



PUBLIC
FINANCE
ADVISORS

LEWIS | ROBERTSON | BURNINGHAM



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SUPPLEMENTAL FEASIBILITY
STUDY FOR THE
PROPOSED INCORPORATION
OF RIDDERMARK

PREPARED BY:

LRB PUBLIC FINANCE ADVISORS

FORMERLY LEWIS YOUNG ROBERTSON & BURNINGHAM INC.

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SECTION 1: 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 Iron County (County) known as Riddermark (Study Area or Town). The purpose of the Executive Summary is to fulfill the requirements established in Utah Code 10-2a, which requires the feasibility consultant to submit a completed feasibility study, including a one-page summary of the results. The study considers two scenarios related to the tax impacts of the Town incorporation.

Scenario 1 includes the applicable incorporation costs as outlined in Section 10-2a-220, as well as an expense of \$300,000 for a government office that is amortized over a 15-year period. The five-year average revenue margin is negative 22 percent. Matching the County's equivalent tax rate is not sufficient to cover the expenditures within the Town in years two through five, and an increase to the Riddermark tax levy is needed, as shown in Table 1.1.

TABLE 1.1: SCENARIO 1 – TAX AND FISCAL IMPACT

	2024	2025	2026	2027	2028
Net (Revenues minus Expense)	\$4,595	(\$28,583)	(\$22,983)	(\$29,072)	(\$23,406)
Revenue (Expense) Margin	6%	(35%)	(25%)	(32%)	(23%)
Equivalent County MSF Rate	0.001803	0.001845	0.001890	0.001937	0.001988
Additional Levy to Balance Budget	0.000000	0.001637	0.001298	0.001597	0.001268
TOTAL TOWN RATE	0.001803	0.003482	0.003187	0.003534	0.003256
NET IMPACT ON MEDIAN HOME (\$400K)	\$0	\$360	\$285	\$351	\$279

Scenario 2 does not include the additional expense related to a new government office. Revenues exceed expenses by an average of two percent. An additional levy is needed to balance the proposed Riddermark budget and provide sufficient funding for the Study Area in years two and four.

TABLE 1.2: SCENARIO 2 – TAX AND FISCAL IMPACT

	2024	2025	2026	2027	2028
Net (Revenues minus Expense)	\$4,595	(\$1,061)	\$4,539	(\$1,550)	\$4,116
Revenue (Expense) Margin	6%	(1%)	5%	(2%)	4%
Equivalent County MSF Rate	0.001803	0.001845	0.001890	0.001937	0.001988
Additional Levy to Balance Budget	0.000000	0.000061	0.000000	0.000085	0.000000
TOTAL TOWN RATE	0.001803	0.001906	0.001890	0.002023	0.001988
NET IMPACT ON MEDIAN HOME (\$400K)	\$0	\$13	\$0	\$19	\$0

While incorporation could be feasible based on the ability to raise taxes, Section 10-2a-205(6)(a) prevents the process moving forward as the findings illustrate that the incorporation of the proposed Riddermark boundary will likely not result in at least a five percent budget surplus without any boundary changes when comparing available revenues to expenses.



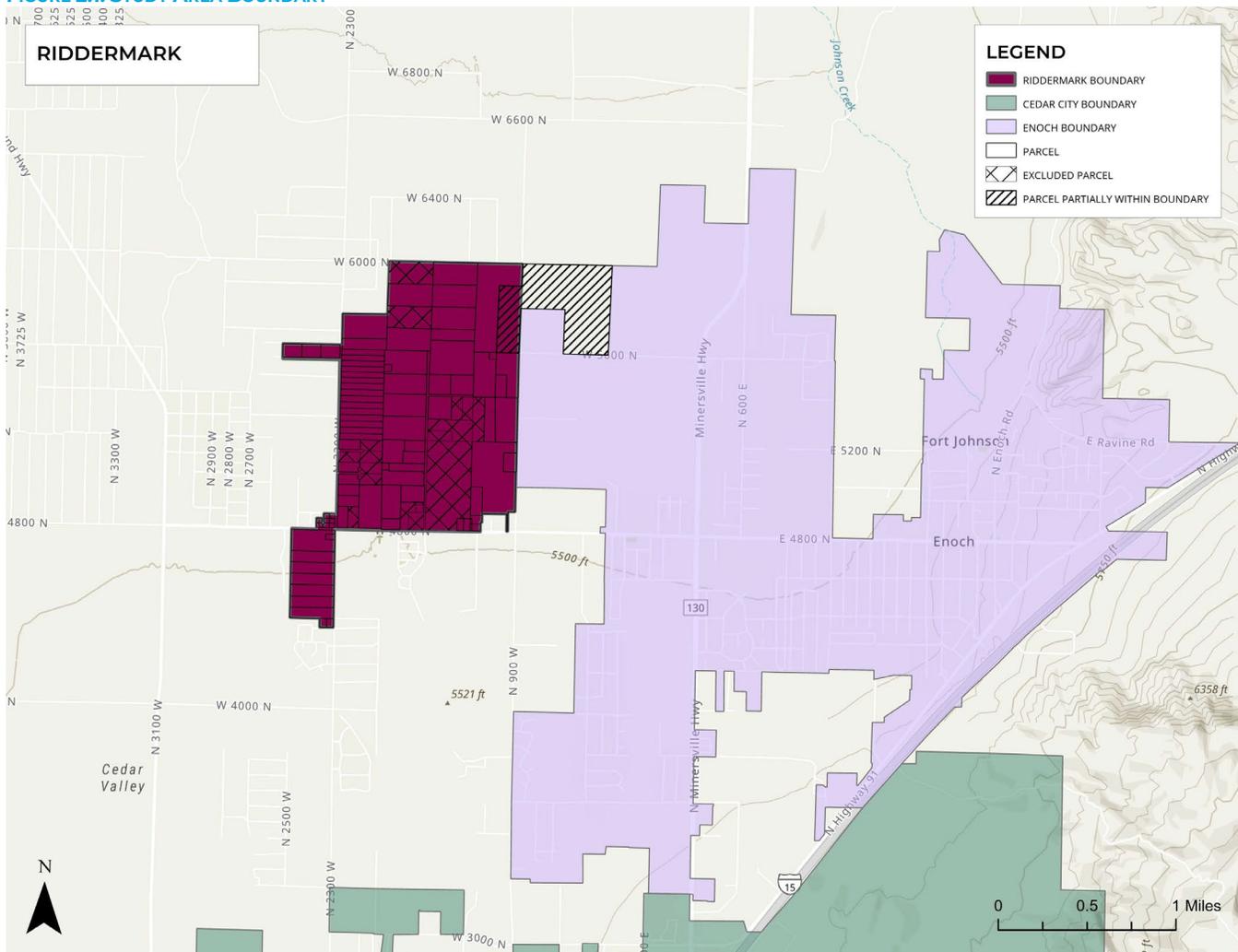
SECTION 2: POPULATION & POPULATION DENSITY

Utah Code 10-2a-205(4)¹ requires the feasibility study to include:

an analysis of the population and population density within the area proposed for incorporation and the surrounding area.

The proposed incorporation boundary for the Study Area is illustrated in Figure 2.1 and includes unincorporated areas of Iron County known as Riddermark. It is important to note the parcel partially within the boundary is included in the analysis.²

FIGURE 2.1: STUDY AREA BOUNDARY



¹ The Feasibility Request Petition by the Riddermark Incorporation Team was filed prior to recent legislative changes to the Laws of Utah 2023, Chapter 224 that went into effect May 3, 2023 per Section §10-2a-106(2). Thus, this feasibility study is guided by the previous version of Section §10-2a.

² Utah Code 10-2a-201.5(5)(a) states partial parcels cannot be excluded unless the parcel owner provides written consent to exclude the parcel. No written consent has been provided at the time of this report.

POPULATION

The Utah Population Committee (UPC) calculated Riddermark’s 2020 population using Census block-level data and GIS analysis to determine the number of occupied units that are within the Riddermark boundary. A ratio was then calculated that was subsequently applied to the 2020 Census population by block to create an approximate population count. Table 2.1 displays the ratio that was multiplied by the block-level estimates to determine the population.

TABLE 2.1: 2020 UPC DETERMINATION

CENSUS BLOCK	2020 CENSUS POPULATION	2020 CENSUS HOUSING UNITS	% UNITS WITHIN STUDY AREA BOUNDARY	ADJUSTED 2020 CENSUS POPULATION
Block 1037	92	44	80%	73
Block 1053	53	17	65%	34
Block 1057	37	12	33%	12
Block 1059	93	28	11%	10
Block 3000	104	43	5%	5
TOTAL	379	144		135

Source: Utah Population Committee

Using the 2020 Census population as the base, the 2021 population was calculated utilizing building permit data. According to the UPC, a total of three single-family units were built within the unincorporated area between April 1, 2020 and July 1, 2021. Utilizing the number of new homes built and Iron County’s average household (HH) size of 3.00, population growth can be calculated. It is estimated the Study Area increased nine persons from 2020 to 2021, resulting in a 2021 population of 144.

TABLE 2.2: UPC RIDDERMARK POPULATION METHODOLOGY

	2020	2021
Study Area Population	135	144
Study Area Housing Units	55	58
Persons per Household	2.45	2.48

Source: Utah Population Committee

For purposes of determining the projected 2023 population, we utilized the assumption that one new home was built each year from 2021 to 2023. Starting with the 2021 estimates as the base, the persons per household (PPH) calculation from Table 2.2 was then multiplied by total estimated housing units to determine the population. As a result, the current population calculated is 149.

ADJUSTMENTS TO POPULATION DUE TO EXCLUSION OF PROPERTY

Landowners may request that one’s property be excluded from the proposed incorporation in accordance with the guidelines set forth in UCA 10-2a-203. Notice of Exclusions from 34 properties within the proposed boundary of Riddermark were received and reviewed by the OLG. The OLG determined 17 properties met the requirements of exclusion and are thus removed from the proposed incorporation boundary. Details on boundary adjustments pursuant to UCA 10-2a are included in Section 9 of this study. Assumptions related to the boundary that removes the 17 properties are utilized for the purposes of this study.



Parcel data and discussions with the Petition Sponsor illustrate that 14 of the 17 excluded properties are residential properties. The Petition Sponsor provided information related to the household size of each property, resulting in an excluded population of 31 persons and an adjusted 2023 population of 118 persons (149 persons – 31 persons).

POPULATION DENSITY

GIS analysis was employed to identify Riddermark’s adjusted area that accounts for exclusions, which is 1.3 square miles. The population density is therefore 93.6 persons per square mile. Table 2.3 shows the population density of surrounding communities and the Study Area using 2023 projections.

TABLE 2.3: POPULATION AND POPULATION DENSITY FOR STUDY AREA AND SURROUNDING AREAS

	RIDDERMARK	BRIAN HEAD	CEDAR CITY	ENOCH	KANARRAVILLE	PARAGONAH	PAROWAN
Estimated Population (2023)	118	167	38,785	8,390	482	579	3,223
Land Area (Square Miles)	1.6*	3.7	36.1	7.8	0.4	0.6	6.9
Population Density	93.6	45.8	1,073.3	1,071.1	1,081.7	895.8	468.4

*Reflects the square mileage for the adjusted boundary based on exclusions. The original boundary for Riddermark is 1.6 miles.
Source: Utah Geospatial Resource Center Municipal Boundaries



SECTION 3: PRESENT & FIVE-YEAR PROJECTIONS OF DEMOGRAPHICS & TAX BASE

Utah Code 10-2a-205(4) requires the feasibility study to include:

the current and projected five-year demographics and tax base within the boundaries of the proposed municipality and surrounding area, including household size and income, commercial and industrial development, and public facilities.

DEMOGRAPHICS

To determine the present and five-year demographic projections, LRB utilized US Census Tract-level data within the Study Area’s boundaries. Building permit data from the Ivory-Boyer Construction database was also evaluated to identify household growth.

POPULATION PROJECTIONS

For purposes of calculating the current and five-year projected population and housing units (HU), the average annual growth of historic redistricting Census data from 2010 and 2020 (see Table 3.1) was calculated for each community. This was then applied respectively to the most recent five-year ACS Census data (2021). The present and five-year demographic projections are illustrated in Table 3.3.

TABLE 3.1: GROWTH RATE DETERMINATION

	2010		2020		AAGR 2010-2020	
	POPULATION	HU	POPULATION	HU	POPULATION	HU
Iron County	46,163	19,667	57,289	21,752	2.18%	1.01%
Brian Head	83	1,301	151	944	6.17%	(3.16%)
Cedar City	28,857	10,860	35,235	12,723	2.02%	1.60%
Enoch	5,803	1,714	7,374	2,111	2.42%	2.11%
Kanarraville	355	172	442	183	2.22%	0.62%
Paragonah	488	227	536	238	0.94%	0.47%
Parowan	2,790	1,412	2,996	1,407	0.71%	(0.04%)
Unincorporated Iron County	7,787	3,981	10,555	4,146	3.09%	0.41%

Source: U.S. Census Bureau, 2010 and 2020 Census Redistricting Data (PL 94-171)

TABLE 3.2: IRON COUNTY HISTORIC POPULATION FIGURES

	2017	2018	2019	2020	2021	2022*
Iron County	48,504	49,691	51,213	57,289	60,522	61,843
Brian Head	82	77	69	151	154	157
Cedar City	30,232	31,009	32,067	35,235	37,206	38,018
Enoch	6,331	6,534	6,738	7,374	8,016	8,191
Kanarraville	299	280	338	442	461	471
Paragonah	511	444	478	536	561	573
Parowan	2,913	2,965	3,033	2,996	3,132	3,200
Unincorporated Iron County	8,136	8,382	8,490	10,555	10,992	11,232

*2022 Census estimates not yet available. Applied growth rate found in Table 3.1 to determine estimates.



