$ 875.00
36 (150A 120/240V)	$ 1,034.00
48 (200A 120/240V)	$ 1,353.00
54 (225A 120/240V)	$ 1,513.00
96 (400A 120/240V)	$ 2,629.00

Three Phase Service Size (KVA)

45.0	$ 1,273.00
75.0	$ 2,071.00
112.5	$ 3,067.00
150.0	$ 4,064.00
225.0	$ 6,057.00
300.0	$ 8,050.00
500.0	$13,366.00
750.0	$20,010.00
1000.0	$26,654.00
1500.0	$39,942.00

11. The sewer system impact fee is hereby amended for each building in the City based upon the size of water meter providing culinary water to the building.

12. The amount of the impact fee for sewer is $1,718.00 for single family detached residential buildings, $1,260.00 for all other residential buildings. For nonresidential building, the impact fee shall be $1,718.00 for a one inch meter, $3,338.00 for a one and one-half (1½) inch meter, $5,337.00 for a two inch meter, $12,097.00 for a three inch meter, and $20,725.00 for a four inch meter. Meter sizes over four inches will pay an impact fee based upon the annualized day demand and the net capital cost per gallon of capacity.

13. There is hereby imposed a storm water facilities impact fee in those areas identified on the map attached as an addendum hereto. The impact fee is based upon a capital cost per acre determined by the estimated cost of the specific improvements required in the specific area identified. For nonresidential users, the impact fee will be based upon the gross floor area, in 1,000 square foot increments, determined by the estimated cost of the improvements in the specific area identified.

14. The amount of the impact fee for storm water facilities is as follows:

	SE Bench	NE Bench	Westfields
	Per Housing Unit	Per Housing Unit	Per Housing Unit
Single Family Detached	$353.00	$691.00	$383.00
All Other Residential	$270.00	na	307.00
	Per 1,000 Sq. Ft.	Per 1,000 Sq. Ft.	Per 1,000 Sq.Ft.
Commercial / Shpg Ctr	$363.00	na	$367.00
Office / Institutional	$250.00	na	$267.00
Light Industrial	na	na	$301.00

15. Impact fees for storm water facilities shall be collected prior to the recording of a final plat. Buildings not in a platted subdivision shall pay the impact fee as a condition of obtaining a building permit.

16. All other impact fees are due and payable when the building permit is obtained and shall be a condition precedent to the issuance of the building permit.

17. All impact fees are in addition to any other fees and are due upon the issuance of a building permit.

18. The impact fee shall be deposited into an interest bearing ledger account and may be only used for capital improvements to the capital facility system for which the fee was collected. These improvements may include analysis costs, the construction contract price, the cost of acquiring land, improvements, materials, and fixtures, the cost for planning, surveying, and engineering fees for services provided for and directly related to the construction of the system improvements, the debt service charges incurred if the improvements are financed by bonds, notes, or other obligations

carrying debt service charges, and for the cost of issuance of any such bonds, notes or other obligations.

19. The impact fees may not be used for operation or maintenance costs for any public facilities within the City.

20. Special exceptions, waivers, or credits may be granted, in the sole discretion of the City Council, upon application in accordance with the Spanish Fork City Municipal Code Section 16.24.050.

21. In order to protect the health, safety, and welfare of the residents of the City, the impact fees identified herein shall become effective immediately.

22. These impact fees are for system improvements and in no wise repeal or rescind the water transfer required upon development, pursuant to Spanish Fork Municipal Code §13.12.010(B), to insure that an adequate supply of water exists.

SECTION II.

This ordinance shall not be part of the Municipal Code.

SECTION III.

This Ordinance shall become effective immediately upon passage.

PASSED BY THE CITY COUNCIL OF SPANISH FORK, UTAH, this 13th day of August, 2002.

Dale R. Barney

DALE R. BARNEY, Mayor

ATTEST:

Kent R. Clark

KENT R. CLARK, City Recorder

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CORPORATE SEAL OF SPANISH FORK CITY UTAH

Impact Fees Analysis

Spanish Fork, Utah

July 15, 2002

Prepared by:

Tischler & Associates, Inc.
Fiscal and Planning Consultants
Bethesda, Maryland

For comparison purposes, Spanish Fork's current impact fees are shown in Figure 1.

Figure 1 - Current Impact Fees

		Parks & Recreation	*Stormwater Facilities**	*Municipal Power***	*Water System*	*Sewer System*
Residential		Per Housing Unit				
Single Family Detached		$1,588	see below	see below	$912	$1,571
All Other (per unit)		$1,169	see below	see below	$672	$1,156
Nonresidential		Per Water Meter Size (inches)***				
	0.75				$1,004	$1,728
	1.00	*** Water and sewer impact fees for			$1,277	$2,199
	1.50	meters larger than four inches will be			$1,642	$2,827
	2.00	based on annualized average day demand			$2,646	$4,555
	3.00	and the net capital cost per gallon of			$10,035	$17,278
	4.00	capacity.			$12,772	$21,990

* *Stormwater Facilities*

	SE Bench	NE Bench	Westfields
Residential	Per Housing Unit	Per Housing Unit	Per Housing Unit
Single Family Detached	$369	$763	$385
All Other Residential	$202	na	$206
Nonresidential	Per 1,000 Sq. Ft.	Per 1,000 Sq. Ft.	Per 1,000 Sq. Ft.
Commercial / Shpg Ctr	$379	na	$369
Office / Institutional	$308	na	$321
Light Industrial	na	na	$265

** *Municipal Power Impact Fees Per Connection*

Single Phase Service Sizes (KVA)		
24	(100A 120/240V)	$499
30	(125A 120/240V)	$596
36	(150A 120/240V)	$693
48	(200A 120/240V)	$887
54	(225A 120/240V)	$984
96	(400A 120/240V)	$1,663
Three Phase Service Sizes (KVA)		
75.0		$1,323
112.5		$1,930
150.0		$2,536
225.0		$3,749
300.0		$4,962
500.0		$8,196
750.0		$12,239
1000.0		$16,282

Figure 3 - Maximum Supportable Impact Fees

	Parks & Recreation	*Stormwater Facilities**	*Municipal Power***	*Water System*	*Sewer System*	*Pressure Irrigation*
Residential	Per Housing Unit					
Single Family Detached	$2,080	see below	see below	$1,395	$1,718	$429
All Other (per unit)	$1,526	see below	see below	$1,023	$1,260	Except for SFD housing, the PI fee is based on acreage.
Nonresidential	Per Water Meter Size (inches)***					
1.00	*** Water and sewer impact fees for meters larger than four inches will be based on annualized average day demand and the net capital cost per gallon of capacity.			$1,395	$1,718	
1.50				$2,710	$3,338	
2.00				$4,334	$5,337	
3.00				$9,823	$12,097	
4.00				$16,829	$20,725	

