

STATE OF UTAH
OFFICE OF THE LIEUTENANT
GOVERNOR



DEIDRE M. HENDERSON
LIEUTENANT GOVERNOR

NOTICE OF PROPOSED INCORPORATION AND FIRST PUBLIC HEARING

November 24, 2023

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), and the incorporation process will now proceed to the first public hearing phase.

You have received this notice because you reside or own property within or near the proposed town of Spring Lake. The first public hearing regarding the Spring Lake Incorporation will be held on **December 18, 2023, 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 first 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.

Owners that live within the proposed incorporation who own at least 1% of the

assessed value of owned land or 10% of the privately owned land area may request to have their property excluded from the incorporation. These individuals are known as specified landowners. The following criteria must also be met in order for their property to be excluded:

1. Exclusion of their property does not leave an unincorporated island within the proposed area; and
2. They receive a majority of their municipal services from the county.

Owners that meet these criteria can exclude their property by filling out the exclusion request form at <https://ltgovernor.utah.gov/incorporations/> beginning **December 18, 2023, and ending January 17, 2024, at 11:59 P.M.**, 30 calendar days after the first public hearing is completed. You will be required to enter the following password: SL1234.

Under no circumstances may specified landowners request that the Lieutenant Governor exclude all or part of their property after January 17, 2024, 30 calendar days after the day the first public hearing is completed. Additionally, no property may be annexed from the proposed incorporation area after January 17, 2024, 30 calendar days after the first public hearing.

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.

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

Phone: 801-538-1481
Email: 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
TOTAL TOWN RATE	0.001514	0.001438	0.001352	0.001255	0.001146
Estimated Town Impact on Median Home (\$530K)	\$442	\$419	\$394	\$366	\$334
Baseline Impact on Median Home (\$530K) *	\$473	\$475	\$477	\$480	\$482
Net Impact	(\$31)	(\$56)	(\$83)	(\$114)	(\$147)

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
TOTAL TOWN RATE	0.001099	0.001023	0.000937	0.000841	0.000733
Estimated Town Impact on Median Home (\$530K)	\$320	\$298	\$273	\$245	\$214
Baseline Impact on Median Home (\$530K) *	\$473	\$475	\$477	\$480	\$482
Net Impact	(\$152)	(\$177)	(\$204)	(\$234)	(\$268)

