
**DRAPER CITY, UTAH
PARKS AND TRAILS IMPACT FEE ANALYSIS**

**PUBLIC HEARING DRAFT
March, 2016**

Prepared for:
DRAPER CITY, UTAH

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By:
**PLANNING AND DEVELOPMENT SERVICES LLC
SALT LAKE CITY, UTAH
(801) 277-4435
pds@utahplanning.com**

WRITTEN CERTIFICATION

As required by Section 11-36a-306(1) Utah Code Annotated, 1953, as amended.

I certify that this Parks and Trails Impact Fee Analysis:

1. Includes only the costs of public facilities that are:
 - a. allowed under the Impact Fees Act; and
 - b. actually incurred; or
 - c. projected to be incurred or encumbered within six years after the day on which each impact fee is paid;
2. Does not include:
 - a. costs of operation and maintenance of public facilities;
 - b. costs for qualifying public facilities that will raise the level of service for the facilities, through impact fees, above the level of service that is supported by existing residents; or
 - c. an expense for overhead, unless the expense is calculated pursuant to a methodology that is consistent with generally accepted cost accounting practices and the methodological standards set forth by the federal Office of Management and Budget for federal grant reimbursement;
3. Offsets costs with grants or other alternate sources of payment; and
4. Complies in each and every relevant respect with the Utah Impact Fees Act.

Bruce Parker, AICP
Principal, Planning and Development Services LLC

INTRODUCTION

The Draper City Parks and Trails Impact Fee Facilities Plan 2015 – 2030 established that existing Parks and Trails are provided by the City at a total Level of Service (“LOS”) of \$1,309.09 per City resident.¹ This LOS excluded all contributions from non-City sources to provide Parks and Trails. At the existing Parks and Trails LOS no excess service capacities are available to meet the “service demands and needs” of any new City residents (§11-36a-102[15], Utah Code Annotated, 1953, as amended).

As allowed by Title 11 Chapter 36a *et. seq.* Utah Code Annotated, 1953, as amended (“UCA”) a local political subdivision of the State of Utah (any municipality including Draper City) may impose an impact fee as a funding option to provide certain public facilities (§11-36a-102[16], UCA). “Parks, recreation facilities, open space, and trails” may be provided to meet the needs “development activity” (§11-36a-102[16][f] and §11-36a-102[3]). Impact fee revenues to fund Parks and Trails may only be allowed if the required Impact Fee Analysis complies with all §11-36a *et. seq.* UCA standards. These include demonstrating a proportionate share of the costs to provide the required public facilities and “the service demands and needs of any development activity” (§11-36a-102[15]).

For the purposes of this Impact Fee Analysis a development activity is as defined by §11-36a-102[3], UCA.² Table 1 contains Draper City’s existing and future Parks and Trails LOS, as calculated and discussed in the Draper City Parks and Trails Impact Fee Facilities Plan 2015 – 2030. As presented in that Plan the existing and future Parks and Trails LOS is \$1,309.09 per Draper City resident.

Table 1
EXISTING AND FUTURE PARKS AND TRAILS
LEVEL OF SERVICE (LOS) STANDARDS (Adjusted for all Non-City Contributions)

| FACILITY TYPE | EXISTING AND FUTURE LEVEL OF SERVICE STANDARD (Dollars per City Resident) |
|----------------------------|--|
| TOTAL - ALL PARKS | \$1,178.75 |
| TOTAL - ALL TRAILS | \$130.34 |
| TOTAL PARKS AND TRAILS LOS | \$1,309.09 |

¹ The entire area located within the municipal boundaries of Draper City, Utah is determined to be the service area for Parks and Trails (see §11-36a-102(19)(b), Utah Code Annotated, 1953, as amended).

² “Development activity” means any construction or expansion of a building, structure, or use, and change in use of a building or structure, or any changes in the use of land that creates additional demand and need for public facilities (§11-36a-102[3], UCA).

