

Summit County - Hoytsville Incorporation Feasibility Study



**Summit County
Hoytsville Incorporation Feasibility Study**

July 18, 2018

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EXECUTIVE SUMMARY

The results of this study indicate that incorporation is feasible for Hoytsville, based on the requirements of Utah Code 10-2a-302.5 which became effective 7/1/2018.

- Initially settled in the autumn of 1859. In 1861 Samuel P. Hoyt was urged by Brigham Young to go to Hoytsville to build a needed grist mill. The mill operated for only about four years, as the Weber River water supply was deemed not to have sufficient fall and flow. The grist mill closed, and the carding mill never had the equipment installed for this same reason.
- The proposed incorporated Town of Hoytsville will have an estimated initial population of 453 persons and seven current businesses employing 82 persons.
- Hoytsville is in the northeastern portion of Summit County on U.S. I-80 and proposes to incorporate 0.8 square miles into the town.
- Anticipated Hoytsville future population growth is based on historical trends and an estimate of approximate 1-2 new residential/commercial building permits per year.

If Hoytsville incorporation occurs, Hoytsville anticipates contracting with Summit County to maintain the municipal-type services currently provided by Summit County using the property taxes generated by the Municipal-type Service Area which has a mill rate of 0.000512 and which could potentially yield \$19,500 in 2019. Existing municipal-type services will be additionally supported by Sales and Use Taxes and the Class C Road Funds from the State of Utah.

These revenues, however, appear to be sufficient to provide for only minimal administrative and planning and zoning expenses.

The proposed new Town of Hoytsville, therefore, will break even for anticipated expenses and revenues in the first year (2019) at current service levels and five years into the future. Revenues will not exceed expenses by the 10% limit.

Not including start-up costs and revenue lags, the ratio of revenues to expenditures in Hoytsville's budget in 2019 is 100% percent if the community contracts for essential services road services and if Summit County continues to provide snow plowing and police services to Hoytsville and the other towns in Summit County.

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Current and Projected Demographics and Economic Base

Utah Code 10-2a-302.5:

(d) *The financial consultant shall ensure that the financial feasibility study includes:*

- (i) an analysis of the population and population density within the boundaries of the proposed town and the surrounding area;*
- (ii) the current and projected five-year demographics of, and tax base within, the boundaries of the proposed town and the surrounding area, including household size and income, commercial and industrial development, and public facilities;*

Hoytsville Town History¹

Hoytsville was initially settled in the autumn of 1859, but in 1866 the houses were torn down to build a fort for protection.

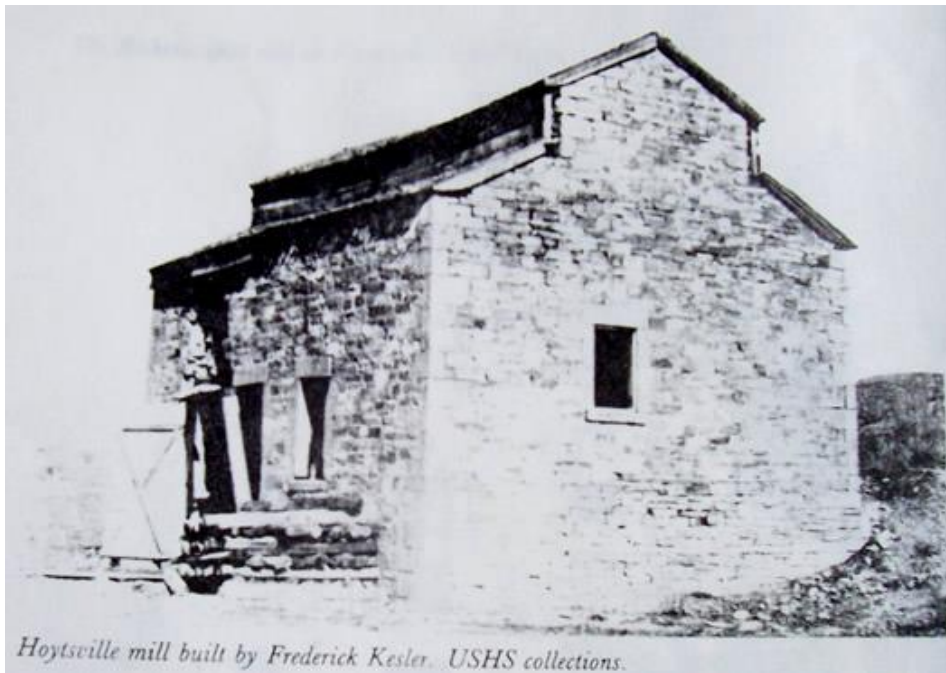


Samuel P. Hoyt, a native son of Vermont, built this large stone house from 1863 – 1868. Hoyt was living in Fillmore, the then capital of Utah when Brigham Young urged him to go to Hoytsville to build a needed grist mill. He built a 2-room log cabin for his family in 1861, and the mill was completed a year later in 1862 and began operating in 1863. Hoyt obtained water rights for the operation of a grist mill and carding mill. The mill operated for only about four years, the Weber River water supply was deemed not to have sufficient fall and flow. The grist mill closed, and the carding mill never had the equipment installed for this same reason.

