



PUBLIC
FINANCE
ADVISORS

WEBER COUNTY, UTAH

OGDEN VALLEY INCORPORATION
FEASIBILITY STUDY

JANUARY 2024

STATUTORY REQUIREMENTS

□ SECTION 10-2A-205(4) REQUIRES THE FEASIBILITY STUDY TO INCLUDE:

- Population and Population Density
- Current and Projected 5-Year Demographics and Tax Base
- Current and Projected 5-Year Cost of Providing Services
- Current and Projected 5-Year Revenues
- Risks and Opportunities That May Affect the Actual Costs and Revenues
- New Revenue Sources
- Projected Tax Burden and Fiscal Impact of Incorporation

KEY STATUTORY ASSUMPTIONS

- The proposed municipality 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 area** of the proposed municipality at the time the feasibility consultant conducts the feasibility study
- Revenues must exceed expenses by an **average of 5 percent** over the 5-year window of this study to allow the process of incorporation to proceed

DEMOGRAPHICS

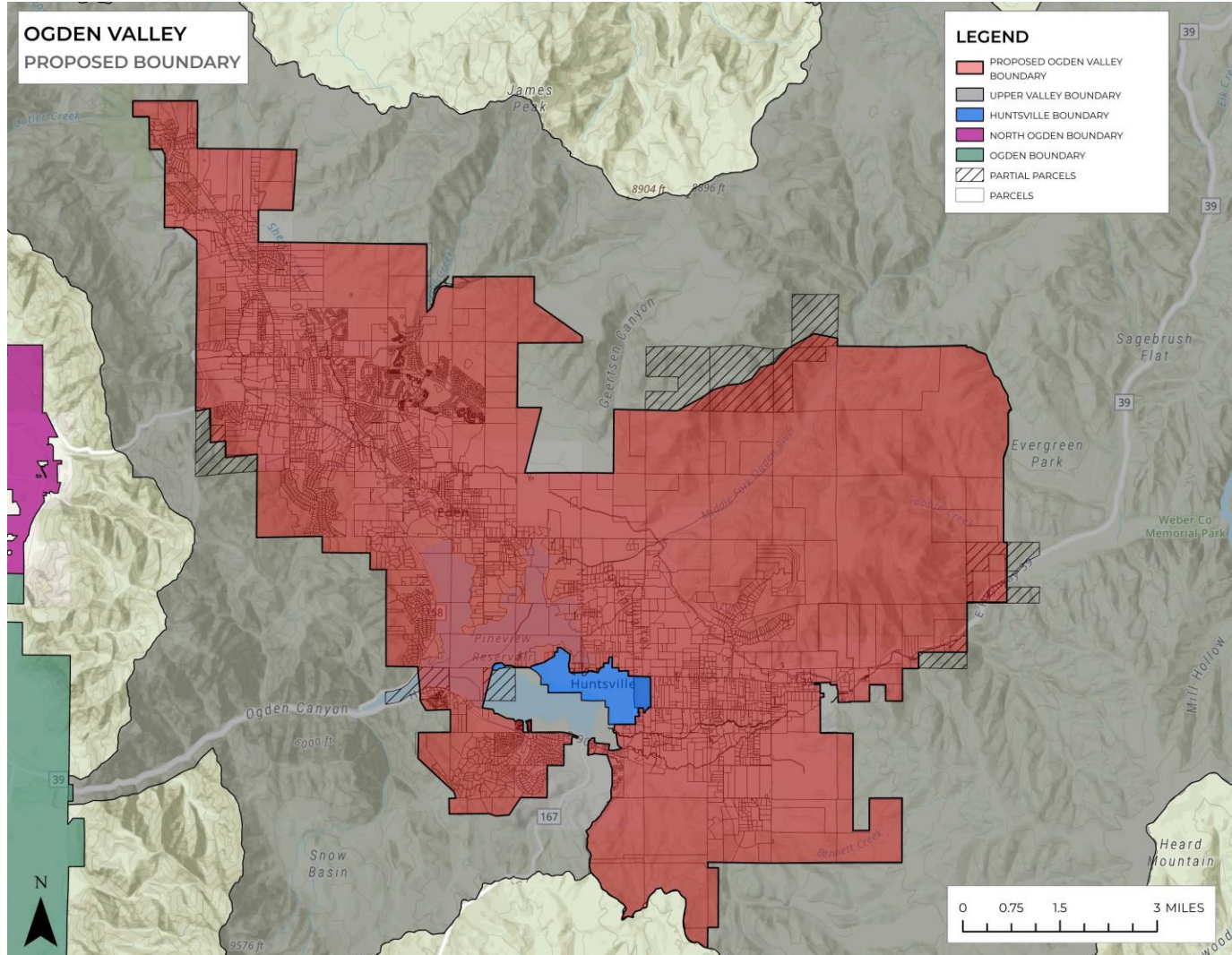
UPC DETERMINATION

DATE	VALUE TYPE	POPULATION
April 1, 2020	Census Population	6,593
July 1, 2020	UPC Population Estimate	6,631
July 1, 2021	UPC Population Estimate	6,943
July 1, 2022	UPC Population Estimate	7,274

CURRENT AND PROJECTED DEMOGRAPHICS

	GROWTH RATE	2023	2024	2025	2026	2027	2028
Projected Population	1.6%	7,387	7,502	7,619	7,738	7,859	7,982
Households (HH)	1.1%	3,585	3,624	3,664	3,704	3,745	3,786
Persons per HH		2.06	2.07	2.08	2.09	2.10	2.11