The Total LOS of \$1,309.09 for both existing and future Parks and Trails complies with all applicable standards of Utah laws, as applicable to Impact Fee Facilities Plans, including those provided by §11-36a *et. seq.* UCA.

PROPORTIONATE SHARE

Table 1 highlights that existing Draper City residents have contributed \$1,309.09 (2015 dollars) per resident to provide the City's existing inventory of Parks and Trails.³ All Parks and Trails included in the City's inventory are either owned, managed, or operated by the City. The LOS contributions made by existing residents specifically exclude all Parks and Trails maintenance and operating costs.

To maintain the existing Parks and Trails LOS all new residents moving to the City must make a contribution equal to that made by the City's existing residents or \$1,309.09 per new resident. In this way, new residents contribute to the provision of new Parks and Trails proportionately and commensurate to their "service demands and needs" (§11-36a-102[15]). The contributions made by both existing and future residents excludes all non-City funding sources and donations used to provide Parks and Trails (Draper City Parks and Trails Impact Fee Facilities Plan 2015 - 2030, pp 34 - 35).

Clearly, if the existing Parks and Trails LOS standards are to be maintained new Parks and Trails, with their associated improvements, must be provided at a standard equal to the existing Parks and Trails LOS. Utah State laws allow Draper City to impose an impact fee as a possible funding option to achieve this goal.

The Draper City Parks and Trails Impact Fee Facilities Plan 2015 - 2030 has shown that it is anticipated the City population will increase to nearly 56,000 residents by 2030. If no additional Parks and Trails capacity is provided the existing Parks and Trails LOS will fall to approximately \$1,091.00 per resident by 2030 ($\$61,079,283.00^4/55,982^5$). To preserve the existing Parks and Trails LOS long-term Draper City must invest approximately \$1,309,090.00 per 1,000 new residents (2015 Dollars) towards Parks and Trails capacity enhancements, excluding any non-City funds. An additional \$57,400.00 per 1,000 new residents of non-City funds will also be required. Table 2 presents the City's estimated 2015 population and projected populations to 2030 (Draper City Parks and Trails Impact Fee Facilities Plan 2015 - 2030, p. 28).

³ Parks include Neighborhood, Area, Community, and Special Use Parks as discussed in the Draper City Parks and Trails Impact Fee Facilities Plan 2015 - 2030. Trails include trail bridges and trailheads, also discussed in the Draper City Parks and Trails Impact Fee Facilities Plan 2015 - 2030.

⁴ Total City-funds to provide existing Parks and Trails facilities including all associated improvements but excluding Non-City funds.

⁵ Draper City's projected 2030 population.