* *Stormwater Facilities*

	SE Bench	NE Bench	Westfields
Residential	Per Housing Unit	Per Housing Unit	Per Housing Unit
Single Family Detached	$353	$691	$383
All Other Residential	$270	na	$307
Nonresidential	Per 1,000 Sq. Ft.	Per 1,000 Sq. Ft.	Per 1,000 Sq. Ft.
Commercial / Shpg Ctr	$363	na	$367
Office / Institutional	$250	na	$267
Light Industrial	na	na	$301

** *Municipal Power Impact Fees Per Connection*

Single Phase Service Sizes (KVA)	
24 (100A 120/240V)	$715
30 (125A 120/240V)	$875
36 (150A 120/240V)	$1,034
48 (200A 120/240V)	$1,353
54 (225A 120/240V)	$1,513
96 (400A 120/240V)	$2,629
Three Phase Service Sizes (KVA)	
45.0	$1,273
75.0	$2,071
112.5	$3,067
150.0	$4,064
225.0	$6,057
300.0	$8,050
500.0	$13,366
750.0	$20,010
1000.0	$26,654
1500.0	$39,942

Residential impact fees are derived for two types of housing, Single Family Detached and All Other housing units. These residential categories were determined after an evaluation of demographic data for Spanish Fork City, as shown in Figure 5. The difference in household size by type of residential development makes residential impact fees roughly proportionate and reasonably related to service demands, as required by Utah's Impact Fees Act. From 1990 to 2000, census data indicates that the average household size increased in Spanish Fork from 3.45 to 3.59 persons per household. Detailed data by units in structure for 2000 is not yet available.

Figure 5 - Persons Per Household

1990 Detailed Data by Units in Structure

	Owner-Occupied			*Renter-Occupied*			*Combined*			Hsg
	Persons	Hsehlds	PPH	Persons	Hsehlds	PPH	Persons	Hsehlds	PPH	Units
1-Detached	8,184	2,272	3.60	1,312	335	3.92	9,496	2,607	3.64	2,675
1-Attached	95	29	3.28	69	25	2.76	164	54	3.04	56
Two	92	30	3.07	468	176	2.66	560	206	2.72	224
3-4	17	4	4.25	537	199	2.70	554	203	2.73	208
5-9	0	0		115	53	2.17	115	53	2.17	55
10-19	0	0		82	41	2.00	82	41	2.00	50
Mobile Homes	144	49	2.94	12	7	1.71	156	56	2.79	58
Other	59	17	3.47	46	18	2.56	105	35	3.00	37
Total	8,591	2,401	3.58	2,641	854	3.09	11,232	3,255	3.45	3,363
								Vacant HU		108
								Vacancy Rate		3.21%

Source: 1990 US Census data from STF1A.

Persons Per Household by Type in 1990

	Persons	Hsehlds	PPH	Hhld Mix
Single Family Detached	9,496	2,607	3.64	80%
All Other Residential	1,736	648	2.68	20%

2000 Aggregate Data

	Persons	Hsehlds	PPH	Hsg Units
Total	19,846	5,534	3.59	5,808
		Vacant HU		274
		Vacancy Rate		4.72%

Persons Per Household by Type in 2000

	Persons	Hsehlds	PPH	Hhld Mix
Single Family Detached	16,779	4,432	3.79	80%
All Other Residential	3,067	1,102	2.78	20%
Group Quarters	400			
Total	20,246			

An inventory of existing improvements at Spanish Fork parks is shown in Figure 7. The inventory only includes major parks that have a citywide service area. Other City parks excluded from the list, such as Abbie Court and Canyon School, may be added to the inventory as they are expanded and further improved. At the bottom of this table is a unit price for each type of improvement, as provided by staff. The inventory of improvements was multiplied by the respective unit price to yield a current replacement cost of approximately $8.2 million. The column labeled "Miscellaneous" accounts for numerous minor improvements that make a significant cumulative contribution to the construction cost of a park. These miscellaneous improvements are discussed further below. On a per capita basis, the City's current LOS is $358 per person for park and recreation improvements.

Figure 7 – Park Improvements

Park/Facility	Ball Field	Field Lighting	Miscellaneous (based on acreage)	Playground Equipment	Restrooms or Shelters	Soccer/ Football	Tennis/ Basketball	Total Improvements
Ball Parks Complex	6	5	20.2		1			$2,310,600
Bradford Addition (21 acres undeveloped)								$0
Canyon View	1		25.0	1	4			$992,500
Centennial Park			10.0	1	1	4		$562,500
City Library Park			3.1	1				$124,300
East (Skate) Park	1		7.5					$285,000
Fairgrounds			15.6		1		4	$633,800
North Park	2		14.9	1	2			$694,700
Sports Park (48 acres undeveloped)	4	5	25.0		2	1	6	$2,618,000
Total	14	10	121.3	4	11	5	10	$8,221,400
Cost per Unit	$75,000	$250,000	$28,000	$37,500	$45,000	$50,000	$38,000	
Current Value	$1,050,000	$2,500,000	$3,396,400	$150,000	$495,000	$250,000	$380,000	

Level of Service Standards

		2002	2010
	Spanish Fork City Population	22,938	32,512
Total Park Acres=	190.3	Total Park Acres per 1,000 Population in 2010	5.9
Total Improved Acres=	121.3	Improved Acres per 1,000 Population in 2002	5.3
		Improvements Cost Per Acre (rounded)	$67,800
		Improvements Cost Per Capita	$358

LOS standards used in the park impact fee calculations are shown in the boxed area of Figure 10. The cost of land is conservatively based on the historical cost of approximately $25,000 per acre for parkland. The cost recovery component for parkland is derived using a standard of 5.9 acres per 1,000 residents. These two factors yield a per capita cost of $147 for parkland.

Because Utah's Impact Fees Act requires each local political subdivision to identify the relative extent to which newly developed properties have already contributed to the cost of existing public facilities, TA recommends that the maximum supportable impact fees for parks and recreation reflect a 6% reduction for past contributions to the cost of public facilities.