ORIGINAL PROPOSED BOUNDARY

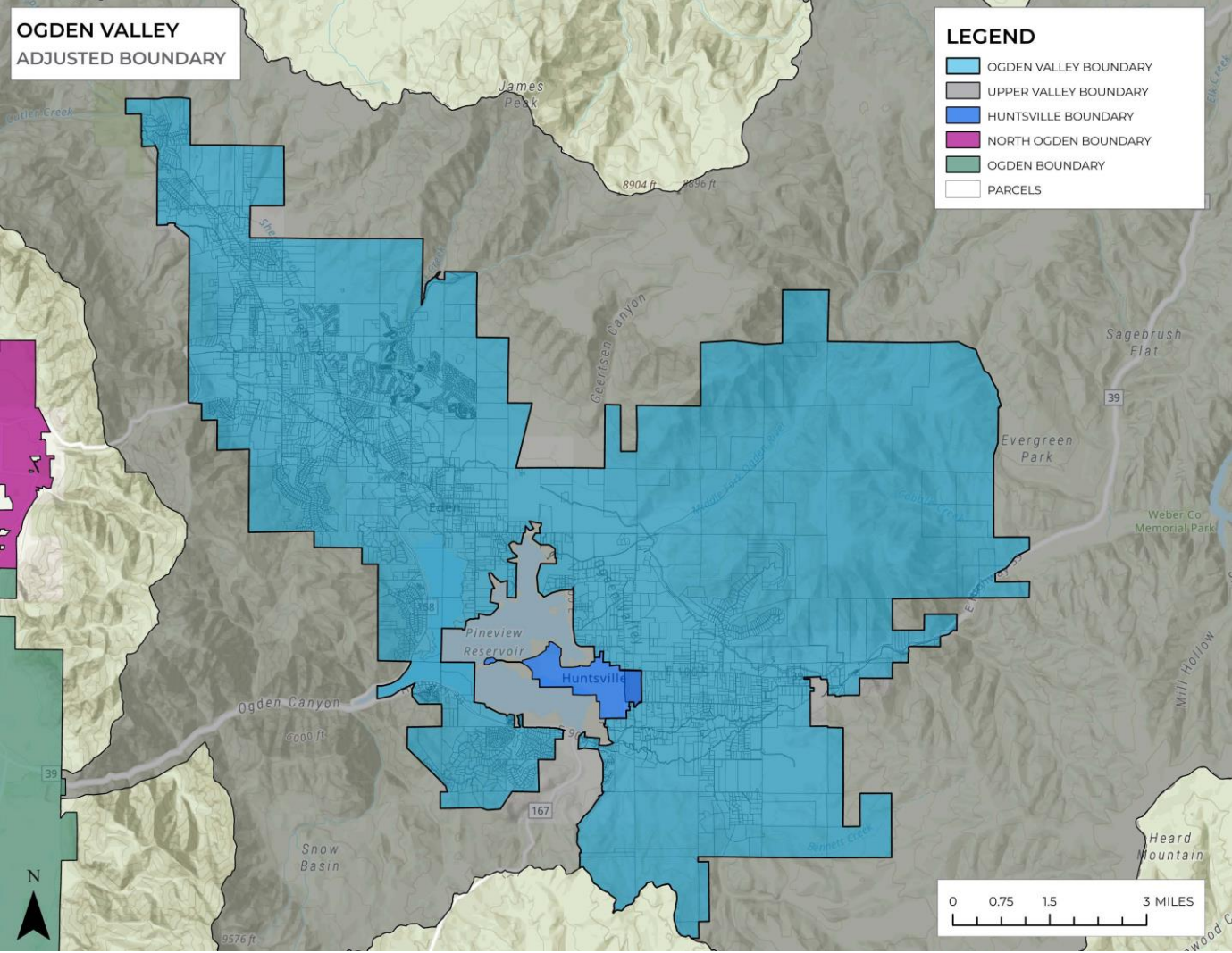


INCLUSION OF FEDERAL PARCELS

□ SECTION §10-2A-201.5 REQUIRES THAT, IF FEDERALLY OWNED LAND IS WITHIN THE AREA, THE AREA PURSUING INCORPORATION MAY NOT INCLUDE LANDS OWNED BY THE FEDERAL GOVERNMENT UNLESS THE FOLLOWING PROVISIONS ARE MET:

- a) incorporating the land is necessary to connect separate areas that share a demonstrable community interest; or
- b) excluding the land from the incorporating area would create an unincorporated island within the proposed municipality.

