

**CENTRAL WEBER SEWER IMPROVEMENT DISTRICT  
2618 WEST PIONEER ROAD  
MARRIOTT-SLATERVILLE, UTAH 84404**

THE AGENDA FOR THE MEETING OF THE BOARD OF TRUSTEES OF CENTRAL WEBER SEWER IMPROVEMENT DISTRICT which will be held on Monday, January 29, 2024 at 5:00 p.m. at the District Offices located at 2618 West Pioneer Road, Marriott-Slaterville, Utah.

Pledge of Allegiance – Trustee Tait

Invocation – Trustee Froerer

Public Comment

1. Consideration of Impact Fee Request for Waiver
  - a. YaYA Foods
2. General Manager: Kevin Hall
3. Attorney: Mark Anderson
4. Other Business
5. Adjournment

In compliance with the Americans with Disabilities Act, persons needing auxiliary services for these meetings should call Central Weber Sewer Improvement District at 801-731-3011 at least 24 hours prior to the meeting.

Meeting material including minutes from previous meetings are available for view on the District's website: [www.centralweber.com](http://www.centralweber.com).

## AGENDA ITEM #1

### Consideration of Impact Fee Waiver Request

# Memo

**To:** Board of Trustees  
**From:** Kevin Hall  
**Date:** January 25, 2024  
**Subject:** Considerations for Impact Fee Waiver Request Discussion

This memo provides both reference information, and some considerations for the Board of Trustees as you consider the Ya YA Foods impact fee waiver request.

The District adopted impact fees to mitigate the impact of new development on public infrastructure. The Board adopted an impact fee policy in October 2002. The minutes from that meeting indicate that the Board discussed waiver requests for projects that may serve a beneficial public purpose. Such requests were to be considered by the Board on a case-by-case basis based upon the facts and merit. To our knowledge, the only waiver request that has been granted is the Weber-Morgan Children's Justice Center. The last waiver request prior to this was in November 2020 for a low-income housing project. That request was denied. An impact fee waiver is not an opportunity cost to the District, but rather a loss of compensation for the actual cost of the new development.

For your reference, excerpts from Utah Code and the District's current impact fee policy are included below. These outline the requirement that a waiver or exemption may be granted by the Board for a "beneficial public purpose." The Board discussed the possibility of granting this waiver because the Ya YA Foods project should provide the beneficial public purpose of job creation. The statute and policy require that another source of funds be identified to offset the District's project costs. There is an impact to the District any time new development is completed. As requested, Camille Cook will present an analysis of other possible sources of funds.

As the Board considers the economic impact of granting this waiver, we also suggest consideration of the operational precedence changed by granting the request and how this may affect future administration of the District's impact fees. If the District defines job creation as a beneficial public purpose worthy of waiving impact fees in this instance, then any commercial endeavor that creates jobs may become eligible for a waiver of impact fees, which will erode the District's intent of establishing the fees to mitigate the impact of such projects on the District's facilities, and could potentially trigger unintended challenges from other users of the system.

## **Utah Code Section 11-36a-403, Other provisions of impact fee enactment**

- (1) A local political subdivision or private entity may include a provision in an impact fee enactment that:*
  - (a) provides an impact fee exemption for:*
    - (i) development activity attributable to:*
      - (A) low income housing;*
      - (B) the state;*
      - (C) subject to Subsection (2), a school district; or*
      - (D) subject to Subsection (2), a charter school; or*
    - (ii) other development activity with a broad public purpose; and*
  - (b) except for an exemption under Subsection (1)(a)(i)(A), establishes one or more sources of funds other than impact fees to pay for that development activity.*

### **From CWSID Impact Fee Policy (January 2024)**

#### **IV. FEE EXCEPTIONS AND ADJUSTMENTS**

- A. Waiver for “Public Purpose”. All or any part of any impact fee, and similar and related fees and charges (hereinafter “fees” in this Part IV) may, in the discretion of the Board of Trustees or the General Manager, as appropriate, be waived or reduced for those projects which are deemed to serve a beneficial public purpose that would be harmed by the District requiring full payment of such fees, such as a low income housing project.
  - 1. Procedure. Applications for exceptions are to be filed with the District at the time the applicant first requests the extension of service to the applicant’s development or property.
  - 2. Amendment or Waiver of Fees. The General Manager is authorized to reduce or waive fees on public or non-profit or other projects deemed to serve a beneficial public purpose, provided that no waiver or reduction of fees may total more than \$2,000.00 on any one development without Board approval.
- 3. School District or Charter School. A school district or a charter school will be considered for a full or partial impact fee waiver on the same basis and on an equal footing.
- 4. Establishment of Source of Funds. Any waiver or reduction of an impact fee for a project which is deemed to serve a beneficial public purpose, other than low income housing, is prohibited unless the District identifies one or more sources of funds, other than impact fees, to offset the cost of system improvements needed to serve the project.



