



PUBLIC  
FINANCE  
ADVISORS

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SUMMIT  
COUNTY,  
UTAH

DECEMBER  
2023

FEASIBILITY STUDY FOR  
THE PROPOSED INCORPORATION  
OF WEST HILLS

PREPARED BY:

**LRB PUBLIC FINANCE ADVISORS**

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## SECTION 1: EXECUTIVE SUMMARY

LRB Public Finance Advisors (formerly Lewis Young Robertson & Burningham, Inc.) was retained by the Office of the Lieutenant Governor (OLG) to complete a feasibility study related to incorporation of an unincorporated area within Summit County (County). The purpose of the Executive Summary is to fulfill the requirements established in Utah Code Title 10 Chapter 2a, which requires the feasibility consultant to submit a completed feasibility study, including a one-page summary of the results. The analysis considers two scenarios related to the tax impacts of the Town incorporation.

1. **Scenario 1 – Government Office** includes the applicable incorporation costs as outlined in Section §10-2a-220. In addition, expenditures include an expense of \$1.56M for a government office.
2. **Scenario 2 – No Government Office** includes the applicable incorporation costs as outlined in Section §10-2a-220, without the additional expense related to a new government office.

Under **Scenario 2**, matching the County's equivalent rate is sufficient and no additional West Hills rate is necessary, as illustrated in the tables below. Under **Scenario 1**, an additional West Hills rate is required only for Year 2. The findings of this study illustrate that, in both scenarios, the incorporation of the proposed West Hills boundary (Study Area or Town) will likely result in at least a five percent budget surplus when comparing available revenues to expenses. This surplus allows the incorporation process to proceed, as described in UCA §10-2a-205(5).

Under **Scenario 1**, the tax impact within the study area for 2024 is estimated at \$233 for a primary residence valued at \$1,300,000. This represents no change from the projected County levy. Government building costs, a value of \$1.56M amortized over a 20-year period, contribute to an elevated impact in 2025, where estimated town impact exceeds the baseline by \$439.

**TABLE 1.1: SCENARIO 1 – WEST HILLS TAX IMPACT**

|                                     | 2024            | 2025            | 2026            | 2027            | 2028            |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>TOTAL TOWN RATE</b>              | <b>0.000326</b> | <b>0.000940</b> | <b>0.000326</b> | <b>0.000326</b> | <b>0.000326</b> |
| Estimated Town Impact (Home \$1.3M) | \$233           | \$672           | \$233           | \$233           | \$233           |
| MSF Baseline Impact (Home \$1.3M)   | \$233           | \$233           | \$233           | \$233           | \$233           |
| <b>NET IMPACT</b>                   | <b>\$0</b>      | <b>\$439</b>    | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      |

Under **Scenario 2**, the tax impact within the study area for 2024 is estimated at \$233 for a primary residence valued at \$1,300,000. This represents no change from the projected County levy.

**TABLE 1.2: SCENARIO 2 – WEST HILLS TAX IMPACT**

|                                     | 2024            | 2025            | 2026            | 2027            | 2028            |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>TOTAL TOWN RATE</b>              | <b>0.000326</b> | <b>0.000326</b> | <b>0.000326</b> | <b>0.000326</b> | <b>0.000326</b> |
| Estimated Town Impact (Home \$1.3M) | \$233           | \$233           | \$233           | \$233           | \$233           |
| MSF Baseline Impact (Home \$1.3M)   | \$233           | \$233           | \$233           | \$233           | \$233           |
| <b>NET IMPACT</b>                   | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      |



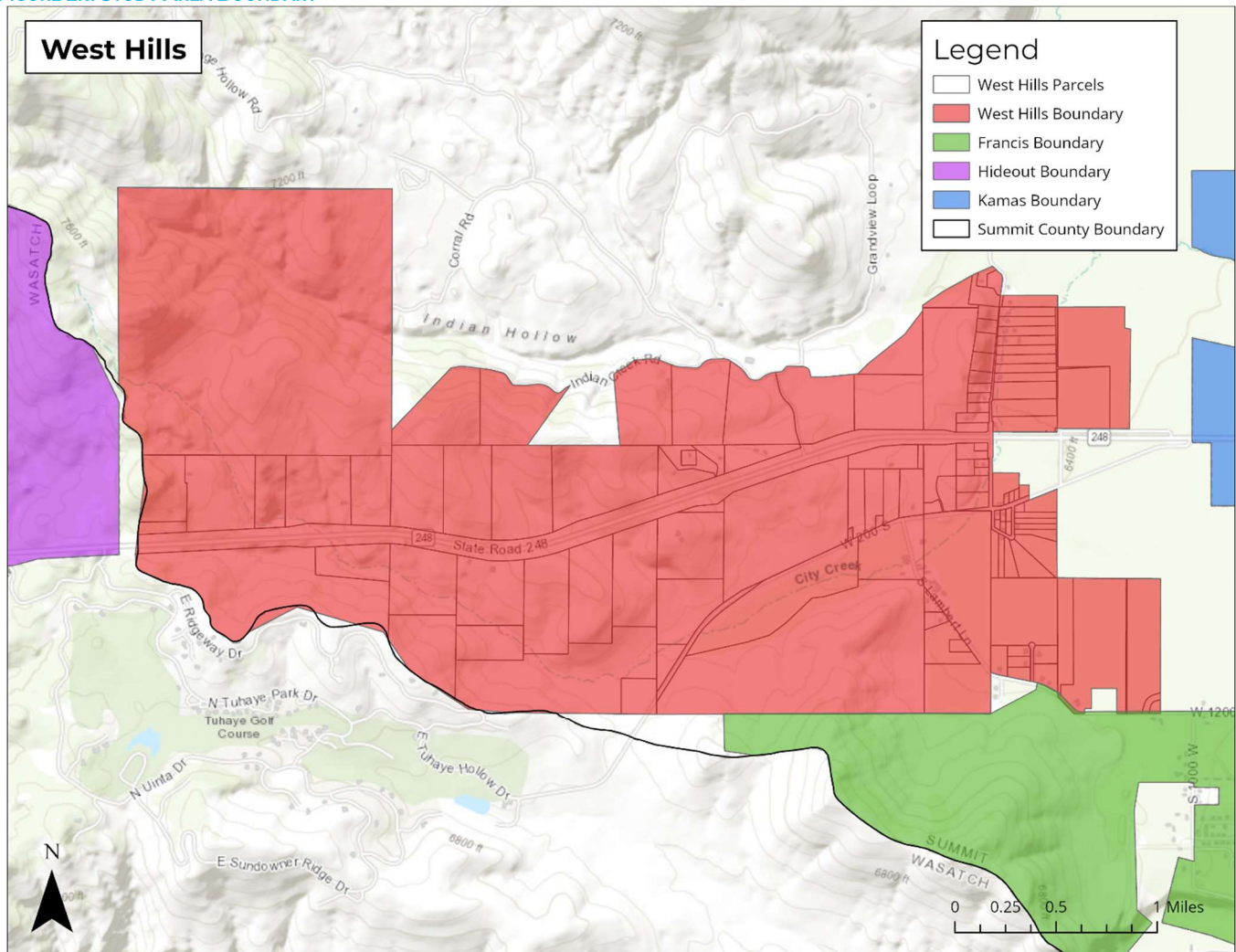
## SECTION 2: POPULATION & POPULATION DENSITY

Utah Code §10-2a-205(4)<sup>1</sup> 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 Summit County known as West Hills.

**FIGURE 2.1: STUDY AREA BOUNDARY**



<sup>1</sup> The Feasibility Request Petition by the West Hills Incorporation Team was filed on April 27, 2023. Recent legislative changes to Section §10-2a went into effect May 3, 2023. Thus, this feasibility study is guided by the previous version of Section §10-2a.

It is necessary to also address potential modifications to the proposed West Hills boundary. First, the proposed boundary consists of 14 parcels currently under consideration for purchase by Summit County. An additional two parcels would be made incorporated islands under this purchase scenario.

Second, the City of Kamas and Town of Francis are considering expanding their municipal boundaries and annexing parcels that constitute much of the eastern portion of the Study Area. As formal processes for neither of these two scenarios were initiated prior to the commissioning of this study, they should not have an effect on the incorporation process. However, the risks underlying these scenarios are detailed in **Section 6**.

**POPULATION**

The 2023 estimated population of West Hills is calculated at 176 persons. This calculation was determined using 2022 population estimates from the Utah Population Committee (UPC) as the base. The UPC first calculated the 2020 population using Census block-level data and GIS analysis to determine the number of occupied units that are within the West Hills boundary. A ratio was then calculated that was subsequently applied to the 2020 Census population by block to create an approximate population count. Using the 2020 Census population as the base, the UPC utilized building permit information to determine the 2021 and 2022 population. The number of new homes built was multiplied by Summit County’s persons per occupied housing unit (HU) to calculate annual growth, resulting in a 2021 population of 198 and a 2022 population of 200. Accounting for requests for exemptions from incorporation by property owners, LRB recalculated the 2022 population based on above methods to determine a figure of 174 persons.

For purposes of determining the current 2023 population, LRB utilized the UPC’s population figure for the Study Area for 2022, adjusted based on more recently excluded parcels, and presumed a population growth between 2022 and 2023 equivalent to the addition of one additional housing unit. The estimated population for 2023 is determined to be 176 persons. The assumption of one additional unit per year was extended to the 2024 figures. As shown in **Table 2.1**, population and households in the Study Area increase significantly beginning in 2025, accounting for additional housing units expected from development, described in **Section 3**.

**TABLE 2.1: CURRENT AND 5-YEAR PROJECTED WEST HILLS POPULATION DETERMINATION**

|                       | <b>2023</b> | <b>2024</b> | <b>2025</b> | <b>2026</b> | <b>2027</b> | <b>2028</b> |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Population            | 176         | 179         | 456         | 733         | 1,010       | 1,306       |
| Households            | 65          | 66          | 171         | 276         | 381         | 493         |
| Persons per Household | 2.71        | 2.71        | 2.67        | 2.66        | 2.65        | 2.65        |

**POPULATION DENSITY**

The UPC determined West Hills’s population density in 2022 equals 21.3 persons per square mile, thus complying with Utah statute that requires the proposed area has an average population density of more than seven people per square mile.<sup>2</sup> GIS analysis was employed to identify West Hills’s area, which is 5.1 square miles. The estimated 2023 populations and population density of surrounding communities within the County are shown below.