¹ Hoytsville Town History, <http://www.co.summit.ut.us/201/Hoytsville>



Hoyt built this barn, and along with the mill and mansion, were surrounded by a massive stone wall topped with 3 - 4-inch stone slabs reminiscent of New England landscapes. Later, Hoyt engaged in cattle ranching, mining sorties, and farming. ²



Frederick Kesler built a mill that bears his trademarks. A rather small stone mill, one to two stories in height with a horizontal clerestory/monitor running

² Information gleaned from a book, "Echo's of Yesterday," Summit County Centennial History. Compiled by Marie Ross Peterson & assisted by Mary M. Pearson & published by Daughters of Utah Pioneers of Summit County-1947

the length of the mill. The sides of the monitor were framed with several windows for the admittance of light into the mill. Mr. Kesler was known for the early mills built in Mormon country.

Hoytsville Today

Current and Projected Population and Population Density Projection

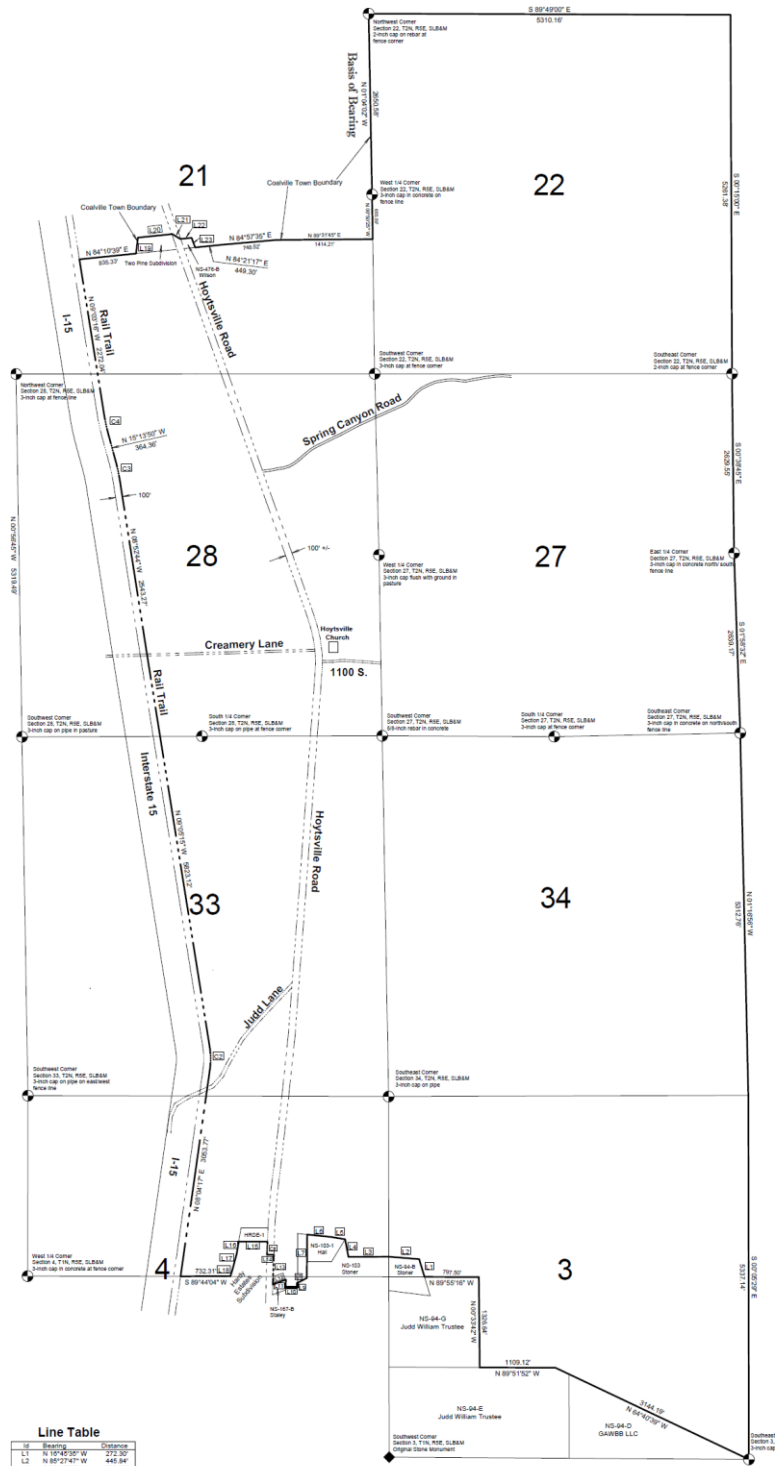
The estimated 2018 Hoytsville population is 453, using Census block data that best matched the proposed Hoytsville Incorporation area³.

The map below shows the incorporation boundaries of the proposed Town of Hoytsville, which generally extend from the Southern Boundary of Coalville to the Hardy Estates, Staley, Hall Stoner and William Judd properties to the North.

The proposed town of Hoytsville will comprise approximately 3,533.86 acres or 0.8 square miles.

The Census Block Group data provides a reliable estimate of the population in the proposed Hoytsville Town area. Comparisons of the population and other demographic information in the proposed Hoytsville Town area with the adjacent communities of Henefer and Coalville are shown below using the most recent demographic estimates for all of Summit County from the Census, and Esri forecasts for 2018 and 2023.

³ The boundaries of the Hoytsville CDP differ from the proposed incorporation boundaries; Henefer, the reduced area is slightly lower in population and commercial activity.



The current population of the proposed incorporated area is estimated to be 453 and represents 1% of Summit County. Hoytsville will have a smaller incorporated population than nearby Henefer and is growing slower than Coalville, the immediately adjacent County Seat.

