

LAKE POINT

INCORPORATION FEASIBILITY STUDY

AMENDED DECEMBER 2014

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CHAPTER 1: EXECUTIVE SUMMARY

Utah Code 10-2-106(3)(b): submit with the full written results of the feasibility study a summary of the results no longer than one page in length;

Lake Point is the gateway to Tooele County on the north end of the valley. Lake Point is home to approximately 34 businesses and a community of approximately 1,166 people. The area within the proposed boundary makes up 6.4 square miles. Lake Point is served and taxed by several districts, including Lake Point Improvement District, Stansbury Park Improvement District (no tax assessed in area), North Tooele County Fire District, Tooele Valley Mosquito Abatement District, and Lake Point Cemetery and Parks Service Area. If incorporation occurs the services these districts provide would be unaffected. In addition to those mentioned Lake Point residents pay taxes to Tooele County, Tooele County School District, and the Municipal Services Tax. This study has determined that incorporation is feasible and that revenues do not exceed expenses. In fact, it has been determined that Lake Point, if incorporated, would need to assess a municipal tax of its own which would be paid in lieu of the Municipal Services Tax currently paid to the County (approximately \$ 64,054.28 based on the areas taxable valuation). Approximately \$147,325.94 in revenue, net of expenses, needs to be generated in the newly formed city based on the 2014 budgetary needs. Lake Point residents would no longer pay the Municipal Services Tax to Tooele County therefore the net difference is \$83,271.65. One additional tax increase is likely in the following year. It should be noted that outside of North Tooele County Fire District no other service districts/areas anticipate a tax increase in the next five years. The Fire District will need a budget increase of 3-5% annually. The table below indicates the municipal tax for Lake Point only. More detail on total tax projections can be found later in this document.

Table ES.1: Tax Rates 2014-2019

2014	2015	2016	2017	2018	2019
0.001967	0.002251	0.002257	0.002257	0.002257	0.002257
	14%	0.3%	0%	0%	0%

The impact on a residential home with a market value of \$200,000 and the impact to \$100,000 taxable value are displayed in table ES.2 below.

Table ES.2: Impact to Home/\$100,000 Taxable Value¹

Residential	2014	2015	2016	2017	2018	2019
Home Value	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Lake Point Tax	\$ 216.32	\$ 247.61	\$ 248.25	\$ 248.25	\$ 248.25	\$ 248.25
100,000 Taxable Value	2014	2015	2016	2017	2018	2019
Value	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Lake Point Tax	\$ 196.65	\$ 225.10	\$ 225.68	\$ 225.68	\$ 225.68	\$ 225.68

Tooele County would see an impact ranging between a loss of revenue \$304,884.92 to \$579,761.04 based on decisions made on whether or not to contract for services with Tooele County or other service providers.

Table ES.2: Impact to Tooele County

Impact To Tooele County		
Loss of Revenue - Tooele County	No Contract with County	Contract with County
Municipal Services Tax	(64,054.28)	(64,054.28)
Sales Tax	(242,685.63)	(242,685.63)
Business Licenses	(4,875.00)	(4,845.00)
Building Permits Revenue	(61,439.26)	-
Roads	7,420.14	-
Sheriff's Departments	(220,827.00)	-

¹ Less the Municipal Services Tax assessed by Tooele County

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Dispatch Fees	6,700.00	6,700.00
Total Impact to County	(579,761.04)	(304,884.92)

CHAPTER 2: SWOT ANALYSIS: STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

The primary goal of the SWOT analysis is to identify the current conditions of Lake Point in four areas: strengths, weaknesses, opportunities and threats. This section will discuss the current strengths and weaknesses in the area. The threats and opportunities are factors that may occur in the future. This analysis, coupled with a detailed financial analysis, allows the members of the community to better determine if incorporation is in their best interest. The Lake Point petitioners were questioned on their perspective combined with the financial review from Zions Bank Public Finance. The following has been determined:

Strengths:

- Lake Point is located off Interstate 80 and is the “gateway” to Tooele County on the north side of the County.
- There is available land for future growth.
- The area is increasing in both residential and commercial developments.
- Lake Point hosts a community day “Lake Point Days” and feels there is already a strong sense of community pride.
- If Lake Point were to incorporate, the residents would have “local control” of how the community grows and develops.
- There are many Districts providing service to Lake Point residents, this would remain unchanged, and these Districts could potentially help the City foster relationships with State and Federal agencies, when available and appropriate.
- There is a high level of sales tax revenues given the community size.
- The existence of conservative expenditure estimates and projections.
- Incorporation will give the City greater access to federal and state financial support, grants and partnerships with other governmental bodies that could allow for future community development and infrastructure projects.
- The ability to negotiate with Tooele County and others for services rather than have to entirely self-provide municipal services.
- The ability to avoid extensive capital costs necessary to begin departments such as police, fire and dispatch for fire and police and geo-processing capabilities for planning and zoning.
- The ability to avoid the need to hire support personnel for law enforcement, fire, and planning and zoning staff.

Weaknesses:

- As an unincorporated area, Lake Point has yet to establish relationships with Federal and State agencies.
- Lake Point will likely contract for many services in the early years of the City’s existence, should it incorporate. Quality Control will become an important matter for the new City.
- At present there is no “Home Rule” or local control, the community relies on Tooele County, located in Tooele City, to protect their quality of life.
- There is potential for the Interstate 80 interchange to fail due to growth and congestion in the future.
- Long term, as the Midvalley Highway is considered, there could be some impact to sales and development in the Lake Point area.
- Much of the available vacant land is currently zoned agricultural/greenbelt.

Opportunities:

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- Local government agencies (such as Tooele County and Grantsville City) are willing to negotiate the provisions of service if the new municipality is formed.
- Contractual services with outside agencies in the early years of a city would allow policy makers and citizens to keep the initial costs of municipal government to a minimum by avoiding extensive capital costs.
- Additional staffing to handle delivery of essential services could be added in the future.
- The ability to increase or decrease personnel and levels of service based on provisions of the contract.
- Lake Point residents would have local control of the community if incorporation occurs.
- A local city government could react to citizens' concerns much sooner than currently possible through the County.
- The establishment of a city government would lessen the influences of non-residents and outside special interest groups whose interests may conflict with those of Lake Point residents.
- The Community could develop its own plan to entice economic development.
- The Community can benefit from the local pride and sense of community.
- Lake Point could learn from other small communities who have created a popular event to help boost general funds. Examples of such are: Oakley, UT Fourth of July celebration and rodeo, Midway, UT Swiss Days, Brigham City, UT Peach Days and others. Such events bring in tourism, community pride, increase awareness and make the location attractive for potential development.
- The City would have the ability to impose impact fees to cover the costs of new growth.

Threats:

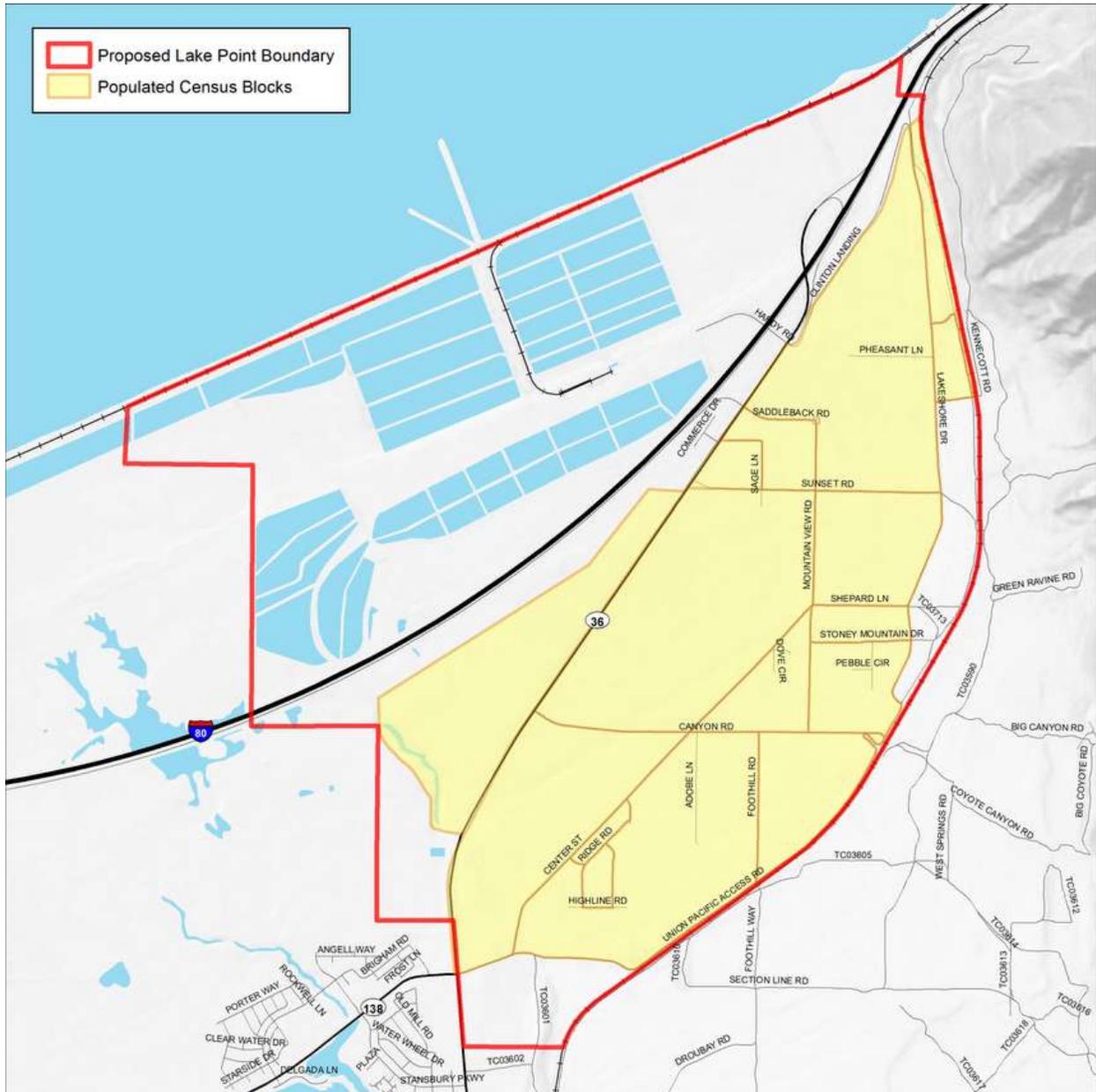
- Incorporation efforts can divide community members as there may be differing opinions regarding the future of the community.
- Will there be enough qualified residents willing and interested to serve as local government officials, and will they possess the leadership skill to run the city?
- The additional cost to the business community in having to deal with another level of local government.
- A change in political or administrative leadership in outside agencies could eliminate the willingness to negotiate for services, or drive up the costs for those services in the future.
- If commercial growth is slow it could cause the tax burden of city government to rest on residential property owners.
- Problems associated with remaining a bedroom community to the Salt Lake valley. (Traffic, lack of services, increasing taxes)
- New I-80 Interchange with construction of the Midvalley Highway could decrease traffic through the area, reducing sales at the commercial businesses.
- Development in other areas of the County and/or Municipalities could pull sales from the area as well, depending on type of development.