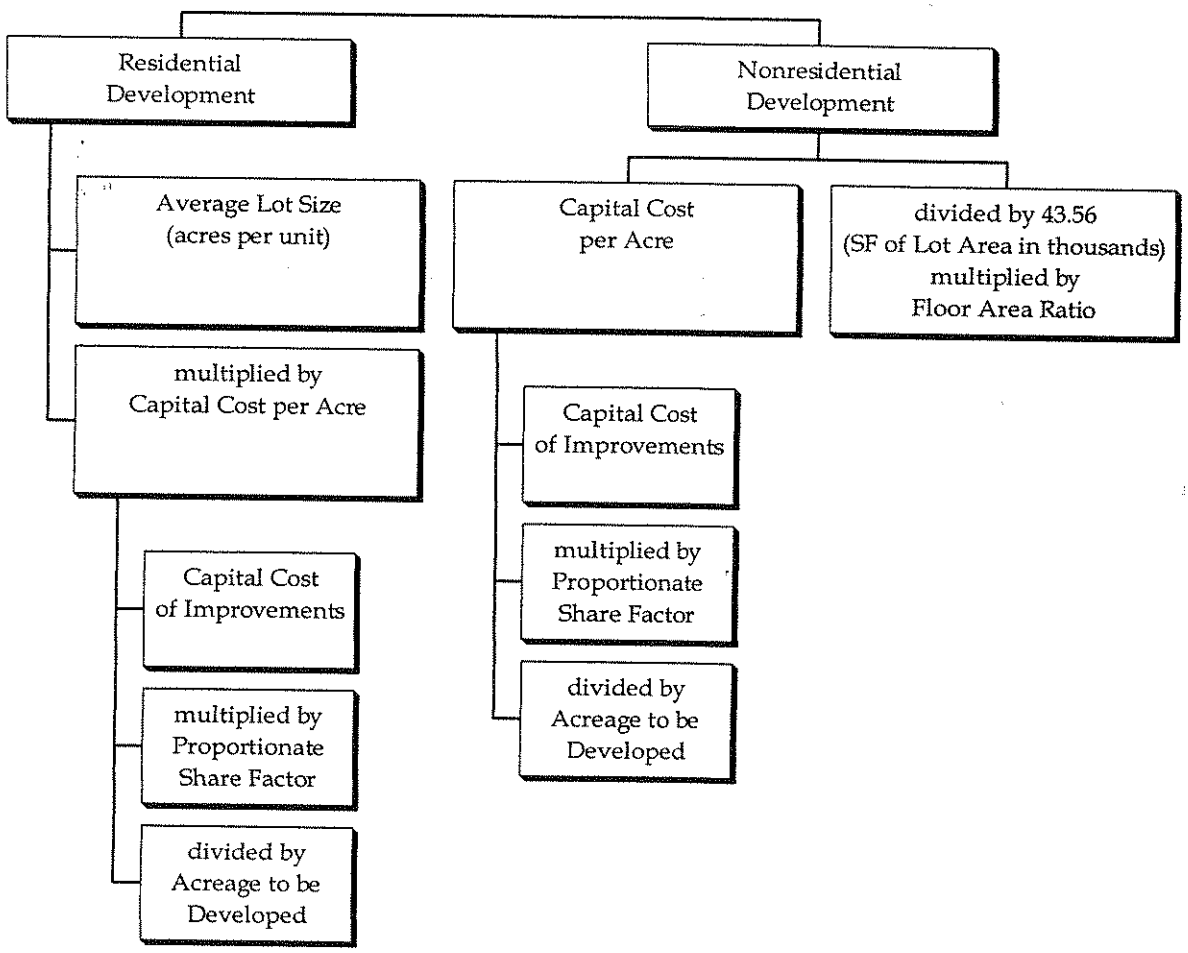
Figure 10 - Parks & Recreation Impact Fee

	Standards:
Persons Per Household	
Single Family Detached	3.79
All Other Residential	2.78
Level Of Service	
Park Acres per 1,000 Population	5.9
Park Land Cost per Acre	$25,000
Park Land Cost per Person	$147
Park Improvements Cost per Person	$358
Swimming Pool Cost per Person	$79
Debt Credit Per Capita (not applicable)	$0
Net Capital Cost Per Capita	$584
Reduction for General Fund Contributions	6%
Maximum Supportable Impact Fee	
Residential	Per Housing Unit
Single Family Detached	$2,080
All Other Residential	$1,526

Stormwater

Impact fees for stormwater facilities were derived using a plan-based methodology. A build out analysis was used to calculate the impact fees, not just the planned expenditures over the next six years. As shown in Figure 13, the capital cost of improvements was multiplied by proportionate share factors for each type of land use, and then divided by the amount of land area by type of land use. Residential fees per housing unit are based on an average lot size of 3.5 units per acre for Single Family Detached units and 8 units per acre for All Other types of housing. The capital cost per acre for nonresidential development was converted to a fee per 1,000 square feet (KSF) using an average Floor Area Ratio (FAR) of 0.25. Nonresidential fees based on floor area are preferred to per acre fees because they increase or decrease according to the intensity of an individual development.

Figure 13 - Stormwater Facilities Methodology Chart



The City's long-range need for stormwater improvements is shown in Figure 15. In the East Bench area, the City will primarily construct retention basins that will also be used as neighborhood parks. In the Westfields drainage basin, the topography and soils necessitate the construction of storm sewers. The table below indicates the cost of stormwater facilities needed to accommodate build out of Spanish Fork City. The Central City outfall line is excluded from the impact fee calculations because this project will serve existing development in the core area of Spanish Fork.

Figure 15 - Stormwater Facilities Needed to Accommodate Build Out

Major Basin	*Area # or Location*	*Retention Basin Acres*	*Basin Cost Per Acre*	*Total Cost*
SE Bench	2 - Woodside/Abbey	2.0	$121,025	$242,050
SE Bench	3 - Canyon Elem Sch	5.0	$39,498	$197,489
SE Bench	4 - Parkside	1.3	$140,125	$182,163
SE Bench	5 - 2100 E 750 S	3.0	$116,667	$350,000
SE Bench	7 - Jex expansion	3.0	$116,667	$350,000
SE Bench	Storm Drain - 1100 E to river			$650,000
SE Bench	Storm Drain - 1240 S 1400 E to 1700 E			$50,000
SE Bench Subtotal				$2,021,702
NE Bench	10	3.5	$124,270	$434,945
NE Bench	11	3.5	$124,270	$434,945
NE Bench	12	4.0	$124,270	$497,080
NE Bench	13	1.5	$124,270	$186,405
NE Bench	14	10.0	$124,270	$1,242,700
NE Bench	Storm Drain - Expressway Ln to 1100 E			$375,000
NE Bench Subtotal				$3,171,075
Westfields	Outfall Line - 400 N from 300 W to I-15			$285,000
Westfields	I-15 Outfall Line - 100 S to 200 N			$120,000
Westfields	Wetland - North Drain			$50,000
Westfields	Outfall Line - 100 S to River			$300,800
Westfields	Outfall Line - 630 W 400 N			$32,000
Westfields Subtotal				$787,800
Central City	Outfall Line (excluded from impact fees)			$1,870,000
Grand Total				$7,850,577

The cost of stormwater facilities was converted to a capital cost per acre using the data shown below in Figure 16. For each drainage basin, City staff used Spanish Fork's Geographic Information System (GIS) to measure the ultimate land use acreage, as shown in the General Plan Map. Proportionate share factors were derived from the amount of impervious acreage for each impact fee category.

