

### Section 2 - Introduction

The 1995 Utah legislature passed the *Impact Fees Act* (Utah Code, Section 11-36) which stipulates the nature of fees that may be charged and how they must be determined. The act differentiates between public entities with populations above and below 5000 at the time of the last census. Those communities with populations above 5000 must prepare a *capital facilities plan* for each impact fee. The communities with populations below 5000 must base their impact fees on a *reasonable plan*. Although the *Impact Fees Act* is unclear about what kind of plan is required for communities with a population of less than 5000, communities of this size can use a *capital facilities plan* or a plan similar in nature to plan for orderly growth.

This *Capital Facilities Plan* and *Development Impact Fee Analysis* have been prepared to help Kanab City comply with the Impact Fees Act. The impacts directly attributable to new development have been quantified in accordance with the act's requirements.

The act allows impact fees for the following purposes.

- Public Safety (fire and police protection)
- Roadways
- Water
- Wastewater
- Storm Water
- Parks and Recreation / Open Space
- Power

Kanab City provides all of the services listed above except for power service which is currently supplied by Garkane Energy. This study analyzes all of these services except power.

The following steps have been followed in preparing the *Capital Facilities Plan*.

- Establish a service standard
- Inventory existing facilities

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- Determine method of financing existing facilities
- Determine excess capacity
- Determine additional facilities needed at present
- Determine additional facilities needed at build-out
- Determine method of financing needed facilities

Using the capital facilities plan as a guide, the *Development Impact Fee Analysis* is completed using the following procedure.

- Establish service areas
- Determine the proportionate share of costs directly attributable to new development
- Calculate credits for past and future contributions
- Calculate the maximum allowable impact fee

The capital facilities plan and impact fee analyses have been completed for the services indicated in the following sections.