

STATE OF UTAH  
OFFICE OF THE LIEUTENANT  
GOVERNOR



DEIDRE M. HENDERSON  
LIEUTENANT GOVERNOR

NOTICE OF PROPOSED INCORPORATION AND SECOND PUBLIC HEARING

**January 23, 2024**

The Lieutenant Governor's Office oversees the creation of new cities and towns in a process known as incorporation. A group of citizens filed a petition with our office to create a new town known as Spring Lake. On September 21, 2023, the Office of the Lieutenant Governor commissioned LRB Public Finance Advisors to conduct a study to determine if the proposed town is financially viable. On November 5, 2023, the feasibility consultants released the results of the study, which found that "the incorporation of the proposed Spring Lake boundary...will likely result in at least a five percent budget surplus." This is considered financially viable according to §10-2a-205(6)(a). On December 18, 2024, the Lieutenant Governor's Office held the first public hearing where the feasibility consultants presented the results of the study to residents within the area proposed for incorporation. Members of the public expressed their views about the proposed incorporation and the established boundaries and asked the feasibility consultants questions about the study. Pursuant to §10-2a-207(6) the incorporation process will now proceed to the second public hearing phase.

You have received this notice because you reside or own property within or near the proposed town of Spring Lake. The second public hearing regarding the Spring Lake Incorporation will be held on **February 13, 2024, at Spring Lake Elementary, 1750 S. 500 W. Payson, UT 84651. The public hearing will begin promptly at 6:00 P.M.** The purpose of the second public hearing is to allow the feasibility consultants to present the results of the study to residents within the area proposed for incorporation, allow members of the public to express their views about the proposed incorporation and the established boundaries, and to permit the public to ask the feasibility consultants questions about the study. Attached to this notice is the summary of the modified feasibility study. A

full copy of the study is available at <https://ltgovernor.utah.gov/incorporations/> as well as the Office of the Lieutenant Governor, 350 North State Street, Suite 220, Salt Lake City, Utah 84103. **Additionally, if you would like to submit a question to ask LRB Public Finance Advisors during the public hearing, we invite you to submit those questions in advance at the following link: <https://ltgovernor.utah.gov/incorporations/>**

If you would like to contact the Contact Sponsor of the Spring Lake Incorporation, please call Jason Knapp at 801-319-7030 or email [jasonknapp2@gmail.com](mailto:jasonknapp2@gmail.com).

If you have any questions regarding this notice, please contact the Lieutenant Governor's Office.

Phone: 801-538-1481

Email: [incorporations@utah.gov](mailto:incorporations@utah.gov)

Regards,

Jordan Schwanke  
Local Entity Specialist  
Office of the Lieutenant Governor

## SECTION I: EXECUTIVE SUMMARY

LRB Public Finance Advisors (LRB) was retained by the Office of the Lieutenant Governor (OLG) to complete a supplemental feasibility study related to incorporation of an unincorporated area within Utah County (County). The Study Area meets the basic requirements for incorporation set forth in Utah Code 10-2a-201.5. The findings of this feasibility study illustrate that, in both presented scenarios, the incorporation of the proposed Spring Lake boundary (Study Area or Town) will likely result in at least a five percent budget surplus without any boundary changes when comparing available revenues to expenses. This surplus allows the incorporation process to proceed, as described in UCA 10-2a-205(5).

The analysis considers two scenarios related to the tax impacts of the Town incorporation.

1. **SCENARIO 1 – GOVERNMENT OFFICE:** This scenario includes the applicable incorporation costs as outlined in UCA 10-2a-220. In addition, expenditures include an expense of \$300,000 for a government office that is amortized over a period of 20 years.
2. **SCENARIO 2 – NO GOVERNMENT OFFICE:** This scenario includes incorporation costs as outlined in UCA 10-2a-220, without the additional expense related to a new government office.

In Scenario 1, the tax impact within the Study Area is estimated at \$442 for a primary residence valued at \$530,000. This represents a decrease of \$31 from the projected County levy of \$473. Government building costs and incorporation costs outlined in UCA 10-2a-220 contribute to escalated costs in the first years after incorporation. The incorporation cost of \$23,000 is spread over a period of five years, as allowable under UCA 10-2a-220(4)(b). A one-time government building cost of \$300,000 is amortized over a 20-year period.

TABLE 1.1: SCENARIO 1 - TAX IMPACT

|   | 2024            | 2025            | 2026            | 2027            | 2028            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>TOTAL TOWN RATE</b>                        | <b>0.001514</b> | <b>0.001438</b> | <b>0.001352</b> | <b>0.001255</b> | <b>0.001146</b> |
| Estimated Town Impact on Median Home (\$530K) | \$442           | \$419           | \$394           | \$366           | \$334           |
| Baseline Impact on Median Home (\$530K) *     | \$473           | \$475           | \$477           | \$480           | \$482           |
| <b>Net Impact</b>                             | <b>(\$31)</b>   | <b>(\$56)</b>   | <b>(\$83)</b>   | <b>(\$114)</b>  | <b>(\$147)</b>  |

The tax burden within the Study Area under Scenario 2 is \$320 for a primary residence valued at \$530,000. This represents a decrease of \$152 from the projected County levy of \$473. Subtracting approximately \$15 that is purposed for the payback of incorporation costs, the difference between the County tax and the Town tax is the cost saved to residents of the Study Area in providing their own municipal services as an incorporated town.

TABLE 1.2: SCENARIO 2 - TAX IMPACT

|   | 2024            | 2025            | 2026            | 2027            | 2028            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>TOTAL TOWN RATE</b>                        | <b>0.001099</b> | <b>0.001023</b> | <b>0.000937</b> | <b>0.000841</b> | <b>0.000733</b> |
| Estimated Town Impact on Median Home (\$530K) | \$320           | \$298           | \$273           | \$245           | \$214           |
| Baseline Impact on Median Home (\$530K) *     | \$473           | \$475           | \$477           | \$480           | \$482           |
| <b>Net Impact</b>                             | <b>(\$152)</b>  | <b>(\$177)</b>  | <b>(\$204)</b>  | <b>(\$234)</b>  | <b>(\$268)</b>  |