<sup>2</sup> Utah Code 10-2a-201.5(2)(a)(ii)



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**TABLE 2.2: 2023 POPULATION AND POPULATION DENSITY FOR SURROUNDING AREAS**

|                   | <b>POPULATION<br/>(2023)</b> | <b>LAND AREA<br/>(SQUARE MILES)</b> | <b>POPULATION PER<br/>SQUARE MILE</b> |
|-------------------|------------------------------|-------------------------------------|---------------------------------------|
| Coalville         | 1,525                        | 6.7                                 | 228.6                                 |
| Francis           | 1,749                        | 3.0                                 | 586.9                                 |
| Henefer           | 862                          | 2.5                                 | 350.4                                 |
| Kamas             | 2,184                        | 3.7                                 | 591.9                                 |
| Oakley            | 1,624                        | 7.1                                 | 229.1                                 |
| Park City         | 8,666                        | 20.0                                | 433.5                                 |
| <b>West Hills</b> | <b>176</b>                   | <b>5.1</b>                          | <b>34.7</b>                           |

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 block and tract-level data within the Study Area's boundaries. Building permit data from the Ivory-Boyer Construction database was also evaluated to identify household (HH) growth. Future buildout projections, provided by the sponsor of this study, are also utilized.

### POPULATION PROJECTIONS

For purposes of calculating the current and five-year projected population and HUs, the AAGR of historic redistricting Census data from 2010 and 2020 was calculated for each community. The AAGR was then applied to the most recent Decennial Census data (2020) and onward. 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          |
| Summit County                | 36,324     | 12,990    | 42,357     | 15,688    | 1.5%           | 1.9%        |
| Coalville                    | 1,363      | 453       | 1,486      | 506       | 0.9%           | 1.1%        |
| Francis                      | 1,077      | 344       | 1,564      | 491       | 3.8%           | 3.6%        |
| Henefer                      | 766        | 247       | 838        | 267       | 0.9%           | 0.8%        |
| Kamas                        | 1,811      | 602       | 2,092      | 713       | 1.5%           | 1.7%        |
| Oakley                       | 1,470      | 498       | 1,588      | 500       | 0.8%           | 0.0%        |
| Park City                    | 7,558      | 2,885     | 8,396      | 3,467     | 1.1%           | 1.9%        |
| Unincorporated Summit County | 22,279     | 7,961     | 26,393     | 9,744     | 1.7%           | 2.0%        |
| <b>West Hills</b>            | <b>107</b> | <b>45</b> | <b>169</b> | <b>64</b> | <b>4.7%</b>    | <b>3.6%</b> |

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

**TABLE 3.2: SUMMIT COUNTY HISTORIC POPULATION FIGURES**

|                              | 2018   | 2019   | 2020   | 2021*  | 2022*  |
|------------------------------|--------|--------|--------|--------|--------|
| Summit County                | 41,075 | 41,711 | 42,357 | 43,013 | 43,679 |
| Coalville                    | 1,461  | 1,473  | 1,486  | 1,499  | 1,512  |
| Francis                      | 1,452  | 1,507  | 1,564  | 1,623  | 1,685  |
| Henefer                      | 823    | 831    | 838    | 846    | 854    |
| Kamas                        | 2,033  | 2,062  | 2,092  | 2,122  | 2,153  |
| Oakley                       | 1,564  | 1,576  | 1,588  | 1,600  | 1,612  |
| Park City                    | 8,221  | 8,308  | 8,396  | 8,485  | 8,575  |
| Unincorporated Summit County | 25,514 | 25,950 | 26,393 | 26,838 | 27,288 |



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|   | 2018 | 2019 | 2020 | 2021* | 2022* |
|---|------|------|------|-------|-------|
| *Applied growth rate found in <b>Table 3.1</b> to determine estimates.          |      |      |      |       |       |
| Source: U.S. Census Bureau, 2010 and 2020 Census Redistricting Data (PL 94-171) |      |      |      |       |       |

**TABLE 3.3: SUMMIT COUNTY CURRENT AND 5-YEAR POPULATION FIGURES**

|                              | 2023   | 2024   | 2025   | 2026   | 2027   | 2028   |
|------------------------------|--------|--------|--------|--------|--------|--------|
| Summit County                | 44,364 | 45,018 | 45,957 | 46,907 | 47,869 | 48,861 |
| Coalville                    | 1,525  | 1,538  | 1,551  | 1,564  | 1,578  | 1,592  |
| Francis                      | 1,749  | 1,815  | 1,884  | 1,956  | 2,030  | 2,107  |
| Henefer                      | 862    | 870    | 878    | 886    | 894    | 902    |
| Kamas                        | 2,184  | 2,216  | 2,248  | 2,281  | 2,314  | 2,348  |
| Oakley                       | 1,624  | 1,637  | 1,650  | 1,663  | 1,676  | 1,689  |
| Park City                    | 8,666  | 8,758  | 8,851  | 8,945  | 9,040  | 9,136  |
| Unincorporated Summit County | 27,578 | 28,005 | 28,439 | 28,879 | 29,327 | 29,781 |

Population projections for the Study Area are based on a proposed five-year buildout for residential units. **Table 3.4** details the five-year projections for residents within the Study Area.

**TABLE 3.4: WEST HILLS CURRENT AND 5-YEAR POPULATION FIGURES**

|                                 | 2023 | 2024 | 2025 | 2026 | 2027  | 2028  |
|---------------------------------|------|------|------|------|-------|-------|
| Projected West Hills Population | 176  | 179  | 456  | 733  | 1,010 | 1,306 |

**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 persons per household (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         | HU        | PPH         | HU         | PPH         | HU         | PPH         | HU         | PPH         | HU         | PPH         |
| Summit County       | 16,679    | 2.66        | 16,997    | 2.65        | 17,321     | 2.65        | 17,651     | 2.65        | 17,987     | 2.65        | 18,330     | 2.65        |
| Coalville           | 556       | 2.74        | 562.00    | 2.74        | 568        | 2.73        | 574        | 2.72        | 580        | 2.72        | 586        | 2.72        |
| Francis*            | 509       | 3.44        | 527       | 3.44        | 546        | 3.45        | 566        | 3.46        | 587        | 3.46        | 608        | 3.47        |
| Henefer*            | 269       | 3.20        | 271       | 3.21        | 273        | 3.22        | 275        | 3.22        | 277        | 3.23        | 279        | 3.23        |
| Kamas               | 750       | 2.91        | 763       | 2.90        | 776        | 2.90        | 789        | 2.89        | 802        | 2.89        | 816        | 2.88        |
| Oakley              | 500       | 3.25        | 500       | 3.27        | 500        | 3.30        | 500        | 3.33        | 500        | 3.35        | 500        | 3.38        |
| Park City           | 4,116     | 2.11        | 4,192     | 2.09        | 4,270      | 2.07        | 4,349      | 2.06        | 4,430      | 2.04        | 4,512      | 2.02        |
| Other Summit County | 9,981     | 2.76        | 10,185    | 2.75        | 10,393     | 2.74        | 10,605     | 2.72        | 10,822     | 2.71        | 11,043     | 2.70        |
| <b>West Hills</b>   | <b>65</b> | <b>2.71</b> | <b>66</b> | <b>2.71</b> | <b>171</b> | <b>2.67</b> | <b>276</b> | <b>2.66</b> | <b>381</b> | <b>2.65</b> | <b>493</b> | <b>2.65</b> |

\*Building Permit data unavailable.

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<sup>3</sup>, the Study Area’s median household income is estimated at \$83,105 as of 2022.

**TABLE 3.6: HISTORIC MEDIAN INCOME**

|                   | 2018            | 2019            | 2020            | 2021*           | 2022*           | 2010 – 2020<br>AAGR |
|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| Summit County     | \$100,798       | \$103,839       | \$106,973       | \$110,201       | \$113,527       | 3.0%                |
| Coalville         | \$73,901        | \$76,921        | \$80,063        | \$83,334        | \$86,738        | 4.1%                |
| Francis           | \$80,311        | \$83,112        | \$86,012        | \$89,013        | \$92,118        | 3.5%                |
| Henefer           | \$73,576        | \$76,671        | \$79,896        | \$83,256        | \$86,758        | 4.2%                |
| Kamas             | \$63,421        | \$67,041        | \$70,867        | \$74,911        | \$79,187        | 5.7%                |
| Oakley            | \$79,767        | \$79,178        | \$78,594        | \$78,014        | \$77,439        | -0.7%               |
| Park City         | \$101,462       | \$107,924       | \$114,798       | \$122,110       | \$129,887       | 6.4%                |
| <b>West Hills</b> | <b>\$73,444</b> | <b>\$75,748</b> | <b>\$78,125</b> | <b>\$80,576</b> | <b>\$83,105</b> | <b>3.1%</b>         |

\* Applied growth 2010 – 2020 growth rate to determine estimates.

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             |
|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Summit County     | \$116,953       | \$120,482       | \$124,118       | \$127,863       | \$131,722       | \$135,697        |
| Coalville         | \$90,282        | \$93,970        | \$97,809        | \$101,805       | \$105,964       | \$110,293        |
| Francis           | \$95,332        | \$98,658        | \$102,100       | \$105,662       | \$109,348       | \$113,163        |
| Henefer           | \$90,407        | \$94,210        | \$98,173        | \$102,302       | \$106,605       | \$111,088        |
| Kamas             | \$83,706        | \$88,483        | \$93,533        | \$98,871        | \$104,514       | \$110,478        |
| Oakley            | \$76,867        | \$76,300        | \$75,737        | \$75,178        | \$74,624        | \$74,073         |
| Park City         | \$138,160       | \$146,960       | \$156,320       | \$166,276       | \$176,867       | \$188,132        |
| <b>West Hills</b> | <b>\$85,712</b> | <b>\$88,401</b> | <b>\$91,175</b> | <b>\$94,036</b> | <b>\$96,987</b> | <b>\$100,030</b> |

**TAX BASE**

The tax base of the region is important to consider in this incorporation study as growth in property values, taxable sales, and employment are valuable components when determining feasibility. The following paragraphs discuss the County’s regional economy.

