SLCDPU Impact Fee Facilities Plan 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 Facilities Plan (IFFP), is required by Utah law and serves as the foundation for calculating those fees. It identifies:

- Current service levels provided by the City's utility systems.
- Available capacity in existing infrastructure.
- Expected growth over the next six years (FY 2026-2031).
- Estimation of the needs created by new development during the next 6 years and beyond.

A separate Impact Fee Analysis report uses this information to calculate the proposed fee amounts.

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 follows state code requirements to allocate infrastructure costs among:

- Existing customers
- Growth expected between FY 2026 and FY 2031 (the next six years)
- Growth expected after FY 2031

Only the portion of infrastructure that serves growth during the next six years is included in the fee calculation.

Water System Findings

The analysis found that Salt Lake City's current water service levels exceed the City's minimum performance standards.

Infrastructure Serving Growth

The City has approximately **$1.56 billion** invested in existing water infrastructure and projects under construction.

The analysis determined that about **$37.9 million** of existing infrastructure value, and **$3.8 million** of work-in-progress projects can be attributed to growth expected during the next six years.

The City's Capital Improvement Plan includes about **$492 million** in future water projects. Approximately **$55.5 million (11.3%)** of those costs are associated with serving growth during FY 2026-2031.

Sewer System Findings

The wastewater treatment plant has capacity available for future growth. The collection system (major sewer pipelines) is more constrained.

Infrastructure Serving Growth

The City has approximately **$446 million** in existing sewer infrastructure value and **$935 million** in projects currently under construction, including major treatment plant improvements.

The analysis allocated approximately **$15.5 million** of existing asset value and **$30.5 million** of work-in-progress value to growth expected during the next six years.

The Capital Improvement Plan includes approximately **$278 million** in planned projects. Only about **$16.3 million (5.9%)** is attributable to growth during FY 2026-2031.

Stormwater System Findings

The stormwater analysis is based on developed land area rather than water use. The stormwater system currently meets or exceeds the City's service standards.

Infrastructure Serving Growth

The City has approximately **$263 million** in existing stormwater infrastructure assets and **$19 million** in projects under construction.

Of those amounts about **$14.2 million** of existing assets and approximately **$1 million** of projects under construction are allocated to growth during the next six years.

The Capital Improvement Plan includes approximately **$43 million** in stormwater projects. Only about **$1 million (2.3%)** is attributable to growth during the FY 2026-2031 planning period.

Conclusion

The analysis concludes that Salt Lake City generally has existing capacity in its water, sewer, and stormwater systems to accommodate projected growth over the next six years, The utility also has future improvements planned to accommodate new growth. 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.

The report identifies the share of these costs attributable to development expected between FY 2026 and FY 2031 and establishes the technical basis for calculating updated impact fees.

The projects to be completed over the next six years which will in part serve new growth are identified in Appendix A, Tables A-6, A-7, and A-8.