CHAPTER 3: POPULATION AND POPULATION DENSITY

Utah Code 10-2-106(4)(a)(i): population and population density within the area proposed for incorporation and the surrounding area

The estimated 2014 population of the area inside the proposed Lake Point incorporation boundary is 1,166—based on 2010 Census block data plus recent residential building permit data provided by Tooele County. The following map displays the 16 populated census blocks that are associated with the proposed boundary and provide a 2010 reference point for this demographic analysis. Other census blocks that were either unpopulated or did not contain populated areas within the proposed boundary were excluded.

Figure 3.1: Proposed Lake Point Boundary and Populated 2010 Census Blocks



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To determine the population of the proposed Lake Point boundary in 2014, recent building permits were utilized. In order to calculate the population the average household size from the 2010 Census was used. The proposed Lake Point boundary is estimated at 3.07 persons per housing unit². The estimated household size was then multiplied by 28, the total number of new residential building permits from 2010 to the end of 2013. Population growth projections beyond 2014 are detailed in a subsequent chapter (4).

Table 3.1: New Residential Building Permits in Lake Point; 2010 to 2013

	2010	2011	2012	2013
Permits for New Residential Units in Lake Point	13	3	4	8

Source: Tooele County

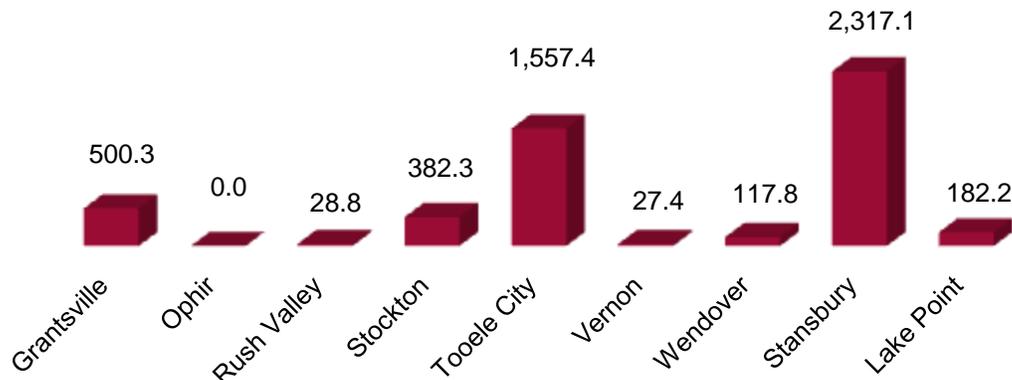
The proposed Lake Point boundary contains a total land area of 6.4 square miles. With an estimated 2014 population of 1,166, that equals roughly 182.2 people per square mile. Comparisons of populations and population densities for incorporated areas in Tooele County are shown below.

Table 3.2: Population Density of the Proposed Lake Point Boundary and Surrounding Communities

	Grantsville	Ophir	Rush Valley	Stockton	Tooele City	Vernon	Wendover	Stansbury	Lake Point
2014 Estimated Population	9,573	45	528	619	33,401	206	1,066	9,917	1,166
Land Area Square Miles	19.13	0.14	18.34	1.62	21.45	7.53	9.05	4.28	6.40
Estimated Population per Square Mile	500.3	NA	28.8	382.3	1,557.4	27.4	117.8	2,317.1	182.2

Source: 2010 Census, 2012 ACS, GOPB, Zions Bank

Figure 3.2: Graphical Depiction of Population Per Square Mile of the Proposed Lake Point Boundary and Surrounding Communities



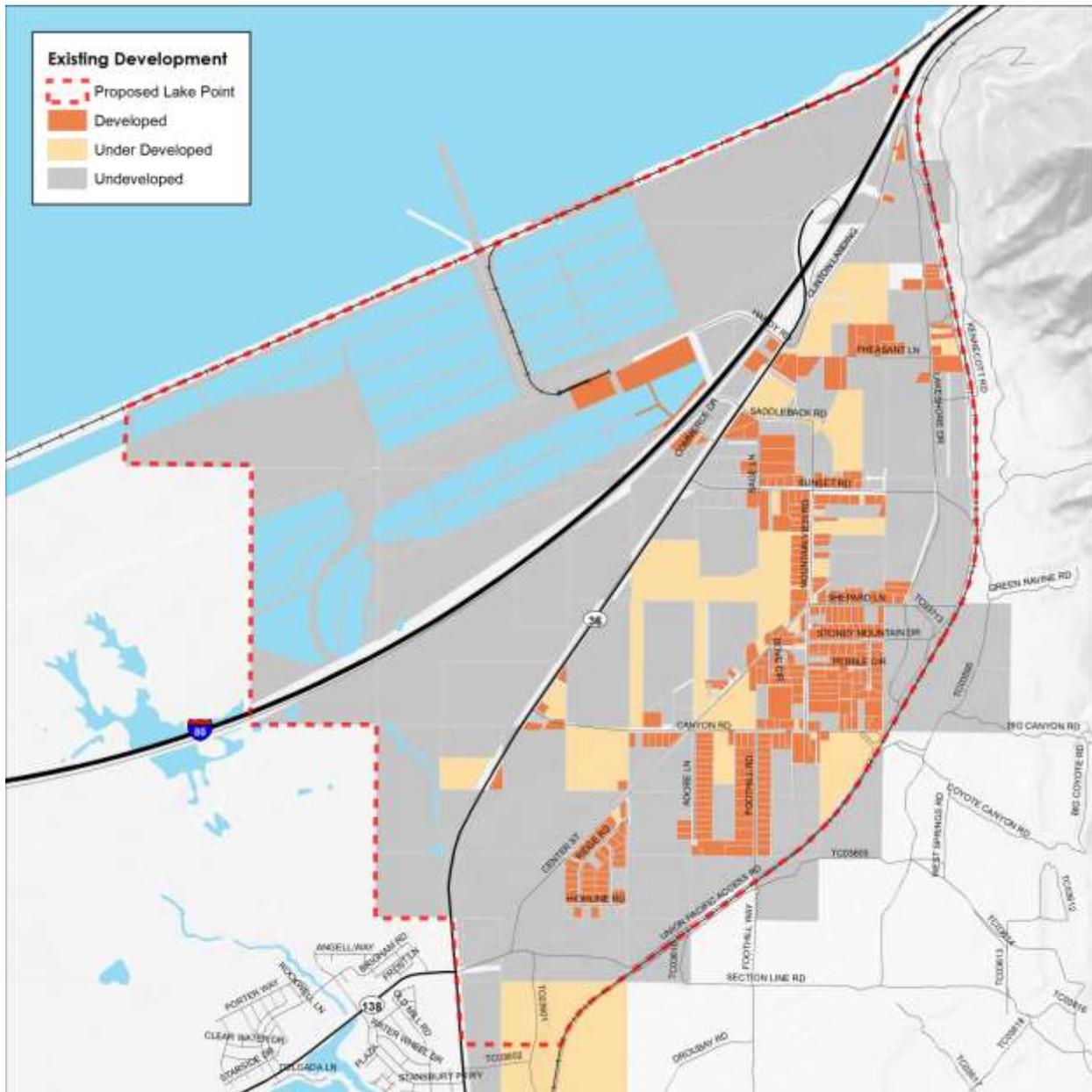
² Based on the 2010 Census and updated with estimates from the GOPB for Tooele County

CHAPTER 4: CURRENT AND PROJECTED DEMOGRAPHICS AND ECONOMIC BASE

Utah Code 10-2-106(4)(a)(ii): current and five-year projections of demographics and economic base in the proposed city and surrounding area, including household size and income, commercial and industrial development, and public facilities, Utah Code 10-2-106(4)(a)(iii): projected growth in the proposed city and in adjacent areas during the next five years

Demographics for the proposed Lake Point area have been determined using data provided by the US Census, Tooele County, and the Utah Governor’s Office of Planning and Budget (GOPB). While the Census provides accurate data, not all of what is provided for larger, more populated areas is available at the block level. Therefore, some data for Lake Point has been estimated using the best available information.

Figure 4.1: Proposed Lake Point Boundary and Existing Development



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AVERAGE MEDIAN HOUSEHOLD INCOME

Data for average median household income for the specific community of Lake Point was not readily available so a range of possibilities was considered. Comparisons to similar nearby communities were made for the purposes of this study. Data for Erda, Grantsville, and unincorporated Tooele County was averaged to provide an estimate for Lake Point. If averaged with Stansbury Park, instead of unincorporated Tooele County, the average median income would raise to \$78,667. While these communities both benefit from their proximity to I-80, they have very different demographics and so they are not directly comparable in income, home value, or other socioeconomic factors. Because the annual average growth rate (AAGR) for the estimated median household income in Lake Point is very similar to the Census number for Tooele County as a whole, this appears to be a safe estimate and so has been chosen as the best option for comparison in this study. Both the 2014 and 2019 estimates of median household income are an extrapolation of the 2012 number using the AAGR from 1999 to 2012. While this methodology may be less reliable when projecting decades into the future, utilizing this approach to project a few years into the future provides a reasonable estimate.

