

# 2025 IMPACT FEE ANALYSIS

## EXECUTIVE SUMMARY

*prepared for* SNYDERVILLE BASIN WATER RECLAMATION  
DISTRICT



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## 2025 IMPACT FEE ANALYSIS EXECUTIVE SUMMARY



Snyderville Basin Water Reclamation District  
March 20, 2025

Snyderville Basin Water Reclamation District (“SBWRD”) is a Summit County wastewater service provider.<sup>1</sup> This is a summary of their 2025 impact fee analysis. SBWRD has collected wastewater impact fees since 1995, and as part of the 2025 update the district is required<sup>2</sup> to prepare this summary of the impact fee calculation methodology.

### Purpose of Impact Fees

Impact fees serve three purposes: 1) to fund capacity needed to meet demand from new development; 2) to maintain the level of service now provided (and paid for by) existing development; and 3) to enable growth to occur by making capacity available to new development, when and where it is needed. The 2025 SBWRD impact fee continues a cost-sharing system that has been in place since 1995—by means of impact fees each generation of new entrants pays for the capacity it requires. In the same way that existing development paid for its capacity.

### 2025 Impact Fee

An impact fee is the per-unit cost of capital facilities needed to meet capacity demand from new development. Demand from new development will be met in two ways – by means of available existing capacity (capacity built in the past to meet demand from future new development) and by a planned 2027 expansion project at the East Canyon Water Reclamation Facility (ECWRF). The impact fee is the combined unit cost (cost per residential equivalent demand unit, or RE) of that capacity.

Impact fees are calculated in such a way as to be *proportionate* to service demand. Larger houses pay more than smaller houses because larger houses, with room for more occupants, have the potential to consume more system capacity. Impact fees only include costs attributable to demand from new development. They do not include deficiency correction or service provision upgrade for existing development. They do not fund the cost of operations, salaries, maintenance or system renewal. They are not assessed for projects that serve one specific development—they are only assessed for system improvements for new development.

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<sup>1</sup> The service area is the region of Park City and Snyderville Basin.

<sup>2</sup> Impact fee assessment is governed by the Utah *Impact Fees Act* (U.C.A. §11-36a). The *Act* requires preparation of two reports that together show how the fee is calculated – a report showing capital facilities needed to provide service to new development (the *Impact Fee Facilities Plan*), and a report showing impact fee calculation methodology (the *Impact Fee Written Analysis*). Copies of the reports are available at the SBWRD office.

The SBWRD impact fee is calculated as shown in Table 1. Because the fee is charged at a constant *real rate* over time<sup>3</sup> the amount of the actual assessment is lower in the early years, compared to later years. The purpose of this is to compensate for the effect of inflation, so that a fee payer in say, 2030, is charged effectively the same rate as one in 2025. The constant value fees are shown in Table 2.

Table 1

<b>IMPACT FEE CALCULATION</b>			
2025 SBWRD Impact Fee Analysis			
	Cost of Capacity for New Development (IFFP cost)	New Development (RE)	Impact Fee per RE
Cost of Capital Facilities for New Development			
Planned Capital Facilities (IFFP)	\$147,645,806		
Cost of Available Existing Capacity (remaining 2015 Bond Debt Service)	\$15,050,925		
Interest and Cost of Issuance for Planned Future Debt	\$192,357,926		
Total	\$355,054,658		
Non-Impact Fee Revenue Available to Fund Capacity for New Development			
Impact Fee Account Beginning Balance	(\$11,564,181)		
Impact Fee Account Earned Interest	(\$9,587,422)		
Impact Fee Account Ending Balance	\$839		
Total	(\$21,150,764)		
Net Cost of Capacity for New Development	\$333,903,894	16,166	\$20,655

Table 2

<b>PROPOSED CONSTANT VALUE IMPACT FEE</b>		
2025 SBWRD Impact Fee Analysis		
	Annual Increase	Fee Amount
Impact fee per RE		
2025		
Q1 and Q2	0.0%	\$13,442
Q3 and Q4	2.5%	\$13,772
2026	2.5%	\$14,112
2027	2.5%	\$14,458

The impact fees in Table 2 are proposed. If enacted by the SBWRD Board of Trustees the Q3 and 4 fee is planned to take effect in July 1, 2025.<sup>4</sup>

Table 2 shows the impact fee per RE (cost per *residential equivalent* demand unit). Cost per RE is the amount of the impact fee for a residential unit with three living sections. For other property types and sizes, the fee is calculated based on number of REs presented by the particular impact fee application. The district has a fee schedule for residential housing of various sizes (number of living sections). For a commercial assessment, number of REs is calculated based on projected water use.

Note in Table 1 that the cost of capital facilities charged to new development is lower than the actual cost because non-impact fee revenue sources, such as the impact fee account beginning balance and earned interest, offset the difference). This reduces the amount of the impact fee.

<sup>3</sup> A requirement of the Impact Fees Act.

<sup>4</sup> The Impact Fees Act requires an enactment protocol that delays implementation of the 2025 impact fee. For the first half of 2025 the impact fee will be charged at the 2024 rate. Beginning 7/1/25 the fee will be charged at the rate shown in Table 2 for Q3 and Q4.

### **Impact Fee Assessment Guidelines**

- Impact fees are paid by all development within the SBWRD service area. This includes new construction, remodel, change of use, expansion, demolition/rebuild, etc.
- Impact fees are assessed at the same cost per RE everywhere in the District—i.e. the Q3 and Q4 impact fee is \$13,772 per RE for development anywhere in the District. The fee is assessed at the same rate because all areas of the district are provided the same level of service (LOS).
- The SBWRD Impact Fee Enactment makes provision for the calculation of impact fees for atypical projects and contested impact fee assessments. The process and methodology are described in the Impact Fee Written Analysis.