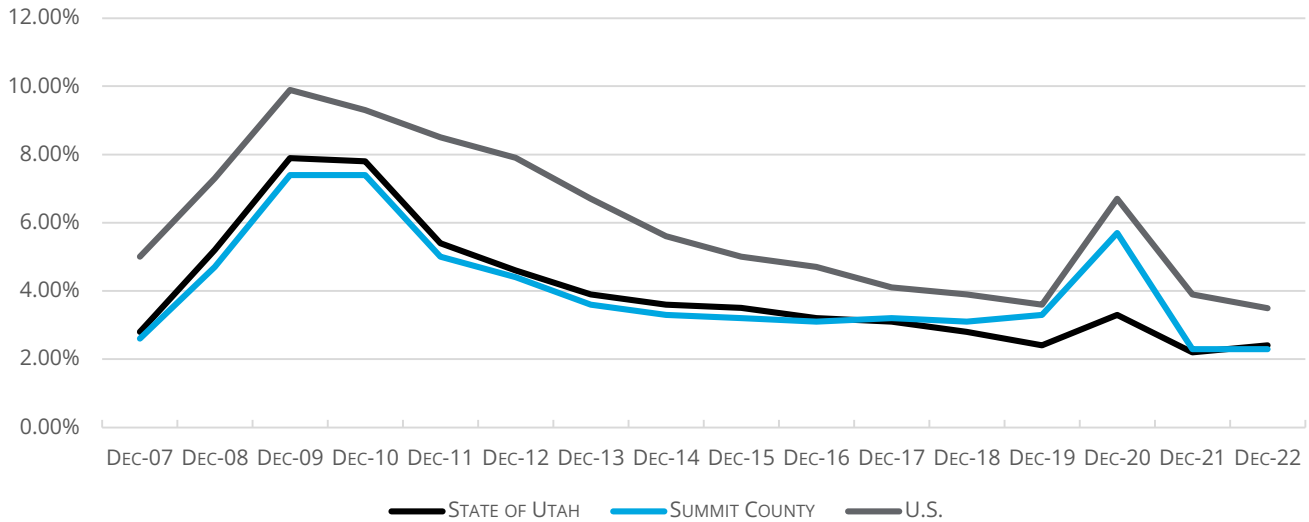
**REGIONAL ECONOMY**

Summit County is located in northeast Utah. The unemployment rate for the County averaged 2.6 percent in September 2023. Unemployment peaked in 2009 at an average of 7.4 percent (see **Figure 3.1**) 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 Summit County experienced a 48.3 percent increase in non-farm jobs. More generally, from 2020 to 2021, the County experienced large increases in construction, manufacturing, and leisure and hospitality, with a total employment change of 7.3 percent. Over the same period, information jobs declined by 6.1 percent and government jobs decreased by 1.4 percent.

<sup>3</sup> Applicable Census tracts include: 9642.01

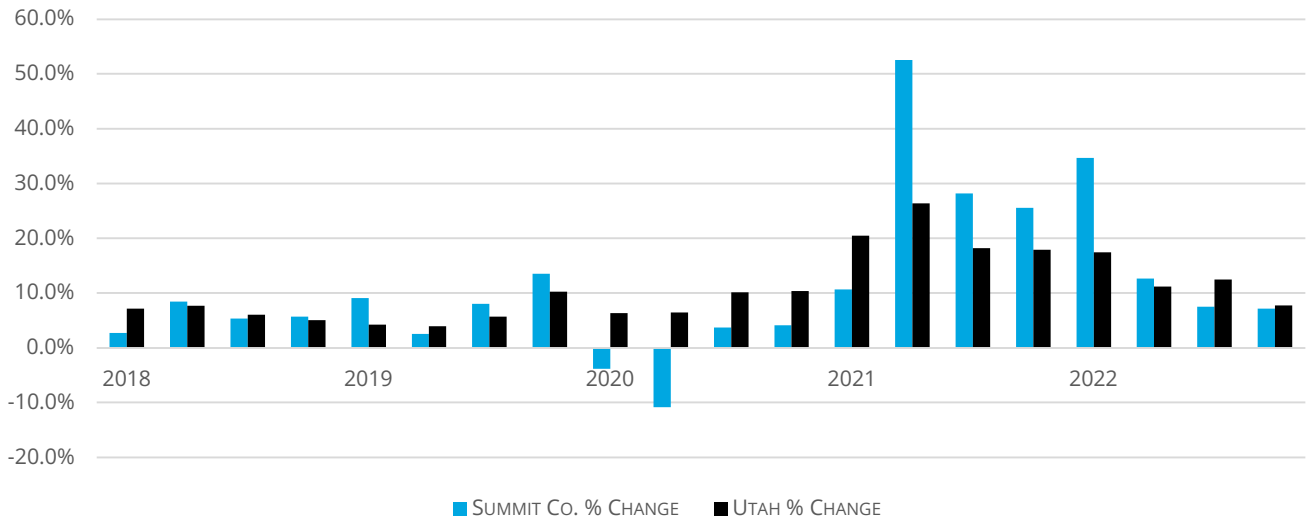


**FIGURE 3.1: HISTORIC SUMMIT COUNTY SEASONALLY ADJUSTED UNEMPLOYMENT RATES**



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, Q2 experienced an increase of 52.5 percent in taxable sales in the County.

**FIGURE 3.2: COMPARISON OF QUARTERLY TAXABLE SALES TRENDS FOR SUMMIT COUNTY**



Historic taxable value figures for Summit County show an AAGR of 17.1 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: SUMMIT COUNTY HISTORIC TAXABLE VALUE**

|            | 2018            | 2019            | 2020            | 2021            | 2022             | 5 Yr. AAGR |
|------------|-----------------|-----------------|-----------------|-----------------|------------------|------------|
| Real: Land | \$6,428,841,755 | \$7,485,107,127 | \$7,759,842,205 | \$8,137,812,312 | \$10,326,099,560 | 12.6%      |



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|                    | 2018                    | 2019                    | 2020                    | 2021                    | 2022                    | 5 Yr. AAGR   |
|--------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|
| Real: Buildings    | \$12,298,199,615        | \$13,584,263,183        | \$14,906,745,482        | \$17,352,535,272        | \$24,894,855,600        | 19.3%        |
| Personal           | \$252,382,470           | \$262,821,968           | \$295,144,835           | \$307,513,088           | \$322,168,753           | 6.3%         |
| Centrally Assessed | \$518,679,888           | \$521,797,660           | \$539,111,367           | \$552,621,502           | \$537,516,377           | 0.9%         |
| <b>TOTAL</b>       | <b>\$19,498,103,728</b> | <b>\$21,853,989,938</b> | <b>\$23,500,843,889</b> | <b>\$26,350,482,174</b> | <b>\$36,080,640,290</b> | <b>16.6%</b> |
| Motor Vehicle      | \$25,776,399            | \$30,535,860            | \$27,583,638            | \$31,586,815            | \$33,910,618            | 7.1%         |

Source: Utah State Tax Commission

**STUDY AREA ECONOMY**

From an analysis of Summit County parcel data with respect to parcel property types, it was found that the distribution of land uses in the Study Area illustrates a concentration of primary and non-primary residential development, with some additional land dedicated to agricultural uses. The Study Area is comprised of 126 parcels<sup>4</sup> with a taxable value of \$44,356,508. The Study Area represents 0.10 percent of the total County taxable value and 0.19 percent of the Municipal Services Fund (MSF) taxable value.

**TABLE 3.9: ESTIMATE OF STUDY AREA TAXABLE VALUE**

|   |                     |
|---|---------------------|
| <b>TOTAL WEST HILLS TAXABLE VALUE</b>                 | <b>\$44,356,508</b> |
| Study Area Taxable Value as % of County Taxable Value | 0.10%               |
| Study Area Taxable Value as % of MSF Taxable Value    | 0.19%               |

**PROJECTIONS OF COUNTY ECONOMIC BASE**

The following paragraphs address the projections of the economic base within unincorporated Summit County, specifically as it relates to the Municipal Services Fund. Final 2023 financials were unavailable at the time of the study. As a result, actuals for 2018 through 2022 and budget estimates for 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 three percent growth rate based on historic growth. **Table 3.11** includes historic taxable values in the MSF while **Table 3.12** details the current and projected values based on Utah State Tax Commission historic data.

**TABLE 3.11: HISTORIC MUNICIPAL TYPE SERVICE FUND TAXABLE VALUE**

|                          | 2017            | 2018            | 2019             | 2020             | 2021             | 2022             |
|--------------------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
| Certified Tax Rate Value | \$8,598,273,481 | \$8,979,778,362 | \$10,381,877,685 | \$11,279,498,995 | \$12,821,619,891 | \$17,890,144,229 |

Source: Utah State Tax Commission

**TABLE 3.12: CURRENT AND PROJECTED MUNICIPAL TYPE SERVICE FUND TAXABLE VALUE**

|                          | 2023             | 2024             | 2025             | 2026             | 2027             | 2028             |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Certified Tax Rate Value | \$23,205,203,733 | \$24,365,463,920 | \$25,583,737,116 | \$26,862,923,971 | \$28,206,070,170 | \$29,616,373,678 |

Future sales tax growth projections are based on a general growth estimate of nine percent. Historic data from 2018 – 2022 showed an AAGR of nine percent.

<sup>4</sup> Parcels considered for this analysis are all those within the Study Area boundary except for roadways.



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**TABLE 3.13: HISTORIC MUNICIPAL SERVICES FUND SALES TAX REVENUE**

|                       | 2019         | 2020         | 2021         | 2022         | 2023         |
|-----------------------|--------------|--------------|--------------|--------------|--------------|
| MSF Sales Tax Revenue | \$13,190,214 | \$13,906,947 | \$17,105,943 | \$19,756,411 | \$17,433,803 |

**TABLE 3.14: PROJECTED MUNICIPAL SERVICES FUND SALES TAX REVENUE**

|                       | 2024         | 2025         | 2026         | 2027         | 2028         |
|-----------------------|--------------|--------------|--------------|--------------|--------------|
| MSF Sales Tax Revenue | \$19,002,845 | \$20,713,101 | \$22,577,281 | \$24,609,236 | \$26,824,067 |

**PROJECTIONS OF STUDY AREA ECONOMIC BASE**

Significant factors that will influence revenues within the Study Area include taxable assessed value and taxable sales. Presently, as the Study Area does not contain commercial or industrial parcels, taxable value is derived from residential and agricultural parcels and taxable sales come only through the population allocation and online point-of-sale. Growth in taxable value will influence future property tax revenues and general government services funding. New growth calculations are based on a projected five-year buildout of future construction within the Study Area, shown in **Table 3.16**. We assumed that the number of households would grow at a rate proportional to new residential development within the projected five-year window at an average value of \$878,000. **Table 3.15** details the projected taxable value for the Study Area.