Table 4.1: Median Household Income of Lake Point and Surrounding Communities

Location	1999	2012	AAGR*	2014 Estimate	2019 Estimate
Dugway CDP	\$49,306	\$57,368	1.17%	\$58,720	\$62,242
Erda CDP	\$62,286	\$79,194	1.86%	\$82,175	\$90,127
Grantsville	\$45,614	\$63,474	2.57%	\$66,784	\$75,834
Ophir	\$50,000	\$106,250	5.97%	\$119,314	\$159,441
Rush Valley	\$46,875	\$56,875	1.50%	\$58,592	\$63,116
Stansbury Park CDP	\$66,295	\$93,333	2.67%	\$98,376	\$112,209
Stockton	\$40,938	\$56,563	2.52%	\$59,447	\$67,319
Tooele City	\$43,862	\$59,513	2.38%	\$62,373	\$70,141
Vernon	\$42,500	\$47,500	0.86%	\$48,320	\$50,432
Wendover	\$31,196	\$29,522	-0.42%	\$29,273	\$28,658
Tooele County	\$45,773	\$61,933	2.35%	\$64,882	\$72,883
Lake Point Estimate**	\$51,224	\$68,200	2.23%	\$71,271	\$79,565

* AAGR = annual average growth rate

** The Lake Point Estimate is an average of Erda, Grantsville and Tooele County

1999 Source: Census 2000 Summary File 3

2012 Source: 2012 ACS 5 Year Estimates

The equation used for annual average growth rate is $[(f/s)^{(1/n)}] - 1$, where f = final value, s = starting value, n = number of years

The equation used for projected value is $s * (1 + aagr)^n$, where s = starting value, aagr = average annual growth rate, n = number of years

PERSONS PER HOUSEHOLD

Using Census block level data from 2010 provides an extremely accurate estimate of 3.11 persons per household (PPH) for the proposed Lake Point boundary. The following table contains this information as well as PPH for other communities in Tooele County.

Table 3.2: 2010 Household Sizes of Lake Point and Surrounding Communities

Location	Population	Households	PPH*
Grantsville	8,893	2,751	3.23
Ophir	38	18	2.11
Rush Valley	447	166	2.69
Stockton	616	216	2.85
Tooele city	31,605	9,959	3.17
Vernon	243	79	3.08
Wendover	1,400	486	2.88
Tooele County	58,218	17,971	3.24
Proposed Stansbury	8,970	2,604	3.44
Proposed Lake Point	1,079	347	3.11

Source: 2010 Census, * PPH = Persons per Household; for the purpose of this study each housing unit is considered a household

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The Utah Governor's Office of Planning and Budget provided projections of future rates of PPH at the County level. The table below presents the historic PPH of the County as well as the projected 2020 rate. The 2014 and 2019 rates are inferences based on the 2010 Census and the 2020 GOPB number. Following the trend of the County, Lake Point's historic rate in 2010 was also estimated for 2014, 2019, and 2020. As can be seen, the persons per household for both the County and Lake Point are projected to decline over the next several years. This could be due to several factors including an aging population and declining birth rates.

Table 4.3: Projection of Persons per Household of Tooele County and Lake Point; 1990 to 2020 with Selected Years

	1990	2000	2010	2014	2019	2020	Annual Change from 2010 to 2020
Tooele County	3.06	3.11	3.22	3.17	3.12	3.11	-0.35%
Proposed Lake Point	-	-	3.11	3.07	3.01	3.00	-0.35%

Source: USCensus, GCPB, Zions Bank Public Finance

Note: The numbers past 2010 are estimates based on a 2020 projection by the GCPB

POPULATION PROJECTIONS

Data from the Census, the American Community Survey (ACS), and GOPB was utilized to create the following table depicting population projections for Lake Point and surrounding communities.

Table 4.4: Population Projection for Lake Point and Surrounding Communities; 2012 to 2020

	2012	2013	2014	2015	2016	2017	2018	2019	2020	AAGR
Grantsville	8,931	9,246	9,573	9,911	10,261	10,623	10,998	11,387	11,789	3.53%
Ophir	46	45	45	44	43	43	42	41	41	-1.50%
Rush Valley	553	540	528	515	504	492	480	469	458	-2.32%
Stockton	576	597	619	642	665	690	715	741	768	3.67%
Tooele City	31,496	32,434	33,401	34,396	35,420	36,475	37,562	38,681	39,833	2.98%
Vernon	192	199	206	213	221	229	237	246	255	3.60%
Wendover	1,186	1,124	1,066	1,011	958	908	861	816	774	-5.19%
Incorporated Total	42,980	44,187	45,437	46,732	48,072	49,460	50,896	52,382	53,918	2.87%
Unincorporated Total	15,178	16,025	16,901	17,807	18,746	19,717	20,724	21,767	20,959	4.12%
Tooele County Total	58,158	60,212	62,338	64,539	66,818	69,177	71,620	74,149	74,877	3.21%
Proposed Stansbury	9,383	9,628	9,917	10,278	10,638	10,999	11,360	11,720	12,081	3.21%
Proposed Lake Point	1,129	1,141	1,166	1,231	1,297	1,362	1,428	1,493	1,559	4.12%

Source: 2012 ACS 5 Year Estimates, Utah Governor's Office of Planning and Budget, Tooele County, Stansbury Park Improvement District, Zions Bank

The equation used for annual average growth rate is $\left[\left(\frac{f}{s}\right)^{\frac{1}{n}}\right] - 1$, where: f = final value, s = starting value, n = number of years

The equation used for projected value is $s \cdot (1 + \text{aagr})^n$, where s = starting value, aagr = average annual growth rate, n = number of years

The ACS provided a 2012 estimate of population for each of the referenced areas except for Lake Point and Stansbury. Lake Point and Stansbury's population for 2012 through 2014 is based on the 2010 block level figure combined with residential permit data and meter data provided by Tooele County and the Stansbury Park Improvement District (multiplied by the PPH as discussed previously).

For Lake Point's population beyond 2014 and for all others after 2012, population numbers are based on the GOPB's 2020 projection and the resulting annual average growth rate (AAGR). It should be noted that GOPB typically does not provide population projections for unincorporated areas. Therefore, the GOPB 2020 figures for Lake Point and Stansbury are based on the proportion of each community's population to the total population of unincorporated Tooele County as of 2012 (the year the last GOPB projections were modified for Tooele County). In other words, it is estimated that Lake Point makes up 7.4% of the total unincorporated County population both in 2012 and in 2020.

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The following chart compares the GOPB derived rate of growth for the proposed Lake Point boundary compared to a rate of growth derived from the last few years of residential building permits. The GOPB rate of growth may seem ambitious for Lake Point when comparing it to the historical growth over the last few years, but as the economy improves in Tooele County and the surrounding region, new residential development is rising. It is reasonable to assume that as the County's growth rate increases again, that Lake Point's population will grow as well. The potential for Lake Point to grow somewhat faster than the rest of the County may exist because Lake Point provides the fastest commute for those future residents who want to live in Tooele County but work in the Salt Lake Valley—a major job center for the region.

Figure 4.2: Graph of Historic and Projected Lake Point Population Estimates; 2012 to 2020

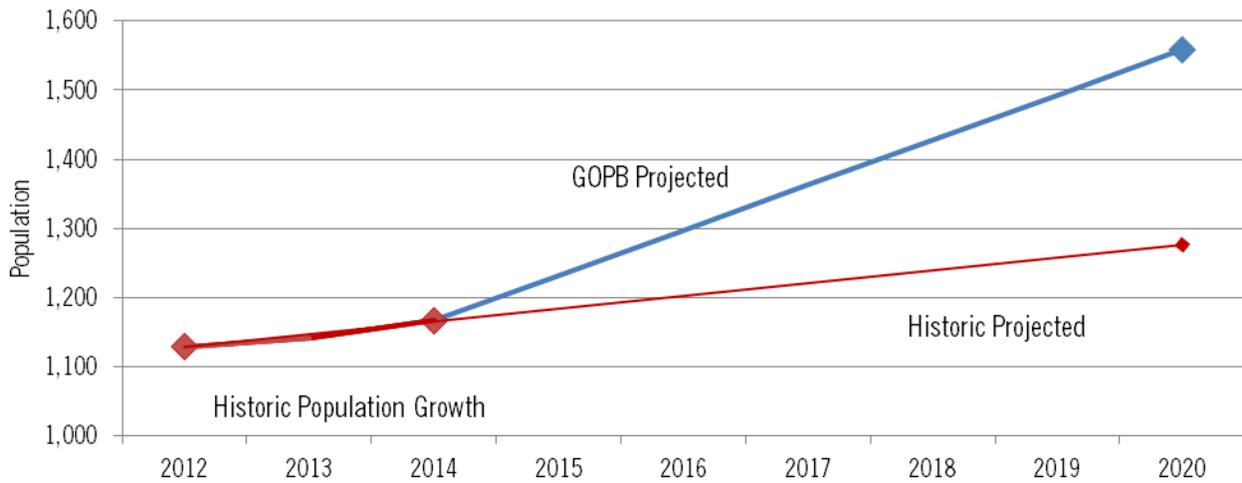


Figure 4.3: View of Lake Point Looking West over the Oquirrh Mountains into Salt Lake Valley

