

# FEASIBILITY STUDY FOR THE PROPOSED INCORPORATION OF THE TOWN OF BRIGHTON

## SALT LAKE COUNTY, UTAH

MAY 2018

Picture Credit: Jordan Ison

  
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# SECTION 1: EXECUTIVE SUMMARY

Lewis Young Robertson & Burningham, Inc. (“LYRB”) was commissioned by the Office of the Lieutenant Governor to complete a feasibility study related to incorporation of an unincorporated area of Salt Lake County (“County”). The results of this study indicate that the incorporation of the proposed Town of Brighton (“Study Area” or “Town”) is feasible because compared to other incorporated areas the increase in property tax rate is within an acceptable range. Incorporating will result in the need to increase property taxes when compared to the current and projected property tax levy within Salt Lake County District supported by the Municipal-Type Services Fund (“MSF”). An analysis of the fiscal, demographic and economic issues suggests that the Study Area meets the basic requirements set forth in Utah Code 10-2a-302.

As per Utah Code 10-2a-302 (7), the analysis considers the present and five-year projections of the cost, including overhead, of governmental services in the proposed town, including: culinary water, secondary water, sewer, law enforcement, fire protection, roads and public works, garbage, weeds, and government offices. The study further contemplates the same tax categories and tax rates as currently imposed by Salt Lake County and all other current service providers, the present and five-year projected revenue for the proposed town, and a projection of any new taxes per household that may be levied within the incorporated area within five years of incorporation. These services and their providers are summarized in the following table.

**TABLE 1.1: SERVICES AND SERVICE PROVIDERS**

Service	Service Provider	Service	Service Provider
Culinary Water	Private (various water companies)	Garbage	Wasatch Front Waste & Recycling District
Secondary Water	N/A	Weeds	N/A
Sewer	Cottonwood Improvement District	Government Offices	Salt Lake County
Law Enforcement	Unified Police Department <sup>1</sup>	Animal Services	Salt Lake County
Fire Protection	Unified Fire Authority <sup>2</sup>	Capital Projects	Salt Lake County
Roads & Public Works	Salt Lake County	Courts	Salt Lake County

Services provided to the Town of Brighton by special service districts that already levy a tax within the Study Area are not anticipated to be affected by the Town’s decision to incorporate. Their costs to provide service and revenues are assumed to be unaffected by the Town’s decision to incorporate or not incorporate. Similarly, private providers of services, like water companies or snowplowing companies, are also expected to provide the same level of services as in the past with expenses unaffected by the Town’s incorporation or staying a part of unincorporated County.

If the Town of Brighton incorporates, the tax impact is estimated to increase by an average of \$75.33 annually on a primary residential home owner with a taxable value of \$400,000 (the average residential taxable value for the Study Area). This represents an increase of \$75.33 above the projected County levy. The five-year net impact results in residents paying more to incorporate than would be expected by remaining unincorporated. For secondary home owners, with a home valued at \$400,000, the increased tax burden would be \$136.97. The County will also be impacted as it will no longer receive the revenue from the Town of Brighton that supported the MSF. This tax impact required to make up for this deficit is illustrated in **Table 1.1**.

**TABLE 1.2: SCENARIO 1 FISCAL IMPACT**

	PROJECTED					
	2019	2020	2021	2022	2023	Average
<b>Needed Tax Rate*</b>	<b>0.000381</b>	<b>0.000322</b>	<b>0.000329</b>	<b>0.000336</b>	<b>0.000343</b>	<b>0.000342</b>
Town Impact (Home \$400,000)	\$84	\$71	\$72	\$74	\$76	\$75
County Impact (Home \$243,700)	\$5.82	\$5.95	\$6.08	\$6.21	\$6.35	\$6.08

\* This rate is in addition to the MSF property tax (0.000065)

According to Utah Code 10-2a-302 (7)(d), If the five-year projected revenues exceed the five-year projected costs by more than 10 percent, the feasibility consultant shall project and report the expected annual revenue surplus to the contact sponsor and the lieutenant governor. Based on LYRB’s model’s assumptions and projections, the revenues only cover 70 percent of the Town’s expenses. The Town can balance the revenues by levying a property tax of 0.000342 (5-year average). The report will provide greater details as to the sources of revenues, expected expenses, growth assumptions, and comparable towns’ data. It is anticipated that the incorporation of the Town will also have an impact on the remaining MSF. Assuming the loss of property tax

<sup>1</sup> Brighton is within the Salt Lake Valley Law Enforcement Service Area

<sup>2</sup> The Town of Brighton is in the Unified Fire Service Area



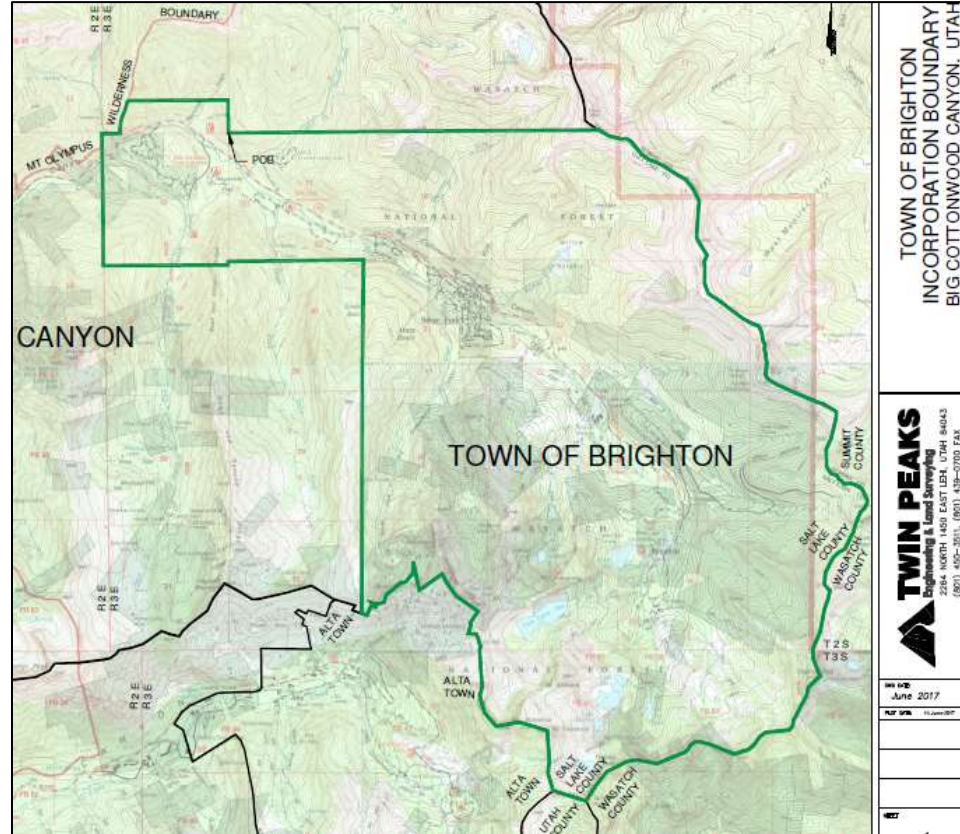
revenue, sales tax revenue and other revenues, the average impact to an average residential property within the MSF is \$6.08 annually. However, the main analysis assumes there are no reductions in MSF expenses after incorporation, which may be reduced should the town incorporate.