**TABLE 3.15: STUDY AREA TAXABLE VALUE**

|                            | ACTUAL              | PROJECTED           |                      |                      |                      |                      |
|----------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
|                            | 2023                | 2024                | 2025                 | 2026                 | 2027                 | 2028                 |
| Assessed Value             | \$44,356,508        | \$44,356,508        | \$53,090,449         | \$112,045,990        | \$162,750,490        | \$213,454,990        |
| New Growth                 |                     | 8,733,941           | \$58,955,541         | \$50,704,500         | \$50,704,500         | \$57,274,143         |
| <b>TOTAL TAXABLE VALUE</b> | <b>\$44,356,508</b> | <b>\$53,090,449</b> | <b>\$112,045,990</b> | <b>\$162,750,490</b> | <b>\$213,454,990</b> | <b>\$270,729,133</b> |

**TABLE 3.16: STUDY AREA TAXABLE VALUE NEW GROWTH**

|   | PROJECTED          |                     |                     |                     |                     |
|---|--------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2024               | 2025                | 2026                | 2027                | 2028                |
| New Residential Units                   | 1                  | 105                 | 105                 | 105                 | 112                 |
| <b>Residential Taxable Value Growth</b> | <b>\$482,900</b>   | <b>\$50,704,500</b> | <b>\$50,704,500</b> | <b>\$50,704,500</b> | <b>\$54,084,800</b> |
| New Commercial Square Footage           | 80,000             | 80,000              | 0                   | 0                   | 0                   |
| <b>Commercial Taxable Value Growth</b>  | <b>\$8,251,041</b> | <b>\$8,251,041</b>  | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          |
| New Industrial Square Footage           | 0                  | 0                   | 0                   | 0                   | 50,000              |
| <b>Industrial Taxable Value Growth</b>  | <b>\$0</b>         | <b>\$0</b>          | <b>\$0</b>          | <b>\$0</b>          | <b>\$3,189,343</b>  |
| <b>TOTAL TAXABLE VALUE GROWTH</b>       | <b>\$8,733,941</b> | <b>\$58,955,541</b> | <b>\$50,704,500</b> | <b>\$50,704,500</b> | <b>\$57,274,143</b> |

Sales tax revenues are distributed based on two methodologies: 1) the ratio of population; and 2) point of sale, or the location of the sale. Total sales tax collections are distributed equally between these allocation strategies, with 50 percent assigned to point of sale and 50 percent to population. Taxable sales have increased by an average of 9.4 percent in the State since 2017; LRB assumed an AAGR of nine percent for the population and point of sales projections as a result.

Population revenues are distributed to local entities based on the ratio of their population to the State’s population as a whole. Retail point of sale revenues were calculated using estimated commercial square footage and sales tax data from Wasatch County, while online point of sale revenues were calculated using a static per capita figure. The table below summarizes the total



estimated sales tax revenue attributed to the Study Area. **Section 5** of this study discusses the population and point of sales methodologies further and **Section 7** outlines the challenges presented by the data utilized to calculate sales tax revenues.

**TABLE 3.17: STUDY AREA ESTIMATED SALES TAX REVENUE**

|                                  | ESTIMATED       |                  |                  | PROJECTED        |                  |                  |
|----------------------------------|-----------------|------------------|------------------|------------------|------------------|------------------|
|                                  | 2023            | 2024             | 2025             | 2026             | 2027             | 2028             |
| Population Distribution          | \$24,112        | \$26,283         | \$71,762         | \$123,634        | \$182,581        | \$253,035        |
| Retail Point of Sale             | \$0             | \$157,483        | \$171,656        | \$374,210        | \$407,889        | \$444,599        |
| Online Point of Sale             | \$2,728         | \$3,024          | \$8,397          | \$14,713         | \$22,098         | \$31,146         |
| <b>TOTAL ESTIMATED SALES TAX</b> | <b>\$26,840</b> | <b>\$186,790</b> | <b>\$251,816</b> | <b>\$512,557</b> | <b>\$612,569</b> | <b>\$728,780</b> |

**PUBLIC FACILITIES**

There are presently no public facilities within the Study Area boundaries. The nearest public schools to the Study Area are located to the east in the City of Kamas. Future buildout plans for West Hills include public parkland but are not considered within the confines of this study. Accessible via routes nearby the Study Area is Jordanelle State Park, operated by Utah State Parks, offering picnic and campground areas and access to activities on the Jordanelle Reservoir.



## SECTION 4: PRESENT & FIVE-YEAR COST PROJECTIONS

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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.<sup>5</sup> This analysis assumes that several municipal services provided by the County, Special Districts, and private companies will continue to be provided regardless of the 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 and Secondary Water
  - Weber Basin Water Conservancy District, Beaver and Shingle Creek Irrigation Company
- Sewer
  - Private arrangements by individual property owners
- Fire
  - South Summit Fire Protection District
- Weeds
  - Paid through the Summit County General Fund
- Garbage
  - Paid by individual property owners to Republic Services

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 planning and zoning and building;
- Law Enforcement;
- Roads

### COUNTY COST ESTIMATES

Expenditures related to County services were calculated using historic budget data from 2019 - 2022, 2023 budget data, and recommendations from the County Chief Finance Officer. For the purposes of this analysis, the tables below combine the County's projected expenditures into the general categories specified above.

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<sup>5</sup> Utah Code 10-2a-205(3)(b)(i)



**TABLE 4.1: COUNTY SCENARIO: HISTORIC AND PRESENT EXPENDITURES**

|                    | 2019                | 2020                | 2021                | 2022                | 2023                |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Government | \$9,500,041         | \$9,932,642         | \$11,118,938        | \$11,950,926        | \$16,339,225        |
| Law Enforcement    | \$5,713,099         | \$5,658,715         | \$6,047,692         | \$7,472,911         | \$9,690,281         |
| Fire Warden        | \$32,950            | \$36,967            | \$36,814            | \$41,478            | \$136,850           |
| Roads & Highways   | \$24,384,527        | \$12,727,943        | \$11,536,979        | \$25,872,648        | \$18,198,220        |
| <b>TOTAL</b>       | <b>\$39,630,617</b> | <b>\$28,356,267</b> | <b>\$28,740,423</b> | <b>\$45,337,963</b> | <b>\$44,364,576</b> |

The five-year projections are based on an analysis of the historic AAGR for each budget line item, as well as insight from County staff, which are then applied to account for inflation and anticipated growth.<sup>6</sup> Between 2019 and 2022, the County’s MSF expenditures grew at an AAGR of 2.9 percent. **Table 4.2** illustrates the estimated expenditures if the County continues to provide services.

**TABLE 4.2: COUNTY SCENARIO: 5-YEAR PROJECTED EXPENDITURES**

|                    | 2024                | 2025                | 2026                | 2027                | 2028                |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Government | \$17,022,134        | \$17,739,188        | \$18,492,095        | \$19,282,647        | \$20,112,727        |
| Law Enforcement    | \$10,174,795        | \$10,683,535        | \$11,217,712        | \$11,778,597        | \$12,367,527        |
| Fire Warden        | \$143,693           | \$150,877           | \$158,421           | \$166,342           | \$174,659           |
| Roads & Highways   | \$19,108,131        | \$20,063,538        | \$21,066,714        | \$22,120,050        | \$23,226,053        |
| <b>TOTAL</b>       | <b>\$46,448,752</b> | <b>\$48,637,137</b> | <b>\$50,934,942</b> | <b>\$53,347,636</b> | <b>\$55,880,966</b> |

**STUDY AREA COST ESTIMATES (ASSUMING TOWN INCORPORATION)**

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

- a) Average expenditures of comparative cities;
- b) Population and comparative contract costs;

**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, assuming the incorporation goes to a vote, and the LRB contract cost. Summit County estimates a cost of \$8,000 for elections for the Study Area.

LRB also analyzed potential costs for building government offices in the Study Area. While it is not a mandatory condition for incorporation to construct a government office building, estimated costs for this structure are considered in this study in the event of future necessity. Scenarios in which a government office building is constructed are included in **Section 8** and include an analysis related to a one-time building cost of \$1.56M that is amortized over a 20-year period.

**GENERAL GOVERNMENT SERVICES**

Summit County provides administrative, engineering, and planning services to unincorporated areas. Individual general government costs for the Study Area were calculated first by isolating each of the above components within the MSF budget for 2023. A per capita rate for each component was then generated and summed to create a total general government cost per capita. This figure was

<sup>6</sup> Subsection (4)(b)(iii) requires the cost analysis to account for inflation and growth.



extended to 2028 at a three percent annual growth rate and applied to the projected Study Area population for each year to determine the total annual general government expenditure.

**TABLE 4.3: WEST HILLS GENERAL GOVERNMENT SERVICES 5-YEAR PROJECTED COSTS**

|  | ESTIMATED       | PROJECTED       |                  |                  |                  |                  |
|--|-----------------|-----------------|------------------|------------------|------------------|------------------|
|  | 2023            | 2024            | 2025             | 2026             | 2027             | 2028             |
| General Administrative Services Per Capita | \$233.69        | \$245.37        | \$257.64         | \$270.52         | \$284.05         | \$298.25         |
| Engineering Per Capita                     | \$140.52        | \$147.55        | \$154.93         | \$162.67         | \$170.81         | \$179.35         |
| Planning and Zoning Per Capita             | \$112.88        | \$118.52        | \$124.45         | \$130.67         | \$137.20         | \$144.06         |
| <b>West Hills Population</b>               | <b>176</b>      | <b>179</b>      | <b>456</b>       | <b>733</b>       | <b>1,010</b>     | <b>1,306</b>     |
| General Administrative Services            | \$41,129        | \$43,921        | \$117,483        | \$198,291        | \$286,886        | \$389,512        |
| Engineering                                | \$24,732        | \$26,411        | \$70,647         | \$119,240        | \$172,515        | \$234,228        |
| Planning and Zoning                        | \$19,866        | \$21,215        | \$56,748         | \$95,781         | \$138,576        | \$188,147        |
| <b>TOTAL GENERAL GOVERNMENT COSTS</b>      | <b>\$85,727</b> | <b>\$91,548</b> | <b>\$244,878</b> | <b>\$413,312</b> | <b>\$597,977</b> | <b>\$811,887</b> |

**LAW ENFORCEMENT**

According to input from County staff, a municipality of the size projected for the Study Area would likely need to contract for services with the Summit County Sheriff's Office. Oakley, a nearby municipality, already contracts the Sheriff's Office for service at a rate of \$78 per hour per deputy for an annual maximum of 380 hours. To determine the potential law enforcement costs for the Study Area, the 380 annual contracted hours were divided by the 2023 Oakley population to determine an annual per capita count of hours. As shown in **Table 4.4**, this figure was multiplied for each year by the Study Area population and an hourly patrol rate increasing by three percent per year to determine annual law enforcement costs.