Table 2-1: Population of Hoytsville and the Surrounding Areas

Hoytsville is expected to grow slower than Henefer, Coalville, Summit County and the State of Utah over the next five years.

Population Summary	Hoytsville⁴	Henefer	Coalville	Summit County
2010 Census Population	421	766	1,368	36,324
2018 Population Projection	453	825	1,471	40,635
2023 Population Projection	477	871	1,555	43,702
2018-2023 Population Annual Rate	1.04%	1.37%	1.45%	1.47%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023

Table 2-2: Household Growth in Hoytsville and the Surrounding Areas

Households are also often used as a measure of community growth, and Hoytsville currently has 155 households and no unoccupied housing units. This is again slightly faster growth that is expected in Henefer, but much less than is anticipated for Coalville, and Summit County over the next five years.

Households Summary	Hoytsville	Henefer	Coalville	Summit County
2010 Census Households	145	247	454	12,990
2018 Households Projection	155	270	495	14,497
2023 Households Projection	163	288	530	15,697
2018-2023 Households Annual Rate	1.04%	1.03%	1.65%	1.41%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023

⁴ Note: Estimated population within the proposed Incorporation Area, not the Census District.

Table 2.3: Population and Population Density in Hoytsville and Surrounding Areas

Population and population density within the area proposed for incorporation and the surrounding area.

Population Density Summary	Hoytsville	Henefer	Coalville
2018 Population Projection	453	247	454
Gross Land Area (Square Miles)	0.8	0.9	2.9
2018 Population Density/sq mi	272.5	274.4	156.6

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018, Land Areas, Wikipedia.org

Income

The proposed Hoytsville Town area's median household income is expected to increase by 1.91 percent from 2018 to 2023. This increase is lower than other surrounding communities. Median household incomes in Henefer and Coalville are projected to increase by 2.95% and 4.60% respectively.

Table 2.4: Household Income in Hoytsville and Surrounding Communities

Income Summary	Hoytsville	Henefer	Coalville	Summit County
Median Household Income 2018	\$63,820	\$56,900	\$64,664	\$96,526
Median Household Income 2023	\$70,138	\$71,253	\$77,400	\$98,702

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023

Age

Comparing changes in median ages, the proposed Hoytsville Town area's median age is older than Henefer, about the same as Coalville and less than Summit County as a whole.

Table 2.5: Age in Hoytsville and Surrounding Communities

Age Summary (years)	Hoytsville	Henefer	Coalville	Summit County
Median Age 2010	33.2	29.5	31.4	37.0
Median Age 2018	34.6	31.2	33.6	38.2
Median Age 2023	34.3	29.9	34.6	39.2

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023

Home Values

The proposed Hoytsville Town area's median home value is currently slightly less than those in Coalville and Henefer but is expected to eclipse both Coalville and Henefer by 2023. All of which are expected to have median home values well below the Summit County median and projected estimates.

Table 2.6: Median Home Value in Hoytsville and Surrounding Communities

Median Home Value Summary	Hoytsville	Henefer	Coalville	Summit County
Median Home Value 2018	\$218,061	\$246,622	\$227,717	\$631,422
Median Home Value 2023	\$323,529	\$314,912	\$274,074	\$665,880

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023

Housing Unit Summary

Comparing housing units, Hoytsville has fewer renter-occupied housing units than Henefer, Coalville, and less than Summit County as a whole. Vacant, or likely seasonal housing units in Hoytsville are slightly more than Henefer, a little bit less than Coalville and a fraction of Summit County as a whole.

Table 2.7: Housing Units in Hoytsville and Surrounding Communities

Housing Unit Summary	Hoytsville	Henefer	Coalville	Summit County
2010 Housing Units	159	264	506	26,545
Owner Occupied Housing Units	78.0%	75.0%	68.4%	48.9
Renter Occupied Housing Units	13.2%	16.9%	21.3%	11.7%
Vacant Housing Units	8.8%	6.4%	10.3%	51.1%
2018 Housing Units	170	286	545	29,673
Owner Occupied Housing Units	76.5%	74.8%	68.4%	35.6%
Renter Occupied Housing Units	14.7%	17.8%	20.7%	12.2%
Vacant Housing Units	8.8%	7.3%	10.8%	51.3%
2023 Housing Units	181	306	583	32,234
Owner Occupied Housing Units	75.7%	74.5%	69.1%	36.4%
Renter Occupied Housing Units	14.4%	16.7%	18.7%	11.6%
Vacant Housing Units	9.9%	8.8%	12.2%	52.0%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023

Commercial and Industrial Development

There are currently 7 active businesses employing 82 persons in Hoytsville.

Table 2.8: Business and Employees in Hoytsville

Hoytsville Business Summary	Hoytsville
Total Businesses:	7
Total Employees:	82
Total Residential Population:	453
Employee/Residential Population Ratio:	18:1

Source: Copyright 2018 Infogroup, Inc. All rights reserved. Esri Total Residential Population forecasts for 2018.

Current and Projected Economic Base

Taxable Property Values

The average taxable value per household in the proposed Hoytsville Town area is \$121,302, and their average annual contribution to the Municipal-Type Service Area is \$62.11.

