

Heber City Corporation Public Works Facility Expansion Informational Summary April 2017

Public Hearing Notice and Introduction

Heber City is proposing an expansion of its existing Public Works Facility. City needs have outgrown the existing space and a project proposal, including funding, has been developed to expand the facility on the current site.

The public is invited to a second Public Hearing to discuss this project and its funding during the regular City Council Meeting, to be held on May 18, 2017 at 5:00 pm, at the Heber City Offices, 75 North Main, Heber City.

Prior to the Public hearing, the City will be offering tours of the existing Public Works Facility, 749 West 300 South. These tours will be held from 4:30 pm to 7:00 pm on Wednesday, May 17th, and from 2:00 to 4:30 on Thursday, May 18th.

Those interested in further information regarding the project are encouraged to contact the Heber City Engineering Office at (435) 657-7892.



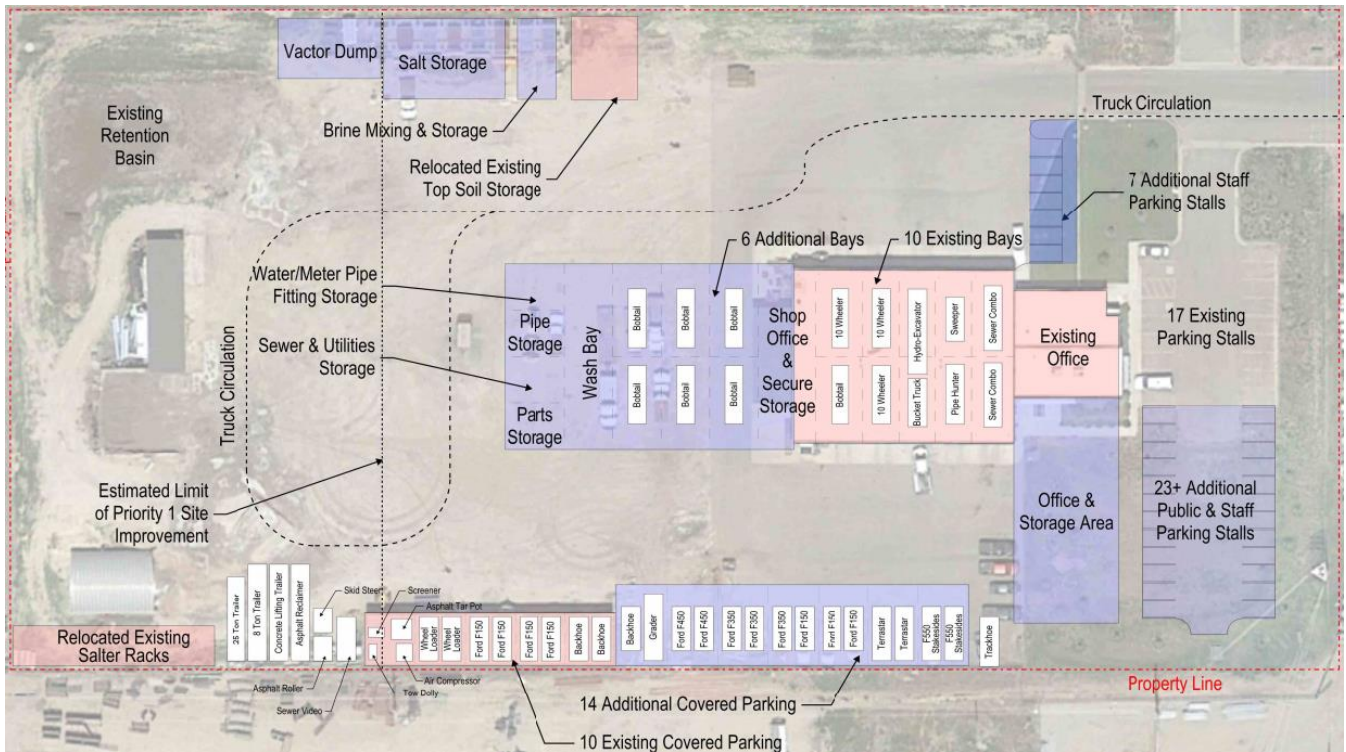
Planning to Date

Plans to improve the Public Works Facility have been underway for several years. In 2015, the City sold a parcel of land near the airport known as the Mahoney Property, with the intent of using a portion of this revenue to make improvements to the Public Works Facility.