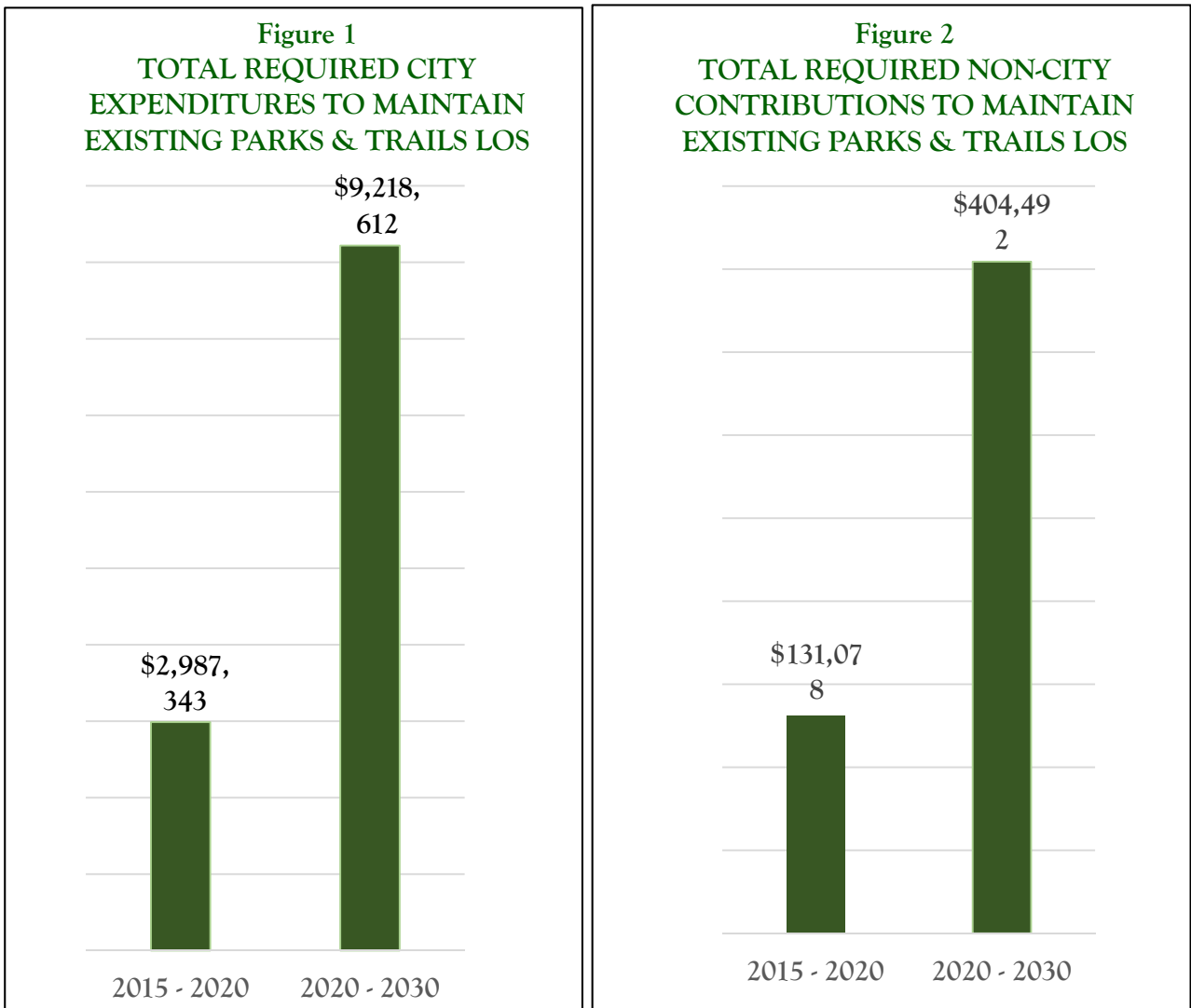
Table 2
DRAPER CITY 2015 POPULATION ESTIMATE AND POPULATION PROJECTIONS