**TABLE 4.4: LAW ENFORCEMENT PER CAPITA COST ALLOCATION**

|                                    | 2024           | 2025           | 2026            | 2027            | 2028            |
|------------------------------------|----------------|----------------|-----------------|-----------------|-----------------|
| Patrol Hourly Rate                 | \$78           | \$80           | \$83            | \$85            | \$88            |
| West Hills Population              | 179            | 456            | 733             | 1010            | 1306            |
| Hours per Capita                   | 0.23           | 0.23           | 0.23            | 0.23            | 0.23            |
| <b>TOTAL LAW ENFORCEMENT COSTS</b> | <b>\$3,267</b> | <b>\$8,572</b> | <b>\$14,193</b> | <b>\$20,143</b> | <b>\$26,828</b> |

**ROADS**

From a GIS analysis of roadways, the mileage for paved roads for the Study Area is estimated at 4.96 miles and 4.07 miles of unpaved roads. As some of both the paved and unpaved road mileage lies along the border between the Study Area and unincorporated county, the UDOT multipliers for those portions of mileage were halved.

**TABLE 4.5: WEST HILLS ESTIMATED WEIGHTED MILEAGE**

| TYPE              | MILEAGE     | UDOT MULTIPLIER* | TOTAL WEIGHTED MILEAGE |
|-------------------|-------------|------------------|------------------------|
| Paved             | 3.98        | 5                | 19.90                  |
| Unpaved           | 2.83        | 2                | 5.66                   |
| Paved - Partial   | 0.98        | 2.5              | 2.45                   |
| Unpaved - Partial | 1.24        | 1                | 1.24                   |
| <b>TOTAL</b>      | <b>9.03</b> |                  | <b>29.25</b>           |

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

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





To calculate expenses for roads in the Study Area, the average public works per capita expense for Unincorporated Summit County for 2019 through 2023, a value of \$493.98, was applied to the 2023 population of the Study Area to generate a cost of \$88,422. This cost was carried forward into succeeding years at a growth rate of 5 percent.

For reference, data on comparable towns were gathered to determine a typical expense per weighted mile. The data included in the analysis comprises weighted mileage and fiscal year (FY) 2023 budgeted roads expenditures from Altamont, Fairfield, Interlaken, Lynndyl, Tabiona, and Woodruff. The per capita-based cost for the Study Area was found to be similar to the comparable average.

**TABLE 4.6: WEST HILLS COMPARATIVE ROAD COSTS PER WEIGHTED MILE**

|   | WEIGHTED MILEAGE (FY23) | ROADS EXPENSE FY23 | EXPENSE PER WEIGHTED MILE |
|---|-------------------------|--------------------|---------------------------|
| Altamont                                      | 14.47                   | \$148,764          | \$10,281                  |
| Fairfield                                     | 52.27                   | \$58,000           | \$1,110                   |
| Interlaken                                    | 17.85                   | \$20,529           | \$1,150                   |
| Lynndyl                                       | 24.40                   | \$16,200           | \$664                     |
| Tabiona                                       | 9.94                    | \$10,500           | \$1,056                   |
| Woodruff                                      | 14.03                   | \$2,500            | \$178                     |
| <b>Average Expense per Weighted Mile</b>      |                         |                    | <b>\$2,407</b>            |
| <b>West Hills Mileage (Paved, Unweighted)</b> |                         |                    | <b>29.25</b>              |
| <b>TOTAL ROAD COST</b>                        |                         |                    | <b>\$70,930</b>           |

Source: State Road GIS Shapefile, UDOT B&C Road Fund Information, Mileage and Annual Summary Reports, Utah State Auditor, Local and State Government Budget Reports

### DEBT SERVICE

Accounting for debt service payments included in the yearly budgets for the Municipal Service Fund for 2018 and 2021 Sales Tax Revenue Bonds, estimated sales tax revenue for the Study Area was divided by budgeted sales tax revenue for the MSF in 2023 and applied to the total 2023 debt service expense for the MSF. The Study Area’s debt service expense was determined to be a value of \$4,128. This amount was perpetuated annually to 2028.

**Table 4.7** summarizes the expenditures forecasted for the proposed Study Area. The projected year costs are inflated at five percent.

**TABLE 4.7: WEST HILLS 5-YEAR PROJECTED EXPENDITURES**

|                                | 2024             | 2025             | 2026             | 2027             | 2028             |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| Incorporation Costs            | \$29,000         | \$0              | \$0              | \$0              | \$0              |
| General Government             | \$91,548         | \$244,878        | \$413,312        | \$597,977        | \$811,887        |
| Law Enforcement                | \$3,267          | \$8,572          | \$14,193         | \$20,143         | \$26,828         |
| Roads                          | \$88,422         | \$92,843         | \$97,485         | \$102,360        | \$107,478        |
| Debt Service                   | \$4,128          | \$4,128          | \$4,128          | \$4,128          | \$4,128          |
| <b>TOTAL OPERATING EXPENSE</b> | <b>\$216,365</b> | <b>\$350,421</b> | <b>\$529,118</b> | <b>\$724,607</b> | <b>\$950,320</b> |

**Table 4.8** summarizes per capita expenditures for comparable municipalities utilizing the Study Area’s expense categories.



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**TABLE 4.8: COMPARATIVE 2023 EXPENSES PER CAPITA**

|                   | <b>GENERAL GOVERNMENT</b> | <b>LAW ENFORCEMENT</b> | <b>ROADS</b> | <b>OTHER</b> | <b>TOTAL</b>   |
|-------------------|---------------------------|------------------------|--------------|--------------|----------------|
| Altamont          | \$495                     | \$212                  | \$611        | \$152        | <b>\$1,471</b> |
| Fairfield         | \$1,085                   | \$240                  | \$332        | \$226        | <b>\$1,883</b> |
| Interlaken        | \$331                     | \$87                   | \$110        | \$286        | <b>\$814</b>   |
| Lynndyl           | \$279                     | \$171                  | \$144        | \$132        | <b>\$725</b>   |
| Tabiona           | \$465                     | \$11                   | \$77         | \$111        | <b>\$664</b>   |
| Woodruff          | \$248                     | \$0                    | \$15         | \$0          | <b>\$263</b>   |
| <b>Study Area</b> | <b>\$511</b>              | <b>\$18</b>            | <b>\$494</b> | <b>\$185</b> | <b>\$1,209</b> |



## 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 2019 - 2022, 2023 budget data, and recommendations from the County Chief Finance Officer. Furthermore, additional allocation methodologies were utilized based on population, assessed value, and standard State allocation practices.

### COUNTY REVENUES

The MSF revenues were grouped into major categories from a budgeting perspective. The projections below are based on an analysis of the historic AAGR for each budget line item, as well as insight from County staff. Between 2019 and 2023, the County's MSF revenue grew at an AAGR of 7.6 percent.

**TABLE 5.1: COUNTY MSF HISTORIC AND CURRENT REVENUES**

|                     | 2019                | 2020                | 2021                | 2022                | 2023                |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Taxes               | \$19,607,654        | \$20,879,667        | \$24,413,969        | \$27,385,090        | \$25,258,592        |
| Charges for Service | \$2,565,153         | \$1,881,743         | \$3,218,236         | \$2,817,046         | \$2,142,850         |
| Intergovernmental   | \$5,138,920         | \$4,285,638         | \$5,011,320         | \$4,791,516         | \$5,555,100         |
| Licenses and Fees   | \$2,789,937         | \$1,938,700         | \$4,060,843         | \$3,282,699         | \$2,700,000         |
| Other Financing     | \$3,010,990         | \$978,397           | \$653,936           | \$2,823,121         | \$8,708,032         |
| <b>TOTAL</b>        | <b>\$33,112,654</b> | <b>\$29,964,145</b> | <b>\$37,358,304</b> | <b>\$41,099,472</b> | <b>\$44,364,574</b> |

**Table 5.2** includes property tax projected for new growth and an additional levy to meet the demand.

**TABLE 5.2: COUNTY SCENARIO 5-YEAR PROJECTED REVENUES**

|                     | 2024                | 2025                | 2026                | 2027                | 2028                |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Taxes               | \$27,211,259        | \$29,324,168        | \$31,610,978        | \$34,086,537        | \$36,766,991        |
| Charges for Service | \$2,190,529         | \$2,240,521         | \$2,292,980         | \$2,348,067         | \$2,405,956         |
| Intergovernmental   | \$5,443,998         | \$5,335,118         | \$5,228,416         | \$5,123,847         | \$5,021,370         |
| Licenses and Fees   | \$2,835,000         | \$2,976,750         | \$3,125,588         | \$3,281,867         | \$3,445,960         |
| Other Financing     | \$8,861,226         | \$9,024,419         | \$9,197,640         | \$9,380,932         | \$9,574,356         |
| <b>TOTAL</b>        | <b>\$46,542,012</b> | <b>\$48,900,977</b> | <b>\$51,455,601</b> | <b>\$54,221,251</b> | <b>\$57,214,634</b> |

### STUDY AREA REVENUES (ASSUMING TOWN INCORPORATES)

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

- Property tax based on assessed value and new growth;
- State Sales Tax allocation based on population and point of sale;



- c) State Class C Road Fund allocation based on lane miles and population;
- d) License and permit revenues based on estimated expenses; and
- e) Interest earnings based on per capita comparatives.

### 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**, new growth calculations are based on a projected five-year buildout of future construction within the Study Area. We assumed that the number of households would grow at a rate proportional to new residential development (see **Table 3.16**) within the projected five-year window at an average value of \$878,000.

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

|   | ACTUAL              |                     | PROJECTED            |                      |                      |                      |
|---|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2023                | 2024                | 2025                 | 2026                 | 2027                 | 2028                 |
| Assessed Value                            | \$44,356,508        | \$44,356,508        | \$53,090,449         | \$112,045,990        | \$162,750,490        | \$213,454,990        |
| New Growth                                |                     | \$8,733,941         | \$58,955,541         | \$50,704,500         | \$50,704,500         | \$57,274,143         |
| <b>TOTAL TAXABLE VALUE</b>                | <b>\$44,356,508</b> | <b>\$53,090,449</b> | <b>\$112,045,990</b> | <b>\$162,750,490</b> | <b>\$213,454,990</b> | <b>\$270,729,133</b> |
| County MSF Levy                           | 0.000307            | 0.000326            | 0.000326             | 0.000326             | 0.000326             | 0.000326             |
| <b>PROPERTY TAX REVENUE FROM MSF LEVY</b> | <b>\$13,617</b>     | <b>\$17,321</b>     | <b>\$36,556</b>      | <b>\$53,099</b>      | <b>\$69,642</b>      | <b>\$88,328</b>      |

### SALES TAX

Sales tax revenues are distributed based on two methodologies: 1) the ratio of population; and 2) point of sale, or the location of the sale. Total sales tax collections are distributed equally between these allocation strategies, with 50 percent assigned to point of sale and 50 percent to population. Taxable sales have increased by an average of 9.4 percent in the State since 2017; LRB assumed an AAGR of nine percent for the population and point of sales projections as a result.