## SECTION 2: POPULATION & POPULATION DENSITY

### POPULATION

The proposed incorporation boundary for the Study Area includes two ski resorts, Brighton and Solitude. Also included are 12 communities, Mount Haven, Mill D North Fork, Cardiff, Pine Tree, Silver Fork, Forest Glen A, Forest Glen B-C, Evergreen, Lady of the Lake, Giles Flat, Solitude Condos, and Brighton. Approximately 20 percent of these communities' homes are primary residents, while 80 percent of the homes are used seasonally. In total, the Town comprises 10,238.8 acres. Twenty-one percent of the land is privately owned, 72 percent belongs to the US Forest Service, and 6 percent of the land belongs to Salt Lake City. A map of the Study Area is shown in **Figure 2.1**.

**FIGURE 2.1: STUDY AREA BOUNDARY**



Based on land use data provided by the County and data from community council members, there are between 116 and 161 primary residences and 599 to 644 non-primary residences in the Study Area. Because of Foothill and Canyon Overlay Zone regulations, building permits are difficult to obtain, requiring significant investments in time and money. As a result, growth and development within the Study Area occurs slowly and methodically.

To determine the Study Area population, LYRB evaluated Community Council Member data, the County Assessor's Database, and voter registration records. The Community Council estimate of total population is 260 people. LYRB verified this number by comparing the household size of Alta Town (1.55 persons per household), which is also a ski resort town with similar demographics to the Town of Brighton. Based on a total of 161 primary housing units in the Town of Brighton, multiplied by the average household size of 1.55 persons per household, the population for the Study Area would be approximately 250 people, which is only slightly lower than the Community Council projections.

Using parcel data from the County Assessor, LYRB evaluated parcel property information to estimate the number of fulltime residents. Within the parcel data, 116 property owner addresses matched the property location address. Multiplying this number by Alta's average household size results in an estimated minimum population of 180.



Looking at voter registration data, we can conclude that the population is higher than this established minimum population estimate using only County parcel data. The voter precinct to which most residents in and near the Town of Brighton are assigned (BRT901) has 263 registered voters. Using data from the County, LYRB was able to geocode the registered voters' addresses from the precinct and determine that of the total 263 registered voters in Precinct BRT901, 202 registered voters reside within the proposed borders of the Town of Brighton.

Note that in the state code, 10-2a-302.5 (2)(b), a requirement for a Town's incorporation states, "(ii) at least 50% of the voting eligible population in the area are registered voters." With an estimated population of 260, this requirement is believed to be met. The population of eligible voters would have to be over 404, which is an unrealistically high population estimate.

For purposes of this study, LYRB used the 260 population figure provided by the Community Council, with an estimated 1,500 part-time residents.

**TABLE 2.1: TOWN OF BRIGHTON ESTIMATED POPULATION**

Study Area Population	260
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The communities within the Town include an estimated 73 lots, which have not been built. Assuming the same ratio of 20 percent full-time residents for the 73 unbuilt lots, 15 will be occupied full-time and 58 will be occupied part-time. The average household size for full-time occupied residences is 1.61 and 2.33 for part-time occupied households. Thus, the estimated full-time residents at buildout is 283 as illustrated in **Table 2.2**.

**TABLE 2.2: STUDY AREA FULL-TIME BUILDOUT PROJECTION**

Current Full-Time Occupied Households	161
Estimated New Full-Time Households	15
Average Full-Time Occupied Household Size	1.61
Total Estimated Full-Time Buildout Population	283

## POPULATION DENSITY

The population of the surrounding communities in the County are identified below in **Table 2.3**. The populations range from a low of 349 persons in Alta Town to 191,446 in Salt Lake City. The Study Area's population is the lowest when compared to surrounding areas and comparison cities. These communities are shown for illustrative purposes. However, when determining five-year growth estimates and tax impacts in later sections, this analysis compares the Study Area to the remaining County service area. The household size is the number of persons per household and the population density equals the number of persons per acre.

**TABLE 2.3: SURROUNDING AREA 2016 POPULATION**

	Alta town	Bluffdale City	Cottonwood Heights City	Draper City (pt.)	Herriman City	Holladay City	Midvale City	Millcreek	Murray City	Riverton City
2016 Population	349	9,809	34,274	44,487	29,176	30,793	31,659	61,191	48,834	41,521
Household Size	1.55	3.92	2.81	3.5	4.05	2.69	2.67	2.66	2.62	3.71
Population Density	0.07	1.48	7.88	2.37	2.25	6.21	8.62	6.99	6.38	5.28
	Salt Lake City	Sandy City	South Jordan City	South Salt Lake City	Taylorsville City	West Jordan City	West Valley City	Balance of Salt Lake County	Study Area <sup>3</sup>	
2016 Population	191,446	93,141	62,751	24,575	60,448	110,928	134,609	82,527	260	
Household Size	2.66	3.16	3.61	2.5	3.12	3.52	3.68	N/A	1.6	
Population Density	2.78	6.50	4.58	5.68	8.90	5.46	6.04	N/A	0.03	

Source: US Census Data

<sup>3</sup> Information not based on 2016, as the area was not census designated at the time. Information based on County parcel date, voting records, and other GIS data.



# SECTION 3: FIVE-YEAR PROJECTIONS OF DEMOGRAPHICS & ECONOMIC BASE

## DEMOGRAPHICS

To determine five-year demographic projections, LYRB utilized information from the US Census, the Governor's Office of Management and Budget ("GOMB"), and Salt Lake County. **Table 3.1** below shows current and five-year population projections based on GOMB projections and the corresponding average annual growth rates ("AAGR").

**TABLE 3.1: SALT LAKE COUNTY CURRENT AND 5-YEAR POPULATION FIGURES**

GEOGRAPHY	2016 CENSUS	2018	2023	AAGR 2010-2020
<b>Salt Lake County</b>	1,092,518	1,122,871	1,202,494	1.38%
Alta Town	349	352	360	0.44%
Bluffdale City	9,809	10,383	11,971	2.89%
Cottonwood Heights City	34,274	35,039	37,028	1.11%
Draper City (pt.)	44,487	45,710	48,918	1.37%
Herriman City	29,176	30,456	33,908	2.17%
Holladay City	30,793	31,497	33,329	1.14%
Midvale City	31,659	32,727	35,558	1.67%
Millcreek	61,191	61,292	61,546	0.08%
Murray City	48,834	50,216	53,846	1.41%
Riverton City	41,521	42,654	45,625	1.36%
Salt Lake City	191,446	196,167	208,486	1.23%
Sandy City	93,141	95,251	100,737	1.13%
South Jordan City	62,751	64,867	70,473	1.67%
South Salt Lake City	24,575	25,213	26,881	1.29%
Taylorsville City	60,448	61,824	65,402	1.13%
West Jordan City	110,928	113,996	122,044	1.37%
West Valley City	134,609	137,767	145,991	1.17%
Balance of Salt Lake County	82,527	87,457	100,392	2.87%
<b>Town of Brighton</b>	<b>NA</b>	260	266	0.42%