Table 2.10: Taxable Value in Hoytsville

HOYTSVILLE ESTIMATED TAXABLE VALUE	2018
Market Value - Land	\$32,763,810
Market Value - Improvements	\$29,981,550
Total Market Value	\$63,016,260
Total Taxable Value	\$26,443,939
Current Municipal-Type Service Area Tax	\$13,539
Estimated # of Hoytsville Households	155
Taxable Value Per Household	\$121,302
Municipal Service Annual Tax Per Household	\$62.11

Source: Summit County, Hoytsville Sponsor Committee, Calculations Bonneville Research 2018

If all the land and improvements within the proposed Hoytsville Town area are taxed at its full market value, the total assessed valuation will increase to \$63,016,260 and the total property taxes to the Town of Hoytsville at the current Municipal-Type Service Area rate of 0.000512; property taxes would increase to \$32,264.33. This is not a likely scenario, however, and is not included in projected revenues.

The proposed Hoytsville Town area is currently served by the following Taxing Entities in Summit County.

Table 2.11: Taxable Value in Hoytsville and Surrounding Communities

046 0000	2017 UTAH TAX AREAS WITH TAX RATES	Final Adopted Rate	% of Total
46	TOTAL	0.007831	100.0%
1010	SUMMIT COUNTY	0.000680	8.7%
1015	MULTICOUNTY ASSESSING & COLLECTING LEVY	0.000010	0.1%
1020	COUNTY ASSESSING & COLLECTING LEVY	0.000173	2.2%
2020	NORTH SUMMIT SCHOOL DISTRICT	0.005620	71.8%
4005	WEBER BASIN WATER CONSERVANCY DISTRICT	0.000174	2.2%
4030	NORTH SUMMIT FIRE PROTECTION DISTRICT	0.000570	7.3%
4150	SUMMIT COUNTY MOSQUITO ABATEMENT DISTRICT	0.000031	0.4%
4160	HOYTSVILLE CEMETERY MAINTENANCE DISTRICT	0.000061	0.8%
6010	MUNICIPAL-TYPE SERVICE AREA	0.000512	6.5%

Source: Utah State Tax Commission, Calculations Bonneville Research 2018

The taxable value in the proposed Hoytsville Town area compares well with other taxing areas in Summit County.

Table 2.12: Taxable Value in Hoytsville and Surrounding Communities

Tax Rates 2017	Approved Town Tax Rates 2017	Approved Property Tax Budgets 2018	Approved Sales Tax Budgets 2018
Henefer	0.001004	\$60,000	\$88,000
Coalville	0.003294	\$320,000	\$220,000
Kamas	0.001765	\$249,854	\$490,000

Source: Utah State Assessor, CAFR Reports, Utah State Tax Commission, Calculations: Bonneville Research 2018

Roads

The Summit County Public Works Department currently provides maintenance on the 3.7⁵ miles of Class B roads within the proposed incorporation area of the Town of Hoytsville.

Summit County Public Works estimates the County expends approximately \$10,000 to \$12,000 annually to maintain the Class B roads that will convert to Class C, Hoytsville Town roads if incorporation occurs. This is close to the likely amount Hoytsville Town will likely receive if incorporation occurs.

⁵ Summit County Public Works, 6.04.18, Calculations Bonneville Research, 2018

Summit County Public Works⁶ has indicated that they plan to recommend terminating the practice of not charging cities and towns to plow their streets for the winter of 2019/2020.

The Utah Department of Transportation uses a “Population and Weighted Miles” formula to determine each County, City and Town’s share of the road and highway maintenance funds. The following is the funding provided to Henefer and Coalville used to estimate the Class C road funding that may be available to the town of Hoytsville if they choose to incorporate.

Table 2.14: Class C Road Funds Analysis

Class C Road Analysis	FY 2018 Distribution	Paved Surface	Gravel Surface	Dirt Surface	Total Actual Miles
Henefer	\$42,523	7.83	0.76	0.28	9.26
Coalville	\$62,862	10.2	1.7		11.9

Source: Summit County Public Works, UDOT, Calculations: Bonneville Research 2018

Public Facilities

There currently are no public facilities in Hoytsville.

⁶ This proposed action will impact all the cities and towns in Summit County and will require County Council approval.

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Cost of Current Services

Utah Code 10-2a-302.5:

(b)

(i) "Municipal services" means any of the following that are publicly provided:

- (A) culinary water;
- (B) secondary water;
- (C) sewer service;
- (D) law enforcement service;
- (E) fire protection;
- (F) roads;
- (G) refuse collection; or
- (H) weed control.

(ii) "Municipal services" includes the physical facilities required to provide a service described in

And,

Subsection (1)(b)(i).

(d) The financial consultant shall ensure that the financial feasibility study includes:

- (iii) subject to Subsection (11)(e), the current and five-year projected cost of providing municipal services to the proposed town, including administrative costs;
- (iv) assuming the same tax categories and tax rates as currently imposed by the county and all other current municipal services providers, the present and five-year projected revenue for the proposed town;
- (v) a projection of the tax burden per household of any new taxes that may be levied within the proposed town within five years of the town's incorporation; and

General Government

Mayor and Council - The Mayor and Council will initially serve on a volunteer basis, therefore there are no projected expenditures.

Administrative - Administrative costs are based on one part-time administrative/clerical position, without benefits, estimated at roughly \$2,500 per year. Community and economic development services have been included in the administrative costs.

Non-Departmental - Non-departmental expenses are for phones, supplies, insurance and potential costs of facility usage for town activities.