Population revenues are distributed to local entities based on the ratio of their population to the State’s population as a whole. The State population distribution pool in **Table 5.4** represents an average between the applicable current and prior fiscal year to estimate State’s sale tax for the calendar year. The calculated average was then multiplied by 50 percent to distribute the total sales tax collections based on population.

**TABLE 5.4: RATIO OF POPULATION DISTRIBUTION 5-YEAR PROJECTED REVENUES**

|                                    | 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                        | 9.00%           | 9.00%           | 9.00%           | 9.00%            | 9.00%            | 9.00%            |
| State Population                   | 3,441,399       | 3,499,929       | 3,559,455       | 3,619,993        | 3,681,561        | 3,744,176        |
| Distributed per Capita             | \$137.00        | \$146.83        | \$157.37        | \$168.67         | \$180.77         | \$193.75         |
| Study Area Estimated Population    | 176             | 179             | 456             | 733              | 1,010            | 1,306            |
| <b>POPULATION DISTRIBUTION</b>     | <b>\$24,112</b> | <b>\$26,283</b> | <b>\$71,762</b> | <b>\$123,634</b> | <b>\$182,581</b> | <b>\$253,035</b> |

Source: Utah State Tax Commission



Retail point of sale revenues were calculated using estimated commercial square footage and sales tax data from Wasatch County, where the CY22 taxable sales for Charleston, Daniel, Heber City, Midway, and Wallsburg were divided by commercial square footage in each municipality and averaged to create a retail point of sale per commercial square foot figure. Online point of sale revenues were calculated using a static per capita spending figure of \$3,100<sup>7</sup>. The table below summarizes the total point of sale tax revenue attributed to the Study Area.

**TABLE 5.5: POINT OF SALE DISTRIBUTION 5-YEAR PROJECTED REVENUES**

|                                     | ESTIMATED      | PROJECTED        |                  |                  |                  |                  |
|-------------------------------------|----------------|------------------|------------------|------------------|------------------|------------------|
|                                     | 2023           | 2024             | 2025             | 2026             | 2027             | 2028             |
| <b>RETAIL POINT OF SALE REVENUE</b> |                |                  |                  |                  |                  |                  |
| Sales Tax per Square Foot           | \$361.20       | \$393.71         | \$429.14         | \$467.76         | \$509.86         | \$555.75         |
| Commercial Square Footage           | -              | 80,000           | 80,000           | 160,000          | 160,000          | 160,000          |
| Allocation                          | 0.50%          | 0.50%            | 0.50%            | 0.50%            | 0.50%            | 0.50%            |
| <b>Subtotal</b>                     | <b>\$0</b>     | <b>\$157,483</b> | <b>\$171,656</b> | <b>\$374,210</b> | <b>\$407,889</b> | <b>\$444,599</b> |
| <b>ONLINE POINT OF SALE REVENUE</b> |                |                  |                  |                  |                  |                  |
| Point of Sale per Capita            | \$15.50        | \$16.90          | \$18.42          | \$20.07          | \$21.88          | \$23.85          |
| Study Area Population               | 176            | 179              | 456              | 733              | 1010             | 1306             |
| <b>Subtotal</b>                     | <b>\$2,728</b> | <b>\$3,024</b>   | <b>\$8,397</b>   | <b>\$14,713</b>  | <b>\$22,098</b>  | <b>\$31,146</b>  |
| <b>TOTAL POINT OF SALE</b>          | <b>\$2,728</b> | <b>\$160,507</b> | <b>\$180,054</b> | <b>\$388,924</b> | <b>\$429,988</b> | <b>\$475,746</b> |

Source: Utah State Tax Commission, GIS Analysis of Wasatch County Commercial Square Footage

**TABLE 5.6: COMPARISON OF SALES TAX 5-YEAR PROJECTED REVENUES**

|                                     | ESTIMATED       | PROJECTED        |                  |                  |                  |                  |
|-------------------------------------|-----------------|------------------|------------------|------------------|------------------|------------------|
|                                     | 2023            | 2024             | 2025             | 2026             | 2027             | 2028             |
| Population Distribution (Table 5.4) | \$24,112        | \$26,283         | \$71,762         | \$123,634        | \$182,581        | \$253,035        |
| Retail Point of Sale (Table 5.5)    | \$0             | \$157,483        | \$171,656        | \$374,210        | \$407,889        | \$444,599        |
| Online Point of Sale (Table 5.5)    | \$2,728         | \$3,024          | \$8,397          | \$14,713         | \$22,098         | \$31,146         |
| <b>TOTAL ESTIMATED SALES TAX</b>    | <b>\$26,840</b> | <b>\$186,790</b> | <b>\$251,816</b> | <b>\$512,557</b> | <b>\$612,569</b> | <b>\$728,780</b> |

### CLASS C ROAD FUND

The Study Area revenue forecast includes Class C Road Funds that are allocated based upon a 50/50 split between weighted lane miles and population.<sup>8</sup> The State’s allocation methodology includes a weighting for gravel roads versus paved roads. From a GIS analysis of roadways, the mileage for paved roads for the Study Area is estimated at 4.96 miles and 4.07 miles of unpaved roads. As some of both the paved and unpaved road mileage lies along the border between the Study Area and unincorporated county, the UDOT multipliers for those portions of mileage were halved.

**TABLE 5.7: WEST HILLS ESTIMATED WEIGHTED MILEAGE**

| TYPE              | MILEAGE     | UDOT MULTIPLIER* | TOTAL WEIGHTED MILEAGE |
|-------------------|-------------|------------------|------------------------|
| Paved             | 3.98        | 5                | 19.90                  |
| Unpaved           | 2.83        | 2                | 5.66                   |
| Paved – Partial   | 0.98        | 2.5              | 2.45                   |
| Unpaved – Partial | 1.24        | 1                | 1.24                   |
| <b>TOTAL</b>      | <b>9.03</b> |                  | <b>29.25</b>           |

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

<sup>7</sup> <https://www.digitalcommerce360.com/article/us-ecommerce-sales/>

<sup>8</sup> Utah Code 72-2-108



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| TYPE   | MILEAGE | UDOT MULTIPLIER* | TOTAL WEIGHTED MILEAGE |
|--|---------|------------------|------------------------|
| Source: State Road GIS Shapefile, UDOT B&C Road Fund Information, Mileage and Annual Summary Reports |         |                  |                        |

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

**TABLE 5.8: CLASS B&C ROADS HISTORIC AAGR**

|                          | 2018        | 2019        | 2020        | 2021        | 2022        | 2023        | 2018 - 2023<br>AAGR |
|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------|
| Total Distribution Pool  | 169,543,658 | 179,188,729 | 177,562,815 | 194,764,526 | 203,134,579 | 216,853,217 | <b>5.05%</b>        |
| Lane Miles Pool          | 84,771,829  | 89,594,365  | 88,781,407  | 97,382,263  | 101,567,289 | 108,426,609 | <b>5.05%</b>        |
| Statewide Weighted Miles | 122,540     | 121,813     | 122,842     | 124,521     | 125,318     | 126,997     | <b>0.72%</b>        |

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

Utilizing **Table 5.8'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 5-YEAR PROJECTED REVENUES**

|                                      | 2024            | 2025            | 2026            | 2027            | 2028            |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total Distribution Pool              | 227,794,238     | 239,287,272     | 251,360,170     | 264,042,190     | 277,364,063     |
| Lane Miles Pool                      | 113,897,119     | 119,643,636     | 125,680,085     | 132,021,095     | 138,682,031     |
| Statewide Weighted Miles             | 127,908         | 128,825         | 129,749         | 130,680         | 131,617         |
| Distribution Per Weighted Mile       | 890             | 929             | 969             | 1,010           | 1,054           |
| Estimated West Hills Weighted Miles  | 530             | 530             | 530             | 530             | 530             |
| <b>Lane Mile Distribution</b>        | <b>\$26,046</b> | <b>\$27,165</b> | <b>\$28,333</b> | <b>\$29,550</b> | <b>\$30,820</b> |
| State Population                     | 3,499,929       | 3,559,455       | 3,619,993       | 3,681,561       | 3,744,176       |
| State Distribution per Capita        | 33              | 34              | 35              | 36              | 37              |
| Study Area Population                | 179             | 456             | 733             | 1,010           | 1,306           |
| <b>Population Distribution</b>       | <b>\$5,825</b>  | <b>\$15,327</b> | <b>\$25,449</b> | <b>\$36,219</b> | <b>\$48,373</b> |
| <b>TOTAL STUDY AREA DISTRIBUTION</b> | <b>\$31,871</b> | <b>\$42,493</b> | <b>\$53,781</b> | <b>\$65,769</b> | <b>\$79,194</b> |

**LICENSES & PERMITS**

Reflecting that business licenses and building permit fees, likely expected for the Study Area upon consideration of planned development, are charged at a rate that is proportional to the costs to the incorporated Town to issue them, licenses & permits revenue in this study are tied directly to estimated costs for engineering and planning and zoning. For this study, half of the estimated costs for engineering and planning and zoning are considered attributable to managing licenses and permits, thus expected licenses & permits revenue is equal to that value. **Table 4.3** details the methodology for calculating these costs.

**TABLE 5.10: LICENSES & PERMITS 5-YEAR PROJECTED REVENUES**

|                                       | 2024            | 2025            | 2026             | 2027             | 2028             | 5 Yr. AAGR   |
|---------------------------------------|-----------------|-----------------|------------------|------------------|------------------|--------------|
| <b>LICENSES &amp; PERMITS REVENUE</b> | <b>\$23,360</b> | <b>\$61,294</b> | <b>\$101,483</b> | <b>\$144,029</b> | <b>\$191,826</b> | <b>69.3%</b> |



**INTEREST EARNINGS**

The per capita average based on the comparable municipalities' revenues for interest earnings is multiplied by the projected Study Area population in each year to determine projected interest revenues.