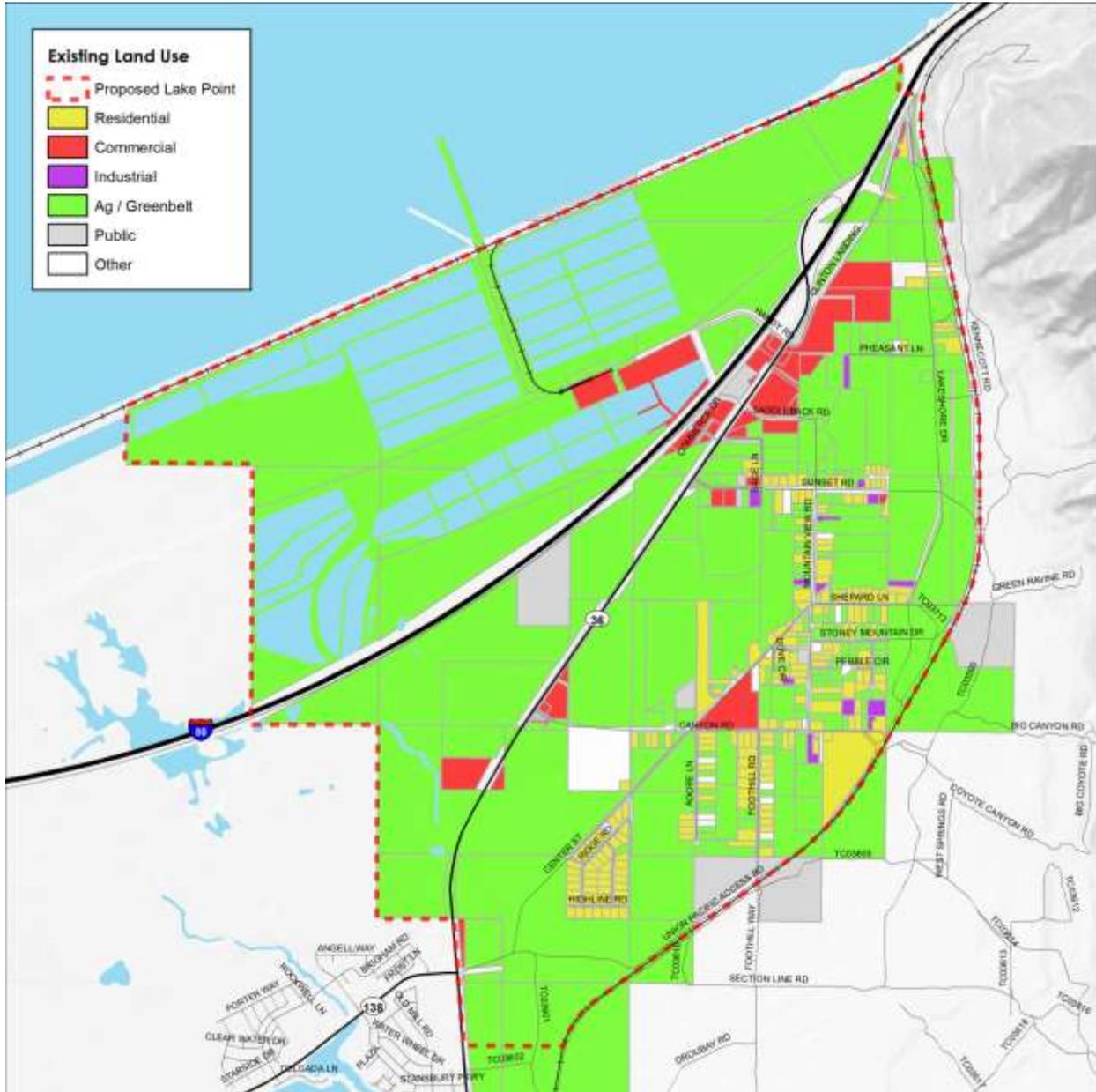


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COMMERCIAL AND INDUSTRIAL DEVELOPMENT

As can be seen in the map below, land currently categorized as commercial or industrial in the proposed boundary is somewhat limited. In addition, when comparing the map below with the one at the beginning of this section, it can be seen that several of the parcels categorized as commercial or industrial are currently under developed or undeveloped. As for the status of the majority of the parcels contained in the proposed Lake Point boundary, most are either under developed or undeveloped and are categorized as vacant, agricultural, or greenbelt.

Figure 4.4: Proposed Lake Point Boundary and Existing Land Use as Categorized by the Tooele County Assessor's Office



Current commercial and industrial development generally consists of retail businesses which serve the pass by traffic related to Interstate 80. These include gas stations, fast food restaurants, and motels. Commercial parcels located within the proposed Lake Point boundary currently account for an estimated \$29 million dollars in taxable value. Industrial parcels account for an estimated \$1.5 million.

Using GIS and the Tooele County Assessor's database, we reviewed the land uses in the Lake Point boundary. All of the parcels currently located within the proposed Lake Point boundary account for an estimated \$74.9 million dollars

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in taxable value. That compares to a Tooele County total of \$2.75 billion dollars in total taxable value. This equates to roughly \$64,247.88 of taxable value per capita in the proposed Lake Point boundary compared to a \$44,140 of taxable value per capita in Tooele County. The table below presents the details of the taxable value figures.

Table 4.5: Taxable Value by Land Use Classification in the Proposed Lake Point Boundary

	Land Value	Improvement Value	Total Assessed Value	Total Taxable Value
Ag / Greenbelt	\$24,861,091	\$22,176,591	\$47,037,682	\$14,366,002
Commercial	\$18,137,261	\$11,773,273	\$29,910,534	\$28,943,713
Industrial	\$1,279,458	\$1,266,891	\$2,546,349	\$1,532,700
Other	\$5,680,820	\$76	\$5,680,896	\$3,047,977
Public	\$50,430	\$0	\$50,430	\$21,340
Residential	\$26,103,798	\$21,205,020	\$47,308,818	\$27,005,558
Total	\$76,112,858	\$56,421,851	\$132,534,709	\$74,917,289
Tooele County				\$2,751,606,482

Source: Tooele County Assessor's Office, Zions Bank Public Finance

The figures below show some of the commercial property in the area, specifically those off the Interstate 80 off ramp into Tooele County.

Figure 4.5: Image of Lake Point Travel Center Looking North

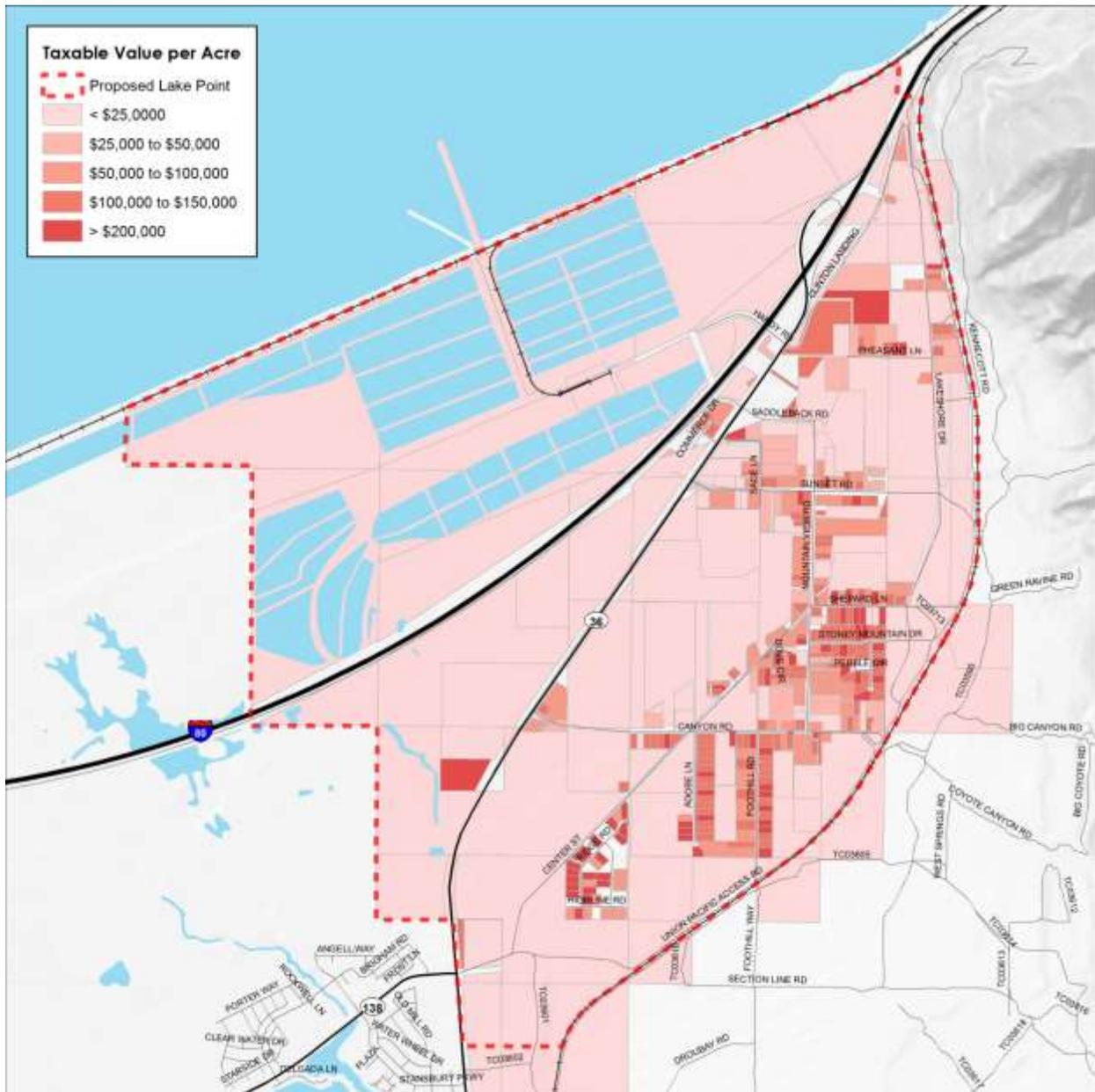


Figure 4.6: Image of Lake Point Commercial Area Looking South



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Figure 4.7: Proposed Lake Point Boundary and Assessed Market Value per Acre



PUBLIC FACILITIES

There are currently no public facilities within the study area. Reviews of the ten year plans for the Tooele County School District and Tooele County indicate no plans within the next five years to construct public facilities within the Lake Point boundary. It should be noted that this was the plan as of 2014 and is subject to change.