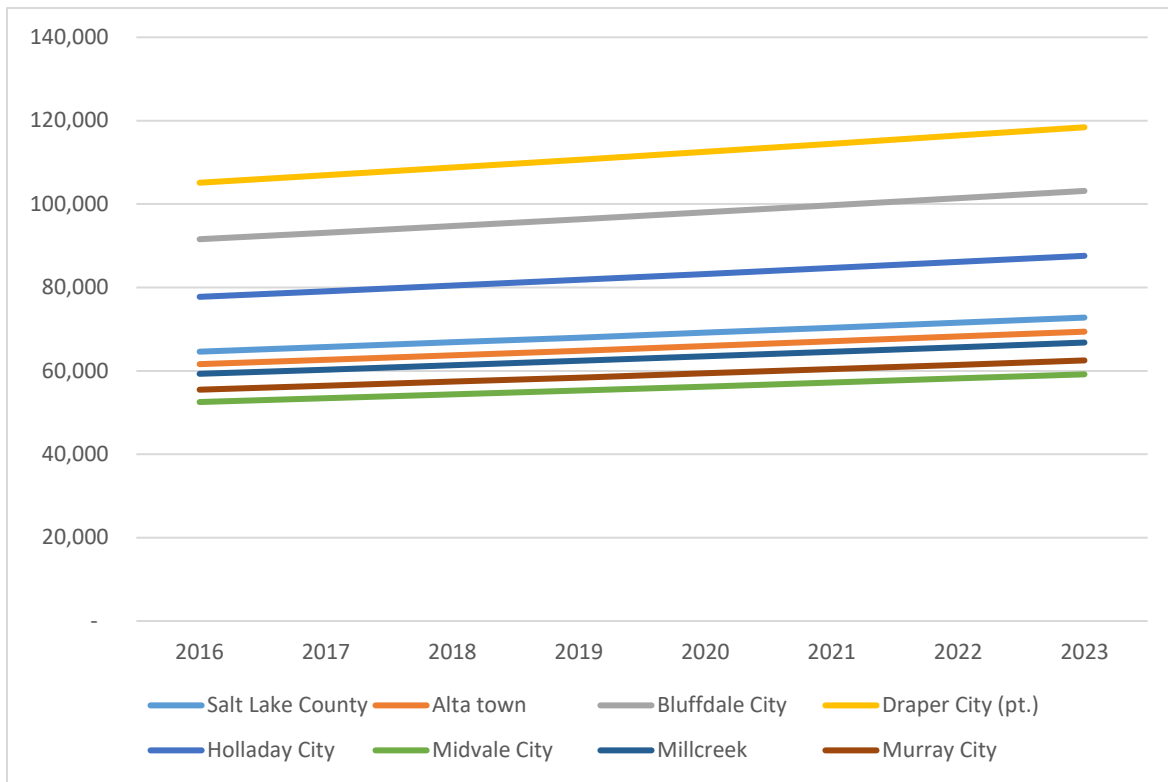
Population projections for the Study Area are based on estimated future construction on vacant lots and input from the Town Community Council. **Table 3.2** details the five-year projections for primary/full-time residents within the Study Area.

**TABLE 3.2: TOWN OF BRIGHTON 5-YEAR POPULATION PROJECTION**

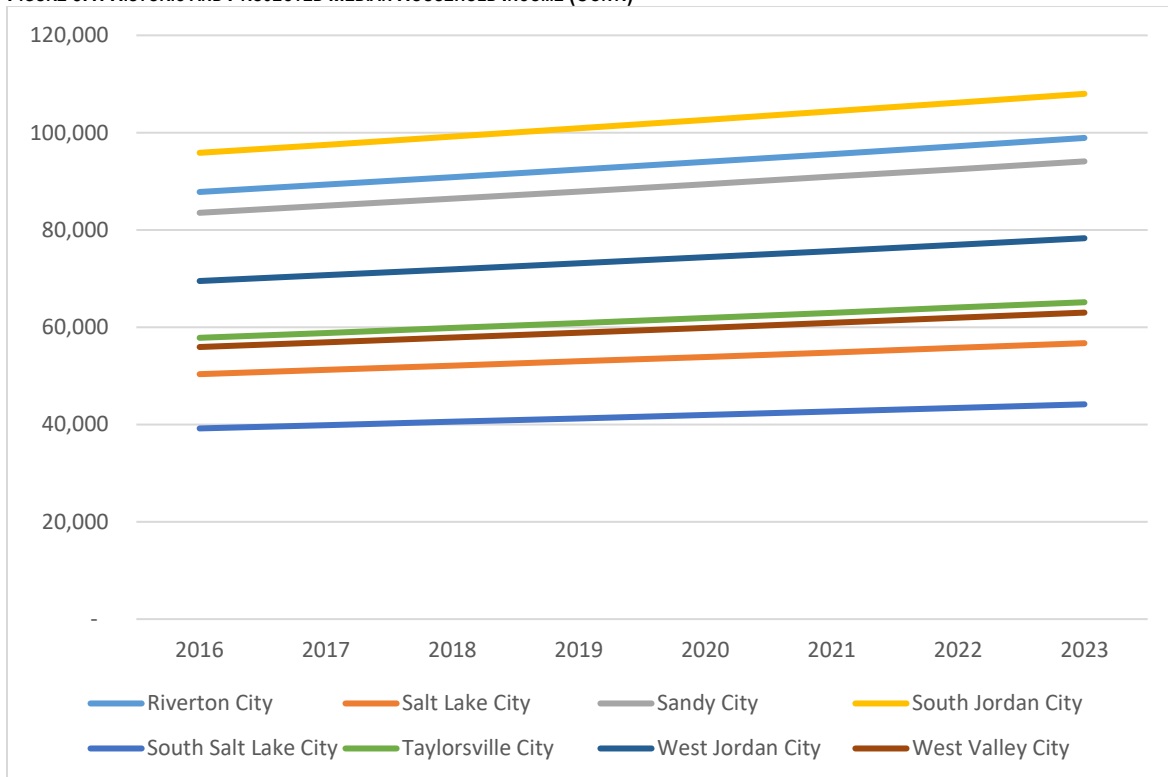
TOWN	2018	2019	2020	2021	2022	2023
Town of Brighton	260	261	262	263	264	266

Median household income figures from the US Census from 2000 and 2016 were used to project the median household income through 2023 for the County as shown in **Table 3.3**.

**FIGURE 3.1: HISTORIC AND PROJECTED MEDIAN HOUSEHOLD INCOME**



**FIGURE 3.1: HISTORIC AND PROJECTED MEDIAN HOUSEHOLD INCOME (CONT.)**



Source: US Census Data





The County's median household income has grown from \$48,373 in 2000 to \$64,601 in 2016. The projected median household incomes grow similarly through 2023 as illustrated in **Table 3.4**.

**TABLE 3.3: HISTORIC MEDIAN HOUSEHOLD INCOME**

	2000	2016	AVERAGE ANNUAL GROWTH RATE
Salt Lake County	48,373	64,601	1.72%
Alta town	51,250	61,607	1.09%
Bluffdale City	66,615	91,573	1.89%
Draper City (pt.)	72,341	105,118	2.22%
Holladay City	66,468	77,753	0.93%
Midvale City	40,130	52,521	1.60%
Millcreek	38,211	59,291	2.62%
Murray City	45,569	55,483	1.16%
Riverton City	63,980	87,806	1.88%
Salt Lake City	36,944	50,353	1.84%
Sandy City	66,458	83,527	1.35%
South Jordan City	75,433	95,858	1.42%
South Salt Lake City	29,801	39,198	1.63%
Taylorsville City	47,236	57,826	1.20%
West Jordan City	55,794	69,503	1.30%
West Valley City	45,773	55,933	1.19%

Source: US Census Data

**TABLE 3.4: PROJECTED MEDIAN ADJUSTED GROSS INCOME**

	2018	2019	2020	2021	2012	2023
Salt Lake County	66,837	67,985	69,151	70,338	71,545	72,773
Alta town	63,740	64,834	65,946	67,078	68,230	69,401
Bluffdale City	94,743	96,369	98,023	99,706	101,417	103,157
Draper City (pt.)	108,757	110,624	112,522	114,453	116,418	118,416
Holladay City	80,445	81,825	83,230	84,658	86,111	87,589
Midvale City	54,339	55,272	56,220	57,185	58,167	59,165
Millcreek	61,344	62,396	63,467	64,557	65,665	66,792
Murray City	57,404	58,389	59,391	60,410	61,447	62,502
Riverton City	90,846	92,405	93,991	95,604	97,245	98,914
Salt Lake City	52,096	52,990	53,900	54,825	55,766	56,723
Sandy City	86,419	87,902	89,410	90,945	92,506	94,093
South Jordan City	99,177	100,879	102,610	104,371	106,162	107,984
South Salt Lake City	40,555	41,251	41,959	42,679	43,412	44,157
Taylorsville City	59,828	60,855	61,899	62,961	64,042	65,141
West Jordan City	71,909	73,143	74,399	75,676	76,974	78,295
West Valley City	57,869	58,863	59,873	60,900	61,946	63,009

Source: US Census Data

## ECONOMIC BASE

The Study Area has a secure economic base with the two ski resorts, Brighton and Solitude. Several businesses are supported by the visitors attracted to the Town by the resorts. Salt Lake County, as a base for the region is also valuable to consider in this incorporation study, as it is the most populous county in the state. Continued growth in property values, taxable sales, and employment are key variables to consider. The following paragraphs discuss the County's regional economy.