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	2017	2018	2019	2020	2021	2022*
Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (DP05)						

TABLE 3.3: IRON COUNTY CURRENT AND 5-YEAR POPULATION FIGURES

	2023	2024	2025	2026	2027	2028
Iron County	63,204	64,432	65,681	66,955	68,253	69,575
Brian Head	167	171	174	178	182	186
Cedar City	38,785	39,632	40,497	41,381	42,284	43,207
Enoch	8,390	8,573	8,760	8,951	9,146	9,346
Kanarrville	482	492	503	514	525	536
Paragonah	579	591	604	617	631	645
Parowan	3,223	3,294	3,365	3,439	3,514	3,591
Unincorporated Iron County	11,461	11,588	11,715	11,840	11,966	12,089

Population projections for the Study Area are based on assumptions relative to future residential construction within the Study Area. LRB assumed that within the projected five-year window, the number of new homes built fluctuates between one and two homes built each year. The PPH information from Table 2.2 was then multiplied by total estimated housing units to determine the population. Table 3.4 details the five-year projections for residents within the Study Area.

TABLE 3.4: RIDDERMARK CURRENT 5-YEAR POPULATION PROJECTION

	2023	2024	2025	2026	2027	2028
New Study Area Households	1	2	1	2	1	2
Study Area Population	118	123	126	130	133	138
Total Study Area Households	46	48	49	51	52	54

HOUSEHOLD SIZE

The number of households was estimated starting with 2020 households as the base units (see Table 3.1), adjusted for occupancy. The Ivory-Boyer Construction Report and Database’s building permit data for each area was then added to the base to estimate current units and the PPH for this analysis. For purposes of calculating the five-year projections after 2023, the AAGR calculated in Table 3.1 was applied.

TABLE 3.5: CALCULATED PERSONS PER HOUSEHOLD (PPH)

	2023		2024		2025		2026		2027		2028	
	HU	PPH										
Iron County	19,966	3.17	20,168	3.19	20,372	3.22	20,579	3.25	20,787	3.28	20,998	3.31
Cedar City	11,373	3.41	11,555	3.43	11,739	3.45	11,927	3.47	12,117	3.49	12,310	3.51
Enoch	1,948	4.31	1,989	4.31	2,031	4.31	2,073	4.32	2,117	4.32	2,162	4.32
Paragonah	206	2.51	207	2.52	208	2.53	209	2.54	210	2.56	211	2.57
Parowan	1,212	2.66	1,211	2.72	1,211	2.78	1,210	2.84	1,210	2.90	1,209	2.97
Unincorporated Iron County	4,330	2.65	4,348	2.67	4,365	2.68	4,383	2.70	4,401	2.72	4,419	2.74
Study Area	46	2.57	48	2.56	49	2.56	51	2.56	52	2.56	54	2.55

Note: PPH figures are calculated based on total population and occupied housing units which differs from Census reported average household size based on household population.

Source: Ivory-Boyer Construction Report and Database



INCOME

Utilizing Census tract-level data,³ the Study Area’s median household income is estimated at \$54,449 in 2021. Given the Census tracts that fall within the Study Area’s boundary do not have ACS data available prior to 2020, the historic growth rate cannot be compiled. Therefore, we applied a two percent growth rate to project the median income in the Study Area.

TABLE 3.6: HISTORIC MEDIAN INCOME

	2017	2018	2019	2020	2021	2022*	2017 - 2021 AAGR
Iron County	\$45,422	\$46,809	\$51,807	\$52,045	\$56,308	\$59,415	5.52%
Cedar City	\$42,216	\$44,102	\$48,346	\$52,524	\$55,022	\$58,790	6.85%
Enoch	\$53,569	\$56,546	\$61,857	\$62,643	\$65,625	\$69,041	5.21%
Kanarraville	\$51,500	\$47,188	\$57,679	\$54,531	\$56,406	\$57,704	2.30%
Paragonah	\$55,417	\$56,071	\$56,375	\$61,776	\$64,038	\$66,395	3.68%
Parowan	\$40,677	\$42,303	\$42,101	\$41,505	\$44,085	\$44,981	2.03%
Study Area	N/A	N/A	N/A	\$54,560	\$54,449	\$55,537	2.00%**

* 2022 Census estimates not yet available. Applied growth 5-year rate to determine estimates.

** Assumption used to project Study Area income.

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (B19019)

TABLE 3.7: CURRENT & PROJECTED MEDIAN INCOME

	2023	2024	2025	2026	2027	2028
Iron County	\$62,693	\$66,153	\$69,803	\$73,655	\$77,719	\$82,007
Cedar City	\$62,815	\$67,117	\$71,713	\$76,623	\$81,870	\$87,476
Enoch	\$72,635	\$76,416	\$80,394	\$84,579	\$88,982	\$93,614
Kanarraville	\$59,032	\$60,390	\$61,779	\$63,201	\$64,655	\$66,143
Paragonah	\$68,839	\$71,373	\$74,000	\$76,724	\$79,548	\$82,476
Parowan	\$45,895	\$46,827	\$47,779	\$48,749	\$49,740	\$50,750
Study Area	\$56,648	\$57,781	\$58,937	\$60,116	\$61,318	\$62,544

Despite the lack of economic base within the Study Area, the tax base of the region is valuable to consider in this incorporation study. Growth in property values, taxable sales, and employment are valuable considerations when determining feasibility. The following paragraphs discuss the County’s regional economy.

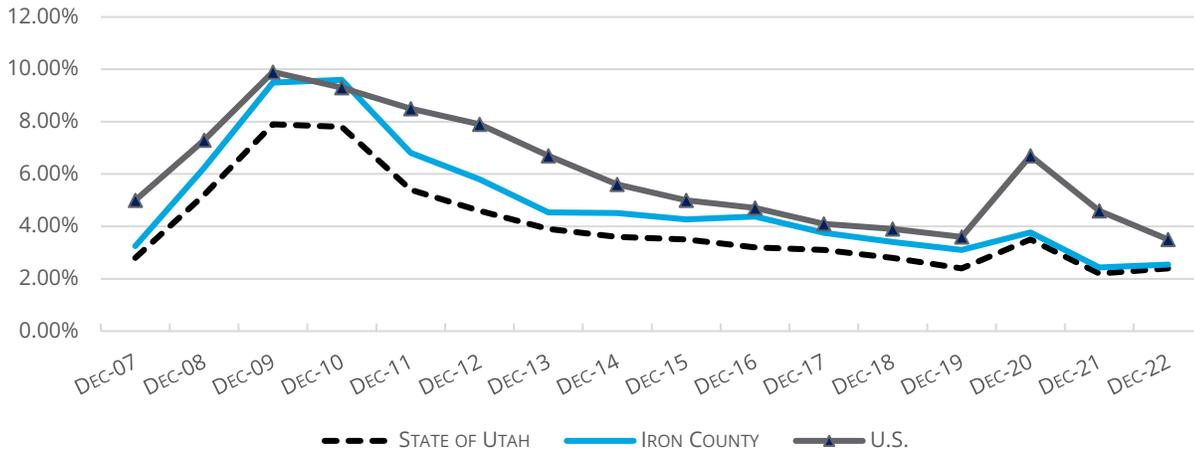
REGIONAL ECONOMY

The County is located in southwest Utah. The unemployment rate for the County averaged 2.2 percent in April 2023. Unemployment peaked in 2009 at an average of 9.5 percent (see Figure 3.1) and in 2020 at an average of 3.8 according to seasonally adjusted data provided by the Utah Department of Workforce Services. Notable shifts in employment occurred between April 2020 and April 2021 as Iron County experienced a 16.4 percent increase in non-farm jobs. More generally from 2020 to 2021, the County experienced large increases in construction, professional and business services, leisure and hospitality, and other services. Over the same period, mining jobs declined by 0.2 percent and financial activities jobs decreased by 0.8 percent.

³ Applicable Census tracts include: 1102.2 and 1107.04.

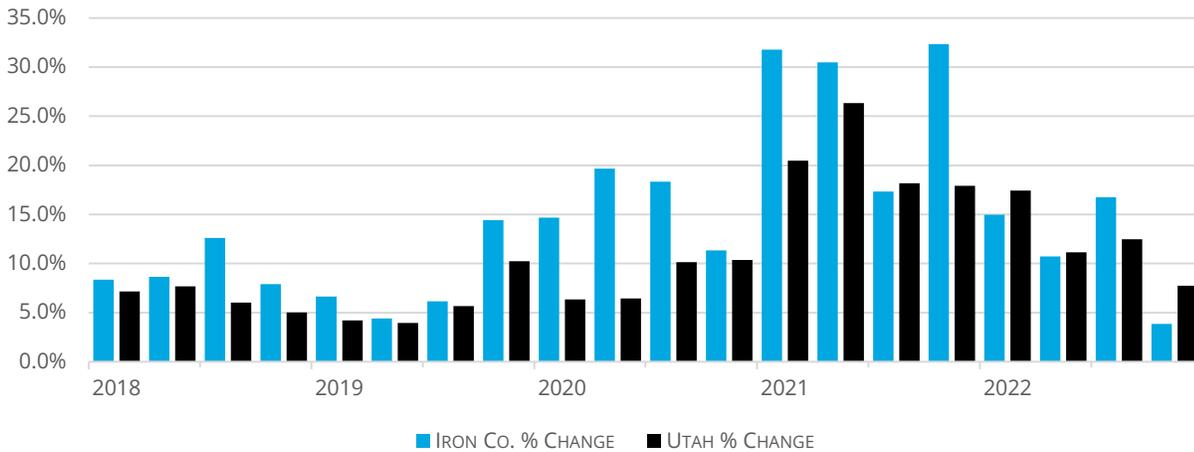


FIGURE 3.1: HISTORIC IRON COUNTY SEASONALLY ADJUSTED UNEMPLOYMENT RATES



A comparison of quarterly taxable sales trends for the County and State illustrates the percent change from 2018 to 2022 as shown in Figure 3.2. Between 2020 and 2021, Q4 experienced an increase of 32.3 percent in taxable sales in the County.

FIGURE 3.2: COMPARISON OF QUARTERLY TAXABLE SALES TRENDS FOR IRON COUNTY



Historic taxable value figures for Iron County show an AAGR of 12.1 percent from 2018 through 2022. It is important to note that the values below include redevelopment agency values, which will be excluded in the projection of future taxable values.

TABLE 3.8: IRON COUNTY HISTORIC TAXABLE VALUE



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	2018	2019	2020	2021	2022	5 Yr. AAGR
Real: Land	1,025,342,895	1,055,896,865	1,106,749,000	1,182,661,125	1,754,244,185	14.4%
Real: Buildings	2,400,502,910	2,608,095,355	2,883,438,415	3,261,536,900	4,189,759,580	14.9%
Personal	896,455,405	886,538,285	938,640,410	1,023,887,187	983,944,967	2.4%
Centrally Assessed	512,580,534	517,846,745	527,062,964	677,509,059	720,409,703	8.9%
TOTAL	\$4,834,881,744	\$5,068,377,250	\$5,455,890,789	\$6,145,594,271	\$7,648,358,435	12.1%
Motor Vehicle	21,844,219	22,786,929	23,138,636	29,154,525	26,995,742	5.4%

Source: Utah State Tax Commission

STUDY AREA ECONOMY

According to updated 2023 Iron County parcel data, the Study Area is comprised almost exclusively of residential or agricultural designated land and does not include commercial or industrial land intended for future development. Approximately 61 percent of the Study Area’s total acreage is designated under agricultural, or FAA.⁴ The Study Area is comprised of 84 parcels with a taxable value of \$16,723,155. The Study Area represents .27 percent of the total County taxable value and .75 percent of the MSF taxable value as illustrated in Table 3.9.

TABLE 3.9: ESTIMATE OF STUDY AREA TAXABLE VALUE

TOTAL TAXABLE VALUE	\$16,723,155
Study Area Taxable Value as % of County Taxable Value	0.27%
Study Area Taxable Value as % of MSF Taxable Value	0.75%

PROJECTIONS OF COUNTY ECONOMIC BASE

The following paragraphs address the projections of the economic base within unincorporated Iron County, specifically as it relates to the MSF. Final 2023 financials were unavailable at the time of the study. As a result, actuals for 2017 through 2021 and budget estimates for 2022 and 2023 were used to calculate historic growth rates and projections. The tax base projections are based on the County’s MSF, which provides municipal services to unincorporated areas within the County, including the proposed Study Area boundary. The taxable value estimates for the MSF assume a 1.2 percent growth rate based on historic growth. Table 3.10 includes historic taxable values in the MSF while Table 3.11 details the current and projected values based on Utah State Tax Commission historic data.

TABLE 3.10: HISTORIC MUNICIPAL SERVICES FUND TAXABLE VALUE

	2017	2018	2019	2020	2021	2022
Certified Taxable Value	\$1,341,074,260	\$1,348,795,240	\$1,377,404,217	\$1,443,313,994	\$1,558,122,393	\$2,070,582,054

Source: Utah State Tax Commission

TABLE 3.11: CURRENT AND PROJECTED MUNICIPAL SERVICES FUND TAXABLE VALUE

	2023	2024	2025	2026	2027	2028
Certified Taxable Value	\$2,227,655,396	\$2,254,387,261	\$2,281,439,908	\$2,308,817,187	\$2,336,522,993	\$2,364,561,269

Future sales tax growth projections are based on a general growth estimate of six percent. Historic data from 2017 – 2021 showed an AAGR of 12.2 percent

⁴ Utah Code 59-2-502, or the Farmland Assessment Act (FAA), designates agricultural property to be assessed and taxed based on productivity as opposed to its market value. See <https://propertytax.utah.gov/locally-assessed/faa/> for further detail.