CHAPTER 5: FIVE-YEAR EXPENDITURE PROJECTIONS IN THE PROPOSED CITY

Utah Code 10-2-106(4)(a)(iv): subject to Subsection (4)(b), the present and five-year projections of the cost, including overhead, of governmental services in the proposed city, including: (A) culinary water; (B) secondary water; (C) sewer; (D) law enforcement; (E) fire protection; (F) roads and public works; (G) garbage; (H) weeds; and (I) government offices;

The following chapter estimates the expenditures that would be incurred if Lake Point were to incorporate. It is assumed that if incorporation occurs the City will choose to contract with other entities to provide services such as culinary water, secondary water, and sewer. There are two Districts currently serving the residents and commercial properties within the proposed boundaries for these services. LPID provides water and sewer to areas in Lake Point and Stansbury Improvement District provides service to many of the commercial properties on State Road 36. Fire protection is provided by a local fire service district as well, North Tooele County Fire District. No revenue or expenses will be considered in Lake Point's budget for any of those services mentioned at this time. The needs are met by other entities and not by the proposed City.

GENERAL GOVERNMENT

Mayor and Council: It is proposed that the City would function under a part time mayor and council form of government. In order to determine an estimated expense for a part time mayor and four council members, similarly sized cities were reviewed and an average cost was generated for the positions. The analysis assumes a cost of \$2,336 annually for each of the four council members and \$4,570 for the mayor for a total cost of \$13,916.

City Administrative: The projected Administrative Costs for Lake Point includes a City Manager or Administrator, or equivalent full time position with benefits. The full-time position is based on an annual salary of \$73,853 (including benefits). It is expected that this position would fill multiple roles.

Non-Departmental: Non-departmental expenses are for costs such as phones, supplies, insurance, and the potential costs of rent on a facility, from which the City could operate in the early years. The City could potentially lease space from North Tooele County Fire District in the Lake Point Station. Another alternative is to rent a room at the Comfort Inn which includes free use of the conference room for a monthly City Council Meeting. The third alternative is to lease space in the Beehive Broadband office. The highest quote has been used for the budget purposes.

Elections: The Tooele County Clerk reported that the cost of elections being held every other year costs \$1,800, on average. This service could be contracted with Tooele County and the Clerk's office.

Planning and Zoning: Currently the Tooele County Recorder's office provides this service. The Recorder's office will contract with Lake Point to complete the engineering and issue building permits. This could be reviewed in house by the City Administrator in conjunction with the contracted attorney.

Auditor and Attorney: Surveys of similar sized cities indicate that it will likely cost the new city \$9,756 to hire a professional firm to conduct the annual audit and prepare the annual comprehensive financial report. Additionally, local municipal law attorneys quoted legal expenses of approximately \$6,000 per year were Lake Point to incorporate.

Other Professional Services: Other professional services will be needed, from time to time, for engineering, economic development, and other consulting services. Cities of similar size were sampled and have indicated that these services will cost approximately \$8,500 annually.

PUBLIC SAFETY

Police: The Tooele County Sheriff's Department provides the Lake Point area with police services at this time, including animal control. The Tooele County Sheriff's Department provided an estimate to contract for services and the Grantsville City Police Department expressed interest as well. Both entities submitted a non-binding estimate for services at the current level of service. The lowest bid was from Grantsville City. However, the decision has been made

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to budget with the highest bid in order to be more conservative in cost estimates. Tooele County provided a bid of \$215,827, plus \$5,000 for animal control and has been included in the budget projections. All responses are included, in detail, in the Appendix.

Fire and EMS: North Tooele County Fire District provides fire protection and EMS service to Lake Point. This is not expected to change if incorporation should occur. There is no additional expense in 2014; however, the budget will increase over the next five years. The Fire District has reported there is a need for additional equipment, replacement projects, and other necessities that will require an increase in the budget. The appendix contains additional detail and projections of future needs. It should be anticipated that the District will increase taxes over the next five years. The District estimated a budget increase of 3%-5% annually over the next five years. More detail on the fire districts budget can be found in the appendix of this document.

Animal Control and Shelter: As stated previously, the Tooele County Sheriff's Department and the Grantsville City Police Department have included a \$5,000 animal control quote in the respective estimates for service.

Justice Court: It is worthwhile for the Lake Point Area to consider prosecuting and therefore receiving fines from citations as it is a high traffic area. To be conservative, it has been estimated that the City could receive \$2,500 annually in fines.

E-911: This cost was also considered in the quote for police services.

Dispatch Fees: Tooele County Dispatch calculates the fees for service based on population and calls for service. Zions provided the call and population estimates and the Tooele County Auditor estimated the dispatch fees at \$6,700.

Building Inspections: It is assumed that these services would be contracted with Tooele County and that 100 percent of the fees collected would be used to pay the contractor. The City may negotiate with Tooele County to increase fees so that a small percentage would go back to Lake Point City. The current situation results in no cost to Lake Point.

ROADWAYS AND PUBLIC IMPROVEMENTS

Currently the County provides road service for the study area. Therefore, the only contract estimate received was from Tooele County which estimated \$84,000 in 2014. This fee includes services to all Class C roads.

The contract estimate provided by the County is based on its current service levels in the Lake Point area. Currently Tooele County provides:

- All routine maintenance of the subject roads within the study area
- All snow removal during the winter months on an "as needed" basis depending on storms
- Maintains all regulatory, warning, and address signs located on these roads
- Replaces aging and damaged signs, and ensures compliance with the Manual on Uniform Traffic Control Devices published by UDOT.
- At least annually the County performs weed control, through spraying or mowing, along the shoulders of the County roads.
- Pavement maintenance "as needed" in the form of pothole repair and patching.
- The County also maintains any pavement markings on the roads.

In addition, to maintain current service levels for rehab, slurry seals, etc. the City will need to budget an average of \$20,000 per centerline mile every seven to ten years. It has been estimated that the work on the roads (13.8 miles) would be spread over ten years evenly. Also an inflationary component has been added to more realistically estimate fluctuating prices of materials.

PARKS, RECREATION AND PUBLIC PROPERTY

Lake Point Cemetery and Parks Service Area maintains the parks in the study area. There are not any anticipated increases in taxes in the near future.

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SANITATION – GARBAGE COLLECTION

Lake Point's garbage collection is routed through Allied Waste (Republic Services). The garbage is collected and taken to the Tooele County Solid Waste Facility for disposal. The customers are billed by the solid waste department on a quarterly basis. Lake Point resident now utilize 294 garbage cans. First cans are billed at the rate of \$15.00 per month or \$45.00 per quarterly billing. Unless the residents of Lake Point desire a different plan, no change would happen if incorporation should occur.

DEBT SERVICE

The proposed city has no outstanding debt obligations for which it would be responsible if incorporation occurs.

COMMUNITY AND ECONOMIC DEVELOPMENT

It is anticipated that community and economic development costs are included in the City Administration expense.

SUMMARY OF EXPENDITURES: FIVE-YEAR PROJECTIONS

A summary of five-year projected expenditures is as follows:

Table 5.1: Five-Year Projected Expenditures in Study Area

Projections	2014	2015	2016	2017	2018	2019
Part Time Mayor - City Comp + 1.36% CCLA	4,570.64	4,632.80	4,695.80	4,759.67	4,824.40	4,890.01
Council - City Comp + 1.36% CCLA	9,345.35	9,472.44	9,601.27	9,731.84	9,864.20	9,998.35
Administrative- City Comp + 1.36% CCLA	73,852.94	74,857.34	75,875.40	76,907.31	77,953.24	79,013.41
Non Departmental + 3% Inflation Rate	13,079.73	13,472.12	13,876.28	14,292.57	14,721.35	15,162.99
City Office Rental - Quote	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
Auditor - City Comp + 3% Inflation Rate	9,756.52	10,049.21	10,350.69	10,661.21	10,981.05	11,310.48
Attorney - Quote for Service	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Professional Services - City Comp + 3% Inflation	8,576.20	8,833.48	9,098.49	9,371.44	9,652.58	9,942.16
Court	-	-	-	-	-	-
Elections**	1,800.00	-	1,800.00	-	1,800.00	-
Business Licenses (Cost to City - license fee still to be incurred by business, plus 1 business)	30.00	30.00	40.00	50.00	60.00	70.00
Roads, Weeds, Snow Plow - Quote	82,800.00	82,800.00	85,284.00	87,842.52	90,477.80	93,192.13
Roads Rehab - Quote (13.8 Miles Divided over 10 Years, inflated at 3%)	-	27,600.00	28,428.00	29,280.84	30,159.27	31,064.04
Public Safety (Sheriff Investigation, Patrol and Animal Control) - Quote	220,827.00	220,827.00	220,827.00	220,827.00	220,827.00	220,827.00
Parks	-	-	-	-	-	-
Sanitation - Garbage Collection	-	-	-	-	-	-
Building Permits and Engineering/Planning and Zoning Services**	-	-	-	-	-	-
Storm Drain	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Dispatch Fees + 3% Inflation for increase in population and calls	6,700.00	6,901.00	7,108.03	7,321.27	7,540.91	7,767.14
Total Expenses	468,838.36	496,975.39	504,484.96	508,545.67	516,361.79	520,737.70
% Increase/Decrease to Expenses		6%	2%	1%	2%	1%

CHAPTER 6: FIVE-YEAR REVENUES PROJECTIONS IN THE PROPOSED CITY

Utah Code 10-2-106(4)(a)(v): assuming the same tax categories and tax rates as currently imposed by the county and all other current service providers, the present and five-year projected revenue for the proposed city;

PROPERTY TAX REVENUES

Table 9 shows property tax revenues based on the 2014 taxable value provided by Tooele County for each tax area. This is multiplied by the property tax rates now being paid by property owners in the area for municipal-type services that would be provided by the incorporated city in the future. These amounts reflect the taxable and market value of each tax area³.

