

# MUNICIPAL SERVICES FEASIBILITY STUDY

## MILLCREEK, UTAH

APRIL 2017



  
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## SECTION I: EXECUTIVE SUMMARY

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Lewis Young Robertson and Burningham, Inc., was retained by Millcreek (“the City”) to complete a feasibility study regarding withdrawal from the Greater Salt Lake Municipal Services District (“MSD”) in accordance with Utah State Code (“USC”) 17B-2a-1110. The MSD, by interlocal agreement with Salt Lake County, provides the City, five municipal townships, and unincorporated areas of the County, with planning and development, animal services, municipal courts, public works, engineering, capital projects and other general services. Public safety services, including police, fire and EMS, are provided to the residents of Millcreek through the Unified Police Department and Unified Fire Authority. This study assumes public safety services will continue to be administered through the before-mentioned contract agencies and are not included in this analysis.

This analysis considers four scenarios regarding the City’s participation in the MSD as outlined below:

- ☞ **Scenario 1:** Remain in the MSD;
- ☞ **Scenario 2:** Withdraw from the MSD and contract directly with the County for 100 percent of the City’s municipal services;
- ☞ **Scenario 3:** Withdraw from the MSD and contract directly with the County for all services except planning and development; and
- ☞ **Scenario 4:** Withdraw from the MSD and self-provide all services.

The required scope of a feasibility study was to address remaining in the MSD and a full self-provision scenario (Scenario 1 and Scenario 4 respectively). For informational purposes only, Scenario 2 and Scenario 3 have been included to aid in the evaluation of costs to the City.

### IMPACTS TO MILLCREEK

In Scenario 1, the City will remain in the MSD, with any revenues in excess of expenses to be utilized by the MSD to provide municipal services to Millcreek and the other members of the MSD. Scenario 1 results in a ratio of revenues to expenses estimated at 108 percent. In Scenario 2, the City would withdraw from the MSD and contract for 100 percent of the services directly with the County. This scenario results in a ratio of revenues to expenses of 106 percent. However, according to the City’s legal counsel, the City would not be required to remit payment to the County, as this scenario is not required by statute. Scenario 3 contemplates the City contracting directly with the County for all municipal services except for planning and development services, which the City would self-provide, resulting in a ratio of revenues to expenses estimated at 101 percent, which is below the 105 percent threshold. However, similar to Scenario 2 and according to the City’s legal counsel, the City would not be required to remit payment to the County as this scenario is not required by statute. In Scenario 4, the City would self-provide all municipal services, resulting in expenditures that would exceed revenues (at a ratio of 71 percent). This would require the City to levy a tax to cover a funding deficit. The estimated annual tax impact on a home with a taxable value of \$190,368 would be \$260 in 2017-18.

### IMPACTS TO UNINCORPORATED SALT LAKE COUNTY

The net impact to the municipal townships, unincorporated County and municipalities that contract with the County for services (collectively “other municipalities”) if the City were to withdraw from the MSD, is determined for Scenarios 1, 2, and 3 based on a baseline revenue stream to the MSD from the City, of \$14,965,941. This baseline represents the total revenue the City will remit to the MSD if it continues to be part of the MSD. The revenue baseline for Scenario 4 is slightly higher at \$15,023,309 to account for animal services revenue the City will recognize in a self-provision scenario. The net impact to the other municipalities in 2017-18 of the four scenarios outlined in this analysis in relation to their corresponding baseline revenue is as follows: Scenario 1: (\$344,966); Scenario 2: (\$1,985,855); Scenario 3: (\$2,052,136); Scenario 4: (\$5,068,722).