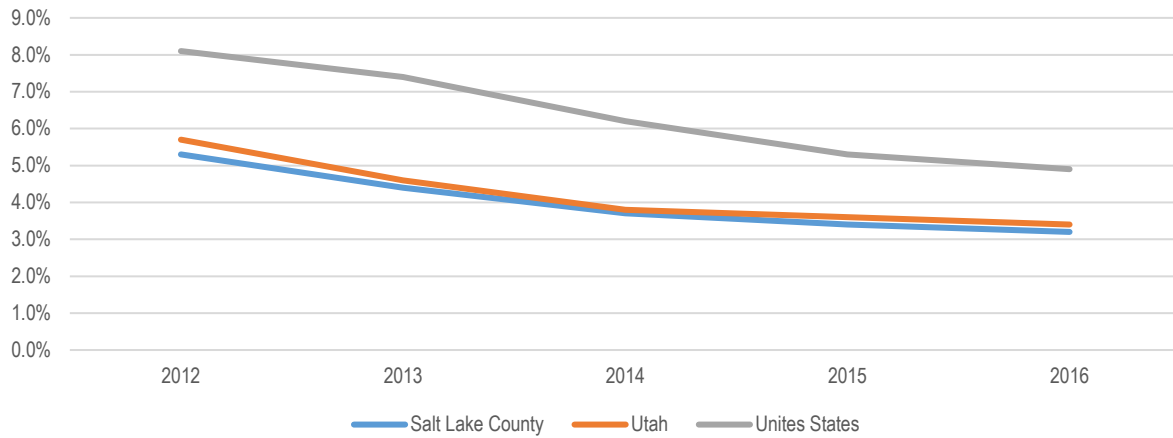
### REGIONAL ECONOMY

The County is home to the state's capital, roughly one-third of the state's population, many financial firms, national sports teams, an international airport, general retail, and institutes of higher education. Its regional economy is very strong and continues to grow.

The unemployment rate for the County averaged 3.2 percent in 2016, down from 5.3 percent in 2012. Unemployment peaked in 2012 and gradually decreased over the following five years (see **Figure 3.2**). This trend is mirrored by the state, which had its highest average unemployment in 2012 at 5.7 percent and saw gradual annual decreases to unemployment for the following four years.



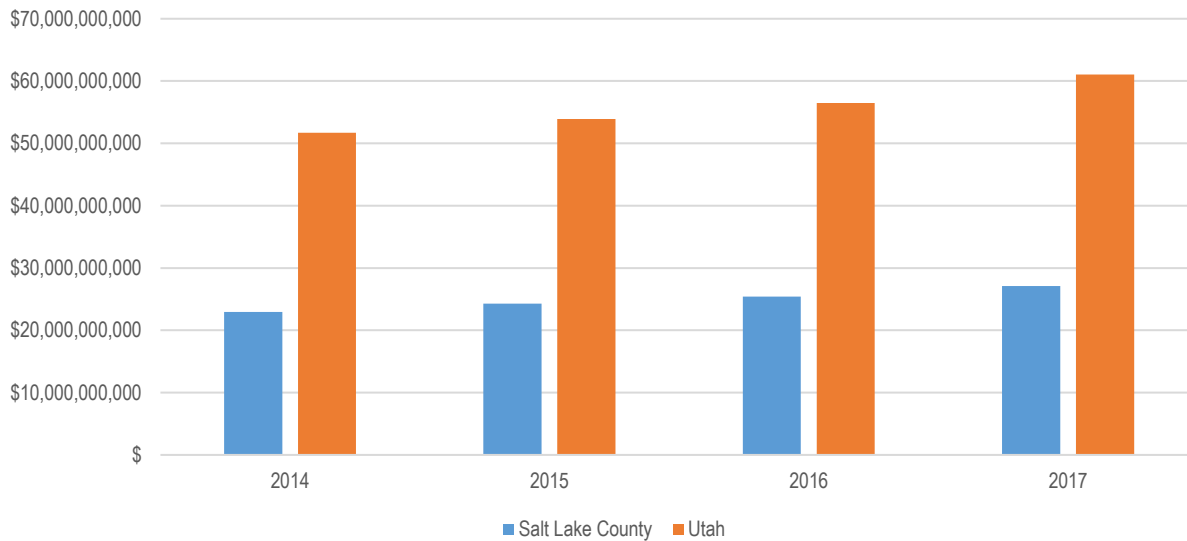
**FIGURE 3.2: HISTORIC SALT LAKE COUNTY UNEMPLOYMENT RATES**



Source: US Bureau of Labor Statistics

A comparison of taxable sales trends for the County illustrates an increase of 4.2 percent between 2014 and 2017 with business investment, retail trade, and services excelling. The increase in taxable sales in the County can be seen in **Figure 3.3**, as well as the magnitude by which Salt Lake County contributes to the states total taxable sales as a whole.

**FIGURE 3.3: COMPARISON OF TAXABLE SALES FOR SALT LAKE COUNTY AND THE STATE**



Source: Utah Department of Workforce Services: Year-to-Year Change in Gross Taxable Sales

Historic taxable value figures for Salt Lake County show an Average Annual Growth Rate (“AAGR”) of 6.2 percent from 2013 through 2017. It is important to note that the values below include redevelopment agency values, which will be excluded in the projection of future taxable values.

**TABLE 3.5: SALT LAKE COUNTY HISTORIC TAXABLE VALUE**

SALT LAKE COUNTY	2013	2014	2015	2016	2017	AAGR
Real	62,964,220,832	67,304,452,911	71,902,752,393	79,233,595,595	86,336,774,869	6.5%
Personal	4,759,713,196	5,193,628,054	5,678,877,262	5,727,506,830	6,178,965,712	5.4%
Centrally Assessed	5,640,985,207	6,148,866,892	6,569,480,285	6,820,531,815	6,532,875,094	3.0%
<b>Total</b>	<b>73,364,919,235</b>	<b>78,646,947,857</b>	<b>84,151,109,940</b>	<b>91,781,634,240</b>	<b>99,048,615,675</b>	<b>6.2%</b>

Utah State Tax Commission



### STUDY AREA ECONOMY

The Study Area is comprised of 805 residential units spread throughout 12 communities, the Brighton and Solitude ski resorts, and a few businesses that cater to tourists and snow sport enthusiasts. The gross taxable sales in 2016 in the Study Area amounted to \$33,906,593. Because growth in the Study Area occurs slowly, the model projects flat growth that is only adjusted annually for inflation.