The factors used to derive the stormwater facilities impact fees are summarized in the boxed areas of Figure 17. Residential impact fees per housing unit are based on average lot sizes, expressed in acres per unit. For single-family detached units, the average density for new development in Spanish Fork is 3.5 units per gross acre. For All Other types of housing, the average density is 8 units per gross acre. The Impact Fee for nonresidential development is expressed per thousand square feet (KSF) of gross floor area. The capital cost per acre for stormwater facilities was converted to an impact fee per KSF using an average floor area ratio of 0.25. The City does not have any outstanding bonded debt related to the construction of stormwater facilities. Therefore, a credit for bond financing is not applicable for this type of impact fee.

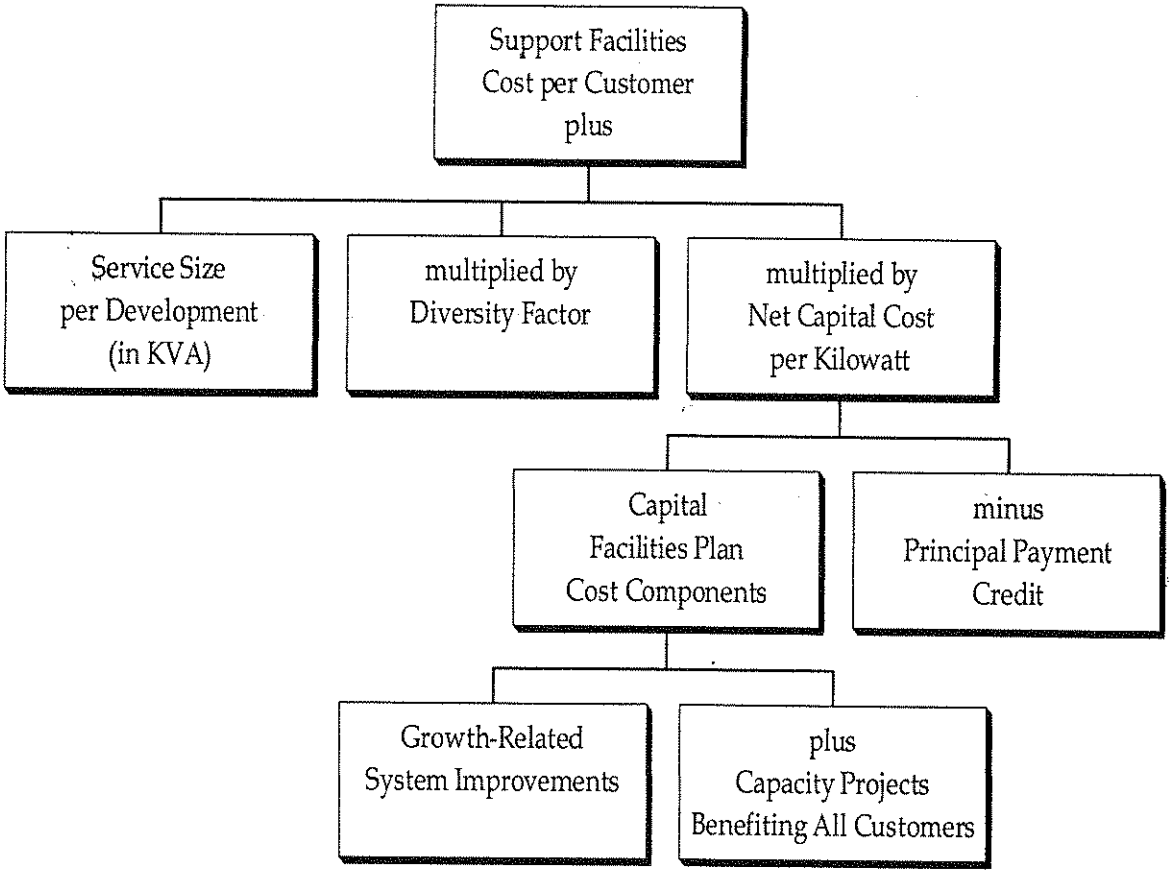
Figure 17 - Stormwater Facilities Impact Fee

	SE Bench	NE Bench	Westfields
Gross Acreage per Housing Unit			
Single Family Detached	0.286	0.286	0.286
All Other Residential	0.125	0.125	0.125
Nonresidential Floor Area Ratio			
Commercial / Shpg Ctr	0.25	0.25	0.25
Office / Institutional	0.25	0.25	0.25
Light Industrial	0.25	0.25	0.25
Level Of Service (capital cost per acre)			
Single Family Detached	$1,237	$2,419	$1,339
All Other Residential	$2,163	na	$2,457
Commercial / Shpg Ctr	$3,954	na	$3,992
Office / Institutional	$2,719	na	$2,903
Light Industrial	na	na	$3,276
Maximum Supportable Impact Fee			
	Per Housing Unit	Per Housing Unit	Per Housing Unit
Single Family Detached	$353	$691	$383
All Other Residential	$270	na	$307
	Per 1,000 Sq. Ft.	Per 1,000 Sq. Ft.	Per 1,000 Sq. Ft.
Commercial / Shpg Ctr	$363	na	$367
Office / Institutional	$250	na	$267
Light Industrial	na	na	$301

Municipal Power

Impact fees for Municipal Power are based on both cost recovery and plan-based methodologies. The cost recovery component is for support facilities used by the municipal power system. The plan-based cost component increases according to the required service size of a new development. Service size is multiplied by a Diversity Factor to adjust peak electric demand to average demand. A net capital cost per kilowatt of capacity has been determined using the Capital Facilities Plan for municipal power. The impact fee methodology includes a principal payment credit for existing electric utility bonds. Figure 20 graphically depicts the municipal power impact fee methodology.