In early 2016, the City issued a Request for Proposals (RFP) soliciting architectural services for the project. Following an evaluation process including proposal scoring, shortlisting, and firm interviews, the City awarded the contract to JRCA Architects in August of 2016.

The Programming Phase of the design developed a concept for the overall build-out plan on the site. This was presented to the City Council in December of 2016. After a review of the overall plan, and the associated cost estimate of roughly \$8.0 Million, the City Council requested that the project be scaled back.

A follow-up presentation was given in January 2017 in conjunction with a formal public hearing process. During this hearing, two options were presented: 1) the original overall plan, and 2) a reduced scope Phase 1 plan. The cost estimate of the Phase 1 plan was just under \$5.5 Million. After consideration of the two plans, as well as public input provided at the Hearing, the Council favored pursuing the Phase 1 plan. They also authorized staff



to prepare and submit an application to the Community Impact Board (CIB) to see if additional financial assistance could be obtained to fund the expansion. Subsequently the City received tentative approval for a low interest loan from the CIB.

Project Need

The Public Works Department and the services they provide are essential to our community. These services include water supply and protection, sanitary sewer, road construction and maintenance, storm drainage and flood protection, pressurized irrigation, street lighting, traffic control, snow removal, etc. Due to the critical nature of these services, it is essential that the Department has the facilities and equipment necessary to operate effectively and efficiently. The existing facility is undersized and does not meet the needs of the Department.



Since the existing Facility was constructed in 2005, the City has grown by approximately 60%, and the Public Works Department has grown as well in an effort to keep up with increased demands. The existing facility is now deficient in the following areas:

Equipment Storage & Maintenance:

- Need more conditioned indoor storage space for Equipment/Vehicles. The City has 45 Pieces of Equipment/Vehicles but only has enough conditioned space for 10 Vehicles.



- 10 Snow Plows loaded with salt require indoor storage.
- Hydro-Excavator & Sewer Combo trucks require indoor storage.
- Service life of service maintainer trucks, high tech, and specialty equipment is lower when stored outside and exposed to elements.
- Response times are significantly higher when equipment stored outside in winter is readied.
- Hydraulic hose and tire replacement costs from dry rot are higher when stored outside.
- Equipment Trade-in values are lower when stored outside.

- Need vehicle maintenance bay that will accommodate City's heavy-duty equipment.
- Need functional wash bay to maintain fleet & extend service life. Existing bay is inefficient and part is used for material storage due to lack of covered space.

Site Improvements/Storage:

- Need to expand salt storage shed.
 - Salt shed was constructed to accommodate 3 to 4 storms.
 - Community growth has resulted in the shed now only accommodating ± 2 storms.
 - Storm Patterns often include more than 2 successive events requiring frequent deliveries.
 - Deliveries of salt to Heber City is limited during bad weather.
- Need drying & disposal facilities for street sweepings and other debris per updated Storm Drain/MS4 Regulations.
- Need additional storage for water/sewer parts.
- Need additional covered parking for equipment not needed to be in climate controlled space.
- Need site improvements to facilitate traffic circulation and deliveries.
- Need additional parking stalls are for public and staff parking outside secure areas.



Admin/Office Space:

- Need additional Training/Lunch Room to accommodate current staff.
- Need additional employee lockers. Currently 13 undersized lockers for 18 field workers.
- Need adequate restroom facilities for current staff.
- Need office and private space for current number of supervisors.
- Need secure space for water system SCADA controls.
- Need conference room for pre-construction and development meetings, and to accommodate public/visitors.