To: Central Weber Sewer District Board  
From: Ogden City Economic Development Division  
CC: Kathy Mussio, Atlas Insight  
Date: January 25, 2024  
Subject: RE: Ya YA Foods Expansion Broad Public Purpose  
Contact: Liesl Limburg, liesll@ogdencity.com

**Purpose:** To provide “broad public purpose” information in support of Ya YA Foods request for an impact fee reduction under Utah State Code Chapter 11-36a-403.

### **Overview**

Chapter 11-36a-403 permits sewer fee exemptions to be made for “other development activities with a broad public purpose.” Currently, Ya YA Foods has an expansion planned at their recently acquired facility at Business Depot Ogden (BDO) with a Phase 2 future expansion. The full Phase 1 expansion and future Phase 2 expansion are contingent upon a request made by Ya YA Foods to the Central Weber Sewer District (CWSD) board to reduce their assessed impact fee of \$7,500,000 to \$3,750,000 and an amortization schedule of 10 years.

### **Broad Public Purpose**

The Ya YA Foods Phase 1 expansion serves a broad public purpose via the following points:

1. Providing increased effluent flow to the Great Salt Lake
  - a. Ogden City has ample water capacity to serve the Ya YA Foods expansion project, thanks to its water supply and on-going pipe replacement initiatives that have significantly reduced water losses.
2. The Ya YA Foods expansion will act as a passthrough for otherwise unused, stored water to make its way to the Great Salt Lake by way of Ya YA purchasing water from Ogden City and discharging significant wastewater to the CWSD system. Providing new and ongoing sewer fees to Ogden City and CWSD
  - a. New revenues to support CWSD O&M costs
  - b. Diversifies portfolio with an additional large customer – increased stability for district revenue.
3. Creating 302 new jobs and retaining 101 existing jobs
4. Paying high wages
  - a. Average wage of \$67k before benefits (123% of county average)
  - b. Employment opportunity for residents throughout Weber County
  - c. 80% of jobs in Ogden City are filled by individuals residing outside of Ogden City limits.
5. Providing upskilling and technical training to employees

- a. Oatly, and now Ya YA Foods, have utilized Ogden-Weber Technical College for aseptic packaging training courses.
  - b. Ya YA Foods production and packaging process is highly dependent on a skilled labor workforce.
- 6. Bringing \$92,000,000 in new capital investment
  - a. Increased property tax revenue to all taxing entities, including CWSD.
- 7. Generating \$196,000,000 in sales/output in Ogden-Clearfield MSA
  - a. New sales tax revenue to Weber County communities

Additionally, the Phase 2 expansion will provide the following broad public benefits:

- 1. New 80k SF of warehouse space at BDO
  - a. Increased property tax revenue to all taxing entities, including CWSD.
- 2. ~\$80,000,000 in new capital investment
  - a. Increased property tax revenue to all taxing entities, including CWSD.
- 3. Capacity for further job creation
  - a. increased sales/output in Ogden-Clearfield MSA generating new sales tax revenue to Weber County communities.

### **Harm to Phase 1 and Phase 2**

As it stands, if the CWSD board does not approve the impact fee reduction, Ya YA Foods will scale back their Phase 1 expansion plan by 50%, decreasing the new jobs to 150 and new capital investment to \$45M. Moreover, the Phase 2 expansion will be eliminated if the impact fee is not reduced.

Ya YA Foods' purchase of a portion of Oatly's assets included an Oatly facility in Texas. Upon researching impact fees in that area, it was determined that only \$302,000 in water and wastewater impact fees would be charged, but that user fees were slightly higher. In the case that the CWSD impact fee is not reduced, 50% of Phase 1 will go to the facility in Texas. It is not unusual for Utah to be in direct competition with Texas for expansion projects.

### **Proposal**

Ya YA Foods is proposing that Central Weber Sewer District (CWSD) support their expansion project and its established public benefits by reducing their \$7,500,000 impact fee by 50% and drafting a payment plan that will allow Ya YA Foods to pay CWSD over a ten-year period.

Economic Impact – Detailed Projections

Overall Economic Impact

Ogden-Clearfield, UT MSA Annual Impact of Food Manufacturing (Event Size = 302)

	Direct	Indirect	Induced	Total
Employment	302	183	154	639
Sales/Output	\$135,346,407	\$38,042,642	\$22,573,623	\$195,962,672
Compensation	\$11,030,583	\$5,841,237	\$6,888,983	\$23,760,804
Source: JobsEQ® Data as of 2023Q1 Note: Figures may not sum due to rounding.				