Figure 20 - Municipal Power Methodology Chart



Most of the capital costs in the municipal power Capital Facilities Plan (CFP) are for growth-related projects. As shown in Figure 22, the City anticipates the need for approximately $1.5 million in growth-related system improvements. The cost of these projects was divided by the increase in peak demand from the base year (FY02) to the end of the CFP (FY08). This marginal cost approach allocates the capital cost of growth-related projects to the new development that will be served by the improvements. The resulting LOS standard is $155.36 per kilowatt of additional demand on the municipal power system.

The CFP also designates Capacity Projects Benefiting All Customers. These projects add capacity and provide increased reliability that benefits the existing customer base. The cost of Capacity Projects Benefiting All Customers was divided by the cumulative system capacity at the end of the CFP time frame to yield a LOS standard of $1.03 per kilowatt.

Figure 22 - Municipal Power Capital Facilities Plan Summary

	Fiscal Year=>	02-03	03-04	04-05	05-06	06-07	07-08	TOTAL
Growth-Related Projects								
1	138:46 kV Substation - Dry Creek	$95,000						$95,000
2	12 kV Line 3300 N 600W to 2700 N 200E	$105,000						$105,000
3	46 kV Line 1100 E - 1100 N to 2700 N		$90,000					$90,000
4	12 kV Tie Line North Feeder to 2700 N 200 E		$110,000					$110,000
5	46 kV Line 2700 N 100 E to 1000 N 300 W		$145,000					$145,000
6	46:12 kV 10 MVA Distribution Substation			$600,000				$600,000
7	12 kV Tie Line Canyon to Riverbottoms Rd				$85,000			$85,000
8	12 kV Tie Line 900 W - 100 S to 300 N				$30,000			$30,000
9	12 k V Line Extension 180 S - 1550 E to 2550 E				$42,000			$42,000
10	12 kV Tie Line Riverbottoms to Scenic Dr				$15,000			$15,000
11	12 kV Line Extension 400 N - 1200 E to 1750 E					$35,000		$35,000
12	12 kV Main St - 2700 N to 3200 N to 400 W					$155,000		$155,000
13								$0
	Subtotal	$200,000	$345,000	$600,000	$172,000	$190,000	$0	$1,507,000
	Additional System Demand (peak KW) After Improvements							9,700
	Capital Cost per Kilowatt							**$155.36**
Capacity Projects Benefiting All Customers								
1	4 to 12 kV Line Upgrade - Riverbottoms Rd		$25,000					$25,000
2	SCADA Upgrade Reclosers - Fiber		$20,000					$20,000
3								$0
	Subtotal	$0	$45,000	$0	$0	$0	$0	$45,000
	Total System Demand (peak KW) After Improvements							43,400
	Capital Cost per Kilowatt							**$1.03**
	TOTAL	$200,000	$390,000	$600,000	$172,000	$190,000	$0	$1,552,000

Figure 24 lists municipal power system support facilities that can accommodate projected customers through the year 2008. The electric utility's inventory of buildings and land has an original City cost of $776,263. The electric utility was assigned approximately 22.5% of the original City cost of the Thurber Building. A Level Of Service (LOS) standard of $78 per customer was derived by dividing the cost of the municipal power system support facilities by the number of customers expected in 2008. Support facilities are separate from the other cost recovery projects because their cost is allocated equally to all customers and does not vary by service size.

Figure 24 - Municipal Power Support Facilities

Municipal Power Support Facilities	*Original City Cost*
Thurber Building (22.5%)	$304,860
Shop	$437,093
Land	$34,310
TOTAL	$776,263
Projected Electric Customers in 2008	9,870
Average Cost Per Customer	$78

Spanish Fork's municipal power impact fee methodology includes a principal payment credit for existing electric utility bonds. As shown in Figure 25, the annual principal payments were divided by the municipal power system demand (peak kilowatts). The annual principal payments per kilowatt were used in a net present value calculation, at a 6% annual discount rate, to account for the time-value of these future payments. The resulting credit of $13.94 per kilowatt was deducted from the capital cost of municipal power improvements.

Figure 25 - Municipal Power Principal Payment Credit

FY	*Principal Payments*	*System Capacity (in Kilowatts)*	*Principal Payment Per Kilowatt*
2003	$99,000	35,300	$2.80
2004	$103,400	36,900	$2.80
2005	$108,900	38,600	$2.82
2006	$114,400	40,200	$2.85
2007	$119,900	41,800	$2.87
2008	$125,400	43,400	$2.89
		Total	$17.03
		Discount Rate	6.00%
		Net Present Value	**$13.94**

As shown in Figure 27, potential electrical demand based on service size is over ten times the actual peak demand for municipal power. Potential demand from residential development is based on the number of residential connections and an average service size of 24 KVA. The average service size for commercial customers is based on an Equivalent Residential Connection (ERC) multiplier of 8.50. This multiplier was determined by dividing the average daily demand per commercial customer (i.e., 180 KWH/day) by the average daily demand per residential customer (i.e., 21 KWH/day as shown in Figure 26 above). The potential demand from Large Power customers was derived by dividing the average daily demand, in kilowatt-hours, by the number of hours in a typical workday. This is a conservative approach because the large power users in Spanish Fork normally operate more than eight hours per day. The actual peak hour demand in 2001 of 32,102 KW was divided by the total potential demand of 349,954 KW to yield the diversity factor of 9.17%.

Figure 27 - Municipal Power Diversity Factor

Potential Demand Based on Service Size		
Residential Connections in CY 2001	6,166	
Average Service Size (KVA)	24	
Subtotal		147,980
Commercial Connections in CY 2001	914	
ERC Multiplier*	8.50	
Average Service Size (KVA)	204	
Subtotal		186,456
Large Power Averge Daily Demand (KWH)	124,146	
Hours Per Work Day	8	
Subtotal		15,518
Total Potential KW		349,954
Actual Peak Hour Demand (KW)		32,102
Diversity Factor		**9.17%**

* Equivalent Residential Connection derived from average KWH per day per connection.

Projected cash flow for municipal power impact fees is shown in Figure 29. Impact fee revenue is expected to average $565,000 per year. Projected capital costs for the municipal power CFP and debt service is approximately $450,000 per year. The projected annual revenue surplus will decline over time as the City identifies additional capital projects in years 2006 through 2008. Also, impact fee revenue will reimburse the City for past over sizing of system improvements such as the Dry Creek Substation.