**5.11: INTEREST EARNINGS 5-YEAR PROJECTED REVENUES**

|                         | 2024           | 2025            | 2026            | 2027            | 2028            | 5 Yr. AAGR   |
|-------------------------|----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| <b>INTEREST REVENUE</b> | <b>\$4,864</b> | <b>\$12,390</b> | <b>\$19,917</b> | <b>\$27,444</b> | <b>\$35,486</b> | <b>64.4%</b> |

**OTHER REVENUE CONSIDERATIONS**

Additional types of revenue streams may be collected including transient room taxes, grants, and weed control fees. These alternate revenue mechanisms will be explored in greater detail in **Section 7**.

**Table 5.12** summarizes the revenues forecasted for the proposed Study Area under Scenario 2, which does not include a one-time government building cost that is amortized over a 20-year period. As highlighted in Utah Code, if the results of the feasibility study indicate the revenues forecasted do not exceed the costs calculated in the prior section by more than five percent, the incorporation process may not proceed.<sup>9</sup> Projected revenues exceed projected expenditures by a five-year average of 33.9 percent, thus the incorporation appears to be feasible with respect to statutory requirements.

**TABLE 5.12: WEST HILLS 5-YEAR PROJECTED REVENUES**

|                                 | 2024             | 2025             | 2026             | 2027             | 2028               |
|---------------------------------|------------------|------------------|------------------|------------------|--------------------|
| Property Tax*                   | \$17,321         | \$36,556         | \$53,099         | \$69,642         | \$88,328           |
| Sales & Use Tax                 | \$186,790        | \$251,816        | \$512,557        | \$612,569        | \$728,780          |
| Class C Roads                   | \$31,871         | \$42,493         | \$53,781         | \$65,769         | \$79,194           |
| Licenses & Permits              | \$23,813         | \$63,697         | \$107,510        | \$155,545        | \$211,187          |
| Interest Earnings               | \$4,864          | \$12,390         | \$19,917         | \$27,444         | \$35,486           |
| <b>TOTAL OPERATING REVENUES</b> | <b>\$264,660</b> | <b>\$406,952</b> | <b>\$746,865</b> | <b>\$930,969</b> | <b>\$1,142,976</b> |

\*Property tax revenue generated in West Hills assuming equivalent County rate

<sup>9</sup> Utah Code 10-2a-205(5)(a)



## SECTION 6: RISKS & OPPORTUNITIES

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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 the Study Area'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.<sup>10</sup> As West Hills does not presently generate retail point of sale revenue, the fiscal sustainability of the Study Area is contingent upon proposed commercial and industrial development. In the event that this development does not transpire or proceeds at slower rates than modeled in this study, it is likely that total revenues would not offset total expenditures. 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.

The estimation for the one-time capital expenditure for the construction of government offices in the Study Area presents a risk in that an estimate was provided solely on the basis of conducting General Government activities in such a structure. In the event that additional municipal services need to be provided directly by the proposed Town, in lieu of contracting with the County, additional municipal buildings would likely need to be constructed to support those services.

While the scenarios in which Summit County purchases parcels within the Study Area or Kamas and Francis annex portions of the study area do not preclude the incorporation process from proceeding, risks are attached to these scenarios in that the proposed development buildout (see **Table 3.16**) may be reduced by an amount that inhibits fiscal stability after incorporation. Additionally, the proportion by which total revenues exceed total expenditures could be reduced under these scenarios and heighten aforementioned risks.

### OPPORTUNITIES

Opportunities in the Study Area post-incorporation may include self-governance, ability to develop public facilities, 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.

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<sup>10</sup> Richards, J. (2020, Apr 19). Cedar Highlands residents to vote on whether to stay an incorporated town or go back to HOA. *St. George News*. Retrieved from <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/>





Specific goals related to population growth, economic growth and development, business licensing, 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

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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.*

### TRANSIENT ROOM TAX

Temporary lodging (i.e., hotel, motel, inn, tourist home, trailer court, or campground) used for less than thirty days are subject to both sales and transient room tax.<sup>11</sup> To receive revenue from a transient room tax levy, West Hills may impose up to one percent tax on temporary lodging upon incorporation. Depending on whether some of the proposed commercial development in the Study Area will be comprised by temporarily lodging, a transient room tax may be a new revenue source the Town could contemplate.

### 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

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<sup>11</sup> Utah State Tax Commission. (2023, Nov 3). Transient Room Taxes. Retrieved from <https://tax.utah.gov/sales/transientroom>



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 surplus based on the County's projected 2024 MSF rate of .000326, as shown in **Table 8.1**. The tax impact to a primary residence valued at \$1,300,000 is \$6.96.

**TABLE 8.1: FISCAL IMPACTS ON SUMMIT COUNTY**

|  | 2024                | 2025                | 2026                | 2027                | 2028                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>REVENUES</b>                                |                     |                     |                     |                     |                     |
| COUNTY MSF RATE                                | 0.000326            | 0.000326            | 0.000326            | 0.000326            | 0.000326            |
| Taxes  | \$27,211,259        | \$29,324,168        | \$31,610,978        | \$34,086,537        | \$36,766,991        |
| Charges for Service                            | \$2,190,529         | \$2,240,521         | \$2,292,980         | \$2,348,067         | \$2,405,956         |
| Intergovernmental                              | \$5,443,998         | \$5,335,118         | \$5,228,416         | \$5,123,847         | \$5,021,370         |
| License and Fees                               | \$2,835,000         | \$2,976,750         | \$3,125,588         | \$3,281,867         | \$3,445,960         |
| Other Financing                                | \$8,861,226         | \$9,024,419         | \$9,197,640         | \$9,380,932         | \$9,574,356         |
| <b>TOTAL REVENUES</b>                          | <b>\$46,542,012</b> | <b>\$48,900,977</b> | <b>\$51,455,601</b> | <b>\$54,221,251</b> | <b>\$57,214,634</b> |
| <b>EXPENDITURES</b>                            |                     |                     |                     |                     |                     |
| General Government                             | \$17,022,134        | \$17,739,188        | \$18,492,095        | \$19,282,647        | \$20,112,727        |
| Law Enforcement                                | \$10,174,795        | \$10,683,535        | \$11,217,712        | \$11,778,597        | \$12,367,527        |
| Fire Warden                                    | \$143,693           | \$150,877           | \$158,421           | \$166,342           | \$174,659           |
| Roads & Highways                               | \$19,108,131        | \$20,063,538        | \$21,066,714        | \$22,120,050        | \$23,226,053        |
| <b>TOTAL EXPENDITURES</b>                      | <b>\$46,448,752</b> | <b>\$48,637,137</b> | <b>\$50,934,942</b> | <b>\$53,347,636</b> | <b>\$55,880,966</b> |
| <b>TAX REVENUE NEEDED TO BALANCE</b>           | <b>\$93,259</b>     | <b>\$263,839</b>    | <b>\$520,659</b>    | <b>\$873,615</b>    | <b>\$1,333,668</b>  |
| MSF Taxable Value*                             | \$24,365,463,920    | \$25,583,737,116    | \$26,862,923,971    | \$28,206,070,170    | \$29,616,373,678    |
| <b>TOTAL COUNTY MSF RATE</b>                   | <b>0.000326</b>     | <b>0.000326</b>     | <b>0.000326</b>     | <b>0.000326</b>     | <b>0.000326</b>     |
| <b>BASELINE IMPACT ON MEDIAN HOME (\$1.3M)</b> | <b>\$233</b>        | <b>\$233</b>        | <b>\$233</b>        | <b>\$233</b>        | <b>\$233</b>        |

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, modeled here as equivalent to the projected revenue for the Study Area, resulting in the need for an additional



property tax increase in year one over the baseline County levy. This increase represents lost revenue for municipal services, as well as revenues gained through the Sheriff's Department and for roadway maintenance for contracted services. The contract revenue is estimated at \$91,689 in year one. The net impact of the Town incorporation is a loss of \$172,971 in revenues in 2024, as illustrated in **Table 8.2**. This potential lost revenue is based upon the development scenario considered within this study for an incorporated town. However, this development scenario would likely not transpire if the Study Area were to remain unincorporated. As a result, it is unlikely that the MSF levy would need to be raised to the extent modeled here to account for lost revenue from the Study Area in the event of incorporation.

It is possible that the newly incorporated town may contract for additional services with the County (e.g., engineering, planning, and building permitting), resulting in additional contract revenues flowing to the County. Furthermore, it is probable the County's MSF would experience a decrease in expenses following the incorporation of the town.

**TABLE 8.2: IMPACT TO COUNTY MSF**

|  | 2024               | 2025               | 2026               | 2027               | 2028                 |
|--|--------------------|--------------------|--------------------|--------------------|----------------------|
| Potential Lost Revenue                   | (\$264,660)        | (\$406,952)        | (\$746,865)        | (\$930,969)        | (\$1,142,976)        |
| Contract Revenue                         | \$91,689           | \$101,415          | \$111,678          | \$122,503          | \$134,305            |
| <b>NET IMPACT TO COUNTY MSF</b>          | <b>(\$172,971)</b> | <b>(\$305,537)</b> | <b>(\$635,187)</b> | <b>(\$808,466)</b> | <b>(\$1,008,671)</b> |
| Tax Impact                               | 0.000007           | 0.000012           | 0.000024           | 0.000029           | 0.000034             |
| MSF Levy (If West Hills Incorporates)    | 0.000333           | 0.000338           | 0.000350           | 0.000355           | 0.000360             |
| Estimated Impact on Median Home (\$450K) | \$238              | \$242              | \$250              | \$254              | \$258                |
| Baseline Impact on Median Home (\$450K)  | \$233              | \$233              | \$233              | \$233              | \$233                |
| <b>TAX INCREASE FROM BASELINE</b>        | <b>\$5</b>         | <b>\$9</b>         | <b>\$17</b>        | <b>\$20</b>        | <b>\$24</b>          |

**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 §10-2a-220. In addition, expenditures include an expense of \$1.56M 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 §10-2a-220, without the additional expense related to a new government office.

The findings of both scenarios illustrate that the incorporation of the proposed West Hills boundary will likely result in at least a five percent budget surplus when comparing available revenues to expenses. This surplus allows the incorporation process to proceed.

**SCENARIO 1 – GOVERNMENT OFFICE**

To approximate the current level of service the County MSF provides for government offices for an area the size of West Hills, LRB utilized the Town of Goshen as a comparative municipality for their existing government building. An estimation of government building square footage was calculated and divided by Goshen's population to determine a per capita square footage figure. This figure was



then applied to the future West Hills population and multiplied by a cost per square foot figure of \$300 to determine the final estimated building cost.