RECOMMENDED BOUNDARY

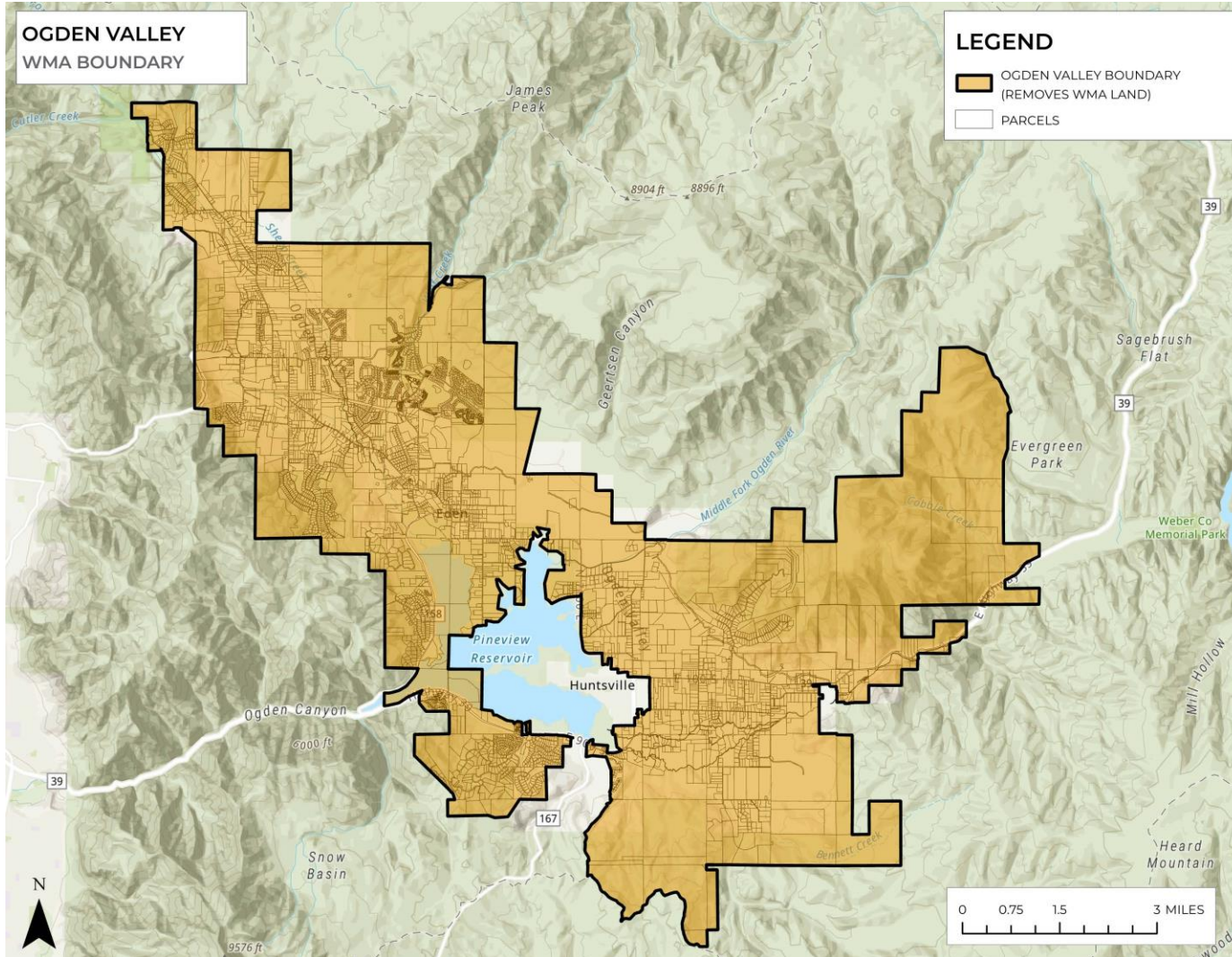


STATE PARCELS?

❑ MIDDLE FORK WILDLIFE MANAGEMENT AREA (WMA)

- While there is no existing code to warrant exclusion of state-owned parcels, the removal of the applicable parcels does not affect the financial feasibility of the study, nor the population count of the Study Area.

BOUNDARY TO CONSIDER



CURRENT COUNTY SERVICES

SERVICES NOT PROVIDED BY NEWLY INCORPORATED GOVT.

- Culinary Water
- Sewer
- Fire and Emergency Response
- Parks and Cemetery

CURRENT COUNTY SERVICES

☐ SERVICES PROVIDED BY THE COUNTY (VIA THE MUNICIPAL SERVICES FUND)

- General Governmental Services, including engineering, planning and zoning, and building;
- Law Enforcement and Animal Shelter;
- Animal Control;
- Roads and Snow Removal;
- Garbage; and,
- Weed Control.

METHODOLOGY

□ REVENUES FOR THE STUDY AREA WERE CALCULATED USING THE FOLLOWING METHODOLOGIES TO DETERMINE AN ACCEPTABLE LOS:

- Property tax based on assessed value and new growth;
- State Sales Tax allocation based on population and point of sale;
- State Class C Road Fund allocation based on lane miles;
- Building permit revenues based on historical data;
- Business license revenues based on historical data;
- Garbage administrative fee based on County allocation and population;
- State Liquor Allotment based on per capita comparatives;