Elections - Elections are budgeted at the cost of \$500 per year, on average, recognizing that elections will be held every other year and can be done with "mail-in ballots." This amount is included in the \$2,500 Non-Departmental Expenses Line Item in the Budget.

Planning and Zoning – The Planning and zoning budget assumes an annual contract for \$5,000.

Auditor and Attorney - Communities surveyed indicate that it will likely cost the new town \$5,000 to hire a professional firm to conduct the annual audit and prepare the annual comprehensive financial report. Cities of this size also indicate that they have legal expenses of \$5,000 per year.

Other Professional Services - Other professional services will be needed, from time to time, for engineering, economic, and other consulting services and were initially budgeted for \$5,000.

Public Safety

Law Enforcement

Estimates for police services were provided by Summit County Sheriff which were based on estimates providing the current levels of services as currently provided within the proposed Hoytsville Town incorporation area.

The Department reported there were 270 calls in the proposed incorporation area in 2017.

The cost for just dispatch services, based on how other entities such as Park City Police and Highway Patrol are billed, would be \$8,116.00

The cost for a deputy to respond to those calls would be around \$10,000.00.

Total cost is estimated to be \$18,116, but because these charges are not currently required for ordinary law enforcement service levels by other Summit County towns, no budget line item was noted.

Fire Protection & EMS

The residents of Hoytsville currently participate in the North Summit Fire Protection District, and it is expected this arrangement will continue if Hoytsville incorporates.

Animal Control and Regulation

Animal control expenditures are included in the proposed \$2,500 Non-Departmental budget.

Justice Court - Based on the limited number of calls for service in the proposed Hoytsville Town area by the Summit County Sheriff, it will likely not be worthwhile at this time for the Town to establish a Justice Court.

Building Inspections/Permits

Building inspections are being currently provided to Henefer and Coalville by Summit County on a fee basis. It is anticipated that this service will be provided to the Town of Hoytsville as well. No budget line items were noted for building inspections/permits as they will be paid by the applicant when filed.

Class C Roads & Public Works

In Utah, all public highways, roads or streets that are built and maintained by a county or municipality, are either B county or C municipality maintained. Counties and municipalities cannot designate Class B or Class C roads outside of their geographical boundaries, with the exception that Class B roads can exist inside of municipal boundaries.

The Utah State Department of Transportation administers the B & C Road Funds as apportioned annually by the legislature using a distribution formula based on population and a weighting system that scores a 5 for a paved road, 2 for gravel and 2 for a dirt road.

Currently, Summit County Public Works provides all routine maintenance of the subject roads within Hoytsville. The County also provides all snow removal during the winter months on an "as needed" basis. The County maintains all regulatory, warning, and address signs located on these roads. This includes replacing aging and damaged signs and ensuring compliance with the MUTCD⁷. At least annually the County performs weed control along the shoulders of the County roads. This is accomplished either by spraying or mowing. The County provides pavement maintenance "as needed" in the form of pothole repair and patching. The County also maintains any pavement markings on the roads.

Summit County Public Works estimates that \$10,000 - \$12,000 annually will be necessary to maintain the current level of service to those roads likely to be classified as Class C roads within the proposed area of the Hoytsville Town. There may be some roads within Hoytsville that will not be transferred to the Town and are therefore not Class C roads.

The contract estimate provided by Summit County is based on its current service levels in the proposed Hoytsville Town area, and the annual budget assumes an initial yearly contract for \$15,000.

Parks, Recreation and Public Property

There are no public parks facilities in the proposed Hoytsville Town area and therefore no associated costs with maintaining current service levels.

Culinary Water

Culinary Water is provided to the Hoytsville community by the stockholder Hoytsville Pipewater Company.

Secondary or Irrigation Water

North Summit Pressurized delivers the irrigation water owned by several different ditch companies to the Hoytsville end users. Hoytsville homeowners lease Weber

⁷ Manual on Uniform Traffic Control Devices, Federal Highway Administration, 2009, Revised 2012.

Basin shares or own water shares and the farmers own shares in the different ditches.

Garbage

Garbage collection services are currently being provided by Summit County on a county-wide basis.

Debt Service

The proposed town will have no outstanding debt obligations for which it will be responsible if incorporation occurs. This does not include any expenses and debts that may be incurred during the “start-up” phase if incorporation is adopted.

Summary of Expenditures: Five-Year Projections

Table 3.1: Five-Year Projected Expenditures at Current Service Levels

HOYTSTVILLE FIVE YEAR BUDGET ANALYSIS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Budget Expenses	\$35,000	\$36,750	\$38,588	\$40,517	\$42,543
Administration	\$2,500	\$2,625	\$2,756	\$2,894	\$3,039
City Council/Commission	\$0	\$0	\$0	\$0	\$0
Attorney	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078
Non-Departmental Expenses	\$2,500	\$2,625	\$2,756	\$2,894	\$3,039
Police/Public Safety	\$0	\$0	\$0	\$0	\$0
Parks/Cemetery/Recreation	\$0	\$0	\$0	\$0	\$0
Animal Control	\$0	\$0	\$0	\$0	\$0
Programs & Events	\$0	\$0	\$0	\$0	\$0
Professional Services	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078
Community Bldg./Parks/Recreation	\$0	\$0	\$0	\$0	\$0
Planning/Land Use/Econ Dev/Bldg. Insp	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078
City Engineer	\$0	\$0	\$0	\$0	\$0
Roads	\$15,000	\$15,750	\$16,538	\$17,364	\$18,233
Capital Projects	\$0	\$0	\$0	\$0	\$0
Transfers	\$0	\$0	\$0	\$0	\$0
Misc.	\$0	\$0	\$0	\$0	\$0