Figure 29 – Cash Flow Summary for Municipal Power

Spanish Fork, Utah	Year =>	1	2	3	4	5	6	Cumulative	Average
(Constant $ in thousands)	2002	2003	2004	2005	2006	2007	2008	Total	Annual
REVENUES									
8 Mun Pwr Fee - Res		$250	$250	$250	$250	$250	$250	$1,501	$250
9 Mun Pwr Fee - NonRes		$315	$314	$314	$314	$314	$314	$1,887	$314
Munic Power Fees Subtotal		$565	$565	$565	$565	$565	$565	$3,387	$565
CAPITAL COSTS									
Municipal Power CFP		$200	$390	$600	$172	$190	$0	$1,552	$259
Mun Pwr Debt Service		$191	$191	$192	$192	$192	$192	$1,151	$192
Municipal Power Subtotal		$391	$581	$792	$364	$382	$192	$2,703	$450
NET CAPITAL FACILITIES CASH FLOW - MUNICIPAL POWER									
Annual Surplus or (Deficit)		$174	($16)	($227)	$200	$182	$372	$685	$114
Cumulative Surplus or (Deficit)	$353	$527	$510	$283	$483	$666	$1,038		

Water use for residential and nonresidential customers was determined using data from the City's billing records. The number of water connections and average daily water use for residential and nonresidential development is shown in Figure 31. The Level Of Service (LOS) standard of 111 gallons per capita per day was used to derive the culinary water impact fee for Spanish Fork. Although lower than historical water use, this standard is consistent with the State requirement for indoor water use and should reflect future demand after installation of the City's pressure irrigation system.

Figure 31 - Culinary Water Demand Factors

	Gallons Per Day		*Customers in 2001*		*Gallons Per Day Per Customer*	*Gallons Per Capita Per Day**
Residential	2,254,200	71%	5,636	94%	400	111
Nonresidential	932,858	29%	336	6%	2,777	
TOTAL	3,187,058		5,971			

* Based on an average household size of 3.59 persons.

The residential and nonresidential demand factors discussed above were multiplied by projected development in Spanish Fork to yield the annual water demand data shown in Figure 32. Water use over the past six years, as shown below, is based on indoor water use, not actual data from water billing records.

Figure 32 - Annual Water System Demand

Year		FY	Million Gallons Per Day (average)
past 6	1996	95-96	2.42
past 5	1997	96-97	2.61
past 4	1998	97-98	2.80
past 3	1999	98-99	2.98
past 2	2000	99-00	3.17
past 1	2001	00-01	3.36
Current	2002	01-02	3.54
future 1	2003	02-03	3.73
future 2	2004	03-04	3.91
future 3	2005	04-05	4.10
future 4	2006	05-06	4.29
future 5	2007	06-07	4.47
future 6	2008	07-08	4.66

In addition to the plan-based cost components, the culinary water impact fee includes a cost recovery component based on system improvements constructed within the past six years. Figure 34 lists projects with an original cost of approximately $1.12 million. This cost was allocated to the culinary water system capacity in crease of 1,116,800 gallons per day from 1996 to 2002.

Figure 34 – Culinary Water Cost Recovery

	Fiscal Year=>	96-97	97-98	98-99	99-00	00-01	01-02	TOTAL
System Improvements Oversized to Accommodate New Development								
1	Crab Creek Line				$1,909,998			$1,909,998
2	South East Well					$75,000		$75,000
3	Fritzi Well Filter						$150,000	$150,000
	Subtotal	$0	$0	$0	$1,909,998	$75,000	$150,000	$2,134,998
	Additional System Capacity After Improvements (gallons/day)							1,116,890
	Capital Cost per Gallon of Capacity							**$1.91**

Spanish Fork City has debt obligations for water system improvements. As shown in Figure 35, annual principal payments were divided by the projected average daily water demand to yield annual principal payments per gallon of capacity. To account for the time value of money, a net present value calculation was used at an annual discount rate 6%, to derive the credit of $0.31 per gallon of average daily water demand.

Figure 35 – Culinary Water Principal Payment Credit

FY	*Principal Payment*	*Water Demand (gallons)*	*Principal Payment Per Gallon*
2003	$330,660	3,727,577	$0.09
2004	$346,905	3,913,725	$0.09
2005	$334,238	4,099,873	$0.08
2006	$159,665	4,286,021	$0.04
2007	$167,193	4,472,169	$0.04
2008	$172,828	4,658,316	$0.04
		Total	$0.37
		Discount Rate	6.00%
		Net Present Value	**$0.31**

Figure 37 summarizes projected impact fee revenue and expenditures for culinary water over the next six years. Culinary water fees should yield average annual revenue of approximately $544,000. Annual capital cost for both the CFP and water system debt service averages $681,000 per year. Annual deficits can be deducted from the fund balance of approximately $814,000 (as of the end of FY01).

Figure 37 – Cash Flow Summary for Culinary Water

Spanish Fork, Utah	Year =>	1	2	3	4	5	6	Cumulative	Average
(Constant $ in thousands)	2002	2003	2004	2005	2006	2007	2008	Total	Annual
REVENUES									
10 Water Fee - SFD		$390	$390	$390	$390	$390	$390	$2,343	$390
11 Water Fee - Other Res		$72	$72	$72	$72	$72	$72	$430	$72
12 Water Fee - Nonres		$82	$82	$82	$82	$82	$82	$494	$82
Water Fee Subtotal		$544	$544	$544	$544	$544	$544	$3,267	$544
CAPITAL COSTS									
Water Sys CFP		$280	$360	$60	$410	$1,000	$0	$2,110	$352
Water Sys Debt Service		$441	$443	$414	$225	$227	$227	$1,976	$329
Culinary Water Subtotal		$721	$803	$474	$635	$1,227	$227	$4,086	$681
NET CAPITAL FACILITIES CASH FLOW - WATER									
Annual Surplus or (Deficit)		($176)	($258)	$70	($90)	($683)	$317	($820)	($137)
Cumulative Surplus or (Deficit)	$814	$638	$380	$450	$359	($323)	($6)		

Figure 39 - Wastewater Average Daily Demand Factors

	Gallons Per Day		*Customers*		*Gallons Per Day Per Customer*	*Gallons Per Capita Per Day**
Residential	2,015,300	79%	5,350	95%	377	105
Nonresidential	536,200	21%	277	5%	1,936	
TOTAL	2,551,500		5,627			

* Based on an average household size of 3.59 persons.

The residential and nonresidential wastewater generation rates discussed above were multiplied by projected development in Spanish Fork to yield the annual wastewater demand data shown in Figure 40. The projected number of nonresidential connections was determined by the 2001 ratio of jobs in Spanish Fork to nonresidential sewer connections. Average daily sewer demand for the past six years is also based on the above sewer demand factors, not actual historical flow data. Because of the City's success in reducing stormwater and groundwater infiltration into the sanitary sewer system, actual flows into the wastewater treatment plant have been relatively constant over the past six years.