- Fines and Forfeitures based on per capita comparatives; and,
- Interest earnings based on cumulative fund balance.

REVENUES

❑ PROPERTY TAX

- NEW RESIDENTIAL GROWTH
- AVERAGE HOME VALUE OF \$950,000

❑ STATE SALES TAX

- POINT OF SALE
- POPULATION

❑ STATE CLASS C ROAD FUND

- WEIGHTED MILEAGE
- POPULATION

❑ BUILDING PERMITS/BUSINESS LICENSES

- HISTORIC DATA

❑ OTHER

- GARBAGE ADMINISTRATIVE FEE
- STATE LIQUOR ALLOTMENT
- FINES AND FORFEITURES
- INTEREST

METHODOLOGY

□ **EXPENDITURES FOR THE STUDY AREA WERE CALCULATED USING THE FOLLOWING METHODOLOGIES TO DETERMINE AN ACCEPTABLE LOS:**

- Average total expenditures of comparative cities;
- Population and calls for service;
- Time and level of service adjustments; and,
- County contract estimates.

EXPENSES

INCORPORATION COSTS

- CONTRACT AND ELECTION COST
- SCENARIO ANALYSIS

GENERAL GOVERNMENT

- ADMINISTRATION
- BUILDING INSPECTOR
- ENGINEERING
- PLANNING SERVICES

ROADS AND SNOW REMOVAL

OTHER

- LAW ENFORCEMENT, ANIMAL SHELTER, ANIMAL CONTROL
- GARBAGE, WEED CONTROL

FINDINGS

FISCAL IMPACT ON MUNICIPAL SERVICE FUND

	2024	2025	2026	2027	2028
Potential Lost Revenue	(\$3,980,184)	(\$4,252,426)	(\$4,549,709)	(\$4,873,669)	(\$5,226,816)
Contract Revenue	\$714,847	\$736,292	\$758,381	\$781,132	\$804,566
Net Impact to County MSF	(\$3,265,338)	(\$3,516,134)	(\$3,791,328)	(\$4,092,537)	(\$4,422,250)