## SECTION II: DEMOGRAPHICS

### (I) POPULATION AND POPULATION DENSITY WITHIN THE WITHDRAWING MUNICIPALITY.

Millcreek incorporated as a city on December 28, 2016. Prior to incorporation, the City was part of unincorporated Salt Lake County (“County”). In preparation for the City to incorporate, the Kem C. Gardner Policy Institute at the University of Utah completed a demographic analysis, including population estimates for Millcreek from 2010 through 2016. As shown in **Table 2.1**, the City population estimate for 2016 was 59,737 with an average annual growth rate (“AAGR”) of .28 percent from 2010 to 2016. The total household population, which excludes individuals living in-group quarters, was 58,944.

TABLE 2.1: HISTORIC MILLCREEK POPULATION

	2010	2011	2012	2013	2014	2015	2016	AAGR
Total Population	58,735	58,842	58,923	59,154	59,502	59,653	59,737	0.28%
Household Population	57,942	58,049	58,130	58,361	58,709	58,860	58,944	0.29%

Source: Kem C. Gardner Policy Institute: Millcreek Population Estimates 2010-2016

As of 2016, the total number of households in the City was 25,350, of which approximately 23,824 units (or 94 percent) were occupied, as illustrated in **Table 2.2**. Of the occupied units, 14,493 were owner-occupied, while 9,331 units were renter-occupied and 1,526 units were vacant.

TABLE 2.2: HISTORIC HOUSEHOLDS

	2010	2011	2012	2013	2014	2015	2016	AAGR
Millcreek Total Housing Units	24,937	24,978	25,010	25,111	25,262	25,321	25,350	0.27%
Occupied Units	23,410	23,453	23,485	23,585	23,733	23,791	23,824	0.29%
Owner-occupied	14,224	14,268	14,300	14,340	14,398	14,457	14,493	0.31%
Renter-occupied	9,185	9,185	9,185	9,245	9,334	9,334	9,331	0.26%
Vacant	1,527	1,525	1,525	1,526	1,529	1,530	1,526	-0.01%
People Per Household	2.51	2.51	2.51	2.51	2.51	2.51	2.51	-0.01%

Source: Kem C. Gardner Policy Institute: Millcreek Population Estimates 2010-2016

The average number of people per household from 2010 through 2016 held constant at 2.51 people. Based on the County parcel database, the City includes 6,641 acres. Thus, the population density as of 2016 was nine people per acre as shown in **Table 2.3**.

TABLE 2.3: HOUSING AND LAND POPULATION DENSITY

	2016		2016
Total Population	59,737	Total Occupied Households	23,824
Acreage	6,641	People Per Household	2.51
People Per Acre	9		

Source: Kem C. Gardner Policy Institute: Millcreek Population Estimates 2010-2016; Salt Lake County Parcel Database

## SECTION III: 5-YEAR DEMOGRAPHIC & ECONOMIC BASE PROJECTIONS

### II) CURRENT AND FIVE-YEAR PROJECTIONS OF DEMOGRAPHICS AND ECONOMIC BASE IN THE WITHDRAWING MUNICIPALITY, INCLUDING HOUSEHOLD SIZE AND INCOME, COMMERCIAL AND INDUSTRIAL DEVELOPMENT, AND PUBLIC FACILITIES.

#### DEMOGRAPHIC PROJECTIONS

Through the end of 2016 and into 2017, several multi-family housing projects have been completed, with additional developments contemplated. The Artesian Springs development at 4197 South Main Street includes 377 multi-family units. The first 118 units are complete with at least 44 occupied. Phase two of the development includes 126 units, which will be complete July 1, 2017. Phase three includes an additional 133 units which are expected to be complete December 1, 2017.

LYRB projected the City population based on the buildout of Artesian Springs using an estimate of 1.8 people per multi-family housing unit.<sup>1</sup> An additional 439 residents are anticipated through 2018, and an additional 239 are anticipated through 2019 as shown in **Table 3.1**.