Source: Calculations: Bonneville Research 2018

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Five-Year Revenue Projections in the Proposed Town

Utah Code 10-2a-302.5

(e)

- (i) *For purposes of Subsection (11)(d)(iii), the feasibility consultant shall assume that the proposed town will provide a level and quality of municipal services that fairly and reasonably approximate the level and quality of municipal services that are provided to the proposed town at the time the feasibility consultant conducts the feasibility study.*
- (ii) *In determining the present cost of municipal services, the feasibility consultant shall consider:*
 - (A) *the amount it would cost the proposed town to provide the municipal services for the first five years after the town's incorporation; and*
 - (B) *the current municipal services provider's present and five-year projected cost of providing the municipal services.*
- (iii) *In calculating the costs described in Subsection (11)(d)(iii), the feasibility consultant shall account for inflation and anticipated growth.*

Property Tax Revenues

Property tax revenues are based on the 2018 taxable value of the proposed incorporation area multiplied by the property tax rates now being paid by property owners in the area for municipal- type services that will be provided by the incorporated town in the future.

If Hoytsville incorporates, it will no longer need to receive services from the Summit County Municipal Service Area.

The newly-formed town can, therefore, assume a property tax rate of at least 0.001128 without placing any additional burden on existing property owners.

Given a total taxable value of \$26,443,939, this will generate property tax revenues of \$13,539.

Therefore, in effect, these property tax rates are just “transferred” to the new town, and consequently, no additional property taxes would be paid by existing property owners within the Summit County Municipal-Type Service Area.

Sales Tax Revenues

Sales and use taxes are transaction taxes. This means the *transaction* is taxed, not the actual goods or services. The buyer is the actual taxpayer.

Sales tax is applied to retail sales and leases of tangible personal property, products transferred electronically, and specific services. The seller collects sales tax from the buyer and pays it to the Tax Commission monthly, quarterly or annually depending on the size of the business.

Sales tax revenues are distributed based on both population and point of sale. The point of sale tax revenues are therefore calculated based on one-half of one percentage point of sale portion of local sales. Confidential data was provided by the Utah State Tax Commission covering the past three months. Estimates of the total local option sales taxes on taxable retail sales in the proposed Hoytsville Town area were therefore based on that confidential information.

One-half of all local sales tax revenues are distributed statewide based on population. The ratio of a community's population, compared to the statewide population, is used to assess the community's fair share of these revenues.

Table 4-1: Sales Tax Distribution Based on Population & Point of Sale

HOYTSVILLE FIVE YEAR SALES TAX REVENUE ANALYSIS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
TOTAL ESTIMATED ANNUAL SALES TAX DISTRIBUTION	\$10,860	\$11,118	\$11,391	\$11,677	\$11,979

Source: Utah State Tax Commission, 2018, Calculations: Bonneville Research 2018

Class C Road Funds

Class C Road Funds are distributed both on population and weighted road miles. In FY 2017, the total road distribution was \$120,070,521. The road mile distribution portion of the formula is based on weighted road miles statewide. Road miles are "weighted" based on five miles per paved mile, two miles per gravel mile and one mile per dirt road mile.

Table 4.2: Mileage Report for C Road Distribution

Class C Road Analysis	FY 2017 Distribution	Paved Surface	Gravel Surface	Dirt Surface	Total Actual Miles
Hoytsville		3.0	12.56		15.56
Henefer	\$138,667	23.46	0.44	0.21	24.11
Coalville	\$85,819	14.94	3.62	1028	19.84
(Unincorporated Area)		370.55	743.18	1,610.20	2,723.93
Summit County	\$4,038,617	408.95	747.24	11,611.69	2,767.88
Total State-Wide Distribution FY 2017	\$120,070,521				

Source: Utah Department of Transportation, Class B & C Roads Distributions FY2017, Summit County Public Works Department 2018, Calculations Bonneville Research, 2018

The estimated Hoytsville Town portion of the state distribution per weighted road mile and population is, therefore \$10,000 to \$12,000.

Licenses and Permits

Business License Fees

No business license fee revenues were budgeted based on the limited number of businesses currently in the proposed Hoytsville Town area.

Building Inspections/Permits

Building inspections are being currently provided to Henefer and Coalville by Summit County on a fee basis. It is anticipated that this service will be provided to the Town of Hoytsville as well, and that permit fees will adequately compensate Summit County for those limited services.

Fee-In-Lieu/Motor Vehicle Revenues

Motor vehicle fees anticipated to be paid in the proposed Hoytsville Town are estimated to total \$750 annually.

Charges for Services

The town can establish fees to offset the cost of providing services in various areas: zoning and subdivision fees, and fees for inspections and permits. A minimal amount of charges for services has been estimated in the budget, with the assumption that charges for services are offset by the cost of providing those services.

Building inspection fees would be based on the 1997 Uniform Building Code or another accepted, standardized building inspection fee schedule. It is assumed that these services will be contracted out with Summit County and that all fees collected will be used to pay the county.

Municipal Property Tax

Property tax rates being paid in the proposed incorporation area for municipal-type services are the same as currently being paid by the property owners in Hoytsville as part of the Summit County Municipal-Type Service Area at the rate of 0.000512.

At the Municipal-Type Service Area rate, the Town of Hoytsville will likely receive \$13,539 for the budget year of 2018.