TABLE 3.12: HISTORIC MUNICIPAL SERVICES FUND SALES TAX REVENUE

	2017	2018	2019	2020	2021	2022*	2023*
MSF Sales Tax Revenue	\$996,845	\$1,080,946	\$1,194,399	\$1,339,143	\$1,580,256	\$1,606,972	\$2,273,820

* Budget estimates

Source: Iron County Financials

TABLE 3.13: PROJECTED MUNICIPAL SERVICES FUND SALES TAX REVENUE

	2024	2025	2026	2027	2028
Projected MSF Sales Tax Revenue	\$2,410,249	\$2,554,864	\$2,708,156	\$2,870,645	\$3,042,884

PROJECTIONS OF STUDY AREA ECONOMIC BASE

Significant factors that will influence revenues within the Study Area include taxable assessed value and taxable sales. Growth in taxable value will influence future property tax revenues and general government services funding. New growth calculations are based on assumptions relative to future construction within the Study Area. We assumed that within the projected five-year window, the number of new homes built alternates between one and two homes built, starting in year one at one new home at an average value of \$450,000. Table 3.14 details the projected taxable value for the Study Area.

TABLE 3.14: STUDY AREA TAXABLE VALUE (ACTUAL AND PROJECTED VALUES)

	ACTUAL	PROJECTED				
	2023	2024	2025	2026	2027	2028
Assessed Value	16,723,155	16,723,155	16,970,655	17,465,655	17,713,155	18,208,155
New Growth	-	247,500	495,000	247,500	495,000	247,500
TOTAL TAXABLE VALUE	\$16,723,155	\$16,970,655	\$17,465,655	\$17,713,155	\$18,208,155	\$18,455,655

Sales tax revenues are distributed based on two methodologies: 1) point of sale, or the location of the sale; and 2) the ratio of population. Total sales tax collections are distributed equally between these allocation strategies, with 50 percent assigned to point of sale and 50 percent to population. Population revenues are distributed to local entities based on the ratio of their population to the State’s population as a whole. While no point of sales tax is anticipated in the Study Area, a 50 percent population distribution calculation is included in this analysis based on the projected Study Area population.

Taxable sales have increased by an average of 9.4 percent in the State since 2018. For the purposes of this analysis, LRB assumed an average annual growth rate of nine percent. As stated above, point of sale taxable sales comprise 50 percent of the allocation strategy and does not apply to the Study Area. The population distribution pool is shown in Table 3.15 below, including five-year projections.

TABLE 3.15: STATE TAXABLE SALES REVENUE POPULATION DISTRIBUTION POOL

	ESTIMATED	PROJECTED				
	2023	2024	2025	2026	2027	2028
State Population Distribution Pool*	471,476,949	513,909,875	560,161,764	610,576,322	665,528,191	725,425,729
Growth Rate	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
State Population	3,342,221	3,399,064	3,456,875	3,515,668	3,575,461	3,636,272
Distributed per Capita	141.07	151.19	162.04	173.67	186.14	199.50
Study Area Estimated Population	118	123	126	130	133	138
POPULATION DISTRIBUTION	\$16,661	\$18,605	\$20,342	\$22,662	\$24,749	\$27,514

*Total distribution reported in fiscal years. LRB averaged the two fiscal years to estimate calendar year. Multiplied by 50% to obtain population pool.



	ESTIMATED	PROJECTED				
	2023	2024	2025	2026	2027	2028
Source: Utah State Tax Commission, Annual Report FY 2021 - 2022 (p. 30)						

PUBLIC FACILITIES

There are no identifiable public facilities within the Study Area, except for utility related infrastructure. Public Facilities within the area include Three Peaks Elementary School, Three Peaks Preschool, Boebert Park, and Sheltie Morgan Park. These facilities are not within the Study Area boundaries.



SECTION 4: PRESENT & FIVE-YEAR COST PROJECTIONS

Utah Code 10-2a-205(4) requires the feasibility study to include:

subject to Subsection (4)(b), the current and five-year projected cost of providing municipal services to the proposed municipality, including administrative costs.

GENERAL METHODOLOGY

This section compares the costs to the residents of the Study Area if the County continues to provide services or if a newly incorporated Town provides services. Utah Code requires that the level and quality of governmental services be fairly and reasonably approximate between the two options.⁵

This analysis assumes that several municipal services provided by the County, Special Service Districts, Improvement Districts, and private companies will continue to be provided regardless of the incorporation. For instance, the County bills sewer and garbage fees to residents directly and collect monies separate from the MSF. Thus, it is assumed this current arrangement will sustain notwithstanding incorporation. However, actual service provision will be governed by the newly incorporated municipal governing body. LRB assumes the following services will be provided by the various entities without any impact from incorporation or non-incorporation:

- Culinary Water (Iron County Water Conservancy District);
- Secondary Water (Iron County Water Conservancy District);
- Sewer (Iron County, Not a Part of Municipal Services Fund, Separate Assessment from County); and,
- Garbage (Iron County, Not a Part of Municipal Services Fund, Separate Assessment from County)⁶.

The following services were assumed to be provided by the County through the Municipal Service Fund or through the town if incorporated:

- General Governmental Services, including public buildings and overhead;
- Law Enforcement;
- Fire Prevention;
- Roads and Public Works; and,
- Weed Abatement.

⁵ Utah Code 10-2a-205(4)(b)(i)

⁶ The sewer and garbage service fees are billed directly to residences and collected separate from the MSF. For sewer, the County sends a quarterly bill of \$69 to resident, or \$276 per year per residence. For garbage, the County bills \$42 quarterly, or \$168 per year per residence. This will remain unchanged should the Study Area incorporate. If the area were to be incorporated, the direct assessment could remain in place, or the newly created town could collect from the residents and then pay the County. Regardless the net impact is neutral.



COUNTY COST ESTIMATES

Table 4.2 illustrates the estimated expenditures if the County continues to provide services. Expenditures related to County services were calculated using historic budget data from 2017 - 2021, estimated 2022 and 2023 budget data, and recommendations from the County Auditor. For the purposes of this analysis, the tables below combine the County’s projected expenditures into the general categories specified above.

TABLE 4.1: COUNTY SCENARIO: HISTORIC AND PRESENT EXPENDITURES

	2017	2018	2019	2020	2021	2022	2023
General Government	477,642	551,863	563,341	527,592	514,126	635,948	686,950
Weeds	108,380	111,367	103,114	88,385	105,773	178,554	138,500
Roads and Public Works*	-	-	-	-	-	-	-
Fire Protection	576,941	621,615	728,873	795,916	914,608	1,217,856	1,775,683
Law Enforcement	3,489,863	4,249,872	4,638,324	4,139,692	4,930,330	5,468,588	6,464,310
Other	639,347	1,817,855	2,092,699	3,265,318	3,689,280	4,839,939	2,853,410
TOTAL	\$5,292,173	\$7,352,572	\$8,126,350	\$8,816,903	\$10,154,117	\$12,340,885	\$11,918,853

* Roads and Public Works are accounted for in the Class B Road Fund, which receives a transfer from the MSF. While these expenditures are displayed as a service category, the expenditures from the MSF are accounted for in the category “Other.”

The five-year projections are based on an analysis of the historic AAGR for each budget line item, as well as insight from the County Auditor, which are then applied to account for inflation and anticipated growth.⁷ Between 2017 and 2021, the County’s MSF expenditures grew at an AAGR of 17.7 percent.

TABLE 4.2: COUNTY SCENARIO: 5-YEAR PROJECTED EXPENDITURES

	2024	2025	2026	2027	2028
General Government	706,333	726,361	747,060	768,455	790,573
Weeds	141,988	145,595	149,326	153,184	157,176
Roads and Public Works	-	-	-	-	-
Fire Protection	1,776,316	1,776,955	1,777,601	1,778,253	1,778,912
Law Enforcement	6,695,806	7,066,901	7,463,982	7,889,215	8,344,982
Other	2,200,444	2,200,444	2,200,444	2,200,444	2,200,444
TOTAL	\$11,520,887	\$11,916,257	\$12,338,414	\$12,789,552	\$13,272,088

STUDY AREA COST ESTIMATES (ASSUMING TOWN INCORPORATION)

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

- a) Average total expenditures of comparable cities;
- b) County contract estimates; and,
- c) Incorporated city contract estimates.

INCORPORATION COST

A one-time cost as a result of incorporation is included in the analysis in 2024. These expenses include the estimated election cost, which the Iron County Clerk estimates will cost \$500 in year one of

⁷ Subsection (4)(b)(iii) requires the cost analysis to account for inflation and growth.



incorporation, and the LRB contract cost. The LRB contract cost is distributed over five years as allowable under UCA 10-2a-220-4(b).

LRB also analyzed potential costs for building government offices in the Study Area. It is important to note the Petition Sponsors of the proposed Town established a Memorandum of Understanding (MOU) with the building owner of the “Beehive School,” an ADA accessible building with a capacity of 100 persons, to utilize the building at no cost for general government purposes (see Appendix A). For the purposes of this section, the additional cost of a government office is excluded, as it is assumed the proposed Town, if incorporated, will use the Beehive School for government offices. With that said, Section 8 includes a scenario analysis related to additional expenses for building government offices to illustrate the potential costs if the school building is no longer accessible for use.

INSURANCE COSTS

The proposed Town has documentation illustrating the Utah Local Government Trust (the Trust) estimates Riddermark’s premium at \$1,800 (see Appendix B) in 2021. This cost is used in lieu of comparable insurance costs from the four communities. Costs related to insurance were therefore removed from the estimation of General Government expenses calculated in Table 4.3.

GENERAL GOVERNMENT SERVICES

LRB gathered data from eight comparable towns in Utah based upon population, location, and budget practices. Of these eight comparable cities, the list was narrowed to the following four communities that were most similar to the Study Area. The most recent budget actual data available for these communities is fiscal year (FY) 2021. Compared to the original iteration of this study, certain line items were determined to be one-time expenses or irrelevant to maintaining present level of service and were removed from the estimation of this expense. Namely, expenses related to general government buildings (see Appendix A), insurance (see Appendix B), and CARES Act-related expenses were determined to be not applicable for this analysis.

TABLE 4.3: COMPARABLE GENERAL GOVERNMENT EXPENSE PER CAPITA COST

	POPULATION (2021)	GENERAL GOVERNMENT BUDGET ACTUALS (FY21)	INFLATED GENERAL GOVERNMENT COST (FY24)*	COST PER CAPITA (FY24)
Antimony	93	14,276	16,526	\$16
Hatch	109	31,044	35,937	\$330
Lynndyl	105	25,799	29,866	\$284
Tabiona	119	30,461	35,262	\$296
AVERAGE COST		\$25,395	\$29,398	\$232

* Inflated at 5 percent

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates (DP05)

Utah State Auditor, Local and State Government Budget Reports

The five-year cost per capita projections shown in the table below are based on a general growth estimate of five percent.



TABLE 4.4: GENERAL GOVERNMENT 5-YEAR PROJECTED EXPENDITURES

	2024	2025	2026	2027	2028
Calculated Cost per Capita	\$232	\$243	\$255	\$268	\$281
Riddermark Population	123	126	130	133	138
COST PER CAPITA	\$28,489	\$30,515	\$33,305	\$35,634	\$38,809

It may be noted that there exists a degree of variance among the costs per capita for General Government expense for comparable towns that is further explored in Section 6. It has been observed through an analysis of comparable town budgets that cost amounts within separate expense categories tend to vary considerably by municipality. For this reason, a range of four municipalities with similar populations to Riddermark was selected that would provide a reasonable average.

ROADS AND PUBLIC WORKS

To determine the estimated cost for Roads and Public Works, the Study Area’s weighted mileage was first calculated using GIS and the allocation methodology delineated in Utah Code 72-2-108, as shown in Table 4.5.

TABLE 4.5: RIDDERMARK WEIGHTED MILEAGE

ROAD TYPE	MILEAGE	MULTIPLIER*	TOTAL
Paved	1.985	5	9.925
Unpaved	0.20	2	0.40
Paved - Partial	3.04	2.5	7.60
Unpaved - Partial	0.54	1	0.54
TOTAL			18.456

* Based on Class B and C Roads Apportionment Formula (Utah Code 72-2-108)

Source: Iron County Shapefile, LRB

Data from four comparable communities (Antimony, Hatch, Lynndyl, and Tabiona), which were utilized in the general government services cost, were then used to determine an average cost per weighted mile. The data included comprises each comparable Town’s FY 2024 weighted mileage, and each Town’s three-year average (2022 actuals, 2023 estimated, and 2024 budget data) for roads expenditures. It is important to note that when using a five-year average (2020 – 2022 actuals, 2023 estimated, and 2024 budget data) produces a much higher average cost per weighted mile. Using Riddermark’s weighted mileage and the average cost per weighted mile calculated in Table 4.5, the estimated can be calculated.