TABLE 3.1: ARTESIAN SPRINGS BUILDOUT

PHASE	TYPE	COMPLETION DATE	YEAR POPULATION RECOGNIZED	# OF UNITS	POPULATION PROJECTION
Phase 1a	Multi-Family	Completed	Phase 1a	44	79
Phase 1b	Multi-Family	Anticipated March 30	Phase 1b	74	133
Phase 2	Multi-Family	Anticipated July 15	Phase 2	126	227
Phase 3	Multi-Family	Anticipated Dec 1	Phase 3	133	239

Source: Hooper Knowlton, Developer Artesian Springs

The current City boundary includes the West Millcreek Urban Renewal Area, which encompasses 190 acres. The project area triggered in 2015 and will end in 2034. Prior to incorporation, the County considered the Meadowbrook Plan within the project area which included recommendations to designate the area as a Transit Supportive District (“TSD”). The TSD would be supported by high-density multi-family residential housing, urban parking ratios, office space with structured parking, and retail and light industrial consistent with dense development.<sup>2</sup> The Meadowbrook Plan assumes that over 10 years, an additional 3,400 new dwelling units, 500,000 square feet of office building, and 100,000 square feet of retail will be constructed. The retail projection includes an estimate for a 40,000 square foot grocery store. The City anticipates development similar to that contemplated in the plan, however, no formal plans have been adopted or densities approved. However, the City is in the process of updating a zoning ordinance to allow for the higher densities described above.

Prior to incorporation, the County also considered a Town Center development along 2300 East and 3300 South. CRSA completed a feasibility study in 2015 which suggested viable development includes retail at the intersection of 2300 East and 3300 South, office development at the north end of 2300 East, residential development above mixed use buildings, and medium-box retail next to the current Dan’s Supermarket.<sup>3</sup> The plan considers several scenarios for development, which the City may consider adopting.

In addition to the Artesian Springs development and associated population growth, this analysis assumes an historic AAGR of .28 percent is applied to the base population figures to account for continued growth in the base population as described above. The development-based population estimate results in an anticipated AAGR of .56 percent, which is illustrated in **Table 3.2**. The projection anticipates an additional 1,362 residents by 2021.

TABLE 3.2: DEVELOPMENT-BASED MILLCREEK POPULATION

	2017	2018	2019	2020	2021	AAGR
Total Population	59,906	60,514	60,924	61,096	61,268	0.56%

Source: Kem C. Gardner Policy Institute: Millcreek Population Estimates 2010-2016, LYRB

Based on the projected new development and a historic AAGR of .27 percent, the total number of households is projected to grow by 660 through 2021 as illustrated in **Table 3.3**. The development-based household estimate results in an anticipated AAGR of .64 percent over the next five years. Based on the future development, the average household size in Millcreek is projected to

<sup>1</sup> Based on the average multi-family household size for Taylorsville, Murray and South Jordan as reported in the American Community Survey.

<sup>2</sup> Salt Lake County: West Millcreek Meadowbrook Plan 2015.

<sup>3</sup> CSRA Millcreek Town Center Development Plan, September 2015.

decrease slightly to 2.4 in 2017 and 2018. From 2019 through 2021 the household size is projected to decrease to 2.3 people per household due to the increase in multi-family housing.

TABLE 3.3: PROJECTED HOUSEHOLDS

	2017	2018	2019	2020	2021	AAGR
Total Households	25,419	25,733	25,937	26,008	26,079	0.64%

Source: Kem C. Gardner Policy Institute: Millcreek Population Estimates 2010-2016, LYRB

The mean adjusted gross income (“AGI”) for Millcreek was \$49,651 in 2015. The historic AAGR for the mean AGI was 12 percent from 2011 to 2015. The AAGR was used to project the mean AGI from 2016 through 2021 as shown in **Table 3.4**.