Initially, the proposed Town of Hoytsville is anticipated to adopt the same rate.

Other Summit County municipality tax rates are 0.001004 in Henefer and 0.003294 in Coalville.

If Hoytsville Town adopted a rate equal to that of Henefer, it would generate property tax revenues of \$26,550, or \$87,106 at the Coalville rate.

No increase in the municipal property tax revenues are initially forecasted for the proposed town.

Municipal Energy (Franchise) Tax (ET)

This is a 6.00% tax on electrical and natural gas purchases.

This revenue source is available only to cities and towns, and not to counties. Therefore, the residents and businesses in Hoytsville are not currently paying this tax.

While the Town of Hoytsville could choose to do so if incorporated, it is not part of their current level of service and has, therefore, not included in the revenue projections.

If Hoytsville Town adopted a rate equal to that of Henefer it could likely generate tax revenues of \$2,500.

Municipal Telecommunications Tax (TL)

This is a 3.5% tax on telecommunication services paid by the businesses and residents of Hoytsville.

If the Hoytsville Town adopted a rate equal to that of Huntsville it likely could generate tax revenues of \$2,500.

No telecommunications tax revenues are initially forecasted for the proposed Town.

Resort Tax

This is a 1.00% - 1.60 % sales tax for communities that meet the ratio of hotel/motel rooms to residents test.

Hoytsville Town currently does not meet the hotel/motel resident ration test.

No resort tax revenues are initially forecasted for the proposed town.

Municipal Transient Room Tax (TM Tax)

This is an up to 1.50% tax on accommodations in hotels, motels, inns, trailer courts, campgrounds, tourist homes and similar stays of less than 30 consecutive days. "Transient room" does not include meeting rooms.

No Transient Room Tax revenues are initially forecasted for the proposed town.

Other Sales Taxes

- Mass Transit Tax (MT) 0.30%
- Transportation Infrastructure Tax (AT) 0.25%
- Highway Tax (HT) 0.25%
- Municipal Botanical, Cultural, Zoo (MZ) 0.10%
- Rural Health Tax (RH) up to 1.0%
- Public Transit Tax (PH) up to 0.30%
- Public Transit Airport Facility Tax (PH) up to 0.25%

- Emergency Telephone Service E911 locally imposed \$0.61 per access line.
- Municipal Telecom License up to 3.5% charges for telecommunications services.
- Municipal Energy Sales and Use Tax Up to 6.0% Sales of natural gas and electricity.

No Additional Sales Tax revenues are initially forecasted for the proposed town.

State Liquor Enforcement Fund Allotments are based on four factors:

- Percent of the local population to state population
- Percent of statewide convictions to alcohol-related offenses
- Percent based on total retail outlets for liquor
- Percent to counties for confinement and treatment purposes

Summary of Revenues

Table 4-3: Five-Year Revenue Projections

The costs calculated inflation and anticipated growth as required by Subsection (11)(d)(iv).

HOYTSVILLE FIVE YEAR BUDGET ANALYSIS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Budget Revenue	\$ 34,899	\$ 36,360	\$ 37,894	\$ 39,506	\$ 41,199
Property Tax	13,539	14,216	14,927	15,673	16,457
Sales Tax	10,860	11,118	11,391	11,677	11,979
Intergovernmental Fees	500	525	551	579	608
Class "C" Road Fund Allotment	10,000	10,500	11,025	11,576	12,155

Source: Calculations: Bonneville Research 2018

Table 4-4: Detailed Five-Year Revenue/Expense Budget Projections

The five-year projected costs under Subsection (11)(d)(iv) are much less than the statutory required limit of 10% of those described in Subsection (11)(d)(iii).

HOYTSVILLE FIVE YEAR BUDGET ANALYSIS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Budget Revenue	\$ 34,899	\$ 36,360	\$ 37,894	\$ 39,506	\$ 41,199
Budget Expenses	\$35,000	\$36,750	\$38,588	\$40,517	\$42,543
Revenue/Expense Differential	-0.3%	-1.1%	-1.8%	-2.6%	-3.3%

Source: Calculations: Bonneville Research 2018

Table 4-5: Detailed Five-Year Budget Projections⁸

HOYTSVILLE FIVE YEAR BUDGET ANALYSIS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Budget Revenue	\$ 34,899	\$ 36,360	\$ 37,894	\$ 39,506	\$ 41,199
Property Tax	13,539	14,216	14,927	15,673	16,457
Sales Tax	10,860	11,118	11,391	11,677	11,979
Intergovernmental Fees	500	525	551	579	608
Class "C" Road Fund Allotment	10,000	10,500	11,025	11,576	12,155
Budget Expenses	\$35,000	\$36,750	\$38,588	\$40,517	\$42,543
Administration	\$2,500	\$2,625	\$2,756	\$2,894	\$3,039
City Council/Commission	\$0	\$0	\$0	\$0	\$0
Attorney	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078
Non-Departmental Expenses	\$2,500	\$2,625	\$2,756	\$2,894	\$3,039
Police/Public Safety	\$0	\$0	\$0	\$0	\$0
Parks/Cemetery/Recreation	\$0	\$0	\$0	\$0	\$0
Animal Control	\$0	\$0	\$0	\$0	\$0
Programs & Events	\$0	\$0	\$0	\$0	\$0
Professional Services	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078
Community Bldg./Parks/Recreation	\$0	\$0	\$0	\$0	\$0
Planning/Land Use/Econ Dev/Bldg. Insp	\$5,000	\$5,250	\$5,513	\$5,788	\$6,078
City Engineer	\$0	\$0	\$0	\$0	\$0
Roads	\$15,000	\$15,750	\$16,538	\$17,364	\$18,233
Capital Projects	\$0	\$0	\$0	\$0	\$0
Transfers	\$0	\$0	\$0	\$0	\$0
Misc.	\$0	\$0	\$0	\$0	\$0