TABLE 4.6: COMPARABLE ROADS EXPENSE PER WEIGHTED MILE COST

	WEIGHTED MILEAGE (FY24)	3 YEAR AVERAGE ROADS EXPENSE*	COST PER WEIGHTED MILE (FY24)
Antimony	24.19	\$20,578	\$851
Hatch	18.22	\$33,295**	\$1,827
Lynndyl	24.40	\$13,465	\$552
Tabiona	9.94	\$10,105	\$1,017
		Average Cost per Weighted Mile	\$1,062
		Riddermark Weighted Mileage	18.456
		PROPOSED 2024 ROADS EXPENSE	\$19,593



	WEIGHTED MILEAGE (FY24)	3 YEAR AVERAGE ROADS EXPENSE*	COST PER WEIGHTED MILE (FY24)
*Average includes budget data for 2022, 2023, and 2024.			
**Removes one-time engineering fee of \$50,000.			
Source: UDOT B&C Road Fund Information, Mileage and Annual Summary Reports Utah State Auditor, Local and State Government Budget Reports			

FIRE PROTECTION

According to input from the Iron County Auditor, it is likely that if Riddermark were to incorporate, the Study Area would receive contracted fire protection services from Cedar City. Cedar City currently provides services to parts of Iron County, Enoch, and Kanarraville and considers two cost components when determining the charge for services: 1) a basic charge for services based on taxable value to cover the City’s Fire Department expense and; 2) a capital expense charge to cover the City’s Preservation Fund, which includes capital items such as fire houses and fire trucks. Data included in this analysis comprises of information received from Cedar City’s Fire Chief, which includes 2021-2022 budget actuals and the 2022 total market value of the areas receiving contracted services.

TABLE 4.7: CEDAR CITY EXPENDITURES TO BE ALLOCATED

	ACTUAL COST (2021-2022)	INFLATED COST (FY24)*
Fire Department Expenditures	\$1,821,751	\$2,108,904
Preservation Fund Cost	\$226,504	\$262,207
* Inflated at 5 percent		
Source: Cedar City Fire Chief		

The City then proportionately allocates the Fire expense and capital charge components based on the total market value shown in Table 4.8. Riddermark’s total market value derives from the County.

TABLE 4.8: CEDAR CITY ALLOCATION METHODOLOGY

	TOTAL MARKET VALUE (2022)	% OF TOTAL VALUE	FIRE EXPENSE ALLOCATION (FY24)*	CAPITAL EXPENSE ALLOCATION (FY24)*	TOTAL CONTRACT COST (FY24)
Cedar City	5,036,921,762	58.0%	1,222,538	152,002	1,374,540
Iron County	2,711,600,089	31.2%	658,147	81,829	739,977
Enoch	858,270,713	9.9%	208,316	25,901	234,216
Kanarraville	66,273,528	0.8%	16,086	2,000	18,086
Study Area	15,729,083	0.2%	3,818	475	4,292
TOTAL	\$8,688,795,175	100.0%	\$2,108,904	\$262,207	\$2,371,111
* Inflated at 5 percent					
Source: Cedar City Fire Chief					

LAW ENFORCEMENT

The Iron County Auditor, in collaboration with the County Sheriff, and Enoch City both provided an estimated cost for police services for the proposed Study Area. The County concluded the estimated cost for law enforcement would be roughly \$22,000 per year, while Enoch City estimates contracted services to the Study Area would be \$19,590 per year. This analysis utilizes Enoch’s cost estimate. If the proposed Study Area does choose to contract law enforcement services with the County, it is important to note that further analysis reevaluating this cost would be warranted as the County will be able to collect calls for service data upon incorporation.



OTHER EXPENSE CATEGORIES

Weeds, garbage, and sewer costs were also considered in the analysis. According to the County Auditor, weed control costs are specific to property owners who choose to contract with the County. Sewer and garbage services and the associated fees are billed directly to residences and collected separate from the MSF. For sewer, the County sends a quarterly bill of \$69 to resident, or \$276 per year per residence. For garbage, the County bills \$42 quarterly, or \$168 per year per residence. This will remain unchanged should the Study Area incorporate. If the area were to be incorporated, direct assessment could remain in place, or the newly created town could collect from the residents and then pay the County. Regardless, the net impact is neutral.

Table 4.9 summarizes the expenditures forecasted for the proposed Study Area. The projected year costs are inflated at five percent.

TABLE 4.9: PROJECTED STUDY AREA 5-YEAR PROJECTED EXPENDITURES

	2024	2025	2026	2027	2028
Incorporation Costs	4,700	4,200	4,200	4,200	4,200
General Government	28,489	30,515	33,305	35,634	38,809
Insurance	2,084*	2,188	2,297	2,412	2,533
Roads & Public Works	19,593	20,573	21,602	22,682	23,816
Fire Protection	4,292	4,507	4,732	4,969	5,217
Law Enforcement	19,590	20,570	21,598	22,678	23,812
TOTAL	\$78,748	\$82,553	\$87,734	\$92,574	\$98,387

*Cost calculated in Section 4 represents the 2021 cost. As such, figures were inflated by five percent to estimate the 2024 cost.



SECTION 5: PRESENT & FIVE-YEAR PROJECTED REVENUE

Utah Code 10-2a-205(4) requires the feasibility study to include:

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 municipality.

GENERAL METHODOLOGY

This section compares the revenues the County and Study Area are likely to generate. Similar to the expenditure projections, the revenues were calculated using historic budget data from 2017 - 2021, estimated 2022 and 2023 budget data, and recommendations from the County Auditor. Furthermore, additional allocation methodologies were utilized based on population, assessed value, and standard State allocation practices.

COUNTY REVENUES

For the purposes of this study, the MSF revenues were grouped into major categories. The projections below are based on an analysis of the historic AAGR for each budget line item, as well as insight from the County Auditor. Between 2017 and 2021, the County's MSF revenue grew at an AAGR of 13.8 percent.

TABLE 5.1: COUNTY MSF HISTORIC AND CURRENT REVENUES

	2018	2019	2020	2021	2022	2023
Taxes	4,291,058	4,428,746	4,528,353	4,887,853	5,065,436	5,302,476
Licenses & Permits	486,287	502,778	675,002	561,991	968,768	727,137
Grants	71,740	66,488	260,608	285,872	2,036,268	2,665,864
PILT	873,121	1,885,836	2,005,805	2,054,880	2,041,797	2,088,300
Fees for Service	301,147	391,214	374,571	335,432	159,983	323,110
Fund Balance	-	-	-	23,505	-	893,146
Misc.	310,789	327,769	420,126	272,839	356,755	340,852
TOTAL	\$6,334,142	\$7,602,830	\$8,264,465	\$8,422,372	\$10,629,006	\$12,340,885

Source: Weber County Financials

The projections in Table 5.2 include property tax projected for new growth and an additional levy to meet the demand. Additionally, for the purposes of this study, fund balance appropriation is perpetuated into the future which results in the MSF fund's revenues meeting expenditures. Given the uncertainty of receiving grant monies, grant projections are zeroed out.

TABLE 5.2: COUNTY SCENARIO 5-YEAR PROJECTED REVENUES

	2024	2025	2026	2027	2028
Taxes	6,819,726	7,109,550	7,416,827	7,742,862	8,089,092
Licenses & Permits	950,146	1,035,659	1,128,868	1,230,466	1,341,208
Grants	-	-	-	-	-
PILT	2,207,672	2,207,672	2,207,672	2,207,672	2,207,672
Fees for Service	329,435	333,150	337,069	341,219	345,631
Fund Balance	763,317	763,317	763,317	763,317	763,317



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	2024	2025	2026	2027	2028
Misc.	450,593	466,910	484,661	504,016	525,168
TOTAL	\$11,520,887	\$11,916,257	\$12,338,414	\$12,789,552	\$13,272,088

The County's General Fund is supported by Payments in Lieu of Taxes (PILT) funds. The PILT line item in the above tables includes State and Federal PILT, some of which the County transfers into the MSF. While this transfer is primarily PILT funds, additional General Funds may be included in the line item. PILT revenue in the MSF does not reflect the total amount of PILT funding allocated to the County.

STUDY AREA REVENUES (ASSUMING TOWN INCORPORATES)

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

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

PROPERTY TAX

The property tax revenue calculation is based on the assessed value of the Study Area and applying the projected County levy for the MSF. As discussed in Section 3, calculated based under the assumption that each future year alternates between one to two new homes at an average home value of \$450,000.

TABLE 5.3: STUDY AREA TAXABLE VALUE 5-YEAR PROJECTED REVENUES

	ACTUAL	PROJECTED				
	2023	2024	2025	2026	2027	2028
Assessed Value	16,723,155	16,723,155	16,970,655	17,465,655	17,713,155	18,208,155
New Growth	-	247,500	495,000	247,500	495,000	247,500
TOTAL TAXABLE VALUE	\$16,723,155	\$16,970,655	\$17,465,655	\$17,713,155	\$18,208,155	\$18,455,655
County MSF Levy	0.001650	0.001803	0.001845	0.001890	0.001937	0.001988
PROPERTY TAX REVENUE FROM MSF LEVY	\$27,592	\$30,595	\$32,226	\$33,476	\$35,278	\$36,692

SALES TAX

Sales tax revenues are distributed based on two methodologies: 1) point of sale, or the location of the sale; and 2) ratio of population. Total sales tax collections are distributed equally between these allocation strategies, with 50 percent assigned to point of sale and 50 percent to population. Population revenues are distributed to local entities based on the ratio of their population to the State's population as a whole. Revenue projections for the Study Area include only a population allocation as there is no commercial development that would result in a point of sale distribution.

TABLE 5.4: TAXABLE SALES REVENUE DISTRIBUTION

	ESTIMATED	PROJECTED				
	2023	2024	2025	2026	2027	2028
State Population Distribution Pool*	471,476,949	513,909,875	560,161,764	610,576,322	665,528,191	725,425,729
Growth Rate	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%



	ESTIMATED	PROJECTED				
	2023	2024	2025	2026	2027	2028
State Population	3,342,221	3,399,064	3,456,875	3,515,668	3,575,461	3,636,272
Distributed per Capita	141.07	151.19	162.04	173.67	186.14	199.50
Study Area Estimated Population	118	123	126	130	133	138
POPULATION DISTRIBUTION	\$16,661	\$18,605	\$20,342	\$22,662	\$24,749	\$27,514

*Total distribution reported in fiscal years. LRB averaged the two fiscal years to estimate calendar year. Multiplied by 50% to obtain population pool.

Source: Utah State Tax Commission, Annual Report FY 2021 – 2022 (p. 30)

BUILDING PERMITS

The Study Area does not currently include commercially zoned parcels for development; thus no revenue is considered for business licensing. As such, building permit revenue is included based on historic permit data and the County’s five-year average cost per permit.

TABLE 5.5: COUNTY HISTORIC BUILDING PERMIT DATA

	2018	2019	2020	2021	2022
MSF Building Permit Revenue	478,776	651,031	540,125	939,335	703,542
Unincorporated Iron County Building Permits	319	277	111	62	102
AVERAGE PERMIT FEE	\$1,501	\$2,350	\$4,866	\$15,151	\$6,897
5- Year (18-22) Average Permit Cost					\$6,153

Source: Ivory-Boyer Construction Database
Iron County Financials

Using the assumption that, within the five-year planning horizon, the number of homes built alternates between one to two new homes each year, LRB applied the five-year average permit cost to determine the projected building permit revenue within the Study Area as illustrated in Table 5.6.

TABLE 5.6: STUDY AREA PROJECTED BUILDING PERMIT REVENUES

	2023	2024	2025	2026	2027	2028
Projected Building Permit Revenue	\$6,153	\$12,306	\$6,153	\$12,306	\$6,153	\$12,306
Building Permits	1	2	1	2	1	2
Average Fee per Permit						\$6,153

CLASS C ROAD FUND

Additionally, the Study Area revenue forecast includes Class C Road Funds that is allocated based upon a 50/50 split between weighted lane miles and population.⁸ The State’s allocation methodology includes a weighting for gravel roads versus paved roads. The roads within the Study Area are paved and are weighed accordingly (see Table 5.7).

TABLE 5.7: RIDDERMARK WEIGHTED MILEAGE

ROAD TYPE	MILEAGE	MULTIPLIER*	TOTAL
Paved	1.985	5	9.925
Unpaved	0.20	2	0.40
Paved - Partial	3.04	2.5	7.60
Unpaved - Partial	0.54	1	0.54
Gravel Total			18.456

⁸ Utah Code 72-2-108



ROAD TYPE	MILEAGE	MULTIPLIER*	TOTAL
* Based on Class B and C Roads Apportionment Formula (Utah Code 72-2-108)			
Source: Iron County Shapefile, LRB			

Table 5.8 depicts the growth rate calculated and subsequently applied to forecast key variables (statewide total distribution pool, lane miles, weighted miles) in Table 5.8.

TABLE 5.8: CLASS B&C ROADS AAGR

	2018	2019	2020	2021	2022	5 Yr. AAGR
Total Distribution Pool	169,543,658	179,188,729	177,562,815	194,764,526	203,134,579	4.62%
Lane Miles Pool	84,771,829	89,594,365	88,781,407	97,382,263	101,567,289	4.62%
Statewide Weighted Miles	122,540	121,813	122,842	124,521	125,318	0.56%

Source: UDOT B&C Road Fund Information, Mileage and Annual Summary Reports

Utilizing Table 5.7's calculated weighted mileage for the Study Area and methodology delineated in Utah State Code, the Study Area's distribution can be calculated.