Table 6.1: Taxable and Market Value by Tax District

	Land Value	Improvement Value	Total Assessed Value	Total Taxable Value
Ag/ Greenbelt	\$24,861,091	\$22,176,591	\$47,037,682	\$14,366,002
Commercial	\$18,137,261	\$11,773,273	\$29,910,534	\$28,943,713
Industrial	\$1,279,458	\$1,266,891	\$2,546,349	\$1,532,700
Other	\$5,680,820	\$76	\$5,680,896	\$3,047,977
Public	\$50,430	\$0	\$50,430	\$21,340
Residential	\$26,103,798	\$21,205,020	\$47,308,818	\$27,005,558
Total	\$76,112,858	\$56,421,851	\$132,534,709	\$74,917,289
Tooele County				\$2,751,606,482

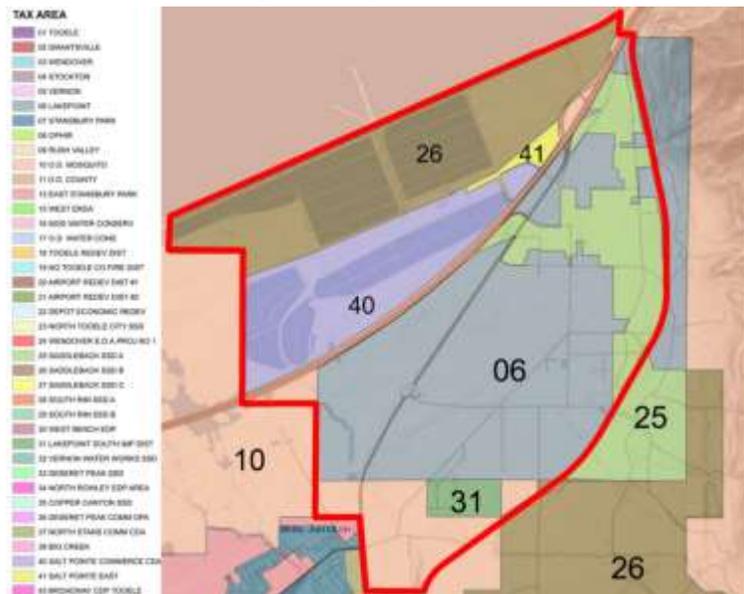
Source: Tooele County Assessor's Office, Zions Bank Public Finance

There are six tax areas that cover the Lake Point area. Some of the taxing entities seen in the map are sub sets of the tax area, such as Area 10; Tax Area 10, is the Mosquito Abatement District. Same as Tooele County, Tooele County School District and the Municipal Service Tax, they are "layers" of taxes that make the area as a whole. The areas are as follows:

Table 6.2: Study Area Tax Districts

Tax Area	Taxable Value	Parcels	Market Value
6 Lake Point	\$ 65,299,810.12	1,429	\$ 115,045,220.92
25 Saddleback SSDA	\$ 8,720,752.59	159	\$ 16,798,249.31
26 Saddleback SSDB	\$ 27,068.46	32	\$ 2,862,475.00
31 Lake Point South Improvement District	\$ 4,899,672.40	60	\$ 8,974,318.00
40 Salt Point Commercial CDA	\$ 1,142,740.91	40	\$ 2,110,333.17
41 Salt Point East	\$ 626.52	1	\$ 33,240.00

Figure 6.1: Study Area Tax Districts



³ This data is from Tooele County and may not be completely up to date in the Assessor's database, which may not reflect the most current values and the boundaries of these tax areas may not perfectly mirror the potential incorporation boundary.

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These areas do not match the incorporation boundary perfectly, therefore the Assessors database and GIS was used to determine the total taxable value as noted in Table 6.1.

Each tax area is made up of different combinations of taxing entities determined by location and services provided. Some of the taxing entities include, but are NOT limited to: Tooele County, Tooele County School District, the Mosquito Abatement District, Lake Point Improvement District, Stansbury Park Improvement District, North Tooele County Fire District and the Tooele County Municipal Services Tax. If Lake Point incorporates, there will be no change to the tax areas, the only exception would be that the incorporated City tax payers would no longer pay the Municipal Services Tax (6010) assessed by Tooele County and would instead pay a tax to Lake Point city for municipal services.

It is important to note that as Saddleback development comes in, residents living within the development area may also be assessed a tax from the Oquirrh Mountain Water Company. That is not yet determined.

The newly-formed City can therefore assume a municipal property tax rate of at least .001967⁴, placing an additional tax burden on payers. Given a total taxable value of \$75M, this would generate property tax revenues of \$147,325.94. The area generates approximately \$64,054.28 in the Municipal Services tax to Tooele County based on the 2014 adopted rate of .00086. This amount would no longer be paid to Tooele County. The difference between amounts paid currently and that upon incorporation is approximately \$83,271.65

SALES TAX REVENUES

Sales tax revenues are distributed by both population and point of sale. Point of sale tax revenues are calculated based on one-half of one percent of local sales.

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.

POINT OF SALE

Tooele County issued 34 business licenses within the proposed Lake Point boundary in the last year. The Utah State Tax Commission reports that it tracks the Lake Point areas as a separate entity for taxable sales. The taxable sales for the area are as follows:

- 2010 25,322,395.54
- 2011 27,896,356.47
- 2012 26,096,856.03
- 2013 29,873,238.28⁵

The amount of taxable sales allocated to cities is the one percent local option. Therefore, sales and use tax revenue generated totals \$298,732.38. As mentioned half of the point of sales is allocated.

POPULATION DISTRIBUTION

The total sales tax revenue for the State of Utah in 2013 was \$474,430,572; half of this, or \$237,215,286 is distributed by population. Table 6.3 details the point of sale and population distribution calculation. The Utah Sales Tax Commission provided a great deal of data and worked with Zions to ensure an accurate calculation of distribution.

⁴ Lake Point Municipal Tax only, does not reflect other taxes paid

⁵ Total reduced by 1.7% for vendor/state reductions per Utah State Tax Commission

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Table 6.3: Sales Tax Distribution

FCS				Population Distribution					
Year	FCS Distribution	Population	Per Capita Sales Tax	Year	Local Sales Tax Distribution (50% of State Total)	Lake Point Compared to State	Population	Per Capita	
2013	149,366.19	1,141	130.89	2013	237,215,286	0.04%	93,319	1,141	81.77
	Total Sales Tax Per Capita		212.66						
	Total Sales Tax		\$242,685.63						

MUNICIPAL ENERGY (FRANCHISE) AND TELECOMMUNICATIONS TAX REVENUES

Utah cities and towns may impose a tax of up to 3.5% on the value of telecom service provided within their boundaries. Cities may assess a tax up to 6% for other utilities, such as gas and electric. Those entities may pass this tax on to their customers. If this is done, this amount is part of the service sales price for sales tax purposes. This revenue source is available only to cities, not to counties. Therefore, the residents and businesses in Lake Point are not currently paying this tax. If incorporated, they could choose to do so but it is not part of their current level of service and has not been included in the revenue projections.

MOTOR VEHICLE REVENUES

Based on the motor vehicle fees distributed to the Districts (LPID and Lake Point Cemetery) in Lake Point, the area generates approximately \$4,047.41 in fees⁶.

LICENSES AND PERMITS

Business License Fees: Business license fee revenues of \$4,875 were calculated based on information provided by Tooele County and reflect the actual amount of business license fees paid for the past year. The City will have to pay Tooele County \$10 per license (average 3 licenses per year, or \$30). This analysis only projects an increase of one business annually in order to be conservative (specifically on the license revenue generated).

Building Permits: Building permit fees are generally charged based on the 1997 Uniform Building Code which levies fees based on construction cost. The theory behind these fees is that they are used to directly offset the costs associated with building inspections. As the City will likely contract with Tooele County for these services, no revenue would be generated for the City.

CLASS C ROAD FUNDS

Class C Road Funds are distributed both on population and weighted road miles. The State has determined that paved miles are weighted (multiplied) by 5, gravel miles by 2, and dirt road miles by 1. Lake Point has 13.8 miles of paved road, equal to 69 weighted miles. Lengths were not defined for the gravel roads in the area, so the estimate used will be slightly lower, but provide a good basis and again are conservative.

In 2013, the State's total road distribution was \$129,267,884. Half of this amount was distributed based on population; therefore, with a statewide population of 2,817,222 persons, the per capita distribution was \$22.94. The road mile distribution portion of the formula is based on 110,155 weighted road miles statewide. The state distribution per weighted road mile is therefore \$586.75. These calculations are detailed in table 6.4.

⁶ Source: Tooele County Distributions

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Table 6.4: Class C Road Funds

Class C Road Funds			
Road Miles:			
Utah:		Lake Point:	%
Class B&C Road Distribution FY 2013	\$129,267,884		
Percent by population	50%		
Percent by weighted road miles	50%		
Total amount by population - Utah Cities	\$64,633,942		
Amount by weighted road miles	\$64,633,942		
Utah total weighted road miles	110,155	69	0.06%
Utah 2012 population (distributed on prior year population)	2,817,222	1,129	0.04%
Distribution per weighted road mile	\$586.75	\$40,485.93	
Distribution per Population	\$22.94	\$25,896.33	
Total		\$66,382.26	

Source: UDOT FY 2013 Annual Report

Therefore, 69 (Lake Point's total weighted miles) multiplied by \$586.75 (Class C funds distributed by weighted mile) give a total weighted road mile distribution of \$40,485.93. The population distribution is calculated by multiplying \$22.94 (distributed Class C funds per capita by 1,129 (the 2012 population in Lake Point based on previous year population)). This gives a population distribution total of \$25,893.57. The two amounts combined total an annual estimate of \$66,382.26 total Class C road funds.

There is only one road in Lake Point that won't be transferred to the City, which is SR 36, a UDOT road.