Figure 40 - Projected Annual Sewer System Demand

Year		*FY*	*Million Gallons Per Day (average)*
past 6	1996	95-96	2.04
past 5	1997	96-97	2.19
past 4	1998	97-98	2.35
past 3	1999	98-99	2.51
past 2	2000	99-00	2.66
past 1	2001	00-01	2.82
Current	2002	01-02	2.97
future 1	2003	02-03	3.13
future 2	2004	03-04	3.29
future 3	2005	04-05	3.44
future 4	2006	05-06	3.60
future 5	2007	06-07	3.75
future 6	2008	07-08	3.91

The LOS standards used to derive the sewer system impact fee are shown in the boxed area of Figure 43. Nonresidential fees are based on water meter sizes and their capacity relative to a one-inch meter. Capacity ratios convert the single-family impact fee into a proportionate for larger meter sizes. The capacity ratios by meter size are from the American Water Works Association.

Even though Spanish Fork plans to bond finance the $2.3 million expansion of the wastewater treatment plant in 2003, the City intends to make debt service payments from impact fee revenue. Utah's Impact Fees Act states, "each local political subdivision may include ... 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 cost of the system improvements." [See 11-36-202(1)(c)(iv)] If impact fee revenue is the sole funding for the debt service payments, a credit for other revenue sources is not needed.

Figure 43 - Sewer System Impact Fee

			Standards:
Persons Per Household			
Single Family Detached			3.79
All Other Residential			2.78
Level Of Service			
Gallons per Person per Day			105
Growth-Related CFP Cost per Gallon			$2.62
Cost Recovery per Gallon for Oversizing			$1.70
Credit per Gallon (not applicable)			$0.00
Net Capital Cost Per Gallon of Capacity			$4.32
Maximum Supportable Impact Fee			
Residential			Per Housing Unit
Single Family Detached			$1,718
All Other Residential			$1,260
Nonresidential			Per Meter
Meter Size (inches) and Type*		*Capacity Ratio*	
1.000	Displacement	1.0	$1,718
1.500	Displacement	1.9	$3,338
2.000	Displacement	3.1	$5,337
3.000	Turbine	7.0	$12,097
4.000	Turbine	12.1	$20,725

* Impact Fees for meters larger than four inches will be based on annualized average day demand and the net capital cost per gallon of capacity.

Pressure Irrigation

Spanish Fork City is in the process of dividing its water system into separate culinary water and pressure irrigation systems. The culinary system will deliver high quality water for indoor use while the pressure irrigation system provides lower quality water for outdoor irrigation. Thus the pressure irrigation system greatly reduces the need to expand the culinary water system. Without the pressure irrigation system, the culinary water impact fee would be significantly higher. Major pressure irrigation system improvements and the ultimate service area are shown in Figure 45.

Figure 45 – Pressure Irrigation Service Area Map With Major Improvements

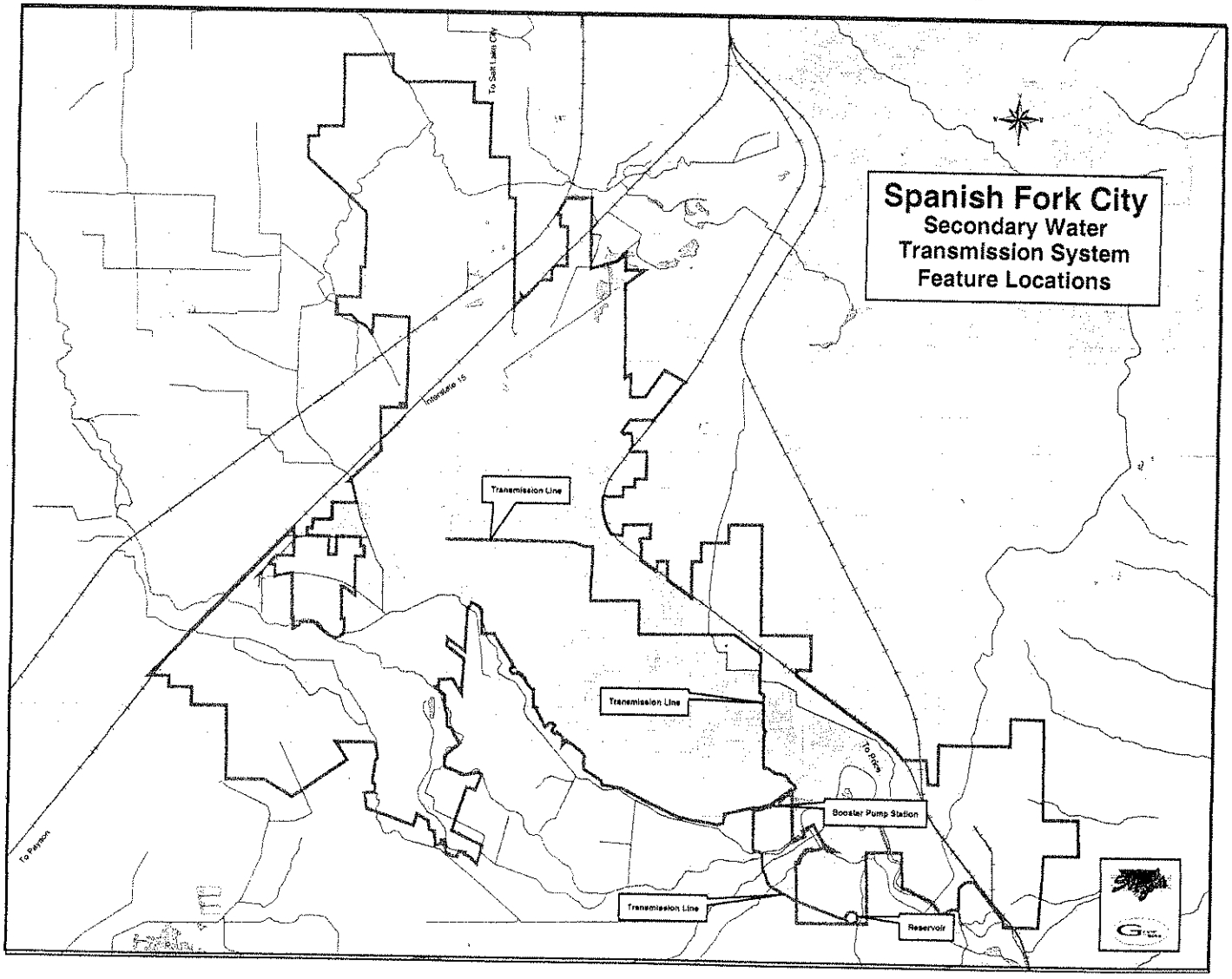


Figure 47 – Pressure Irrigation Capital Costs

System Improvements Sized for Citywide Service

Description	*Projected Cost*
Reservoir	$2,800,000
36" Transmission Line	$3,467,337
Booster Pumps	$850,000
Total	$7,117,337
Less State Grant	$3,467,337
City Cost	$3,650,000