**TABLE 8.3: ESTIMATED BUILDING COST BASED ON COMPARATIVE SF**

|  |                    |
|--|--------------------|
| Goshen Population                          | 978                |
| Estimated Government Office Square Footage | 3,900              |
| Square Footage per Capita                  | 3.99               |
| Future West Hills Population (2028)        | 1,306              |
| Proposed Building Square Footage           | 5,200              |
| Cost per Square Foot                       | 300                |
| <b>TOTAL BUILDING COST</b>                 | <b>\$1,560,000</b> |

The one-time government building cost is estimated at \$1.56M in 2024 and is amortized over a 20-year period beginning in 2025. The applicable debt service as a result of issuing debt is shown in **Table 8.4** under the incorporation line item.

Assuming the incorporated Town assesses an equivalent County tax rate, revenues exceed expenses by an average of 6.6 percent, satisfying the requirement outlined in UCA §10-2a-205(5). Government building costs and incorporation costs outlined in UCA §10-2a-220 contribute to escalated costs in the first years of incorporation. In all study years but 2025, matching the County's equivalent rate is more than sufficient to meet the expenditures within the Town and no additional West Hills rate is necessary to provide sufficient funding for the Study Area. Thus, the 2024 Town rate is equal to the County rate at .000326. In 2025, an additional levy of 0.000614 is imposed.

**TABLE 8.4: SCENARIO 1 – WEST HILLS FISCAL IMPACT**

|                                     | 2024             | 2025              | 2026             | 2027             | 2028               |
|-------------------------------------|------------------|-------------------|------------------|------------------|--------------------|
| <b>REVENUES</b>                     |                  |                   |                  |                  |                    |
| <b>EQUIVALENT COUNTY MSF RATE</b>   | <b>0.000326</b>  | <b>0.000326</b>   | <b>0.000326</b>  | <b>0.000326</b>  | <b>0.000326</b>    |
| Property Tax                        | \$17,321         | \$36,556          | \$53,099         | \$69,642         | \$88,328           |
| Sales & Use Tax                     | \$186,790        | \$251,816         | \$512,557        | \$612,569        | \$728,780          |
| Class C Roads                       | \$31,871         | \$42,493          | \$53,781         | \$65,769         | \$79,194           |
| Licenses & Permits                  | \$23,813         | \$63,697          | \$107,510        | \$155,545        | \$211,187          |
| Interest Earnings                   | \$4,864          | \$12,390          | \$19,917         | \$27,444         | \$35,486           |
| <b>Total Revenues</b>               | <b>\$264,660</b> | <b>\$406,952</b>  | <b>\$746,865</b> | <b>\$930,969</b> | <b>\$1,142,976</b> |
| <b>EXPENDITURES</b>                 |                  |                   |                  |                  |                    |
| Incorporation Costs                 | \$29,000         | \$117,083         | \$117,083        | \$117,083        | \$117,083          |
| General Government                  | \$91,548         | \$244,878         | \$413,312        | \$597,977        | \$811,887          |
| Law Enforcement                     | \$3,267          | \$8,572           | \$14,193         | \$20,143         | \$26,828           |
| Roads                               | \$88,422         | \$92,843          | \$97,485         | \$102,360        | \$107,478          |
| Debt Service                        | \$4,128          | \$4,128           | \$4,128          | \$4,128          | \$4,128            |
| <b>Total Expenditures</b>           | <b>\$216,365</b> | <b>\$467,504</b>  | <b>\$646,201</b> | <b>\$841,691</b> | <b>\$1,067,403</b> |
| <b>NET (REVENUE MINUS EXPENSE)</b>  | <b>\$48,295</b>  | <b>(\$60,552)</b> | <b>\$100,664</b> | <b>\$89,278</b>  | <b>\$75,573</b>    |
| <b>REVENUE (EXPENSE) MARGIN*</b>    | <b>18.2%</b>     | <b>(14.9%)</b>    | <b>13.5%</b>     | <b>9.6%</b>      | <b>6.6%</b>        |
| Additional Levy to Balance Budget** | 0.000000         | 0.000614          | 0.000000         | 0.000000         | 0.000000           |
| <b>TOTAL TOWN RATE***</b>           | <b>0.000326</b>  | <b>0.000940</b>   | <b>0.000326</b>  | <b>0.000326</b>  | <b>0.000326</b>    |

\*Margin calculated by dividing net revenue by total revenues.

\*\* West Hills levy calculated based on estimated assessed value



**FEASIBILITY STUDY FOR THE PROPOSED INCORPORATION OF WEST HILLS  
SUMMIT COUNTY, UTAH**

|  | 2024 | 2025 | 2026 | 2027 | 2028 |
|--|------|------|------|------|------|
|--|------|------|------|------|------|

\*\*\* 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 \$233 for a primary residence valued at \$1,300,000. This represents no change from the projected County levy. 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. As illustrated in **Table 8.5**, the estimated impact remains static with the baseline except in 2025, where it exceeds the baseline by \$439. In this scenario, the one-time government building cost of \$1.56M is amortized over a 20-year period; this arrangement includes a four percent interest rate and a two percent cost of issuance addition.

**TABLE 8.5: SCENARIO 1 – WEST HILLS TAX BURDEN**

|  | 2024            | 2025            | 2026            | 2027            | 2028            |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>TOTAL TOWN RATE (MSF &amp; TOWN LEVY)</b> | <b>0.000326</b> | <b>0.000940</b> | <b>0.000326</b> | <b>0.000326</b> | <b>0.000326</b> |
| Estimated Certified Tax Value                | \$53,090,449    | \$112,045,990   | \$162,750,490   | \$213,454,990   | \$270,729,133   |
| Estimated Town Impact (Home \$1.3M)          | \$233           | \$672           | \$233           | \$233           | \$233           |
| MSF Baseline Impact (Home \$1.3M) *          | \$233           | \$233           | \$233           | \$233           | \$233           |
| <b>NET IMPACT</b>                            | <b>\$0</b>      | <b>\$439</b>    | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      |

\* See **Table 8.1**

**SCENARIO 2 – FULL BUILDOUT, 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.

Assuming an equivalent County tax rate, the projected revenues minus expenditures produce a surplus as shown in **Table 8.6**. Matching the County's equivalent rate is sufficient, and no additional West Hills rate is necessary to provide sufficient funding for the Study Area. In this scenario, revenues exceed expenses by an average of 20.1 percent over the five-year window of this study, satisfying the requirement outlined in UCA §10-2a-205(5) to allow the process of incorporation to proceed.

**TABLE 8.6: SCENARIO 2 – WEST HILLS FISCAL IMPACT**

|                                    | 2024             | 2025             | 2026             | 2027             | 2028               |
|------------------------------------|------------------|------------------|------------------|------------------|--------------------|
| <b>REVENUES</b>                    |                  |                  |                  |                  |                    |
| <b>EQUIVALENT COUNTY MSF RATE</b>  | <b>0.000326</b>  | <b>0.000326</b>  | <b>0.000326</b>  | <b>0.000326</b>  | <b>0.000326</b>    |
| Property Tax                       | \$17,321         | \$36,556         | \$53,099         | \$69,642         | \$88,328           |
| Sales & Use Tax                    | \$186,790        | \$251,816        | \$512,557        | \$612,569        | \$728,780          |
| Class C Roads                      | \$31,871         | \$42,493         | \$53,781         | \$65,769         | \$79,194           |
| Licenses & Permits                 | \$23,813         | \$63,697         | \$107,510        | \$155,545        | \$211,187          |
| Interest Earnings                  | \$4,864          | \$12,390         | \$19,917         | \$27,444         | \$35,486           |
| <b>Total Revenues</b>              | <b>\$264,660</b> | <b>\$406,952</b> | <b>\$746,865</b> | <b>\$930,969</b> | <b>\$1,142,976</b> |
| <b>EXPENDITURES</b>                |                  |                  |                  |                  |                    |
| Incorporation Costs                | \$29,000         | \$0              | \$0              | \$0              | \$0                |
| General Government                 | \$91,548         | \$244,878        | \$413,312        | \$597,977        | \$811,887          |
| Law Enforcement                    | \$3,267          | \$8,572          | \$14,193         | \$20,143         | \$26,828           |
| Roads                              | \$88,422         | \$92,843         | \$97,485         | \$102,360        | \$107,478          |
| Debt Service                       | \$4,128          | \$4,128          | \$4,128          | \$4,128          | \$4,128            |
| <b>Total Expenditures</b>          | <b>\$216,365</b> | <b>\$350,421</b> | <b>\$529,118</b> | <b>\$724,607</b> | <b>\$950,320</b>   |
| <b>NET (REVENUE MINUS EXPENSE)</b> | <b>\$48,295</b>  | <b>\$56,532</b>  | <b>\$217,747</b> | <b>\$206,361</b> | <b>\$192,656</b>   |



**FEASIBILITY STUDY FOR THE PROPOSED INCORPORATION OF WEST HILLS  
SUMMIT COUNTY, UTAH**

|                                     | 2024            | 2025            | 2026            | 2027            | 2028            |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>REVENUE (EXPENSE) MARGIN*</b>    | <b>18.2%</b>    | <b>13.9%</b>    | <b>29.2%</b>    | <b>22.2%</b>    | <b>16.9%</b>    |
| Additional Levy to Balance Budget** | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        |
| <b>TOTAL TOWN RATE***</b>           | <b>0.000326</b> | <b>0.000326</b> | <b>0.000326</b> | <b>0.000326</b> | <b>0.000326</b> |

\*Margin calculated by dividing net revenue by total revenues.

\*\* West Hills levy calculated based on estimated assessed value

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

**TABLE 8.7: SCENARIO 2 – WEST HILLS TAX BURDEN**

|  | 2024            | 2025            | 2026            | 2027            | 2028            |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>TOTAL TOWN RATE (MSF &amp; TOWN LEVY)</b> | <b>0.000326</b> | <b>0.000326</b> | <b>0.000326</b> | <b>0.000326</b> | <b>0.000326</b> |
| Estimated Certified Tax Value                | \$53,090,449    | \$112,045,990   | \$162,750,490   | \$213,454,990   | \$270,729,133   |
| Estimated Town Impact (Home \$1.3M)          | \$233           | \$233           | \$233           | \$233           | \$233           |
| MSF Baseline Impact (Home \$1.3M) *          | \$233           | \$233           | \$233           | \$233           | \$233           |
| <b>NET IMPACT</b>                            | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      | <b>\$0</b>      |

\* See Table 8.1