TABLE 5.9: CLASS B&C ROADS ALLOCATION METHODOLOGY

	ESTIMATED		PROJECTED			
	2023	2024	2025	2026	2027	2028
Total Distribution Pool	212,524,711	222,348,914	232,627,251	243,380,717	254,631,274	266,401,901
Lane Miles Pool	106,262,356	111,174,457	116,313,626	121,690,358	127,315,637	133,200,951
Statewide Weighted Miles	126,023	126,731	127,443	128,160	128,880	129,604
Distribution Per Weighted Mile	843	877	913	950	988	1,028
Estimated Riddermark Weighted Miles	18	18	18	18	18	18
Lane Mile Distribution	\$15,562	\$16,190	\$16,844	\$17,524	\$18,232	\$18,968
State Population	3,342,221	3,399,064	3,456,875	3,515,668	3,575,461	3,636,272
State Distribution per Capita	32	33	34	35	36	37
Study Area Population	118	123	126	130	133	138
Study Area Distribution per Capita	\$3,755	\$4,025	4,224	4,517	4,735	5,052
TOTAL STUDY AREA DISTRIBUTION	\$19,317	20,215	\$21,068	\$22,041	\$22,967	\$24,020

FINES AND FORFEITURES

A per capita average based on the comparable cities (outlined in Section 4) revenues for fines and forfeitures is included in the revenue calculation.

OTHER REVENUE CONSIDERATIONS

Additional types of revenue streams may be collected including grants, State Liquor fund allocation, weed control fees, and interest earnings. These alternate revenue mechanisms will be explored in greater detail in Section 7.

Table 5.10 summarizes the revenues forecasted for the proposed Study Area. As described in UCA 10-2a-205(6), the five-year projected revenues must exceed the average annual cost of the five-year projected expenses calculated in Table 4.8. The findings of this feasibility study illustrate that the incorporation of the proposed Study Area does not result in at least a five percent budget surplus.



TABLE 5.10: PROJECTED STUDY AREA 5-YEAR PROJECTED REVENUES

	2024	2025	2026	2027	2028
Property Tax*	30,595	32,226	33,476	35,278	36,692
Sales & Use	18,606	20,342	22,662	24,750	27,514
Permits	12,306	6,153	12,306	6,153	12,306
Class C Roads	20,215	21,068	22,041	22,967	24,020
Fines & Forfeitures	1,621	1,703	1,788	1,877	1,971
TOTAL	\$83,344	\$81,492	\$92,273	\$91,024	\$102,503

*Property tax revenue generated in Riddermark assuming equivalent County rate



SECTION 6: RISKS & OPPORTUNITIES

Utah Code 10-2a-205(4) requires the feasibility study to include:

an analysis of the risks and opportunities that might affect the actual costs described in Subsection (3)(a)(iii) or revenues described in Subsection (3)(a)(iv) of the newly incorporated municipality.

RISKS

A recent incorporation study completed within Iron County may shed light on potential risks to Riddermark's proposed incorporation. Cedar Highlands, which incorporated in 2018, voted to revert to its former status as an unincorporated area of Iron County that operates under a homeowner's association (HOA) two years following incorporation. The former mayor stated in a St. George News article that the lack of commercial revenue and reliance on road and sales taxes were not financially sustainable.⁹ However, an audit of Cedar Highland's financial compliance completed by the Office of the State Auditor in April 2019 does not cite the lack of financial revenue as a key financial issue.¹⁰ The audit found that noncompliance with statute, failure to perform reconciliations of bank account statements, and diversion from best financial practices were the central problems facing the community. Generally, the lack of commercial or industrial land, with the associated tax revenues, can create pressure on the general fund over time as entities balance limited resources with increasing expenses. While this is a risk factor for the proposed incorporated area, it is not unique to this community.

Within Section 4, calculations within the subsection titled "General Government Services" make use of the omission of certain expenditure line items in comparable municipality budgets that were determined to be irrelevant in maintaining the present level of service (e.g., general government buildings) or one-time expenses (e.g., CARES Act expenditures). This removal presents a certain risk in that comparable municipal budgets were not utilized wholly in the analysis, and any similar future additions to expenses for Riddermark are not modeled within the budget provided in this study.

As also mentioned in Section 4, sewer services and the associated fees are billed directly to residences and collected separate from the MSF. The analysis thus assumes sewer services will remain unchanged should the Study Area incorporate. With that said, Cedar City Corporation owns and operates the regional wastewater treatment facility and contracts sewer services with Enoch City and Iron County. Cedar City also has a contract with the County for the maintenance of the County's sewer collection system. In the event Iron County chooses to no longer bill sewer services upon incorporation, the Town would contract directly with Cedar City per discussions with the Cedar City. This poses a risk to the Study Area as potential costs could be greater.

⁹ See <https://www.stgeorgeutah.com/news/archive/2020/04/19/jmr-cedar-highlands-residents-to-vote-on-whether-to-stay-an-incorporated-town-or-back-to-hoa/> for additional details.

¹⁰ The Office of the State Auditor's findings can be found here: <https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=0151K000003q4tEQAO>



Additionally, inflationary pressure will affect the Study Area, as well as the MSF. The impact of inflation may be more pronounced within the Study Area due to the imbalance of revenues and expenditures.

OPPORTUNITIES

Opportunities in the Study Area post-incorporation may include self-governance, zoning and land-use authority, more local representation, and more direct control over the future of the area.

Incorporation may increase local authority to meet the requests and needs of residents. Specific goals related to economic growth and business licensing, increases in the level of services related to public facilities, and zoning policies could be addressed by the newly incorporated area. However, it is important to note that these elements may result in an increase in costs beyond what has been presented in this study.



SECTION 7: ANALYSIS OF NEW REVENUE SOURCES

Utah Code 10-2a-205(4) requires the feasibility study to include:

an analysis of new revenue sources that may be available to the newly incorporated municipality that are not available before the area incorporates, including an analysis of the amount of revenues the municipality might obtain from those revenue sources.

FRANCHISE TAX - MUNICIPAL ENERGY SALES AND USE TAX

Municipalities may adopt a tax on gas and electricity delivered within their jurisdiction. These taxes are collected by a seller and held in trust for the benefit of the locality imposing the tax.

DEBT FINANCING

Debt financing may be utilized to amortize larger capital costs over time, rather than addressing those costs in a shorter period. This does not introduce new revenues (interest and cost of issuance expenses add to the overall cost assumptions), but it does serve as a funding tool to allow for the construction of public facilities.

GRANTS

Most of the comparable cities included in the analysis receive grant monies, although it is uncertain which grants the Town would be eligible for.

IMPACT FEES

As mentioned in Section 6, the Town, if incorporation occurs, could begin to provide services (e.g., streets, parks) and would be able to charge impact fees to new development. It is important to note that the Town cannot assess impact fees if the eligible categories are not serviced by the Town.

FEES FOR SERVICES

The newly incorporated area will have the ability to adopt necessary fees related to services provided. This study has followed the statutory requirement to maintain the same level of service currently provided to residents based on the expenditures and revenue sources utilized within the MSF. However, the Town may be able to increase revenues by assessing specific fees for services. These may include transportation fees, recreation fees, disproportionate fees, and/or utility fees. It is important to note that these fees would be an additional cost to residents, beyond what is shown in the following sections.



SECTION 8: FISCAL IMPACTS & PROJECTED TAX BURDEN

Utah Code 10-2a-205(4) requires the feasibility study to include:

*the projected tax burden per household of any new taxes that may be levied within the proposed municipality within five years after incorporation; and
the fiscal impact of the municipality's incorporation on unincorporated areas, other municipalities, special districts, special service districts, and other governmental entities in the county.*

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

FISCAL IMPACTS ON THE COUNTY

A comparison of projected revenues and expenditures produce a deficit based on the County's projected 2024 MSF rate of .001650 as shown in Table 8.1. An increased County MSF tax rate of .001803 is modeled in year 2024 to cure the revenue gap. The tax impact to a primary residence valued at \$400,000 is \$397.¹¹ The County may opt to use general funds to cover this modest gap to avoid a tax increase.

TABLE 8.1: FISCAL IMPACTS ON IRON COUNTY

	2024	2025	2026	2027	2028
REVENUES					
COUNTY MSF RATE	0.001650	0.001650	0.001650	0.001650	0.001650
Taxes	6,475,067	6,664,317	6,862,779	7,070,981	7,289,481
Business Licenses & Permits	950,146	1,035,659	1,128,868	1,230,466	1,341,208
PILT (General Fund Transfer)	2,207,672	2,207,672	2,207,672	2,207,672	2,207,672
Fees for Service	329,435	333,150	337,069	341,219	345,631
Fund Balance Appropriation	763,317	763,317	763,317	763,317	763,317
Misc.	450,593	466,910	484,661	504,016	525,168
TOTAL REVENUES	\$11,176,229	\$11,471,024	\$11,784,366	\$12,117,672	\$12,472,477
EXPENDITURES					
General Government	706,333	726,361	747,060	768,455	790,573
Weeds	141,988	145,595	149,326	153,184	157,176
Garbage	-	-	-	-	-
Roads & Public Works	-	-	-	-	-
Fire Protection	1,776,316	1,776,955	1,777,601	1,778,253	1,778,912
Law Enforcement	6,695,806	7,066,901	7,463,982	7,889,215	8,344,982
Other	2,200,444	2,200,444	2,200,444	2,200,444	2,200,444
TOTAL EXPENDITURES	\$11,520,887	\$11,916,257	\$12,338,414	\$12,789,552	\$13,272,088
Total Tax Revenue Needed to Balance	\$344,659	\$96,438	\$103,472	\$111,184	\$119,668
Taxable Value*	\$2,254,387,261	\$2,281,439,908	\$2,308,817,187	\$2,336,522,993	\$2,364,561,269
TOTAL COUNTY MSF RATE	0.001803	0.001845	0.001890	0.001937	0.001988
BASELINE IMPACT ON MEDIAN HOME (\$400K)	\$397	\$406	\$416	\$426	\$437

¹¹ Median list price via Rocket Homes. See <https://www.rockethomes.com/real-estate-trends/ut/iron-county> for further detail.



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

In the event of incorporation, the County MSF would likely experience a loss of revenue resulting in the need for an additional 2.2 percent increase in year one over the baseline County levy. This increase represents lost revenue for municipal services. If the proposed Town contracts law enforcement services with the County, the County would gain revenues through the Sheriff's Department for contracted public safety services. The contract revenue is estimated at \$22,000 in year one, aforementioned in Section 4. However, this analysis assumes Riddermark will contract law enforcement services with Enoch, resulting in a net impact from the Town's incorporation on the County of \$83,344 in revenues in 2024, as illustrated in Table 8.2.

TABLE 8.2: IMPACT TO COUNTY MSF

	2024	2025	2026	2027	2028
Potential Lost Revenue	(83,344)	(81,492)	(92,273)	(91,024)	(102,503)
Contract Revenue	-	-	-	-	-
NET IMPACT TO COUNTY MSF	(\$83,344)	(\$81,492)	(\$92,273)	(\$91,024)	(\$102,503)
Tax Impact	0.000037	0.000036	0.000040	0.000039	0.000043
MSF Levy (If Riddermark Valley Incorporates)	0.001840	0.001881	0.001930	0.001976	0.002031
Estimated Impact on Median Home (\$400K)	\$405	\$414	\$425	\$435	\$447
Baseline Impact on Median Home (\$400K)	\$397	\$406	\$416	\$426	\$437
TAX INCREASE FROM BASELINE	\$8	\$8	\$9	\$9	\$10

TAX BURDEN ON STUDY AREA

The following section includes two scenarios related to the fiscal impacts of a Town incorporation as detailed below:

1. **SCENARIO 1 – GOVERNMENT OFFICE:** This scenario includes the applicable incorporation costs as outlined in UCA 10-2a-220. In addition, expenditures include a one-time expense of \$300,000 for a government office that is amortized over a 15-year period; this arrangement includes a four percent interest rate and a two percent cost of issuance addition.
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 building.

The Petition Sponsors of the proposed Town established a MOU with the building owner of the “Beehive School,” an ADA accessible building with a capacity of 100 persons, to utilize the building at no cost for general government purposes. Scenario 1 is included to further illustrate the potential costs if the school building is no longer accessible for use although a new government office is not necessary at this time. Scenarios 1 and 2 show the proposed Town likely will not result in at least a five percent budget surplus.

SCENARIO 1 – GOVERNMENT OFFICE

Assuming the newly incorporated Town assesses an equivalent County tax rate, the projected revenues minus expenditures produce a deficit as shown in Table 8.3 with the revenue margin at an



average of negative 22 percent over the five-year window of this study. As with the County scenario, an increased tax rate of .001803 is modeled in year 2024. Matching the County's equivalent rate is not sufficient to meet the expenditures within the Town in years two through five, and an additional Riddermark rate is needed to balance the budget and provide sufficient funding for the Study Area. For example, the 2025 Town rate (.003482) is the sum of the County equivalent rate (.001845) and the Riddermark rate (.001637).

TABLE 8.3: SCENARIO 1 – FISCAL IMPACT

	2024	2025	2026	2027	2028
REVENUES					
EQUIVALENT COUNTY MSF RATE	0.001803	0.001845	0.001890	0.001937	0.001988
Property Tax	30,595	32,226	33,476	35,278	36,692
Sales & Use	18,606	20,342	22,662	24,750	27,514
Permits	12,306	6,153	12,306	6,153	12,306
Class C Roads	20,215	21,068	22,041	22,967	24,020
Fines & Forfeitures	1,621	1,703	1,788	1,877	1,971
Total Revenues	\$83,344	\$81,492	\$92,273	\$91,024	\$102,503
EXPENDITURES					
Incorporation Costs	4,700	31,722	31,722	31,722	31,722
General Government	28,489	30,515	33,305	35,634	38,809
Insurance	2,084	2,188	2,297	2,412	2,533
Roads & Public Works	19,593	20,573	21,602	22,682	23,816
Fire Protection	4,292	4,507	4,732	4,969	5,217
Law Enforcement	19,590	20,570	21,598	22,678	23,812
Total Expenditures	\$78,748	\$110,075	\$115,256	\$120,096	\$125,909
NET (REVENUE MINUS EXPENSE)	\$4,595	(\$28,583)	(\$22,983)	(\$29,072)	(\$23,406)
REVENUE (EXPENSE) MARGIN*	6%	(35%)	(25%)	(32%)	(23%)
Additional Levy to Balance Budget**	0.000000	0.001637	0.001298	0.001597	0.001268
TOTAL TOWN RATE***	0.001803	0.003482	0.003187	0.003534	0.003256

*Margin calculated by dividing net revenue by total revenues.
 ** Riddermark levy calculated based on estimated assessed value
 *** Based on the sum of the "Combined County Rate" plus the "Additional Levy to Balance Budget".