STATE LIQUOR FUND ALLOTMENT

Utah Code 32B-2-404 defines the distribution of state liquor funds. State liquor funds are allotted based on four factors:

- 1) percent of local population to State population
- 2) percent of statewide convictions to alcohol-related offenses
- 3) percent based on total retail outlets for liquor
- 4) percent to counties for confinement and treatment purposes

Table 6.5: State Liquor Fund Allotment

State Liquor Fund Allotment	Utah Code 32B-2-404
% of local population to State population	25%
% of statewide convictions for alcohol-related offenses	30%
% based on total retail outlets	20%
% to counties for confinement and treatment purposes	25%
2013 Statewide distribution amount	\$5,308,900
Amt allocated based on local populations	\$1,327,225
Population Ratio (Lake Point to State)	0.000393
Lake Point distribution amount	\$522.12

Population distribution of revenues was used in this analysis. Lake Point does not have liquor retail outlets within its boundaries. The statewide total distribution amount equals \$5,308,900, 25% of this amount equals \$1.3M. Lake Point makes up .000393 of the statewide population; therefore, the area would receive \$522.12 in state liquor fund allotment revenues.

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FINES AND FORFEITURES

It is estimated that there is potential to collect at least \$2,000 in fines and forfeitures from the justice court. This projection is increased annually by 3% to consider future increases in population resulting in increases in pass-through traffic.

MISC. REVENUES

This includes any late fees for fines, fees for copies, and other miscellaneous sundries. This also could include interest earnings in the future. This has been inflated by 3% for increase population and use.

SUMMARY OF REVENUES

The table below details conservative estimates on revenue over the next five years.

Table 6.6: Lake Point Budget - Revenues

Revenue Projections	2014	2015	2016	2017	2018	2019
Sales Tax	242,685.63	248,752.78	254,971.59	261,345.88	267,879.53	274,576.52
Class C Road Funds Gas Tax + 1% Increase due to population growth	66,382.26	67,046.08	67,716.54	68,393.71	69,077.64	69,768.42
Motor Vehicle Revenues	4,047.41	4,047.41	4,047.41	4,047.41	4,047.41	4,047.41
Municipal Franchise (Energy) Tax*	-	-	-	-	-	-
Telecommunications Tax**	-	-	-	-	-	-
State Liquor Fund Allotment	522.12	522.12	522.12	522.12	522.12	522.12
Charges for Service	-	-	-	-	-	-
Business License and Permits + Estimated Increase of 2% for new business	4,875.00	4,875.00	4,972.50	5,071.95	5,173.39	5,276.86
Animal License	-	-	-	-	-	-
Planning and Zoning Fees	-	-	-	-	-	-
Fines and Forfeitures + 3%	2,000.00	2,060.00	2,121.80	2,185.45	2,251.02	2,318.55
Miscellaneous Revenue + 3%	1,000.00	1,030.00	1,060.90	1,092.73	1,125.51	1,159.27
Cash Balance	-	-	-	-	3,185.68	5,972.60
Total Revenue	321,512.42	328,333.39	335,412.87	342,659.25	353,262.30	363,641.75
% Increase/Decrease to Revenues		2%	2%	2%	3%	3%
Difference between Revenues and Expenses	(147,325.94)	(168,642.00)	(169,072.09)	(165,886.41)	(163,099.49)	(157,095.95)
% Revenue Compared to Expenditures	-31%	-34%	-34%	-33%	-32%	-30%

CHAPTER 7: FIVE-YEAR TAX PROJECTIONS WITHIN INCORPORATED AREA

Utah Code 10-2-106(4)(a)(vi): a projection of any new taxes per household that may be levied within the incorporated area within five years of incorporation;

Looking at the five year revenue and expenses, it appears that a municipal tax would be necessary. Expenses are outpacing revenues by at least 30% each year. That being said, there are two taxes, a telecommunications and franchise/energy tax, that the City can assess if incorporated that may lessen the burden on the property tax some. However, that amount will not be determined in this analysis as it raises the level of service as discussed above.

Table 7.1: Five-Year Revenue and Expenditure Projections

Projections	2014	2015	2016	2017	2018	2019
Total Expenses	468,838.36	496,975.39	504,484.96	508,545.67	516,361.79	520,737.70
% Increase/Decrease to Expenses		6%	2%	1%	2%	1%
Total Revenue	321,512.42	328,333.39	335,412.87	342,659.25	353,262.30	363,641.75
% Increase/Decrease to Revenues		2%	2%	2%	3%	3%
Difference between Revenues and Expenses	(147,325.94)	(168,642.00)	(169,072.09)	(165,886.41)	(163,099.49)	(157,095.95)
% Revenue Compared to Expenditures	-31%	-34%	-34%	-33%	-32%	-30%

There are currently six tax areas within the Lake Point area – Areas 6, 25, 26, 31, 40 and 41. Property owners in Lake Point are currently paying taxes as follows in these tax districts:

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Table 7.2: Tax Areas - Rates and Tax Revenue in Study Area⁷

Tax Area	Entity	Total Market Value of Area Parcels	Total Taxable Value of Area Parcels	# of Parcels in Tax Area	Property Tax Rate 2013/2014	Total Tax Revenue
6 Lake Point	6 Lake Point	\$ 115,045,220.92	\$ 65,299,810.12	1,429.00		
	1010 Tooele County*				0.00209	\$136,346
	2010 Tooele County School District*				0.00923	\$602,913
	4020 Lakepoint Improvement District				0.00017	\$11,036
	4030 Tooele Valley MCD				0.00040	\$26,120
	4090 North Tooele County Fire Protection Service District				0.00077	\$50,346
	4100 Lakepoint Cemetery and Park Service Area				0.00038	\$24,749
	6010 Tooele County Municipal Services				0.00086	\$55,831
	Total				0.01390	\$907,341
25 Saddleback SSDA	25 Saddleback SSDA	\$ 16,798,249.31	\$ 8,720,752.59	159.00		
	1010 Tooele County*				0.00209	\$18,208.93
	2010 Tooele County School District*				0.00923	\$80,518.71
	4020 Lakepoint Improvement District				0.00017	\$1,473.81
	4030 Tooele Valley MCD				0.00040	\$3,488.30
	4090 North Tooele County Fire Protection Service District				0.00077	\$6,723.70
	4100 Lakepoint Cemetery and Park Service Area				0.00038	\$3,305.17
	6010 Tooele County Municipal Services				0.00086	\$7,456.24
	Total				0.01304	\$113,719
26 Saddleback SSDB	26 Saddleback SSDB	\$ 2,862,475.00	\$ 27,068.46	32.00		
	1010 Tooele County*				0.00209	\$57
	2010 Tooele County School District*				0.00923	\$250
	4030 Tooele Valley MCD				0.00040	\$11
	4090 North Tooele County Fire Protection Service District				0.00077	\$21
	6010 Tooele County Municipal Services				0.00086	\$23
	Total				0.01335	\$361
31 Lake Point South Improvement District	31 Lake Point South Improvement District	\$ 8,974,318.00	\$ 4,899,672.40	60.00		
	1010 Tooele County*				0.00209	\$10,231
	2010 Tooele County School District*				0.00953	\$46,674
	4090 North Tooele County Fire Protection Service District				0.00077	\$3,778
	4030 Tooele Valley MCD				0.00040	\$1,960
	4100 Lakepoint Cemetery and Park Service Area				0.00038	\$1,857
	6010 Tooele County Municipal Services				0.00086	\$4,189
	Total				0.01402	\$68,689
40 Salt Point Commercial CDA	40 Salt Point Commercial CDA	\$ 2,110,333.17	\$ 1,142,740.91	40.00		
	1010 Tooele County*				0.00209	\$2,386
	2010 Tooele County School District*				0.00923	\$10,551
	4020 Lakepoint Improvement District				0.00017	\$193
	4030 Tooele Valley MCD				0.00040	\$457
	4090 North Tooele County Fire Protection Service District				0.00077	\$881
	6010 Tooele County Municipal Services				0.00086	\$977
	Total				0.01352	\$15,445
41 Salt Point East	41 Salt Point East	\$ 33,240.00	\$ 626.52	1.00		
	1010 Tooele County*				0.00209	\$1
	2010 Tooele County School District*				0.00923	\$6
	4020 Lakepoint Improvement District				0.00017	\$0
	4030 Tooele Valley MCD				0.00040	\$0
	4090 North Tooele County Fire Protection Service District				0.00077	\$0
	6010 Tooele County Municipal Services				0.00086	\$1
	Total				0.01352	\$8

If incorporation occurs, Lake Point will no longer pay the Municipal Services Tax to Tooele County. It appears necessary for Lake Point to assess a property tax to cover expenses if incorporation were to occur. The net impact on tax payers will be the difference between the Lake Point Tax and the amount currently paid to Tooele County through the Municipal Services Fund tax.

In order to generate \$147,325.94 needed to match expenses in Lake Point, with a taxable value of \$74,917,289, the equalized tax rate in Lake Point would need to be 0.001967. This equalized rate would result in a tax increase of

⁷ Values and taxes paid will not match the taxable value of the Lake Point Boundary as this is based on the boundaries of each taxing area do not perfectly match Lake Point's boundaries. Lake Point's taxable value has been calculated based on a GIS analysis for parcels within the boundaries using the Tooele County Assessor's database.

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approximately \$122.27 annually for every \$200,000 of primary residential market value (\$110,000 of taxable value). The Lake Point property tax amount (.001967) generates \$216.32 per \$200,000 residential market value; the amount of the Municipal Service tax currently paid, but no longer upon incorporation equals \$94.05, a net difference of \$122.27

Table 7.3: Change in Taxes Paid Upon Incorporation⁸

Lake Point Municipal Property Tax (New Tax Upon Incorporation)	Current Municipal Services Tax Paid to Tooele County (which is eliminated upon incorporation)	Net Tax Paid for Incorporation
Market Value \$200,000	Market Value \$200,000	Market Value \$200,000
\$ 216.32	\$ 94.05	\$ 122.27

Table 7.4: Equalization of Tax Rates for Proposed City – Lake Point Property Tax Rate

2014	2015	2016	2017	2018	2019
0.001967	0.002251	0.002257	0.002257	0.002257	0.002257
	14%	0.3%	0%	0%	0%

During the course of the study, the other tax districts were surveyed and the only expected tax increase in the next five years is from North Tooele County Fire District. The North Tooele Fire District has anticipated anywhere from a 3% to 5% increase annually to cover increased expenses. The analysis includes a 5% increase to the budget/tax rate in order to provide the most conservative projections. Using the estimate included in the appendix of the document, the following is the total tax rate for the Districts and the City. The projected tax rates do not account for increases in land value or growth, just as Lake Point is valued today. It should also be noted that Tooele County may increase the General Levy to keep up with inflation. As this increase is uncertain at this time, it is not included in the projections.