⁸ Bonneville Research 2018

Table 4-6: Detailed Budgets – Adjacent Communities⁹

ADJACENT TOWN BUDGET ANALYSIS	Hoytsville	Henefer	Coalville
2018 Household Projection	155	270	495
Approved Town Tax Rate 2018	0.000512	0.001004	0.003294
Approved 2018 Budget Revenue	\$34,899	\$377,523	\$750,201
Property Tax	13,539	60,000	265,012
Fee-in-Lieu of Property Tax			
Sales Tax	10,860	88,000	280,000
ZAP Tax			
Room Tax			
Resort Tax			
Transportation Sales Tax			
Misc. Tax			
Franchise Taxes			20,000
Municipal Telecommunications License Tax			
Municipal Energy License Tax			
Intergovernmental			
Charges for Services, Refuse Collection & Other Fees			
Business License, Permits & Fees		15,000	67,802
Court Fines/Forfeitures			
Donations/Grants			18,100
Interest & Misc.		6,258	1,0000
Cultural - Recreation		27,348	17,357
Class "C" Road Funds	10,000	42,000	
Liquor Fund allotment			1,260
Transfers			
Other	500		31,798

Source: Calculations: Bonneville Research 2018

⁹ CAFR Budgets, Office of the Utah State Auditor, Calculations Bonneville Research 2018

Table 4-7: Detailed Budgets – Adjacent Communities¹⁰

ADJACENT TOWN BUDGET ANALYSIS	Hoytsville	Henefer	Coalville
Approved Budget Expenses - 2018	\$35,000	\$377,523	\$750,201
Administration	\$2,500	65,000	\$270,000
Court			
City Council/Commission	\$5,000		
Attorney	\$2,500		
Police/Public Safety			
Fire			
Parks/Cemetery/Recreation			167,000
Professional Services		12,000	
Community Bldg./Parks/Recreation	\$5,000	91,500	
Planning/Land Use/Econ Dev/Bldg. Insp			60,000
City Engineer	\$5,000		
Water			
Roads/Public Works	\$15,000	63,000	136,000
Airport			
Refuse Collection & Other Contract Fees			
Capital Projects		150,000	
Transfers	\$35,000		
Debt Service	\$2,500		108,008
Misc.			
Other	\$5,000		

¹⁰ CAFR Budgets, Office of the Utah State Auditor, Calculations Bonneville Research 2018

5

CONCLUSION

Utah Code 10-2a-302.5

(f) *If the five-year projected revenues described in Subsection (11)(d)(iv) exceed the five-year projected costs described in Subsection (11)(d)(iii) by more than 10%, the feasibility consultant shall project and report the expected annual revenue surplus to the contact sponsor and the lieutenant governor.*

CONCLUSION:

The results of this study indicate that Incorporation is feasible for Hoytsville, based the requirements of Utah Code 10-2a-302.5

An analysis of the fiscal, demographic and economic issues suggests that Hoytsville could become a viable and sustainable town.

However, Summit County's Municipal-Type Service Area boundaries will need to be changed, and the new Town of Hoytsville will need to adopt a Town tax rate at least equal to that of current certified rate for the Summit County Municipal-Type Service Area.

This action will allow the newly incorporated town of Hoytsville to maintain current service and budget levels while keeping property taxes at their current level.

Utah Code -10-2a-302.5 Subsection (f) states that If the five years projected revenues under Subsection (11)(d)(iv) exceed the five-year projected costs under Subsection (11)(d)(iii) by more than 10%, the feasibility consultant shall project and report the expected annual revenue surplus to the contact sponsor and the lieutenant governor.

Table 5-1: Detailed Five-Year Revenue/Expense Budget Projections

HOYTSTVILLE FIVE YEAR BUDGET ANALYSIS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Budget Revenue	\$ 34,899	\$ 36,360	\$ 37,894	\$ 39,506	\$ 41,199
Budget Expenses	\$35,000	\$36,750	\$38,588	\$40,517	\$42,543
Revenue/Expense Differential	-0.3%	-1.1%	-1.8%	-2.6%	-3.3%

Source: Calculations: Bonneville Research 2018

Table 5.1 above shows that average annual revenues do not exceed average annual costs by more than 10% of the taxes needed to support the new town.

The proposed budget maintains both the current level of services to the residents and businesses of the Town of Hoytsville without raising any taxes, either sales or property.

It will, however, divert sales tax revenues. The Class B road funds that Summit County is currently receiving to service those roads in Hoytsville will go to Hoytsville, but it is expected that most of those funds will be used to contract with Summit County to provide road maintenance services.

The five-year projected revenues under Subsection (11)(d)(iv) DO NOT exceed the five-year projected costs under Subsection (11)(d)(iii) by more than 10%.

Therefore the feasibility consultant DOES NOT NEED TO report ANY expected annual revenue surplus to the contact sponsor and the lieutenant governor.

Thank You,

Robert. L. Springmeyer,
Bonneville Research



Bonneville Research