The Study Area is comprised of 10,238.8 acres with a taxable value of \$345,102,170. The Study Area represents 0.38 percent of the total unincorporated County taxable value and 0.4 percent of the Municipal-Type Service District value as illustrated in **Table 3.8**.

**TABLE 3.6: ESTIMATE OF STUDY AREA TAXABLE VALUE**

TOWN OF BRIGHTON	2016
Total Taxable Value	\$345,102,170
Study Area Taxable Value as % of County Taxable Value	0.38%
Study Area Taxable Value as % of MSF Taxable Value	0.4%

### PROJECTIONS OF COUNTY ECONOMIC BASE

The following paragraphs address the projections of the economic base within unincorporated County, specifically as it relates to the MSF. Actuals for 2013 through 2017 and budget estimates for 2018 were used to calculate historic growth rates and projections. The tax base projections are based on the County's MSF which provides municipal services to the unincorporated County, including the proposed Study Area boundary. The taxable value estimates for the MSF fund assume a 0.09 percent growth rate, based on historic growth. **Table 3.7** includes projected taxable values in the MSF based on Utah State Tax Commission historic data.

**TABLE 3.7: MUNICIPAL SERVICES FUND TAXABLE VALUE PROJECTIONS, RATES, AND REVENUES**

	2018	2019	2020	2021	2022	2023
Estimated MSF Taxable Value	\$6,535,139,937	\$6,207,203,784	\$6,216,977,785	\$6,226,751,785	\$6,236,525,786	\$6,246,299,786
Estimated Tax Rate	0.000065	0.000065	0.000065	0.000065	0.000065	0.000065
Estimated Tax Revenue	424,784	404,104	404,741	405,377	406,013	406,650

As is illustrated in Figure 3.3, taxable sales within Salt Lake County have increased steadily over the past three years at an average annual growth rate of 4.2 percent. The annual taxable sales in Salt Lake County have made up 45 percent of the state's annual taxable sales.

### PROJECTIONS OF STUDY AREA ECONOMIC BASE

Significant factors that will influence revenues within the Study Area include taxable assessed value and taxable sales. Growth in taxable value will influence future property tax revenues and general government services funding. New property growth is estimated based on the current average taxable value of a home, \$328,114, multiplied by 3.5 homes a year (which equates to a growth rate similar to that of Alta Town. **Table 3.8** details the projected taxable value for the Study Area.

**TABLE 3.8: STUDY AREA TAXABLE VALUE (ACTUAL AND PROJECTED VALUES)**

	ACTUAL	PROJECTED				
	2016	2017	2018	2019	2020	2021
Assessed Value	\$345,102,170	345,102,170	346,250,567	347,398,965	348,547,362	349,695,760
New Growth		1,148,397	1,148,397	1,148,397	1,148,397	1,148,397

Sales tax revenues are distributed based on two methodologies: 1) point of sale, or the location of the sale; and, 2) the ratio of population. Total sales tax collections are distributed equally between these allocation strategies, with 50 percent assigned to point of sale and 50 percent to population. Population revenues are distributed to local entities based on the ratio of their population to the State's population as a whole. A point of sale calculation based on historic taxable sales and a population distribution calculation based on the projected Study Area population are included in this analysis.

Taxable sales have increased within the County by an average of 4.2 percent since 2014. For the purposes of this analysis, LYRB assumes a flat growth rate in taxable sales, only increasing sales to adjust for inflation (2.4 percent).



As stated above, point of sale taxable sales comprise 50 percent of the allocation strategy. The population distribution pool is shown in **Table 3.9** below, including five-year projections.

**TABLE 3.9: STATE TAXABLE SALES REVENUE POPULATION DISTRIBUTION POOL (PROJECTED VALUES)**

	ESTIMATED	PROJECTED				
	2016	2017	2018	2019	2020	2021
State Population Distribution Pool <sup>1</sup>	263,697,555	274,245,457	285,215,275	296,623,886	308,488,841	320,828,395
Growth Rate <sup>2</sup>	4.29%	4.00%	4.00%	4.00%	4.00%	4.00%

1. Utah State Tax Commission Annual Report p.31 – Total distribution reported in fiscal years. LYRB averaged the two fiscal years to estimate calendar year. Multiplied by 50 percent to obtain population pool.

2. Based on average historic rates.



## SECTION 4: PRESENT & FIVE-YEAR COST PROJECTIONS

### GENERAL METHODOLOGY

This section compares the costs to the residents of the Study Area if the County continues to provide services or if a newly incorporated Town provides services. Utah Code requires that the level and quality of governmental services be fairly and reasonably approximate between the two options.

This analysis assumes that many municipal services provided by Special Service Districts, Improvement Districts, and private companies will continue to be provided regardless of the incorporation. However, actual service provisions will be governed by the newly incorporated municipal governing body. LYRB assumes the following services will be provided by the various entities without any impact from incorporation or non-incorporation:

- ☒ Emergency Management (County-wide service);
- ☒ Storm water (County-wide service);
- ☒ Planning and Development Services (County);
- ☒ Sewer (Cottonwood Improvement District);
- ☒ Garbage (Wasatch Waste and Recycling);
- ☒ Fire (Unified Fire Authority);
- ☒ Police (Unified Police Department);
- ☒ Snowplowing (private companies);
- ☒ Signal Maintenance (UDOT); and
- ☒ Culinary Water (private companies)

The following services were assumed to be provided by the County through the MSF or through the Town if incorporated:

- ☒ General Governmental Services, including public buildings and overhead;
- ☒ Roads and Public Works;
- ☒ Animal Services;
- ☒ Capital Projects; and
- ☒ Courts

The estimate of County expenditures is based on assumptions related to the County MSF. The Town scenario includes the proposed Study Area boundary as defined by the Project Sponsor. The original boundary was drawn by Twin Peaks Engineering & Land Surveying and LYRB recreated the referenced boundary for internal analysis.

### COUNTY COST ESTIMATES

It is estimated that Brighton's presence as an incorporated Town or an unincorporated entity will have a minimal effect upon the County's budget, specifically the MSF. Based on an expense allocation by population approach, the Town of Brighton only accounts for 0.3 percent of the unincorporated County's population. Approaching the allocation of Municipal Service Fund's expenses based on the Town's total taxable value yields similar results. The Town of Brighton only accounts for 0.4 percent of the unincorporated County's total taxable value. The average total annual expense for the Municipal Service Funds for the past 3 years is \$62,987,719. Proportionately allocating this cost to the Town would equal \$183,610 based on population and \$240,687 based on total taxable value.

LYRB assumed the five-year cost projections for the County to provide municipal services to unincorporated areas by modeling previous years' budgeted expenditures and projecting them forward using estimated population and gross taxable value. The forecasted revenue reflects a recent trend in which the total expenses allocated to providing services have been reduced. See **Table 4.1**.