Table 7.5: Estimated Tax Rates by Tax District in 2015-2019 Including Lake Point City Tax

Tax Area	2015	2016	2017	2018	2019
6 Lake Point	0.01533	0.01538	0.01543	0.01547	0.01552
25 Saddleback SSD A	0.01533	0.01538	0.01542	0.01546	0.01551
26 Saddleback SSD B	0.01478	0.01483	0.01487	0.01491	0.01496
31 Lake Point South Improvement District	0.01545	0.01550	0.01554	0.01559	0.01563
40 Salt Point Commercial CDA	0.01495	0.01500	0.01504	0.01508	0.01513
41 Salt Point East	0.01495	0.01500	0.01504	0.01508	0.01513

The impact of the estimated tax rates are detailed in the table below:

Table 7.6: Tax Impacts with Projected Rates

Tax Area	2015	Impact*	Increase/Decrease	2016	Impact*	Increase/Decrease	2017	Impact*	Increase/Decrease	2018	Impact*	Increase/Decrease	2019	Impact*	Increase/Decrease
6 Lake Point	0.01533	\$1,686.26	\$157.81	0.01538	\$1,692.27	\$ 6.01	0.01543	\$1,696.94	\$ 4.68	0.01547	\$1,701.85	\$ 4.91	0.01552	\$1,707.01	\$ 5.15
25 Saddleback SSDA	0.01533	\$1,686.26	\$251.86	0.01538	\$1,691.34	\$ 5.08	0.01542	\$1,696.01	\$ 4.68	0.01546	\$1,700.92	\$ 4.91	0.01551	\$1,706.08	\$ 5.15
26 Saddleback SSDB	0.01478	\$1,625.98	\$157.81	0.01483	\$1,631.06	\$ 5.08	0.01487	\$1,635.73	\$ 4.68	0.01491	\$1,640.64	\$ 4.91	0.01496	\$1,645.80	\$ 5.15
31 Lake Point South Improvement District	0.01545	\$1,699.90	\$157.81	0.01550	\$1,704.98	\$ 5.08	0.01554	\$1,709.65	\$ 4.68	0.01559	\$1,714.56	\$ 4.91	0.01563	\$1,719.72	\$ 5.15
40 Salt Point Commercial CDA	0.01495	\$1,644.57	\$157.81	0.01500	\$1,649.65	\$ 5.08	0.01504	\$1,654.32	\$ 4.68	0.01508	\$1,659.23	\$ 4.91	0.01513	\$1,664.39	\$ 5.15
41 Salt Point East	0.01495	\$1,644.57	\$157.81	0.01500	\$1,649.65	\$ 5.08	0.01504	\$1,654.32	\$ 4.68	0.01508	\$1,659.23	\$ 4.91	0.01513	\$1,664.39	\$ 5.15

*\$200,000 Taxable Value Home

⁸ Not including any increase by NTCFD – only considering Lake Point City Tax minus MS Tax paid

CHAPTER 8: FISCAL IMPACTS ON OTHER DISTRICTS OR GOVERNMENTAL ENTITIES PROVIDING SERVICES

Utah Code 10-2-106(4)(a)(vii): the fiscal impact on unincorporated areas, other municipalities, local districts, special service districts, and other governmental entities in the county.

This section discusses the impacts to existing service providers if incorporation should occur. Generally, tax revenues are unchanged as there is no change in service or providers, with the exception of Tooele County. However, some of the impact to Tooele County may be recouped through a contract arrangement where the existing service provider continues to provide services to the area. They may be slightly reduced if the existing provider discontinues these services. This section will discuss the impacts to the County with and without contracts for service.

There are six tax areas within (and continue beyond)the Lake Point Municipal boundary. Each of these tax areas has slightly different service providers, as follows:

Table 8.1: Service Providers in Each Tax Area

Entity	
6 Lake Point	31 Lake Point South Improvement District
Tooele County	Tooele County
Tooele County School District	Tooele County School District
Lake point Improvement District	North Tooele County Fire Protection Service District
Tooele Valley MOD	Tooele Valley MOD
North Tooele County Fire Protection Service District	North Tooele County Fire Protection Service District
Lake point Cemetery and Park Service Area	Lake point Cemetery and Park Service Area
Tooele County Municipal Services	Tooele County Municipal Services
25 Saddleback SSD A	40 Salt Point Commercial CDA
Tooele County	Tooele County
Tooele County School District	Tooele County School District
Lake point Improvement District	Lake point Improvement District
Tooele Valley MOD	Tooele Valley MOD
North Tooele County Fire Protection Service District	North Tooele County Fire Protection Service District
Lake point Cemetery and Park Service Area	Tooele County Municipal Services
Tooele County Municipal Services	41 Salt Point East
26 Saddleback SSD B	Tooele County
Tooele County	Tooele County School District
Tooele County School District	Lake point Improvement District
Tooele Valley MOD	Tooele Valley MOD
North Tooele County Fire Protection Service District	North Tooele County Fire Protection Service District
Tooele County Municipal Services	Tooele County Municipal Services

Of these various taxing entities, there will be no impacts to any entity but Tooele County because they will experience no change in tax revenues received, or in the level of services which they provide to the Lake Point area. Some of the impact to the County might be mitigated with Contracts for Service. Tooele County will lose revenues because of reduced sales tax going to Tooele County and if incorporation occurs. The County will also lose the Municipal Services Tax generated from the area but as that tax is in place to recoup the costs of providing County services it can be argued that the County will have reduced costs in proportion to the loss of MSF revenues.

TOOELE COUNTY

Tooele County provides all municipal type services to Lake Point, including roads, snow removal, sheriff’s service, etc. In an analysis completed in 2014, Zions Bank Public Finance projected the County Municipal Service (MS) Tax. The analysis anticipated that after the initial tax assessment, that MS tax would not have to be increased if PILT funds

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were used as recommended. If Lake Point were to not incorporate and remain as part of the County, it would seem likely that the Municipal Services would continue to be provided at the current cost for the next five years. However, the Commissioner's office will see drastic change in 2015 with two new Commissioners being elected into office. It is uncertain the policies that will be administered at that time. Therefore, it is also difficult to predict the County's plan on the General Fund tax levy. It has been discussed that the rate will increase to address inflation, but there are many unknowns at this time. Therefore, it has been assumed that there is no change to the general tax levy.

If Lake Point does incorporate, the Municipal Services component of the County's taxes will be eliminated. The County will need to address changes that come with incorporation. However, the process can take time and the County can plan and adjust accordingly.

Tooele County will receive \$579,916.24 less annually if incorporation occurs and Lake Point does not contract for any services. If the proposed City contracts with the County that amount drops to \$304,884.92. The following table details the reduction per service.

Table 8.2: Tax Impacts With and Without Tooele County Service Contract

Impact To Tooele County		
Loss of Revenue - Tooele County	No Contract with County	Contract with County
Municipal Services Tax	(64,054.28)	(64,054.28)
Sales Tax	(242,685.63)	(242,685.63)
Business Licenses	(4,875.00)	(4,845.00)
Building Permits Revenue	(61,439.26)	-
Roads	7,420.14	-
Sheriff's Departments	(220,827.00)	-
Dispatch Fees	6,700.00	6,700.00
Total Impact to County	(579,761.04)	(304,884.92)

The County would have several alternatives to consider in addressing the reduction to the budget. Some of the loss comes through the Municipal Services Tax, some small reduction of cost should come to the County if incorporation were to occur. Zions discussed this with the Sheriff's department and County Auditor and tried to identify where potential savings would come. The Sheriff did not expect the budget to change as the department has recently experienced cuts. There is some cost savings on roads, but also a loss of road tax. This is reflected above. To make up for the loss to the county, the options could be, but are not limited to:

- Consideration for a reduction in expenses
- Analyzing the Municipal Services Tax:
 - Use more PILT funding (in 2015 Zions recommended potentially using 25% of PILT, however less was needed to cover expenses).
 - Potential increase to the Municipal Services Tax
- Analyze the County General Levy
 - Potential increase to cover loss of revenue
- Increase economic development to reduce impact

CHAPTER 9: IMPACT ON THE RESIDENTS OF LAKE POINT

The Tooele County Assessor’s office reports that the average home value in the Lake Point area is approximately \$209,635. The impact on the average residential home is shown below using \$200,000 market value, \$110,000 taxable value as the benchmark.

Table 9.1: Municipal Tax Impact on the Homeowner

Residential	2014	2015	2016	2017	2018	2019
Home Value	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Lake Point Tax	\$ 216.32	\$ 247.61	\$ 248.25	\$ 248.25	\$ 248.25	\$ 248.25
Less MS Tax	\$ 94.05	\$ 94.05	\$ 94.05	\$ 94.05	\$ 94.05	\$ 94.05
Net Difference	\$ 122.27	\$ 153.56	\$ 54.20	\$ 154.20	\$ 154.20	\$ 154.20

Table 9.2 details the impact on \$100,000 taxable value for secondary residences, commercial property and non-residential land.

Table 9.2: Municipal Tax Impact on the 100,000 Taxable Value

100,000 Taxable Value	2014	2015	2016	2017	2018	2019
Value	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Lake Point Tax	\$ 196.65	\$ 225.10	\$ 225.68	\$ 225.68	\$ 225.68	\$ 225.68
Less MS Tax	\$ 85.50	\$ 85.50	\$ 85.50	\$ 85.50	\$ 85.50	\$ 85.50
Net Difference	\$ 111.15	\$ 139.60	\$ 140.18	\$ 140.18	\$ 40.18	\$ 140.18

Appendix:

Calculation and Supplemental Information
Grantsville Response - Police Service
Quote – North Tooele County Fire Service District
Tooele County Response – Road Services
Tooele County Response – Police Services
Tooele County Clerk’s Office
Tooele County Recorder’s Office
LPID
Beehive Broadband