Project Description

The project will address these deficiencies and will enable the Public Works Department to effectively provide the necessary services to the City. The project will include the following improvements:



- A ~13,248 sf (+/-) Vehicle Maintenance, Storage, & Fabrication Building including:
 - Heavy Duty Vehicle Maintenance Facilities
 - Fluid/Waste Fluid Collection & Storage
 - Vehicle Parts/Tire Storage
 - Welding/Fabrication Bay
 - Vehicle Wash Bay with Equipment
 - Climatized Vehicle Storage Bays
 - Pipe/Utility System Parts Storage
 - Mechanic's Office w/ Research Kiosk
- A 5,868 sf (+/-) expansion of the existing Public Works Office Space including:
 - Public Lobby & Restrooms
 - Conference Room
 - Training Room
 - Break Room/Eating Area
 - Shared Common Locker Area
 - Private Changing/Restrooms/Shower
 - Communications/Data Room

- Emergency Supplies
- Office Space
- Work Stations
- Secure SCADA Room

- Additional Site Improvements including:
 - Additional Covered Equipment Parking
 - New Salt Storage Building
 - Vactor Truck/Street Sweeper Debris - Treatment & Storage Facilities
 - Top Soil Storage (Re-purposed Salt Storage Shed)
 - Emergency Generator
 - Asphalt/Concrete Site Paving
 - Employee/Public Parking Stalls



Project Cost

The overall cost estimate for the proposed project is **\$5,493,181**. Based on preliminary calculations, 29.3% of the project is planned to accommodate future needs caused by growth and is considered impact fee eligible. This means that impact fees charged to new development can be used to pay for this portion of the project. The remaining 70.7% is needed to address current deficiencies is not impact fee eligible. This portion will be paid for from various City operating budgets.

The cost of the project has also been split proportionately between the Water, Sewer, Roads, and Utility funds based on the planned uses of the Public Works Facility space. The following table summarizes the cost breakdown:

	Cost Share/Responsibility				
	Overall	Water	Roads	Sewer	Utilities
Percentage Breakdown for Each Utility	100.0%	26.8%	36.8%	23.1%	13.3%
Cost Per Utility	\$5,493,181	\$ 1,469,786	\$ 2,021,688	\$ 1,270,824	\$ 730,882
Impact Fee Eligible Portion	29.3%				
Impact Fee Eligible Portion of Capital Costs	\$1,609,266	\$ 430,584	\$ 592,268	\$ 372,297	*\$ 214,117
Impact Fee Eligible Interest (\$3.5M, 1.0%, 30 Yr)	\$ 125,303	\$ 33,527	\$ 46,116	\$ 28,988	*\$ 16,672
Operating Portion	\$3,883,915	\$ 1,039,202	\$ 1,429,421	\$ 898,527	\$ 516,765

**The City does not currently charge a Utility Impact Fee. The Utility Impact Fee portion may be covered by another fund.*

Financing / Revenue Sources

As mentioned, the City previously submitted an application to the CIB Board requesting \$3.5 Million in project funding. During a Project Review Meeting held on April 6, 2017, the CIB Board tentatively awarded this funding to Heber City for the project for a 30 year term at a 1% interest rate. It is proposed that the remaining \$1,993,181 be paid for using impact fees and general fund cash on hand.

The annual CIP loan payment would be ±\$136,000, and would be divided proportionally between the utility funds according the breakdown shown previously.

It should be noted that in order to simplify the CIB loan application and approval process, the City pledged sales tax as a guarantee for the loan payment. However, in lieu of sales tax, the City anticipates using a combination of revenues generated from the utility operating funds, impact fee funds, and the “road” portion of the general fund to make the loan payments.

The loan offered by the CIB represents a good opportunity for the City to fund this project. It will provide approximately \$1.68 Million in interest savings over a market rate loan (3.64%) with the same term.

Impact to Residents

Over the past few years, the City has made several adjustments to utility rates in an effort to fund or cover depreciation of the City’s assets. In order to fully fund depreciation, additional increases will be needed in the future. As part of the 2017/2018 budget process, the City is considering a 5% increase in sewer rates that would be effective in July 2017. Approximately half (\$34,813) of this increase would cover the debt service obligation of this project for the Sewer Fund. The average cost to a residence for the 5% increase would be \$1.30 per month. No other increases are proposed to cover the loan payments associated with this project. It is expected that the revenue needed to cover the loan payments can be absorbed into the other funds at current rates.

In the unlikely event that adequate revenue is not able to be generated, and additional rate increases are necessary to cover the loan payment, the potential combined increase to property taxes and utility rates for a standard single family home would be less than \$1.85 per month. This figure represents a worst case scenario with no growth occurring in the City.