| YEAR | POPULATION |
|------|------------|
| 2015 | 46,658 |
| 2020 | 48,940 |
| 2030 | 55,982 |

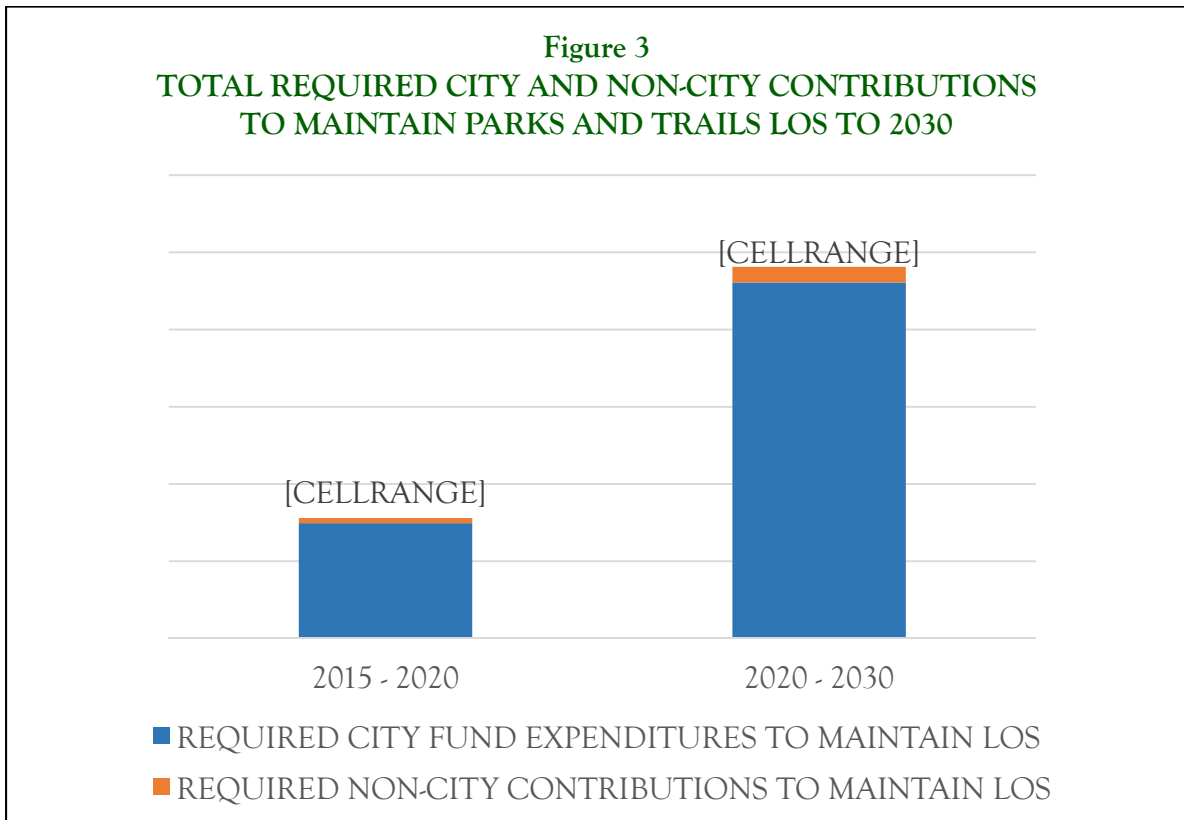
Source: Census Bureau, State of Utah Governor’s Office of Management and Budget (GOMB), and Kem C. Gardner Policy Institute.

<http://www.census.gov/quickfacts/table/PST045215/4920120>

Figures 1 and 2 present the required City and Non-City contributions to maintain the existing Parks and Trails LOS to 2030.



The Draper City population is expected to increase by 9,324 residents during 2015 to 2030. For this period the City will be required to fund approximately \$12,206,000.00 of land acquisitions and facility improvements to maintain the existing Parks and Trails LOS. An additional \$525,570.00 of non-City fund contributions will also be required. Figure 3 highlights the total City and non-City fund contributions/expenditures required during 2015 - 2030 to maintain the existing Parks and Trails LOS.



How can the City fund \$12,206,000.00 in Parks and Trails capacity enhancement projects in the next 15 years?

Utah law allows Draper City to continue to impose a Parks and Trails impact fee on new development activity. However, it must be demonstrated that all requirements of the Utah Impact Fees Act are met, including all statutory standards of §11-36-a-304 and §11-36a-305 UCA.

Development Activity

As required by §11-36a-304 *et. seq.* UCA this Impact Fee Analysis must identify the following:

1. “The anticipated impact on or consumption of any existing capacity of Parks and Trails by the anticipated development activity;
2. The anticipated impact on system improvements required by the anticipated development activity to maintain the established level of service for each public facility;
3. Demonstrate how the anticipated impacts described in Items (1) and (2) are reasonably related to the anticipated development activity;
4. Estimate the proportionate share of:
 - a. The costs for existing capacity that will be recouped; and
 - b. The costs of impacts on system improvements that are reasonably related to the new development activity; and
5. Identify how the impact fee was calculated.