TABLE 3.4: HISTORIC AND PROJECTED AGI

	2011	2012	2013	2014	2015	2016
Household Mean AGI	\$31,745	\$34,482	\$37,551	\$39,601	\$49,651	\$55,525
Household Median AGI	\$24,489	\$28,025	\$27,791	\$31,020	\$35,512	\$38,970

TABLE 3.4: HISTORIC AND PROJECTED AGI (CONTINUED)

	AAGR	2017	2018	2019	2020	2021
Household Mean AGI	12%	\$62,095	\$69,441	\$77,657	\$86,845	\$97,120
Household Median AGI	10%	\$42,764	\$46,928	\$51,497	\$56,511	\$62,013

Source: Utah State Tax Commission Federal Return Statistics of Income; LYRB

## ECONOMIC BASE

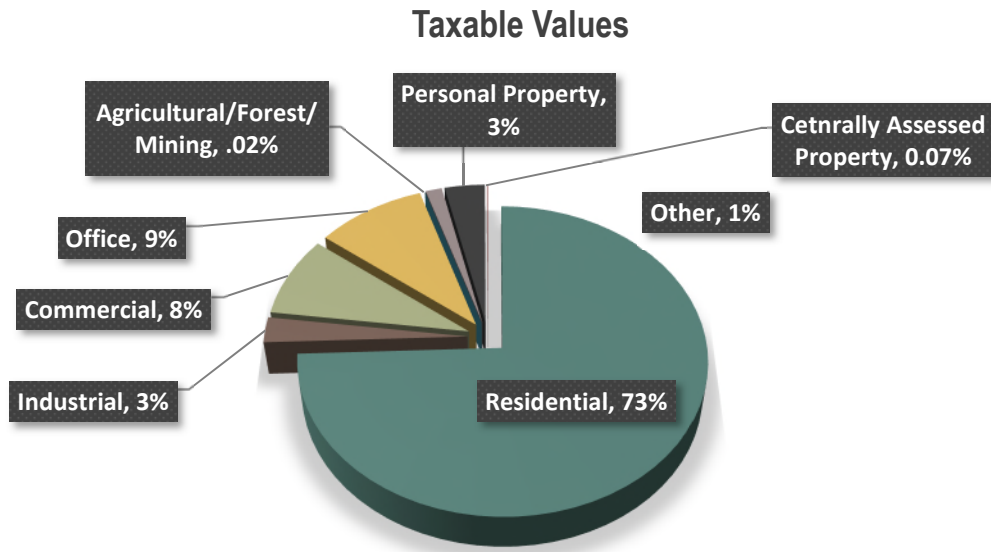
Based on the County’s 2016 parcel database, the City’s real property taxable value was \$4,408,046,826. Personal property accounted for an additional \$157,269,999 and centrally assessed property accounted for \$3,072,900, for a total taxable value of \$4,568,389,725. Approximately 73 percent of the City’s taxable value is from residential property. The next largest property tax base is office property at 9 percent, followed by commercial property at 8 percent. The personal property attributed to the City makes up 3 percent of the City’s taxable value as shown in **Figure 3.1**. Residential property accounts for 80 percent of the City’s market value. Of the City’s buildings, residential buildings account for 79 percent of the square footage.

TABLE 3.5: MILLCREEK TAXABLE AND MARKET VALUE

LAND USE	MARKET VALUE	TAXABLE VALUE
Residential	\$6,213,723,440	\$3,356,524,313
Industrial	\$122,619,740	\$119,257,371
Commercial	\$434,447,420	\$381,181,702
Office	\$501,419,990	\$430,708,445
Vacant	\$69,058,060	\$56,834,153
Agricultural/Forest/Mining	\$1,770,800	\$4,670
Other	\$412,184,000	\$63,536,172
Personal Property	\$157,269,999	\$157,269,999
Centrally Assessed Property	\$3,072,900	\$3,072,900
	\$7,915,566,349	\$4,568,389,725