The tax impact within the Study Area is estimated at \$766 for a primary residence valued at \$400,000 in year two. This represents an increase of \$360 above the projected County levy of \$406. One-time government building costs and incorporation costs outlined in UCA 10-2a-220 contribute to the escalated cost in the first years of incorporation. The one-time government building cost of \$300,000 is amortized over a 15-year period; this arrangement includes a four percent interest rate and a two percent cost of issuance.

TABLE 8.4: SCENARIO 1 – TAX BURDEN

	2024	2025	2026	2027	2028
TOTAL TOWN RATE (MSF & TOWN LEVY)	0.001803	0.003482	0.003187	0.003534	0.003256
Estimated Certified Tax Value	\$16,970,655	\$17,465,655	\$17,713,155	\$18,208,155	\$18,455,655
Estimated Town Impact Home (\$400K)	\$397	\$766	\$701	\$778	\$716
Baseline Impact on Median Home (\$400K) *	\$397	\$406	\$416	\$426	\$437
NET IMPACT	\$0	\$360	\$285	\$351	\$279

* See Table 8.1



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 as the Town will utilize general government purposes at no cost. Assuming the incorporated Town assesses an equivalent County tax rate, revenues exceed expenses by an average of two percent, failing satisfying the requirement outlined in Section 10-2a-205(6). Matching the County’s equivalent rate is not sufficient to meet the expenditures within the Town in years two and four, and an additional Riddermark rate is needed in those years to balance the budget and provide sufficient funding for the Study Area. For example, the 2025 Town rate (.001906) is the sum of the County equivalent rate (.001845) and the Riddermark rate (.000061).

TABLE 8.5: SCENARIO 2 – FISCAL IMPACT

	2024	2025	2026	2027	2028
REVENUES					
EQUIVALENT COUNTY MSF RATE	0.001803	0.001845	0.001890	0.001937	0.001988
Property Tax	30,595	32,226	33,476	35,278	36,692
Sales & Use	18,606	20,342	22,662	24,750	27,514
Permits	12,306	6,153	12,306	6,153	12,306
Class C Roads	20,215	21,068	22,041	22,967	24,020
Fines & Forfeitures	1,621	1,703	1,788	1,877	1,971
Total Revenues	\$83,344	\$81,492	\$92,273	\$91,024	\$102,503
EXPENDITURES					
Incorporation Costs	4,700	4,200	4,200	4,200	4,200
General Government	28,489	30,515	33,305	35,634	38,809
Insurance	2,084	2,188	2,297	2,412	2,533
Roads & Public Works	19,593	20,573	21,602	22,682	23,816
Fire Protection	4,292	4,507	4,732	4,969	5,217
Law Enforcement	19,590	20,570	21,598	22,678	23,812
Total Expenditures	\$78,748	\$82,553	\$87,734	\$92,574	\$98,387
NET (REVENUE MINUS EXPENSE)	\$4,595	(\$1,061)	\$4,539	(\$1,550)	\$4,116
REVENUE (EXPENSE) MARGIN*	6%	(1%)	5%	(2%)	4%
Additional Levy to Balance Budget**	0.000000	0.000061	0.000000	0.000085	0.000000
TOTAL TOWN RATE***	0.001803	0.001906	0.001890	0.002023	0.001988

*Margin calculated by dividing net revenue by total revenues.

** Riddermark levy calculated based on estimated assessed value

*** Based on the sum of the “Combined County Rate” plus the “Additional Levy to Balance Budget”.

TABLE 8.6: SCENARIO 2 – TAX BURDEN

	2024	2025	2026	2027	2028
TOTAL TOWN RATE (MSF & TOWN LEVY)	0.001803	0.001906	0.001890	0.002023	0.001988
Estimated Certified Tax Value	\$16,970,655	\$17,465,655	\$17,713,155	\$18,208,155	\$18,455,655
Estimated Town Impact (Home \$400K)	\$397	\$419	\$416	\$445	\$437
NET IMPACT	\$0	\$13	\$0	\$19	\$0

SECTION 9: MAP CHANGES DUE TO EXCLUDED PROPERTIES



Utah Code 10-2a-205(4) requires the feasibility study to include:

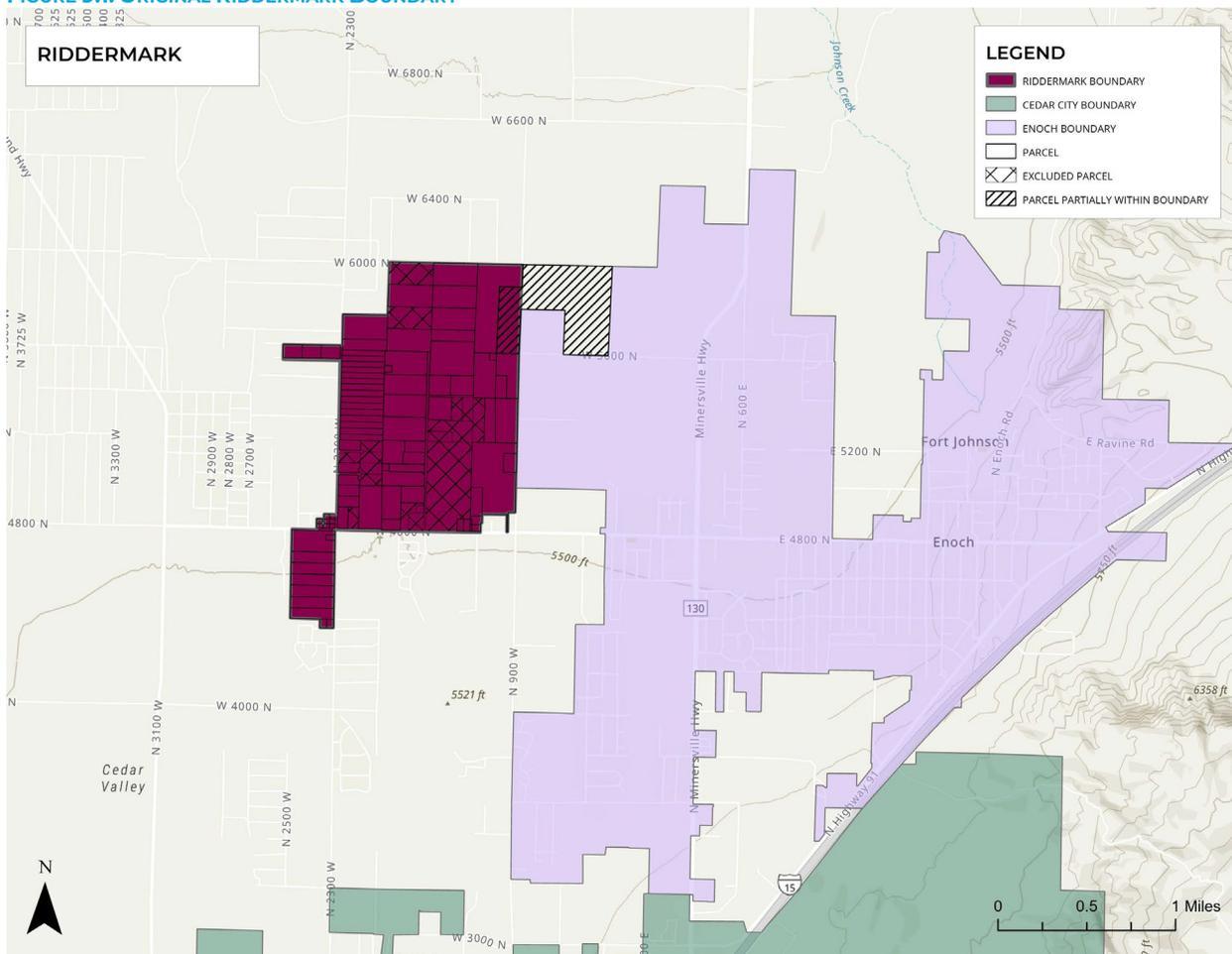
if the lieutenant governor excludes property from the proposed municipality under Section 10-2a-203, an update to the map and legal description described in Subsection 10-2a-202(1)(e).

Landowners may request that one's property be excluded from the proposed incorporation in accordance with the guidelines set forth in UCA 10-2a-203. Notice of Exclusions from 34 properties within the proposed boundary of Riddermark were received and reviewed by the OLG. The OLG determined 17 properties met the requirements of exclusion and are thus removed from the proposed incorporation boundary.

ORIGINAL BOUNDARY

Figure 9.1 illustrates the original proposed Riddermark boundary that was established at the time of the feasibility request.

FIGURE 9.1: ORIGINAL RIDDERMARK BOUNDARY



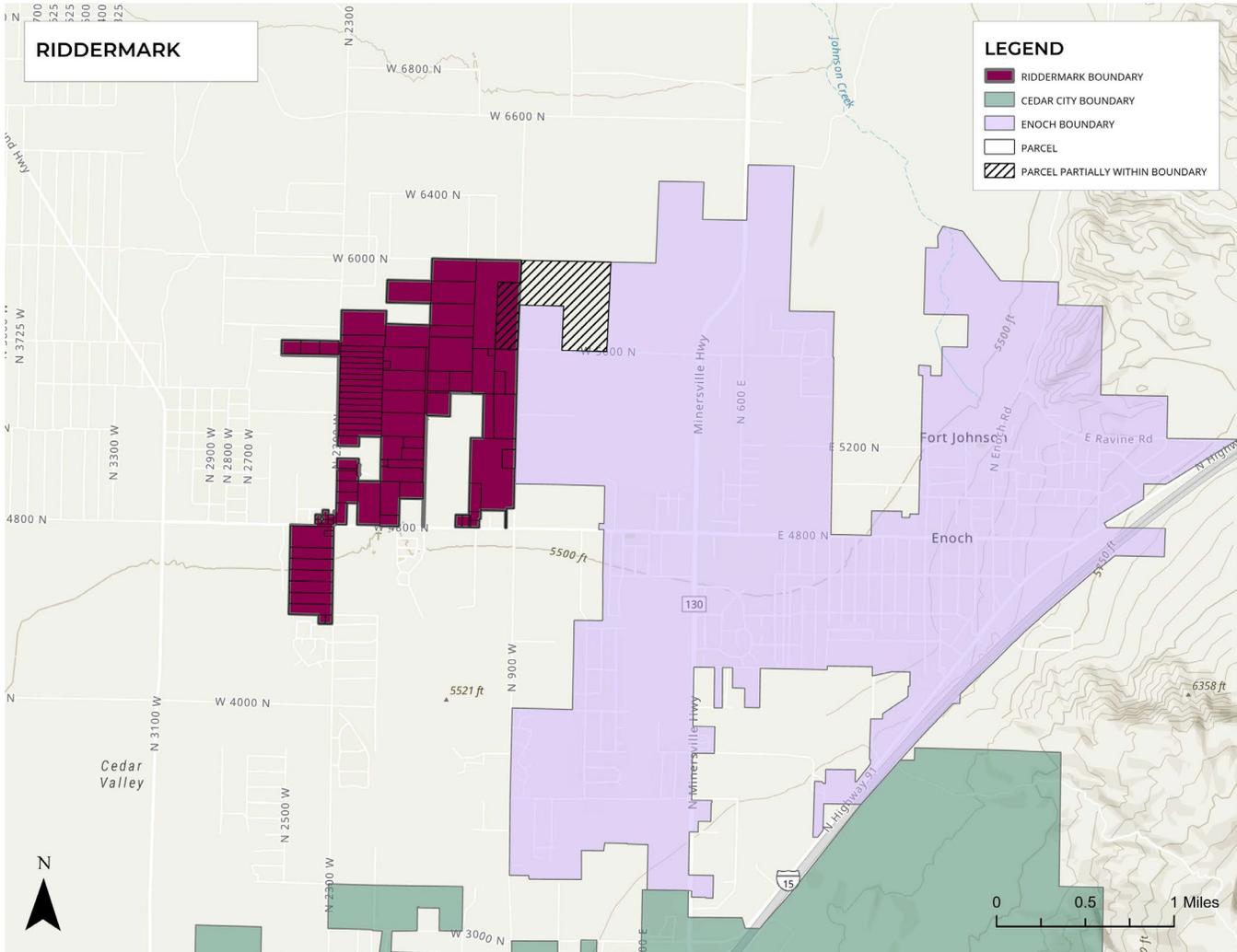
NEW PROPOSED BOUNDARY

The OLG received exclusion requests for 34 parcels. The following 17 parcels were determined to meet the exclusion requirements per Utah Code:

- | | |
|------------------------|-------------------------|
| 1. D-0534-0000-0000 | 10. D-0534-0002-0010-01 |
| 2. D-0534-0001-0001 | 11. D-0534-0002-0009-02 |
| 3. D-0534-0002-0001 | 12. D-0534-0002-0009-03 |
| 4. D-0495-0002-0000 | 13. D-0534-0002-0010-02 |
| 5. D-0495-0006-0000 | 14. D-1194-0002-0000 |
| 6. D-0530-0002-0003 | 15. D-1194-0003-0000 |
| 7. D-0530-0002-0004 | 16. D-1194-0004-0000 |
| 8. D-0534-0002-0019 | 17. D-1211-0005-0000 |
| 9. D-0530-0001-0002-01 | |

The illustration below shows the adjusted boundary due to the excluded parcels.