All items are important but this analysis must clearly establish; (1) the Parks and Trails LOS, (2) any existing Parks and Trails service capacities, (3) the types of development activity being considered, (4) the proportionate share methodology employed, and (5) how the Parks and Trails impact fee was calculated. Before going any further a discussion must occur concerning the existing and future Draper City Parks and Trails LOS.

The Draper City Parks and Trails Impact Fee Facilities Plan 2015 – 2030 established the existing Parks and Trails LOS to be \$1,309.09 per City resident. The existing Parks and Trails LOS was determined by identifying all City incurred costs to provide existing Parks and Trails facilities. The total City-incurred costs were \$61,079,283.00 (2015 Dollars). This total was divided by the 2015 population of 46,658 residents. No excess Parks and Trails LOS capacity exists to accommodate any new Parks and Trails required to meet the demands of new residents.

Existing Draper City residents “express strong desires and preferences for adequate and well-maintained Parks, Trails, and their related facilities” (Draper City Parks and Trails Impact Fee Facilities Plan 2015 – 2030, p. 31). No evidence has been provided, or is available to Draper City, that new residents will expect anything different. Therefore, it was appropriate that the Draper City Parks and Trails Impact Fee Facilities Plan 2015 – 2030 established the goal of maintaining the existing Parks and Trails LOS as also the future Parks and Trails LOS. Therefore, and excluding all non-City expenditures, a future Parks and Trails LOS of \$1,309.09 per resident was established (Draper City Parks and Trails Impact Fee Facilities Plan 2015 – 2030, pp. 33-35). All new residents must contribute to the same level as existing residents have already if the existing Parks and Trails LOS is to be preserved. In this manner, Parks and Trails will be provided for each new resident “roughly proportionate and reasonably related to the service demands and needs” of each new resident (§11-36-102[15], UCA).

The question now is; how does the City propose to collect \$1,309.09 from each new City resident? Section 11-36a-201(2) UCA provides, “a local political subdivision may establish impact fees only

for those public facilities defined in Section 11-36-102.” Parks and Trails are two of the defined public facilities. But a Parks and Trails impact fee can only be imposed on a development activity. Section 11-36a-102(3) UCA provides that a development activity is “any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any changes in the use of land that creates additional demand and need for public facilities.” How can the City’s costs to provide future Parks and Trails LOS of \$1,309.09 per resident be imposed on a development activity? Some form of resident to development activity/development activity approval conversion must occur.

Development Approval

Draper City, like other Utah municipalities, authorizes development activities as a development approval.⁶ In the case of a Parks and Trails impact fee a development approval must be accompanied by a service demand or need for Parks and Trails. For the purposes of this Impact Fee Analysis a development activity approval is defined as any construction or expansion of a building, structure, or use, any change in the use of a building or structure, or any changes in the use of land that creates additional demand and need for Parks and Trails. Using this definition additional “demand and need” Parks and Trails activities will generally be confined to development approvals that are residential in nature. But Draper City does not typically provide residential development approvals via some form of resident calculation. Rather, the City approves residential activities in the form of residential dwelling units by building permit approvals.

Using information provided by the United States Census Bureau and the Wasatch Front Regional Council Table 3 presents Draper City’s and the State of Utah’s average household sizes, by dwelling unit type, occurring in 2015.

⁶ See §11-36a-102(4) UCA for the definition of development approval.

Table 3
AVERAGE PERSONS BY UNIT TYPE

| UNITS IN STRUCTURE | AVERAGE PERSONS | |
|--------------------------------------|------------------|-----------------------------|
| | Draper City Only | Utah (Statewide Average) |
| One Unit - Single-Family, Detached | 3.18 | 3.03 |
| One Unit - Single Family, Attached | 2.31 | 2.51 |
| Two Units | Not Available | 2.32 |
| Three (3) and Four (4) Units | 2.00 | 2.14 |
| Five (5) to Nine (9) Units | 3.00 | 1.92 |
| Ten (10) to Nineteen (19) Units | 1.43 | 2.04 |
| Twenty (20) to Forty Nine (49) Units | 1.50 | 1.55 |
| Fifty (50) or More Units | 1.83 | 1.41 |
| One Unit - Mobile Home | 1.33 | 2.21 |

Source: Wasatch Front Regional Council, January 2015.