**TABLE 4.1: CURRENT & PROJECTED COUNTY MUNICIPAL SERVICE FUND EXPENDITURES**

EXPENDITURES	2018 ADOPTED	2019 PROJECTED	2020 PROJECTED	2021 PROJECTED	2022 PROJECTED	2023 PROJECTED
<b>Fund 232 GOV IMMUNITY-UNINCORP FUND</b>						
GOV IMMUNITY UNINCORP	\$1,011,000	\$1,040,093	\$1,069,589	\$1,099,491	\$1,129,803	\$1,160,528
<b>Fund 235 UNINCORP MUNICIPAL SERVICES</b>						
UNINCOR MUN SVCS STAT AND GEN	\$7,845,814	\$8,071,592	\$8,300,492	\$8,532,543	\$8,767,775	\$9,006,215
<b>Fund 735 PUBLIC WORKS AND OTHER</b>						
COMMUNITY DEVELOPMENT & ENGAGEMT	\$996,826	\$1,025,511	\$1,054,594	\$1,084,076	\$1,113,963	\$1,144,257
PLANNING AND DEVELOPMENT SERVICES	\$4,302,976	\$4,426,802	\$4,552,341	\$4,679,607	\$4,808,618	\$4,939,389
ANIMAL SERVICES	\$6,112,192	\$6,288,081	\$6,466,404	\$6,647,181	\$6,830,435	\$7,016,189
PUBLIC WORKS OPERATIONS	\$20,350,392	\$20,936,012	\$21,529,731	\$22,131,623	\$22,741,765	\$23,360,227
PUBLIC WORKS OPS CAPITAL PROJECTS	\$750,000	\$771,583	\$793,464	\$815,646	\$838,132	\$860,925
TOWNSHIP ENGINEERING SERVICES	\$3,206,683	\$3,298,961	\$3,392,516	\$3,487,358	\$3,583,500	\$3,680,953
PW ENGINEERING CAPITAL PROJECTS	\$9,029,110	\$9,288,939	\$9,552,362	\$9,819,411	\$10,090,120	\$10,364,521
MUNICIPAL SERVICES - STAT AND GENL	\$137,006	\$140,949	\$144,946	\$148,998	\$153,106	\$157,269
MUNICIPAL SERVICES CAPITAL IMP	\$62,549	\$64,349	\$66,174	\$68,024	\$69,899	\$71,800
JUSTICE COURTS	\$1,603,634	\$1,649,781	\$1,696,567	\$1,743,997	\$1,792,077	\$1,840,812
<b>TOTAL</b>	<b>\$55,408,182</b>	<b>\$57,002,653</b>	<b>\$58,619,177</b>	<b>60,257,956</b>	<b>\$61,919,192</b>	<b>\$63,603,086</b>

**STUDY AREA COST ESTIMATES (ASSUMING TOWN INCORPORATION)**

Expenditures for the Study Area were calculated using the following methodologies in order to determine an acceptable level of service:

- a) Average total expenditures of comparable cities, and
- b) Proportionate allocation of average cost for the County

LYRB gathered data from six comparable cities in Utah based upon population, location, and budget practices.

- ☒ Alta Town (Population: 349)
- ☒ Kanarrville (Population: 329)
- ☒ Brian Head (Population: 86)
- ☒ Fairfield (Population: 139)
- ☒ Hideout (Population: 847)
- ☒ Huntsville (Population: 789)

**Table 4.2** summarizes the expenditures forecasted for the proposed Study Area, including the allocation methodology. The incorporation costs include this feasibility study and costs associated with an election assuming the incorporation goes to a vote. The annual cost of a government building are built into the “Government Offices” expense.

**TABLE 4.2: PROJECTED STUDY AREA GENERAL EXPENDITURES**

EXPENDITURES	2019	2020	2021	2022	2023
Government Offices	\$298,872	\$306,045	\$313,390	\$320,912	\$328,613
Weeds	-	-	-	-	-
Garbage	-	-	-	-	-
Roads & Public Works	\$29,526	\$30,235	\$30,960	\$31,703	\$32,464
Fire Protection	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Animal Services	\$18,607	\$19,053	\$19,511	\$19,979	\$20,459
Capital Projects	\$27,677	\$28,341	\$29,022	\$29,718	\$30,431
Courts	\$4,882	\$4,999	\$5,119	\$5,242	\$5,368
Incorporation Costs	\$23,000	-	-	-	-
<b>TOTAL</b>	<b>\$402,564</b>	<b>\$388,674</b>	<b>\$398,002</b>	<b>\$407,554</b>	<b>\$417,335</b>



# SECTION 5: PRESENT & FIVE-YEAR PROJECTED REVENUE

## GENERAL METHODOLOGY

This section compares the revenues the County and Town are likely to generate. Like the expenditure projections, the revenues were calculated using historic budget data and estimated 2018 budget data. Further, additional allocation methodologies were utilized based on population, assessed value, and standard state allocation practices.

## COUNTY REVENUES

It is estimated that Brighton's presence as an incorporated Town or an unincorporated entity will have a minimal effect upon the County's budget, specifically the MSF. LYRB first estimated the revenues the Town of Brighton would generate and then subtracted them from the forecasted revenues to the County.

The estimated revenue generated within the Town of Brighton only accounts for 0.5 percent of the revenue allocated to the County's unincorporated MSF (232, 235, and 735). The average total annual revenue to the MSF for the past 3 years is \$61,468,211. Proportionately allocating this revenue to the Town would equal \$187,286 based on population and \$245,506 based on total taxable value.

LYRB assumed the five-year revenue projections for the County to provide municipal services to unincorporated areas by modeling previous years' budgeted expenditures and projecting them forward using estimated population and gross taxable values. The forecasted revenue reflects a recent trend in which the total expenses allocated to providing services have been reduced. See **Table 5.1**.

**TABLE 5.1: CURRENT & PROJECTED COUNTY MUNICIPAL SERVICE FUND REVENUES**

REVENUES	2018 ADOPTED	2019 PROJECTED	2020 PROJECTED	2021 PROJECTED	2022 PROJECTED	2023 PROJECTED
<b>Fund 232 GOV IMMUNITY-UNINCORP FUND</b>						
GOV IMMUNITY UNINCORP	\$300,000	\$308,633	\$317,385	\$326,258	\$335,253	\$344,370
<b>Fund 235 UNINCORP MUNICIPAL SERVICES</b>	-	-	-	-	-	-
UNINCOR MUN SVCS STAT & GEN	\$7,013,953	\$7,215,792	\$7,420,423	\$7,627,871	\$7,838,162	\$8,051,321
<b>Fund 735 PUBLIC WORKS AND OTHER</b>	-	-	-	-	-	-
COMMUNITY DEVELOPMENT & ENGAGEMENT	\$879,727	\$905,043	\$930,709	\$956,728	\$983,104	\$1,009,839
PLANNING AND DEVELOPMENT SERVICES	\$4,590,177	\$4,722,268	\$4,856,185	\$4,991,947	\$5,129,568	\$5,269,067
ANIMAL SERVICES	\$6,201,881	\$6,380,351	\$6,561,290	\$6,744,720	\$6,930,663	\$7,119,143
PUBLIC WORKS OPERATIONS	\$20,803,233	\$21,401,884	\$22,008,814	\$22,624,101	\$23,247,819	\$23,880,044
PUBLIC WORKS OPS CAPITAL PROJECTS	-	-	-	-	-	-
TOWNSHIP ENGINEERING SERVICES	\$3,037,583	\$3,124,995	\$3,213,616	\$3,303,457	\$3,394,529	\$3,486,843
PW ENGINEERING CAPITAL PROJECTS	\$9,129,110	\$9,391,817	\$9,658,157	\$9,928,164	\$10,201,871	\$10,479,311
MUNICIPAL SERVICES - STAT AND GENL	\$111,767	\$114,983	\$118,244	\$121,550	\$124,901	\$128,297
MUNICIPAL SERVICES CAPITAL IMP	\$62,549	\$64,349	\$66,174	\$68,024	\$69,899	\$71,800
JUSTICE COURTS	\$1,638,392	\$1,685,540	\$1,733,339	\$1,781,797	\$1,830,919	\$1,880,711
<b>TOTAL</b>	<b>\$53,768,372</b>	<b>\$55,315,655</b>	<b>\$56,884,337</b>	<b>\$58,474,616</b>	<b>\$60,086,688</b>	<b>\$61,720,747</b>

## STUDY AREA REVENUES (ASSUMING TOWN INCORPORATES)

Revenues for the Study Area were calculated using the following methodologies:

- a) Property tax based on assessed value and new growth;
- b) State Sales Tax allocation based on population and point of sale;
- c) Building Permit cost per household;
- d) State Class C Road Fund allocation based on lane miles; and,
- e) Fines and Forfeitures based on per capita comps.