TAX IMPACT ON MUNICIPAL SERVICE FUND

	2024	2025	2026	2027	2028
MSF Taxable Value	\$4,902,425,654	\$5,147,546,936	\$5,404,924,283	\$5,675,170,497	\$5,958,929,022
Estimated Impact on Median Home	\$45	\$45	\$45	\$45	\$45
Tax Rate	0.000181	0.000181	0.000181	0.000181	0.000181
Tax Impact	0.000656	0.000673	0.000691	0.000711	0.000732
MSF Levy (If City Incorporates)	0.000837	0.000854	0.000873	0.000893	0.000914
Estimated Impact on Median Home	\$207	\$211	\$216	\$221	\$226
New Tax Amount per Home	\$162	\$167	\$171	\$176	\$181

FINDINGS

□ SCENARIO 1 – GOVERNMENT OFFICE & ROAD SHOP

- Incorporation costs per §10-2a-220
- One-time government building \$1.68M
- Road Shop acquisition \$383K
- Matching the County's equivalent rate is sufficient
- Revenues exceed expenses by an average of 6.7 percent

SCENARIO 1 TAX & FISCAL IMPACT

	2024	2025	2026	2027	2028
Net (Revenues minus Expense)	\$136,624	\$110,847	\$265,169	\$440,829	\$640,127
Revenue (Expense) Margin	3.5%	2.6%	5.9%	9.2%	12.4%
Equivalent County MSF Rate	0.000181	0.000181	0.000181	0.000181	0.000181
Additional Levy to Balance Budget	0.000000	0.000000	0.000000	0.000000	0.000000
Total City Rate	0.000181	0.000181	0.000181	0.000181	0.000181
Net Impact on Median Home (\$530K)	\$0	\$0	\$0	\$0	\$0

FINDINGS

□ SCENARIO 2 – ROAD SHOP

- Incorporation costs per §10-2a-220
- Road Shop acquisition \$383K
- Matching the County's equivalent rate is sufficient
- Revenues exceed expenses by an average of 9.4 percent

SCENARIO 2 TAX & FISCAL IMPACT

	2024	2025	2026	2027	2028
Net (Revenues minus Expense)	\$136,624	\$264,970	\$422,297	\$601,021	\$803,443
Revenue (Expense) Margin	3.5%	6.3%	9.4%	12.5%	15.6%
Equivalent County MSF Rate	0.000181	0.000181	0.000181	0.000181	0.000181
Additional Levy to Balance Budget	0.000000	0.000000	0.000000	0.000000	0.000000
Total City Rate	0.000181	0.000181	0.000181	0.000181	0.000181
Net Impact on Median Home (\$530K)	\$0	\$0	\$0	\$0	\$0

FINDINGS

□ SCENARIO 3 – NO GOVERNMENT OFFICE & ROAD SHOP

- Incorporation costs per §10-2a-220
- Matching the County's equivalent rate is sufficient
- Revenues exceed expenses by an average of 10.1 percent

SCENARIO 3 TAX & FISCAL IMPACT

	2024	2025	2026	2027	2028
Net (Revenues minus Expense)	\$136,624	\$300,163	\$458,176	\$637,600	\$840,735
Revenue (Expense) Margin	3.5%	7.1%	10.2%	13.2%	16.3%
Equivalent County MSF Rate	0.000181	0.000181	0.000181	0.000181	0.000181
Additional Levy to Balance Budget	0.000000	0.000000	0.000000	0.000000	0.000000
Total City Rate	0.000181	0.000181	0.000181	0.000181	0.000181
Net Impact on Median Home (\$530K)	\$0	\$0	\$0	\$0	\$0

RISKS

- STATE/ FEDERALLY OWNED LANDS
- FUTURE BRIDGE AND STORMWATER CAPITAL IMPROVEMENT PROJECT COSTS
- SALES TAX LIMITATIONS
- INFLATION

QUESTIONS

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Lewis Young Robertson & Burningham is now **LRB Public Finance Advisors**



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