The Draper City household size information contained in Table 3 is based on the US Bureau of the Census Public Use Microdata Sample (PUMS). While this data is subject to some of the vagaries of small sampling it does represent the most accurate and reliable data available.

Following a review of the average persons per dwelling unit type information for both Draper City and Utah Table 4 presents the City's most reliable information for average number of persons by residential unit type. Using the information contained in this Table the calculation necessary to establish a Parks and Trails impact fee, by unit type and number, can be completed. This allows a Parks and Trails impact fee to be imposed consistently and fairly on a development activity, commensurate with demands and needs, and collected at the time of building permit issuance. The required calculation is a simple multiplication of the average number of persons per unit by \$1,309.09 per person. The maximum allowed Parks and Trails impact fee, by units in structure, is presented in Table 5. The Parks and Trails impact fee schedule contained in Table 5 has accounted fully for all Non-City fund sources to provide Parks and Trails as no Non-City funds were included in the future Parks and Trails LOS, discussed more completely in the Draper City Parks and Trails Impact Fee Facilities Plan 2015 - 2030.

Table 4
UNITS IN STRUCTURE AND AVERAGE PERSONS PER UNIT
FOR DRAPER CITY, UTAH

| UNITS IN STRUCTURE | AVERAGE PERSONS PER UNIT |
|--------------------------------------|--------------------------|
| One - Single-Family, Detached | 3.18 |
| One - Single Family, Attached | 2.31 |
| Two Units | 2.32 ¹ |
| Three (3) and Four (4) Units | 2.14 ¹ |
| Five (5) to Nine (9) Units | 1.92 ¹ |
| Ten (10) to Nineteen (19) Units | 1.43 |
| Twenty (20) to Forty Nine (49) Units | 1.50 |
| Fifty (50) or More Units | 1.41 ¹ |
| One - Mobile Home | 1.33 |

Note: 1. For the purposes of using the most accurate data the statewide information for these units was assumed to be the most reliable as it was based on a larger sample size.

Table 5
MAXIMUM PARKS AND TRAILS IMPACT FEE BY UNIT TYPE

| UNITS IN STRUCTURE | MAXIMUM PARKS AND TRAILS IMPACT FEE PER UNIT (Average Persons per Unit x \$1,309.09) |
|--------------------------------------|--|
| One - Single-Family, Detached | \$4,162.91 |
| One - Single Family, Attached | \$3,024.00 |
| Two Units | \$3,024.00 |
| Three (3) and Four (4) Units | \$2,801.45 |
| Five (5) to Nine (9) Units | \$2,513.45 |
| Ten (10) to Nineteen (19) Units | \$1,872.00 |
| Twenty (20) to Forty Nine (49) Units | \$1,963.64 |
| Fifty (50) or More Units | \$1,845.82 |
| One - Mobile Home | \$1,741.09 |

Table 6 presents a proposed Parks and Trails impact fee schedule by unit type. This proposed Parks and Trails impact fee schedule is different from the maximum Parks and Trails impact fees presented in Table 5. However the proposed fee schedule is designed to achieve the following goals: (1) to achieve full compliance with all applicable statutory standards, including Part 3 Utah's Impact Fees Act, (2) to promote a proportionate Parks and Trails impact fee, commensurate with the service demands and needs created by the proposed residential activity, (3) to achieve

administrative and impact fee implementation efficiencies, and (4) to create a Parks and Trails impact fee that considers the general relationships of the number of persons per unit type. Contemporary demographic, planning, development, and construction practice and understandings suggest that as the number of units in a structure increases the number of persons per unit decreases. For these, and other reasons, the proposed Parks and Trails impact fee schedule provided by Table 6 should be imposed on new residential development activity occurring within the municipal boundaries of Draper City.