The property tax revenue calculation is based on the assessed value of the Study Area and applying the projected County levy for the MSF. As discussed in **Section 3**, new growth is estimated based on the current ratio of primary residences (51 percent) which receive a 45 percent property tax reduction and secondary residences (49 percent) which do not receive a tax exemption. New growth is further calculated based on the HOA estimate of 3.5 new homes a year at an average value of \$328,114.

Sales tax revenues are distributed based on two methodologies: point of sale, or the location of the sale; and, ratio of population. Total sales tax collections are distributed equally between these allocation strategies, with 50 percent assigned to point of sale and 50 percent to population. Population revenues are distributed to local entities based on the ratio of their population to the State's population. Revenue projections for the Study Area include the population allocation and the point of sale distribution.

Sales tax revenue increases within the Study Area were assumed to be flat, adjusting only for inflation. Licensing and permitting revenue is included based on historic data and the County's historic costs.

Additionally, the Study Area revenue forecast includes Class C Road Funds, allocated based upon a 50/50 split between weighted lane miles and population. The State's allocation methodology includes a weighting for gravel roads versus paved roads. The roads maintained by the County within in the Study Area are paved and are weighted as such.

A per capita average revenue estimate for fines and forfeitures is also included in the revenue calculation. Additional types of revenue may be collected in the Study Area including grants, a State Liquor allocation, telecommunications tax, etc. Due to the variable nature of grant revenue, this line item was excluded. Based on the benchmark of other cities per capita estimates, the State Liquor allocation revenue was deemed negligible for the purposes of this study. An incorporated town has the option to levy a telecommunication tax. However, for comparison purposes, all revenue requirements have been included in the property tax levy to determine the cumulative impact on a household.

**TABLE 5.2: TOWN SCENARIO REVENUE**

Study Area Revenues	PROJECTED				
	2019	2020	2021	2022	2023
Property Tax Generated in Town of Brighton from Equivalent County Rate	\$22,691	\$22,766	\$22,841	\$22,916	\$22,990
Sales & Use	\$206,825	\$211,774	\$216,841	\$222,029	\$227,341
Licenses & Permits	\$2,357	\$2,357	\$2,357	\$2,357	\$2,357
Class C Roads	\$17,594	\$18,533	\$19,532	\$20,610	\$21,770
Fines & Forfeitures	\$8,600	\$8,636	\$8,672	\$8,709	\$8,745
Cable TV Franchise Tax	\$3,319	\$3,399	\$3,480	\$3,564	\$3,649
911 Surcharge	\$8,372	\$8,573	\$8,778	\$8,989	\$9,205
<b>TOTAL</b>	<b>\$269,759</b>	<b>\$276,038</b>	<b>\$282,502</b>	<b>\$289,173</b>	<b>\$296,058</b>





## SECTION 6: FISCAL IMPACTS

The purpose of this study is to project and compare the impact of incorporation of the Study Area to the fiscal impact of remaining within the County service area. The following section details the impact to residents in the Study Area, as well as to the County.

### FISCAL IMPACTS ON THE COUNTY

The fiscal impact of the Town of Brighton incorporating on the County would be minimal. The 2017 and 2018 budgets are expected to leave the municipal service funds with positive fund balances. Although the Town's incorporation would reduce the revenue the County receives by slightly more than the reduction of expenses, the projected budgets remain with positive balances at year's end. The net effect on the County's budget would be approximately \$5,000 annually. If the County wanted to increase taxes in the 4220 Municipal-Type Services entity to make up for this loss, the tax impact to a primary residence valued at \$243,700 would be \$0.11 in additional property taxes per year. The County may opt to use general funds to cover this small gap to avoid a tax increase.

**TABLE 6.1: COUNTY SCENARIO**

SALT LAKE COUNTY MUNICIPAL-TYPE SERVICES FUNDS						
REVENUES	2018 Adopted	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected
<b>Fund 232 GOV IMMUNITY-UNINCORP FUND</b>						
GOV IMMUNITY UNINCORP	\$1,011,000	\$1,037,075	\$1,066,558	\$1,096,447	\$1,126,746	\$1,157,458
<b>Fund 235 UNINCORP MUNICIPAL SERVICES</b>						
UNINCOR MUN SVCS STAT AND GENERAL	\$7,845,814	\$8,048,169	\$8,276,971	\$8,508,924	\$8,744,056	\$8,982,396
<b>Fund 735 PUBLIC WORKS AND OTHER</b>						
COMMUNITY DEVELOPMENT & ENGAGEMENT	\$996,826	\$1,022,536	\$1,051,605	\$1,081,075	\$1,110,949	\$1,141,231
PLANNING AND DEVELOPMENT SERVICES	\$4,302,976	\$4,413,956	\$4,539,441	\$4,666,653	\$4,795,610	\$4,926,326
ANIMAL SERVICES	\$6,112,192	\$6,269,834	\$6,448,080	\$6,628,780	\$6,811,957	\$6,997,633
PUBLIC WORKS OPERATIONS	\$20,350,392	\$20,875,258	\$21,468,722	\$22,070,359	\$22,680,242	\$23,298,447
PUBLIC WORKS OPS CAPITAL PROJECTS	\$750,000	\$769,344	\$791,215	\$813,388	\$835,865	\$858,649
TOWNSHIP ENGINEERING SERVICES	\$3,206,683	\$3,289,388	\$3,382,902	\$3,477,704	\$3,573,806	\$3,671,218
PW ENGINEERING CAPITAL PROJECTS	\$9,029,110	\$9,261,984	\$9,525,293	\$9,792,229	\$10,062,824	\$10,337,110
MUNICIPAL SERVICES - STAT AND GENL	\$137,006	\$140,540	\$144,535	\$148,585	\$152,691	\$156,853
MUNICIPAL SERVICES CAPITAL IMP	\$62,549	\$64,162	\$65,986	\$67,835	\$69,710	\$71,610
JUSTICE COURTS	\$1,603,634	\$1,644,994	\$1,691,760	\$1,739,169	\$1,787,229	\$1,835,944
<b>TOTAL</b>	<b>\$55,408,182</b>	<b>\$56,837,240</b>	<b>\$58,453,069</b>	<b>\$60,091,150</b>	<b>\$61,751,685</b>	<b>\$63,434,876</b>
EXPENDITURES	2018 ADOPTED	2019 PROJECTED	2020 PROJECTED	2021 PROJECTED	2022 PROJECTED	2023 PROJECTED
<b>Fund 232 GOV IMMUNITY-UNINCORP FUND</b>						
GOV IMMUNITY UNINCORP	\$1,011,000	\$1,037,075	\$1,066,558	\$1,096,447	\$1,126,746	\$1,157,458
<b>Fund 235 UNINCORP MUNICIPAL SERVICES</b>						
UNINCOR MUN SVCS STAT AND GENERAL	\$7,845,814	\$8,048,169	\$8,276,971	\$8,508,924	\$8,744,056	\$8,982,396
<b>Fund 735 PUBLIC WORKS AND OTHER</b>						
COMMUNITY DEVELOPMENT & ENGAGEMENT	\$996,826	\$1,022,536	\$1,051,605	\$1,081,075	\$1,110,949	\$1,141,231
PLANNING AND DEVELOPMENT SERVICES	\$4,302,976	\$4,413,956	\$4,539,441	\$4,666,653	\$4,795,610	\$4,926,326
ANIMAL SERVICES	\$6,112,192	\$6,269,834	\$6,448,080	\$6,628,780	\$6,811,957	\$6,997,633
PUBLIC WORKS OPERATIONS	\$20,350,392	\$20,875,258	\$21,468,722	\$22,070,359	\$22,680,242	\$23,298,447
PUBLIC WORKS OPS CAPITAL PROJECTS	\$750,000	\$769,344	\$791,215	\$813,388	\$835,865	\$858,649
TOWNSHIP ENGINEERING SERVICES	\$3,206,683	\$3,289,388	\$3,382,902	\$3,477,704	\$3,573,806	\$3,671,218
PW ENGINEERING CAPITAL PROJECTS	\$9,029,110	\$9,261,984	\$9,525,293	\$9,792,229	\$10,062,824	\$10,337,110
MUNICIPAL SERVICES - STAT AND GENL	\$137,006	\$140,540	\$144,535	\$148,585	\$152,691	\$156,853
MUNICIPAL SERVICES CAPITAL IMP	\$62,549	\$64,162	\$65,986	\$67,835	\$69,710	\$71,610
JUSTICE COURTS	\$1,603,634	\$1,644,994	\$1,691,760	\$1,739,169	\$1,787,229	\$1,835,944
<b>TOTAL</b>	<b>\$55,408,182</b>	<b>\$56,837,240</b>	<b>\$58,453,069</b>	<b>\$60,091,150</b>	<b>\$61,751,685</b>	<b>\$63,434,876</b>