FIGURE 9.2: EXCLUDED RIDDERMARK PROPERTIES



SE1/4NW1/4, W1/2SW1/4, LOT 4, W 10 AC LOT 3, SEC 2; E1/2SW1/4SE1/4, SE1/4NW1/4SE1/4, NE1/4SE1/4, N 40 ACRES LOT 1, SEC 3, T35S, R11W, SLM.

BEG AT PT S89°11'31"E 1328.57 FT & S0°47'01"W 661.29 FT FR W1/4 COR SEC 3, T35S, R11W, SLM; S89°22'31"E 1328.06 FT; S1°49'41"W 661.30 FT; N89°22'35"W 1327.54 FT; N1°47'01"E 661.29 FT TO POB. LESS & EXCPT THEREFR ANY PART W/IN RD.

W1/2W1/2SE1/4 & NE1/4NW1/4SE1/4 OF SEC 3, T35S, R11W, SLM.

BEG AT PT S89°22'35"E 1326.52 FT & N1°47'01"E 661.30 FT FR SW COR SEC 3, T35S, R11W, SLM; N1°47'01"E 661.29 FT; S89°22'35"E 1327.54 FT; S1°49'41"W 661.30 FT; N89°22'35"W 1327.03 FT TO POB. LESS D-534-3-RD.

BEG AT PT S89°22'31"E 1328.57 FT FR W1/4 COR SEC 3, T35S, R11W, SLM; S89°22'31"E 1328.57 FT; S1°49'41"W 661.28 FT; N89°22'35"W 1328.06 FT; N1°47'01"E 661.29 FT TO POB. SUBJ TO & TOG W/ EXIST RD R/W O/A W 33 FT; ALSO SUBJ TO R/W O/A W 40 FT & N 20 FT. SUBJ T

BEG AT PT S1°44'21"W 661.31 FT FR W1/4 COR SEC 3, T35S, R11W, SLM; S89°22'31"E 1328.06 FT; S1°47'01"W 661.29 FT; N89°22'35"W 1327.54 FT; N1°44'21"E 661.28 FT TO POB. SUBJ TO R/W O/A W 40 FT, N 20 FT, E33 FT. LESS D-534-3-RD.

BEG AT SW COR OF SEC 3, T35S, R11W, SLM; N1°44'21"E 661.29 FT; S89°22'35"E 1327.08 FT; S1°44'21"W 661.30 FT; N89°22'35"W 1326.52 FT TO POB; SUBJ TO & TOG W/ RD R/W & EASE 33 FT ON EACH SIDE OF FOLLOW DESC REC BK 563/256; ALSO SUBJ TO R/W & EASE FOR UTIL ACR

BEG N01°49'41"E ALG 1/4 SEC LN 324.55 FT FR S1/4 COR SEC 3, T35S, R11W, SLM; DEPART SD 1/4 SEC LN N89°22'35"W 1293.78 FT TO E LN OF 1700 W ST; N01°47'01"E ALG SD E LN 336.76 FT; DEPART SD E LN S89°22'35"E 1294.04 FT TO PT ON N-S 1/4 SEC LN SD SEC 3; S01°49

S1/2S1/2SE1/4SE1/4 SEC 4, T35S, R11W, SLM; SUBJ TO U/G R/W EASE DESC REC BK 1384/352.

BEG AT PT S1°13'23"W ALG SEC LN 1585.53 FT FR E1/4 COR SEC 4, T35S, R11W, SLM; S1°13'23"W 728.97 FT TO PT N1°13'23"E 330.65 FT FR SE COR OF SD SEC 4; N89°50'37"W 1280.59 FT TO E'LY R/W LN OF 2300 W ST; N1°07'59"E ALG SD R/W 728.95 FT; S89°50'37"E 1281.74 FT

ALL LOT 10, BLK B, HIDDEN VALLEY RANCHOSUBD. TOG WITH 4 SHARES WATER IN ANGUS WTR CO INC.

LOTS 9, BLK B, HIDDEN VALLEY RANCHOS, SEC 4, T35S, R11W, SLM; SUBJ TO U/G R/W EASE DESC REC BK 1291/1943.

LOT 8, BLK B, HIDDEN VALLEY RANCHOS.

N1/2NW1/4NE1/4 SEC 16, T35S, R11W, SLM; EXCPT THEREFR FOLLOW DESC PARCEL: BEG AT PT S89°41'40"E ALG SEC LN 1317.30 FT & S00°11'48"E ALG 1/16 SEC LN 148.43 FT & N90°00'00"W 40.29 FT FR N1/4 COR SEC 16, T35S, R11W, SLM; N89°40'48"W 264.02 FT; S00°19'12"E 165.0

BEG AT PT S89°41'40"E ALG SEC LN 1317.30 FT & S00°11'48"E ALG 1/16 SEC LN 148.43 FT & N90°00'00"W 40.29 FT FR N1/4 COR SEC 16, T35S, R11W, SLM; N89°40'48"W 264.02 FT; S00°19'12"E 165.00 FT; S89°40'48"E 264.02 FT TO W R/W FENCE LN AIRPORT RD; N00°19'12"W AL

LOT 1, RIDING ACRES MINOR SUBDIVISION.

LOT 2, RIDING ACRES MINOR SUBDIVISION.

LOT 1, RIDING ACRES 2 MINOR SUBDIVISION.

LOT 2, RIDING ACRES 2 MINOR SUBDIVISION.

LOT 3, RIDING ACRES 2 MINOR SUBDIVISION.

LOT 4, RIDING ACRES 2 MINOR SUBDIVISION.

LOT 5, RIDING ACRES 2 MINOR SUBDIVISION.

LOT 6, RIDING ACRES 2 MINOR SUBDIVISION.

LOT 3, RIDING ACRES MINOR SUBDIVISION.

LOT 4, RIDING ACRES MINOR SUBDIVISION.

LOT 5, RIDING ACRES MINOR SUBDIVISION.

LOT 6, RIDING ACRES MINOR SUBDIVISION.

LOT 7, RIDING ACRES MINOR SUBDIVISION.

LOT 8, RIDING ACRES MINOR SUBDIVISION.

LOT 9, RIDING ACRES MINOR SUBDIVISION.

COM AT PT N89°35'29"W 658.67 FT & N00°20'07"E 694.16 FT FR SE COR SEC 9, T35S, R11W, SLM; N89°40'10"W 626.52 FT TO PT ON E LN OF 2300 W ST; N00°00'54"W ALG SD E LN 324.28 FT; S89°40'10"E 628.51 FT; S00°20'07"W 324.27 FT TO POB; SUBJ TO EASE FOR UTIL ALG E

E1/2SE1/4SE1/4 SEC 9, T35S, R11W, SLM. TOG W/ 18 SH OF CLASS B IRRIG WTR FR COAL CREEK IRRIG CO.

COM AT PT N89°35'29"W 971.10 FT & N00°20'07"E 42.08 FT FR SE COR SEC 9, T35S, R11W, SLM; N89°48'05"W ALG N LN MID VALLEY RD 310.10 FT TO PT ON E LN 2300 W ST; N00°00'54"W ALG SD E LN 652.38 FT; S89°40'10"E 314.09 FT; S00°20'07"W 651.65 FT TO POB.

COM AT PT N89°35'29"W 658.67 FT & N00°20'07"E 1018.43 FT FR SE COR OF SEC 9, T35S, R11W, SLM; N89°40'10"W 628.51 FT TO PT ON E LN OF 2300 W ST; N00°00'54"W ALG SDE LN 323.25 FT; S89°40'10"E 630.48 FT TO NE COR OF W1/2SE1/4SE1/4 SD SEC 9; S00°20'07"W 323.25



PARCEL 1, D & L RANCH SUBDIVISION; TOG W/ EASE ING/EGR DESC REC BK 1395/1454.

LOT 2, D & L RANCH SUBDIVISION; TOG W/ EASE FOR ING/EGR TO & FR WELL DESC REC BK1005/951.

LOT 1, HB RANCH MINOR LOT SUBDIVISION.

LOT 2, HB RANCH MINOR LOT SUBDIVISION.

LOT 3, HB RANCH MINOR LOT SUBDIVISION.

LOT 4, HB RANCH MINOR LOT SUBDIVISION. SUBJ TO EASE DESC REC BK 1571/383.

LOT 5, HB RANCH MINOR LOT SUBDIVISION. SUBJ TO EASE DESC REC BK 1571/378.

LOT 6, HB RANCH MINOR LOT SUBDIVISION.

E1/2 OF PARCEL 21, EAGLE VALLEY RANCHES DESC AS FOLLOW: BEG AT PT S0*41'28"W 1337.64 FT & S89*22'35"E 333.13 FT FR N1/4 COR OF SEC 10,T35S,R11W, SLM; S89*22'35"E 333.13 FT; S0*31'53"W 1335.10 FT; N89*35'38"W 335.0 FT; N0*41'28"E 1337.64 FT TO POB; SUBJ T

BEG S89*49'19"E 585.07 FT ALG SEC LN & N0*49'41"E 858.71 FT FR SW COR OF SEC 10,T35S,R11W, SLM; N0*49'41"E 497.66 FT; S89*35'38"E 744.81 FT; S0*44'50"W 497.65 FT; N89*35'38"W 745.51 FT TO POB; SUBJ TO 20 FT WIDE EASE FOR EXIST WTR LN & SUBJ TO & TOG W/ R

WELL #1: BEG AT PT S89*22'06"E 580.87 FT ALG SEC LN FR N1/4 COR SEC 10,T35S,R11W, SLM; S89*22'06"E 200 FT ALG SD SEC LN; S0*37'54"W 200 FT; N89*11'06"W 200 FT; N0*37'54"E 200 FT TO POB. WELL #2: BEG AT PT S0*48'11"W 418.24 FT ALG SEC LN FR NW COR SEC 10,

COM AT PT N00*48'11"E 354.64 FT ALG SEC LN FR SW COR OF SEC 10,T35S,R11W, SLM; N00*48'11"E 1003.86 FT; S89*35'38"E 585.63 FT; S00*49'41"W 1003.86 FT; N89*35'38"W 585.95 FT TO POB; TOG W/ 4 AC-FT U/G WTR WUC#73-2567; TOG W/ RD & UTIL EASE 16.5 FT EACH SID

COM AT PT N00*48'11"E 46.41 FT ALG SEC LN FR SW COR SEC 10,T35S,R11W, SLM TO TRUE POB; N00*48'11"E 308.23 FT; S89*35'38"E 585.95 FT; S00*49'41"W 313.73 FT; N89*03'19"W 586.05 FT TO POB; SUBJ TO & TOG W/ RDWAY & UTIL EASE OVER W 33 FT.

BEG AT PT S89*22'06"E 1326.98 FT FR N1/4 COR SEC 10,T35S,R11W, SLM; S0*31'53"W 1337.46 FT; N89*22'35"W 664.45 FT; N0*31'53"E 1337.55 FT; S89*22'06"E 664.45 FT TO POB; EXCPT THEREFR FOLLOW DESC REC BK807/324; SUBJ TO & TOG W/ EASE ALL DESC REC BK 1283/145

BEG AT PT S89*22'06"E 662.53 FT & S0*31'53"W 668.775 FT FR N1/4 COR SEC 10,T35S,R11W, SLM; S0*31'53"W 668.775 FT; S89*22'35"E 332.225 FT; N0*31'53"E 668.775 FT; N89*22'06"W 332.225 FT TO POB; SUBJ TO & TOG W/ EASE O/A W 40 FT; SUBJ TO OTHER EASE DESC REC

BEG AT W1/4 COR OF SEC 10,T35S,R11W, SLM; S89*35'38"E 672.55 FT; S0*44'50"W 331.75 FT; N89*35'38"W 33.4 FT; S0*44'50"W 331.75 FT; N89*11'49"W 639.86 FT; N0*48'11"E 663.50 FT TO POB.

COM N0*41'28"E 2674.75 FT & S89*35'38"E 670.0 FT FR S1/4 COR SEC 10,T35S,R11W, SLM; N0*31'53"E 1335.10 FT; S89*22'35"E 664.45 FT; S0*31'53"W 1332.57 FT; N89*35'38"W 664.44 FT TO POB; SUBJ TO & TOG W/RD R/W DESC REC BK 744/489; SUBJ TO UTIL EASE OVER W &

BEG AT PT S89*35'38"E 1329.15 FT & N01*27'09"E 674.57 FT FR W1/4 COR SEC 10,T35S,R11W, SLM; SD PT BE ON E LN OF 1700 W ST; N01*27'09"E 635.25 FT; DEPART SD E LN S89*22'35"E ALG S LN OF 5400 N ST 672.21 FT; DEPART SD S LN S01*41'09"W 663.98 FT; N86*55'18"

BEG AT PT S0*48'11"W 1337.64 FT FR NW COR OF SEC 10,T35S,R11W, SLM & RUN S89*22'35"E 1311.35 FT; N1*27'09"E 670.81 FT; N89*22'35"W 1318.96 FT; S0*48'11"W 670.74 FT TO POB. SUBJ TO & TOG WITH RD R/W & EASE REC BK 475 PG 23. TOG WITH 2 AC-FT WRT, WUC#73-244

LOT 7, EAGLE VALLEY RANCHES, MORE PART DESC AS FOLLOWS: BEG AT PT S0*48'11"W 666.90 FT FR NW COR OF SEC 10,T35S,R11W, SLM; S89*22'35"E 1318.96 FT; N1*27'09"E 666.97 FT N89*22'35"W 1326.52 FT; S0*48'11"W 669.90 FT TO POB. SUBJ TO & TOG W/ RD R/W & EASE 33

W1/2 OF PARCEL 17 OF EAGLE VALLEY RANCHES SURVEY DESC AS FOLLOWS: BEG N0*41'28"E 4012.39 FT & N89*22'35"W 672.14 FT FR S1/4 COR OF SEC 10,T35S,R11W, SLM; N89*22'35"W 672.14 FT; N01*27'09"E 670.81 FT; S89*22'35"E 663.24 FT; S0*41'28"W 670.77 FT TO POB. LE

BEG N0*41'28"E 4012.39 FT FR S1/4 COR SEC 10,T35S,R11W, SLM; N89*22'35"W 672.14 FT; N0*41'28"E 670.77 FT; S89*22'35"E 672.14 FT; S0*41'28"W 670.74 FT TO POB; SUBJ TO & TOG W/ RD R/W & EASE 33 FT DESC REC BK 652/532; TOG W/ 1 AC-FT U/G WTR WUC#73-2444.