System Improvements Sized for Initial Service Area

Description	*Projected Cost*
Pipe Bid	$733,923
Phase I	$1,454,745
Phase II	$898,279
Phase III	$1,179,770
Phase IV	$1,276,649
Two New Wells	$1,000,000
Olson Well	$400,000
Shop Well Filters	$150,000
Cementery Well Building	$35,000
GAC Building Booster Pumps	$75,000
Schools & Parks SCADA	$400,000
Meters and Installation	$928,617
SR 198 PI System	$282,732
North Main St System	$196,893
Telemetry	$120,000
Design	$251,725
Inspection/Constr Mgmt	$375,000
Total	$9,758,333
Less State Grant	$1,532,663
City Cost	$8,225,670
Total Project Cost	$16,875,670
Total City Cost	$11,875,670

Following a similar approach to that used in the stormwater facilities impact fee, Spanish Fork will allocate the capital cost of the pressure irrigation system to the land area served by the improvements. Figure 48 is divided into two sections, with citywide system improvements shown at the top of the table and system improvements sized for the initial service area shown at the bottom. Weighting factors, representing the percentage of irrigated land area, are used to derive proportionate share factors by type of land use. The net capital cost amounts are from the previous table.

A $480 credit per customer for future principal payments on the pressure irrigation system bond is shown in Figure 49. The number of pressure irrigation customers is equal to the number of culinary water customers in 2001 plus a projected increase of 350 customers per year. The net present value of future annual payments assumes a discount rate of 6%, which is approximately equal to the interest rate on the pressure irrigation bond.

Figure 49 - Pressure Irrigation Principal Payment Credit

FY	*Principal Payment*	*Pressure Irrigation Customers*	*Principal Payment Per Customer*
2003	$0	6,671	$0
2004	$860,000	7,021	$122
2005	$895,000	7,371	$121
2006	$930,000	7,721	$120
2007	$970,000	8,071	$120
2008	$1,005,000	8,421	$119
		Total	$604
		Discount Rate	6.00%
		Net Present Value	**$480**

The cash flow summary for pressure irrigation is shown in Figure 51. The impact fee revenue projection is conservatively based solely on fees anticipated from single-family detached housing. Pressure irrigation impact fee revenue is projected to average $120,000 per year. Starting in 2004, Spanish Fork will begin to make debt service payments of approximately $1.65 million per year on the bond used to construct the pressure irrigation system. User charges on pressure irrigation customers will fund the balance of the debt service payments.

Figure 51 – Cash Flow Summary for Pressure Irrigation

Spanish Fork, Utah	1	2	3	4	5	6	Cumulative	Average
(Constant $ in thousands)	2003	2004	2005	2006	2007	2008	Total	Annual
REVENUES								
Pressure Irrig Fee - SFD	$120	$120	$120	$120	$120	$120	$720	$120
CAPITAL COSTS								
Pres Irrig CFP							$0	$0
Pres Irrig Debt Service	$0	$1,654	$1,654	$1,653	$1,656	$1,652	$8,269	$1,378
Pressure Irrigation Subtotal	$0	$1,654	$1,654	$1,653	$1,656	$1,652	$8,269	$1,378
NET CAPITAL FACILITIES CASH FLOW - PRESSURE IRRIGATION								
Annual Surplus or (Deficit)	$120	($1,533)	($1,534)	($1,533)	($1,536)	($1,532)	($7,549)	($1,258)
Cumulative Surplus or (Deficit)	$120	($1,413)	($2,947)	($4,481)	($6,017)	($7,549)		

credits will be available for system improvements identified in the Capital Facilities Plans.

6) Citywide service areas are appropriate for the types of public facilities included in the impact fees study, except for stormwater facilities. Separate geographic zones for the collection and expenditure of stormwater impact fees are recommended in Spanish Fork. Extraordinary costs, if any, in servicing the newly developed properties will be addressed through administrative procedures that allow independent studies to be submitted to the City, as discussed in the Implementation and Administration section of this report.

7) The time-price differential inherent in fair comparisons of amounts paid at different times has been addressed in the evaluation of debt service credits for each type of impact fee. All costs in the impact fee calculations are given in current dollars with no assumed inflation rate over time. Necessary cost adjustments can be made as part of the periodic evaluation and update of impact fees.

2002 - Impact Fee

Proof of Publication

AN ORDINANCE ENACTING THE IMPACT FEES OF SPANISH FORK CITY

Spanish Fork City has adopted new impact fees. A summary of the fees for single family residence follows. The complete ordinance is available for inspection at the city office building, 40 South Main.

SECTION I.

The culinary water impact fee is $1,395.00. The pressurized irrigation impact fee is $429.00. The recreational facility impact fee is $2,080.00 per single family detached residential dwelling. The municipal power impact fee is as follows:

Single Phase Service Size (KVA)

24 (100A 120/240V) $715.00

30 (125A 120/240V) $875.00

36 (150A 120/240V) $1,034.00

48 (200A 120/240V) $1,353.00

54 (225A 120/240V) $1,513.00

96 (400A 120/240V) $2,629.00

The sewer system impact fee is $1,718.00 for single family detached residential buildings. The storm water facilities impact fee is as follows for single family detached residential buildings:

SE Bench $353 per housing unit

NE Bench $691 per housing unit

Westfields $383 per housing unit

PASSED AND ORDERED PUBLISHED BY THE CITY COUNCIL OF SPANISH FORK, UTAH, August 13, 2002.

Published in the Spanish Fork Press August 22, 2002.

I Steve Hardman being first duly sworn according to law, disposes and says that he is the General Manager of ***THE SPANISH FORK PRESS,*** a weekly newspaper printed and published at Spanish Fork, Utah County, Utah and of general circulation therein; that the Notice, a copy of which is hereto attached, was printed and published in said paper

for consecutive 1 weeks,

the first publication on the 22 day

of August 2002

And the last on the 22 day

of August 2002

Steve

DEBBIE L. CHANDLER
NOTARY PUBLIC • STATE of UTAH
341 SOUTH 300 EAST
SPANISH FORK, UT 84660
COMM. EXP. 5-18-2005

Subscribed and sworn to before me this 23rd day of August 2002

Debbie L Chandler

Notary Public