The Study Area may continue to receive County Services at the level of service currently provided as a part of the MSF with negligible additional costs as compared with the current County tax levies.

## FISCAL IMPACTS ON STUDY AREA

The following section illustrates the effect incorporating would have on the Town of Brighton, how its expected revenues would compare to its anticipated expenses, the increase in taxes that would be required to make up for any potential shortfalls in required revenue, and the impact that a tax increase would have on the average home.

Assuming the newly incorporated Town assesses an equivalent County tax rate, the projected revenues minus expenditures produce a deficit as shown in **Table 6.2**. Matching the County's equivalent rate is not sufficient to meet the expenditures within the Town and an additional Town of Brighton rate of 0.000381 in 2019 is necessary to provide sufficient funding for the Study Area. Thus, the 2019 Town rate is the sum of the County equivalent rate and the Town of Brighton rate, or 0.000446.

**TABLE 6.2: TOWN SCENARIO**

Town of Brighton Revenues	Projected				
	2019	2020	2021	2022	2023
<b>Equivalent County Rate (See Table 6.1)</b>	<b>0.000065</b>	<b>0.000065</b>	<b>0.000065</b>	<b>0.000065</b>	<b>0.000065</b>
Property Tax Generated in Town of Brighton from Equivalent County Rate	\$22,691	\$22,766	\$22,841	\$22,916	\$22,990
Sales & Use	\$206,825	\$211,774	\$216,841	\$222,029	\$227,341
Permits	\$2,357	\$2,357	\$2,357	\$2,357	\$2,357
Class C Roads	\$17,594	\$18,533	\$19,532	\$20,610	\$21,770
Fines & Forfeitures	\$8,600	\$8,636	\$8,672	\$8,709	\$8,745
Cable TV Franchise Tax	\$3,319	\$3,399	\$3,480	\$3,564	\$3,649
911 Surcharge	\$8,372	\$8,573	\$8,778	\$8,989	\$9,205
<b>TOTAL</b>	<b>\$269,759</b>	<b>\$276,038</b>	<b>\$282,502</b>	<b>\$289,173</b>	<b>\$296,058</b>
<b>Town of Brighton Expenditures</b>					
Incorporation Costs	\$23,000	-	-	-	-
Government Offices	\$298,872	\$306,045	\$313,390	\$320,912	\$328,613
Weeds					
Roads & Public Works	\$29,526	\$30,235	\$30,960	\$31,703	\$32,464
Fire Protection***	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255
Law Enforcement***	\$20,000	\$20,600	\$21,218	\$21,855	\$22,510
Animal Services	\$18,607	\$19,053	\$19,511	\$19,979	\$20,459
Capital Projects	\$27,677	\$28,341	\$29,022	\$29,718	\$30,431
Courts	\$4,882	\$4,999	\$5,119	\$5,242	\$5,368
<b>TOTAL</b>	<b>\$402,564</b>	<b>\$388,674</b>	<b>\$398,002</b>	<b>\$407,554</b>	<b>\$417,335</b>
<b>Revenues minus Expenditures</b>	<b>\$(132,805)</b>	<b>\$(112,635)</b>	<b>\$(115,499)</b>	<b>\$(118,381)</b>	<b>\$(121,277)</b>
Total Tax Revenue Needed to Balance	\$132,805	\$112,635	\$115,499	\$118,381	\$121,277
Additional Town of Brighton Levy to Balance Budget*	0.000381	0.000322	0.000329	0.000336	0.000343
<b>Total Town Rate**</b>	<b>0.000446</b>	<b>0.000387</b>	<b>0.000394</b>	<b>0.000401</b>	<b>0.000408</b>

\*Additional Town of Brighton levy calculated based on estimated assessed value

\*\*Based on the sum of the "County Rate" plus the "Additional Town of Brighton Levy to Balance Budget"

\*\*\*These services are being paid for by residents through a property tax levied by special service districts. The costs to provide them are, therefore, not included in the TOTAL because the proposed Town's property tax revenue would not be spent to support these services.

The 5-year average tax impact within the Study Area is estimated at \$89.63 for a primary residence with a taxable value of \$400,000. This includes the current County levy for MSF (\$14.3) plus the additional Town of Brighton property tax required to balance the budget (\$75.33). For non-primary residents, the tax burden is estimated at \$162.97 with a home whose taxable value is \$400,000. This includes the current County levy for MSF (\$26) plus the additional Town of Brighton property tax required to balance the budget (\$136.97).

The difference between the County tax and the Town tax is the additional cost residents of the Study Area will pay to provide their own municipal services as an incorporated town. In summary, incorporating as a town produces an additional cost of \$84 per \$400,000 of assessed value in 2017. Incorporation costs outlined in UCA 10-2a-307 contribute to the escalated cost in 2019. The



estimated impact decreases in 2018 as illustrated in **Table 6.3**. The one-time up-front costs may be mitigated by extending the cost over many years through alternative financing options.

**TABLE 6.3: SCENARIO 1 FISCAL IMPACT**

	PROJECTED				
	2019	2020	2021	2022	2023
<b>Total Town Rate</b>	<b>0.000446</b>	<b>0.000387</b>	<b>0.000394</b>	<b>0.000401</b>	<b>0.000408</b>
Town of Brighton Estimated Certified Tax Value	\$348,547,362	\$349,695,760	\$350,844,157	\$351,992,555	\$353,140,952
Annual Town Impact (Primary Home \$400,000)	\$98	\$85	\$86	\$88	\$90
<b>Annual Town Difference from County Levy</b>	<b>\$84</b>	<b>\$71</b>	<b>\$72</b>	<b>\$74</b>	<b>\$76</b>

### **FISCAL IMPACT ON COUNTY MSF IF THE TOWN OF BRIGHTON INCORPORATES**

In the event of incorporation, the County MSF would experience a slight loss of revenue and a slight reduction in expenses. The estimated net impact would be approximately \$5,000 annually. By a small increase in the MSF tax levy, the County could balance this net reduction to its position. The County could also transfer revenues from the general fund to offset the net reduction and avoid raising taxes.