BEG AT N1/4 COR SEC 10,T35S,R11W, SLM, RUN S89*22'06"E 662.53 FT; S0*31'53"W 1337.55 FT; N89*22'06"W 666.26 FT, N0*41'28"E 1337.64 FT TO POB. EXCEPT THEREFR FOLLOE DESC PROP; BEG AT PT S89*22'06"E 580.87 FT ALG SEC LN FR N1/4 COR SEC 10,T35S,R11W, SLM, S

BEG AT W1/4 COR SEC 10,T35S,R11W, SLM; N0*48'11"E 679.54 FT; S89*22'35"E 1303.78 FT; S01*27'09"W 674.70 FT; N89*35'38"W 1296.15 FT TO POB; SUBJ TO R/W O/A W 40 FT & N 20 FT OF SD PROP; SUBJ TO & TOG W/ RD R/W & EASE 33 FT OF FOLLOW CTRLN DESC REC BK 892/

BEG AT PT S0*48'11"W 1337.64 FT FR NW COR SEC 10,T35S,R11W, SLM; S89*22'35"E 1311.35 FT; S1*27'09"W 668.26 FT; N89*22'35"W 1303.78 FT; N0*48'11"E 668.20 FT TO POB; LESS D-534-3-RD; SUBJ TO U/G R/W EASE DESC REC BK 1193/1027.



BEG S89°35'38"E 1329.15 FT & S0°44'50"W 663.50 FT FR W 1/4 COR OF SEC 10,T35S,R11W, SLM; N0°44'50"E 331.75 FT; N89°35'38"W 690 FT; S0°44'50"W 331.75 FT; S89°35'38"E 690 FT TO POB; SUBJ TO & TOG W/ EXIST RD R/W O/A E 66 FT; SUBJ TO R/W O/A S 20 FT; LESS D

BEG S89°35'38"E 1329.15 FT FR W1/4 COR OF SEC 10,T35S,R11W, SLM; S0°44'50"W 331.75 FT; N89°35'38"W 656.60 FT; N0°44'50"E 331.75 FT; S89°35'38"E 656.60 FT TO POB; SUBJ TO & TOG W/ RD R/W OVER S 33 FT OF SD LAND; SUBJ TO & TOG W/ RD R/W DESC REC BK 1339/15

WELL & TANK DESC AS FOLLOW: BEG AT PT S89°49'19"E 1041.40 FT ALG SEC LN & N00°44'50"E 556.00 FT FR SW COR SEC 10,T35S,R11W, SLM; N00°44'50"E 225.47 FT; S89°49'19"E 224.41 FT; S00°44'50"W 225.47 FT; N89°49'19"W 224.41 FT TO POB.

PARCEL 1 IDA M RUCH MINOR LOT SUBDIVISION DESC AS FOLLOWS: BEG S0°25'11"W ALG SEC LN 663.50 FT & S89°58'38"E 200.00 FT FR W1/4 COR SEC 10,T35S,R11W, SLM; S89°58'38"E 1063.80 FT TO W LN OF 1700 W ST; S0°21'50"W 300.00 FT; N89°58'38"W 60.00 FT; N0°01'22"E

PARCEL 2 IDA M RUCH MINOR LOT SUBDIVISION DESC AS FOLLOWS: BEG S0°25'11"W ALG SEC LN 818.50 FT FR W1/4 COR SEC 10,T35S,R11W, SLM; S89°58'38"E 200.00 FT; S0°25'11"W 95.00 FT; S89°58'38"E 1003.74 FT; S0°01'22"W 50.00 FT; S89°58'38"E 60.00 FT TO W LN 1700 W

COM AT S1/4 COR SEC 10,T35S,R11W, SLM; N89°49'14"W ALG SEC LN 1331.81 FT TO 1/16TH COR; N00°44'54"E ALG 1/16TH LN 34.89 FT TO POB; N89°44'46"W 66.00 FT; N00°44'54"E 2645.31 FT TO PT LOC ON E-W CNTR SEC LN OF SD SEC 10; N01°27'14"E 2680.84 FT TO PT LOC ON

BEG AT PT N00°30'00"E 33.0 FT & W 198.1 FT ALG N R/W LN MID VALLEY RD FR S1/4 COR SEC 10,T35S,R11W, SLM; SD PT BE ON N R/W LN OF MID VALLEY RD; W ALG SD R/W LN 196.4 FT; N00°30'00"E 358.32 FT; N89°03'30"E 196.4 FT; S00°30'00"W 358.32 FT TO POB; LESS D-53

BEG AT A PT N00°30'00"E ALG N-S 1/4 SEC LN 33.00 FT FR S1/4 COR SEC 10,T35S,R11W, SLM; S89°59'14"W ALG N R/W LN OF MIDVALLEY ROAD 198.10 FT; N00°30'00"E 358.32 FT; N89°59'14"E 198.10 FT; N89°59'14"E 47.18 FT; S00°30'00"W 358.33 FT TO PT ON N R/W LN OF MI

BEG AT PT S89°48'24"E ALG SEC LN 1341.91 FT & N00°31'35"E ALG 1/16 LN 37.12 FT FR S1/4 COR SEC 10,T35S,R11W, SLM; N00°31'35"E ALG 1/16 LN 1760.15 FT; N89°28'07"W 384.81 FT; N00°31'35"E 566.00 FT; S89°28'07"E 384.81 FT TO 1/16 LN; N00°31'53"E ALG 1/16 LN

BEG N00°30'00"E ALG N-S 1/4 SEC LN 473.70 FT FR S1/4 COR SEC 10,T35S,R11W, SLM; N00°30'00"E ALG SD SEC LN 863.68 FT; S89°53'30"E 346.50 FT; S00°30'00"W 845.26 FT; S87°04'00"W 347.11 FT TO POB.

BEG AT PT S89°48'24"E ALG SEC LN 1341.91 FT & N00°31'53"E ALG 1/16 LN 1797.27 FT FR S1/4 COR OF SEC 10,T35S,R11W, SLM; N89°28'07"W 384.81 FT; N00°31'53"E 566.00 FT; S89°28'07"E 384.81 FT TO 1/16 LN; S00°31'53"W ALG 1/16 LN 566.00 FT TO POB. SUBJ TO EASE

BEG N00°30'00"E ALG N-S 1/4 SEC LN 33.00 FT & S89°59'51"E ALG N R/W LN OF MIDVALLY RD 47.18 FT FR S1/4 COR SEC 10,T35S,R11W, SLM; N00°30'00"E 174.34 FT; S90°00'00"E 258.42 FT; S00°07'00"E 174.34 FT TO PT ON N R/W LN OF MIDVALLEY RD; N89°59'51"W ALG SD R/

BEG N00°30'00"E ALG N-S 1/4 SEC LN 33.00 FT & S89°59'51"E ALG N R/W LN OF MIDVALLEY RD 47.18 FT & N00°30'00"E 174.34 FT FR S1/4 COR SEC 10,T35S,R11W, SLM; N00°30'00"E 183.99 FT; S89°59'14"W 47.18 FT TO PT ON N-S 1/4 SEC LN; N00°30'00"E ALG SD SEC LN 82.3

N 50.00 FT OF W1/2 NW1/4 SEC 15,T35S,R11W, SLM FOR RDWAY DESC AS FOLLOW: BEG AT NW COR SEC 15,T35S,R11W, SLM; S89°49'14"E ALG SEC LN 1331.83 FT TO 1/16TH COR; S00°15'21"W ALG 1/16TH LN 50.00 FT TO NEW S R/W LN OF MID VALLEY RD; N89°49'14"W ALG SD LN 1331

LOT 1, SUNRISE MEADOWS SUBDIVISION, UNIT I; SE1/4 SEC 16,T35S,R11W, SLM.

LOT 2, SUNRISE MEADOWS SUBDIVISION, UNIT I; SE1/4 SEC 16,T35S,R11W, SLM.

LOT 1, WHITE SUBDIVISION.

LOT 1, RANCHO BONITA SUBDIVISION, PHASE 1. SUBJ TO EASE DESC REC BK 1061/1292.

LOT 2, RANCHO BONITA SUBDIVISION, PHASE 1; SEC 9,T35S,R11W, SLM.

LOT 3, RANCHO BONITA SUBDIVISION, PHASE1; SEC 9,T35S,R11W, SLM.

LOT 4, RANCHO BONITA SUBDIVISION, PHASE 1.

LOT 6, RANCHO BONITA SUBDIVISION, PHASE 1.

LOT 10, RANCHO BONITA SUBDIVISION, PHASE 1.

LOT 11, RANCHO BONITA SUBDIVISION, PHASE 1; SEC 9,T35S,R11W, SLM.



APPENDIX A: MOU – BEEHIVE SCHOOL

TOWN OF RIDDERMARK

Casey O. Anderson

Petition Sponsor

MEMORANDUM OF UNDERSTANDING (MOU)

This Memorandum of Understanding (MOU) is entered into on this 28 day of September 2023, by and between the Petition Sponsors of the proposed Town of Riddermark, hereinafter referred to as the "Town," and Gaylen Matheson, hereinafter referred to as the "Building Owner."

RECITALS:

WHEREAS, the Town of Riddermark is a newly proposed incorporated municipality in Cedar City, Utah, and is in need of a suitable venue for general purposes and public meetings; and

WHEREAS, the Building Owner is the owner of a property located at approximately 1190 W. Midvalley Road, Cedar City, UT 84721, known as "Beehive School," which is ADA accessible and has an approximate capacity of 100 persons; and

WHEREAS, the Town intends to hold public meetings in "Beehive School," initially one meeting per month in the evening, with the potential for additional meetings as approved by the Town Council; and

WHEREAS, both parties desire to establish the terms and conditions for the use of "Beehive School" by the Town for its meetings.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the Town and the Building Owner (collectively referred to as the "Parties") agree as follows:

USE OF THE BUILDING:



1.1. The Building Owner hereby grants the Town the right to use "Beehive School" for its meetings. The Town shall initially use the building for one meeting per month in the evening, with the potential for additional meetings upon Town Council approval.

1.2. The Town acknowledges that it holds all liability for any activities and events conducted within "Beehive School" during its use.

TERM:

2.1. This MOU shall be in effect indefinitely. However, either party may terminate this MOU by providing written notice to the other party at least one year in advance of the desired termination date.

VENUE CAPACITY:

3.1. The Town agrees that if a larger venue is needed for any event or meeting, it will find an alternative location and will not exceed the maximum capacity of "Beehive School."

ADDITIONAL USAGE:

4.1. Any usage of "Beehive School" by the Town beyond regular meetings must receive prior written approval from the Building Owner.

COMPLIANCE WITH LAWS:

5.1. The Town agrees to comply with all applicable Local, State, and Federal laws and regulations when utilizing "Beehive School" for town purposes.

COST:

6.1. There shall be no cost or rental fee associated with the use of "Beehive School" by the Town.

AMENDMENTS:

7.1. This MOU may be amended in writing by mutual consent of the Parties.

ENTIRE AGREEMENT:

8.1. This MOU constitutes the entire agreement between the Parties regarding the use of "Beehive School" and supersedes all prior agreements or understandings, whether oral or written.



IN WITNESS WHEREOF, the Parties hereto have executed this MOU as of the date first above written.

TOWN OF RIDDERMARK

By: Casey O. Anderson

Petition Sponsor

Casey O. Anderson

Date: 9/28/23

BUILDING OWNER

By: Gaylen J. Matheson

Signature: Gaylen J. Matheson

Date: 09/28/2023



APPENDIX B: THE TRUST – INSURANCE ESTIMATE

9/28/23, 4:58 PM

Gmail - The Trust



Casey Anderson <owenander@gmail.com>

The Trust

Curtis Tonks <curtis@utahtrust.gov>
To: Casey Anderson <owenander@gmail.com>

Tue, Mar 9, 2021 at 9:09 AM

Hey Casey,

I appreciate your follow-up e-mail. For a basic liability policy with a \$2M limit and no deductible, the premium will be around \$1,800. We'll need an application and a few other things, but we can finalize all of that between November and January. I'll set a reminder to follow-up with you later. If you have any questions, let me know.

Thanks,
Curtis

CURTIS S. TONKS Account Executive, Marketing
m 801.458.1618 curtis@utahtrust.gov

UTAH LOCAL GOVERNMENTS TRUST
55 South Highway 89, North Salt Lake, UT 84054
o 801.936.6400 t 800.748.4440 f 801.936.0300 www.utahtrust.gov

Training & Events

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