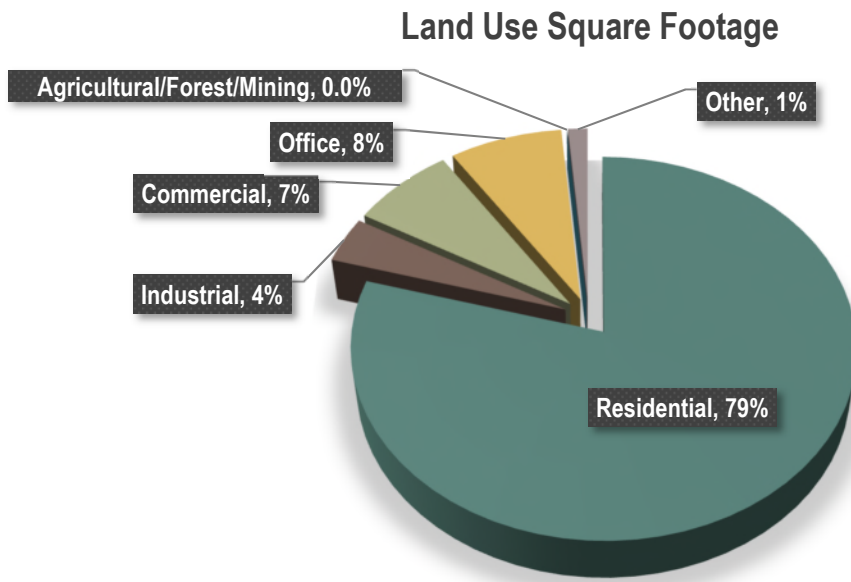
Source: Salt Lake County Parcel database

FIGURE 3.1: TAXABLE VALUES



Source: Salt Lake County Parcel database, LYRB

FIGURE 3.2: LAND USE SQUARE FOOTAGE



Source: Salt Lake County Parcel database, LYRB

An analysis of the parcel database identified 505 vacant acres, which accounts for 8 percent of the total City acreage. Vacant areas, as well as development within the West Millcreek project area and redevelopment throughout the City may affect the land use distribution within in the City.

TABLE 3.6: MILLCREEK LAND USE SQUARE FOOTAGE

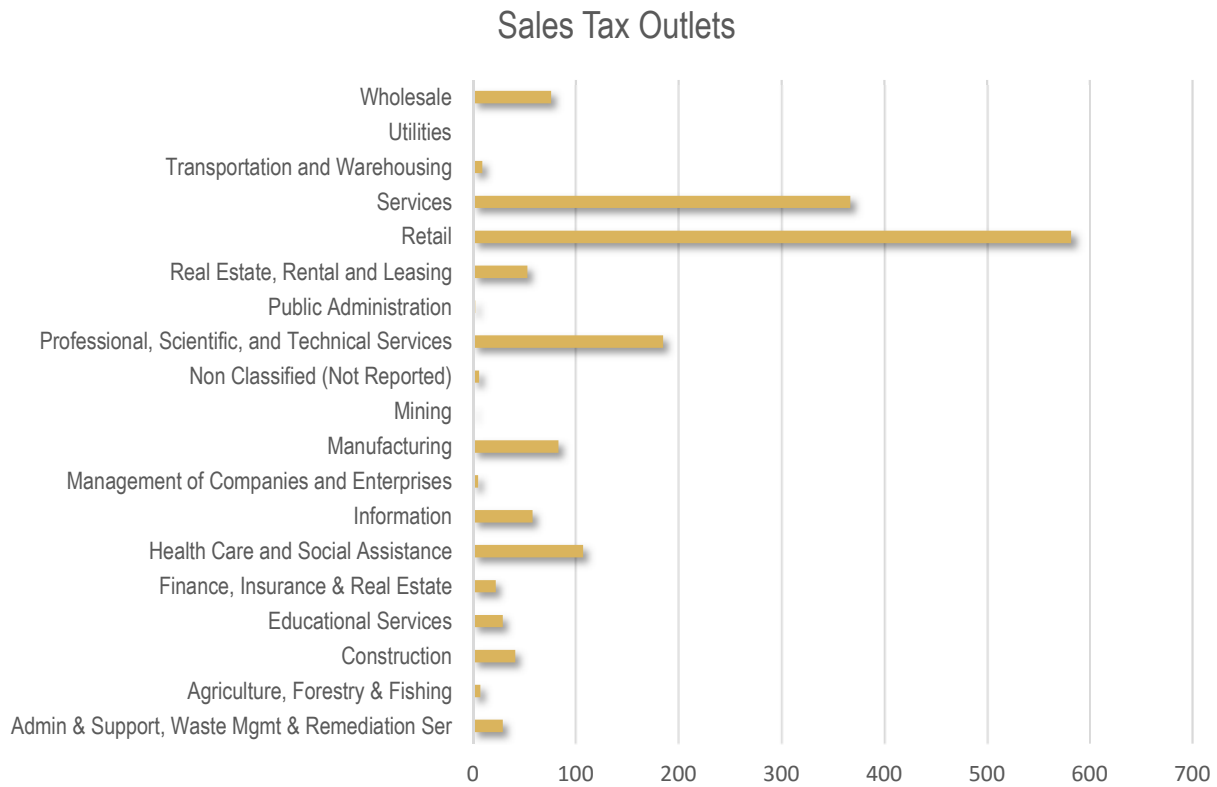
LAND USE	SQUARE FEET	% OF TOTAL	ACRES	% OF TOTAL
Residential	49,000,133	79%	4,333	65%
Industrial	2,402,813	4%	151	2%
Commercial	4,547,647	7%	360	5%
Office	4,915,637	8%	204	3%
Vacant	239,111	0.39%	505	8%
Agricultural/Forest/Mining	-	0.00%	8	0%
Other	849,754	1.37%	1,081	16%
<b>Total</b>	<b>61,955,095</b>	<b>100%</b>	<b>6,641</b>	<b>100%</b>

