

EXECUTIVE SUMMARY

Stansbury Park Improvement District, Utah (the District) recently commissioned Zions Public Finance, Inc. (Zions) to calculate the District's sewer impact fees in accordance with Utah State Law. An impact fee is a payment of money imposed upon new development activity as a condition of development approval to mitigate the impact of the new development on public infrastructure. In conjunction with this project, Ward Engineering Group (Ward) prepared the Sewer Impact Fee Facilities Plan (IFFP).

The recommended impact fee structure presented in this analysis has been prepared to satisfy the Impact Fees Act, Utah Code Ann. § 11-36-101 et. seq., and represents the maximum impact fees that the District may assess. As impact fees may only be used to perpetuate the current level of service, the District will be required to use other revenue sources to fund any projects identified in the IFFP that constitute repair and replacement, cure any existing deficiencies, or increase the level of service for existing users.

Stansbury Park Improvement District Sewer System Overview

The Service Area currently serves 3,942 ERUs. The estimated 2023 demand is 4,604 ERUs which accounts for an increase of 1,325 ERUs over the next ten years. At buildout, the District is expected to grow to a demand of 6,261 ERUs.

Sewer Service Area

The District boundary is approximately 3,752 acres, with the Oquirrh Mountains to the east, the Great Salt Lake to the north, Erda Township to the south, and Grantsville City to the west. The sewer impact fee will be assessed to one District-wide service area. A map of the service area is included in Appendix A.

Level of Service – Equivalent Residential Unit

Level of service (LOS) defines the sewer demands that a typical residential user, defined as an Equivalent Residential Unit, will require and should pay for with the impact fee. LOS is based upon historic observed demands per ERU. Impact fee law prohibits the use of impact fees to increase the LOS above the current demands.

The sewer demand projections are expressed in terms of an Equivalent Residential Unit (ERU) and the impact fee will be assessed accordingly. According the IFFP prepared by Ward, the primary demand per ERU is 300 gpd/ERU which reflects the average day demand for a typical residential user. A single family residential home is equated to one ERU but non-residential properties can be converted to equivalent ERUs according a schedule of sewer multipliers prepared by Ward.

General Impact Fee Costs

On average, approximately 14.3% of the existing \$17.5M impact fee eligible infrastructure cost (\$2.5M) has capacity to serve ten-year growth and of the future project costs totaling \$3.4M (FV) roughly 15.6% (\$532,101) has been allocated to ten-year growth. The impact fee calculation is shown in Figure ES.1.

FIGURE ES.1: SEWER IMPACT FEE PER ERU

| Component | Total Cost to Component | % That will Serve Ten Year Demand | Dollar Amount that will Serve Ten Year Demand | Ten Year Demand (ERU) | Cost per ERU |
|---|-------------------------|-----------------------------------|---|-----------------------|--------------------|
| Collection Impact Fee | | | | | |
| Future 10 Year Capital Projects | \$ 3,346,549 | 15.90% | \$ 532,101 | 1,325 | \$ 402 |
| Future Collection Related Debt to be Issued - INTEREST ONLY | - | 0.00% | - | 1,325 | - |
| Existing Collection Projects | 10,575,592 | 5.80% | 613,384 | 1,325 | 463 |
| Existing Collection Related Debt - OUTSTANDING INTEREST | - | 0.00% | - | 1,325 | - |
| Collection Subtotal | \$ 13,922,141 | | \$ 1,145,486 | | \$ 864.52 |
| Treatment Impact Fee | | | | | |
| Future 10 Year Capital Projects | \$ 58,739 | 0.00% | \$ - | 1,325 | \$ - |
| Future Collection Related Debt to be Issued - INTEREST ONLY | - | 0.00% | - | 1,325 | - |
| Existing Treatment Projects | 7,007,216 | 27.30% | 1,912,970 | 1,325 | 1,444 |
| Existing Treatment Related Debt - OUTSTANDING INTEREST | - | 0.00% | - | 1,325 | - |
| Treatment Subtotal | \$ 7,065,955 | | \$ 1,912,970 | | \$ 1,443.75 |
| Professional Services/ Credits | | | | | |
| Unspent Impact Fee Funds (Excluding Uncommitted Funds) | - | 0.00% | \$ - | 1,325 | \$ - |
| Credit for Projects Benefitting Existing Users | | | | | |
| Professional Services Expense | 60,000 | 100% | 60,000 | 1,325 | 45 |
| Professional Services/Credits Subtotal | 60,000 | | 60,000 | | 45.28 |
| Total Impact Fee Per ERU | \$ 13,982,141 | | \$ 1,205,486 | | \$ 2,353.55 |

Proposed Sewer Impact Fees

Figure ES.2 shows the maximum legal impact fees that the District can assess within the service area. The recommended impact fee structure presented in this analysis has been prepared to satisfy the Impact Fees Act, Utah Code Ann. § 11-36-101 et. seq., and represents the maximum impact fees that the District may assess. Impact fees are only intended to perpetuate the District's current LOS, the District will be required to use other revenue sources to fund any projects identified in the IFFP that constitute repair and replacement, cure any existing deficiencies, increase the level of service, or maintain the level of service for existing users.

Non-Standard Demand Adjustments

The District reserves the right under the Impact Fees Act (Utah Code 11-36a-402(1)(c,d)) to assess an adjusted fee to respond to unusual circumstances and to ensure that the impact fees are assessed fairly. The impact fee ordinance must include a provision that permits adjustment of the fee for a development based upon studies and data submitted by the developer that indicate a more realistic and accurate impact upon the District's infrastructure. The impact fee formula shown below in Figure ES.3 for a non-standard user is based upon the user's anticipated annual sewer demand which is estimated based on indoor water usage.

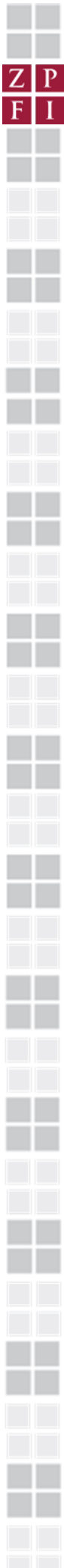


FIGURE ES.3: CALCULATION OF NON-STANDARD IMPACT FEE

| Non-Standard Users Sewer Impact Fee Formula |
|---|
| Step 1: Estimate Average Annual Demands in Gallons |
| Step 2: Multiply Average Annual Demand Fee by \$0.0215 per Gallon |
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