

SLCDPU Impact Fee Analysis Summary

Purpose of the Report

Salt Lake City's Department of Public Utilities is updating the impact fees charged to new development for water, sewer, and stormwater services. Impact fees are one-time charges paid by new development to help cover the cost of providing infrastructure needed to serve growth.

This report, called the Impact Fee Analysis, is required by Utah law and utilizes the information developed in the Impact Fee Facilities Plan (IFFP) to calculate the proposed impact fees.

How Impact Fees Are Determined

Utah law requires impact fees to be based only on the costs associated with serving future growth. New growth cannot be charged through impact fees for correcting deficiencies in existing infrastructure, and new development cannot be charged for more than its fair share of system costs.

The City's methodology for allocating infrastructure costs is presented in the IFFP. Only the portion of infrastructure that serves growth during the next six years is included in the fee calculation.

Water Impact Fee

The analysis found that growth should contribute toward both existing infrastructure with available capacity and future water projects planned during the six-year period.

Table 1. Existing and Proposed Water Impact Fee by Meter Size

Meter Size	Existing Impact Fee	Proposed Impact Fee
3/4-inch	\$1,871	\$5,577
1-inch	\$3,830	\$11,154
1.5-inch	\$7,584	\$22,865
2-inch	\$11,776	\$35,135
3-inch	\$23,678	\$70,827
4-inch	\$27,359	\$81,423
6-inch	\$54,718	\$162,847
8-inch	\$87,549	\$261,001
10-inch	\$125,851	\$375,328

Sewer Impact Fee

A large portion of the proposed sewer fee is associated with recovering the value of existing treatment infrastructure that already has capacity available to serve future development.

Table 2. Proposed Sewer Impact Fee by Meter Size

Meter Size	Proposed Impact Fee
3/4-inch	\$4,300
1-inch	\$8,802
1.5-inch	\$17,430
2-inch	\$27,064
3-inch	\$54,418
4-inch	\$62,877
6-inch	\$125,755
8-inch	\$201,208
10-inch	\$289,235

The proposed meter-size fee schedule for all customers will be a change to the current fee schedule structure that is based on dwelling units and equivalent fixture units.

Stormwater Impact Fee

The City's stormwater system currently has adequate capacity to accommodate future growth and generally exceeds the City's service standards for managing storm runoff.

Table 3. Existing and Proposed Stormwater Impact Fee

Basis	Existing Impact Fee	Proposed Impact Fee
¼ acre	\$374	\$1,993

Most of the proposed stormwater fee is associated with existing infrastructure that already has capacity available to serve future development.

Conclusion

Under Utah law, impact fees can only recover the costs of infrastructure capacity needed to serve new development. The proposed impact fees will be based on a combination of:

- Existing infrastructure that has unused capacity available for future users, and
- Planned improvements that provide additional capacity for growth

According to the consultant's review of neighboring communities, Salt Lake City's current impact fees are low compared to similar utilities. The proposed fees would place the City more in line with regional practices.

The proposed impact fees represent the maximum fees supported by the analysis, and the City may choose to adopt lower fees or phase in increases over time. The City is currently proposing to phase in the fees at 70% of the proposed impact fee amounts from January 1, 2027 through June 30, 2028, increasing to the full fee amount on July 1, 2028.