Table 6
DRAPER CITY PARKS AND TRAILS IMPACT FEE SCHEDULE

| UNITS IN STRUCTURE | PARKS AND TRAILS IMPACT FEE PER UNIT |
|------------------------------------|--------------------------------------|
| One - Single-Family, Detached | \$4,162.00 |
| One - Single Family, Attached | \$3,024.00 |
| Two - Duplex or Two Attached Units | \$3,024.00 |
| Three (3) or Four (4) Units | \$2,801.00 |
| Five (5) to Nine (9) Units | \$2,513.00 |
| Ten (10) or More Units | \$1,872.00 |
| One - Mobile Home | \$1,741.00 |

Note: To determine the maximum Parks and Trails impact fee payable at the time of building permit approval all readers are reminded that it is calculated based on the number of units in a structure NOT the number of structures.

Impact Fee Boundaries

Consistent with the Draper City Parks and Trails Impact Fee Facilities Plan 2015 - 2030 all residential development activities occurring within the boundaries of Draper City, Utah and creating a demand and need for Parks and Trails are subject to the Parks and Trails impact fee schedule contained in Table 6.

CONCLUSION

Draper City must formulate an Impact Fee Analysis before imposing an impact fee as a funding option for the provision of certain allowed public facilities. This Impact Fee Analysis, and the Draper City Parks and Trails Impact Fee Facilities Plan 2015 - 2030, have used the most detailed and accurate information available. The existing Parks and Trails LOS has been shown to be \$1,309.09 per existing resident. At this LOS standard no excess service capacity exists in Draper City's Parks and Trails system. To provide new Parks and Trails facilities and improvements required to meet the needs of the 9,324 additional new residents projected for 2015 - 2030 and at the same LOS existing in 2015, the City must commit \$12,206,000.00 to new Parks and Trails

capacity expenditures. This analysis has shown that if new residents provide new Parks and Trails to meet their needs commensurate to the existing LOS standard then their proportionate contribution would be \$1,309.09 per new resident, identical to the existing LOS standard provided by existing residents.

This analysis has also shown how new residents can provide their fair share for new Parks and Trails funding by having a Parks and Trails impact fee imposed at the time of development activity approval. The Parks and Trails impact fee is calculated based on the number of persons per unit, the number of residential dwelling units within the structure. The Parks and Trails impact fee would be calculated using Table 6 and multiplying the Parks and Trails impact fee per unit by the number of units in the proposed structure. The impact fee would be imposed on all new residential construction likely to create a need for new Parks and Trails and payable to the City at the time of building permit issuance.

The Draper City Parks and Trails Impact Fee Analysis has drawn upon the information contained in the Draper City Parks and Trails Impact Fee Facilities Plan 2015 - 2030. Both these documents have used the most accurate and detailed Parks and Trails inventory, actual incurred improvement costs, and population estimate and projections information available. As required the State of Utah Impact Fees Act Draper City has “determined the Parks and Trails required to serve development resulting from new development activity, estimated the proportionate share of the costs of new Parks and Trails are reasonably related to the new development activity, and calculated the impact fee complying with the applicable standards of the Act (§11-36a-301[1], §11-36a-304 and §11-36a *et. seq.*). Additionally, this Impact Fee Analysis, and the Draper City Parks and Trails impact fee, has considered all revenue sources and contributions made by non-City contributions. Finally, an important policy determination of the City has also been made consistent with the Draper City Parks and Trails Impact Fee Facilities Plan 2015 - 2030. Consistent with the Impact Fees Act Parks and Trails impact fee revenues will be used exclusively as the fund sources for Parks and Trails system improvements. General Funds, and other revenues available to the City, will be used for necessary Parks and Trails operations and maintenance activities.