Source: Salt Lake County Parcel database, LYRB

In 2016, the MSD received \$23,129,109 in sales tax allocation, including both point of sale and a 50 percent state population distribution. Prior to the City’s incorporation, sales tax was not tracked by specific areas of the County, including townships. The State Tax Commission provided a sales tax distribution estimate based on a proportion of the City’s population as compared to the unincorporated County. In 2016, \$9,908,832 of sales tax was attributed to the City, which represents \$166 per capita.<sup>4</sup> Sales tax is the primary revenue stream the MSD uses to provide municipal services.

The State Tax Commission reported 1,662 sales tax outlets within the City. Figure 3.3 details the distribution of sales tax outlets, of which retail and services account for the largest number of tax outlets.

FIGURE 3.3: SALES TAX OUTLETS



Source: Utah State Tax Commission

The City currently maintains a database of 3,055 business licenses, with 2,884 general licenses. Additional licenses include amusement/entertainment, event/temporary, food/eatery and sexually oriented businesses/bar.

<sup>4</sup> Based on the State Tax Commission estimate of sales tax within the Millcreek boundary.



TABLE 3.6: MILLCREEK BUSINESS LICENSES

LICENSE TYPE	NUMBER OF LICENSEES
Amusement/Entertainment	8
Solicitors ID	1
Event/Temporary	30
Food/Eat	119
General License	2,884
Sexually Oriented Business/Bar	13
<b>Total</b>	<b>3,055</b>

Source: Millcreek Business License database

## PUBLIC FACILITIES

As a result of incorporation, the City will be responsible for the maintenance of four city parks with a total of 28.05 acres. These parks include Scott Avenue, Canyon Rim, Fortuna, and Sunnyvale as indicated in **Table 3.6** below. The Millcreek Community Center and the Millcreek Activity Center will continue to function under the direction of the Salt Lake County Parks and Recreation Department.

TABLE 3.7: MILLCREEK PARKS

PARK	ACRES	LOCATION
Scott Avenue	6.21	3475 South 800 East
Canyon Rim	15.7	3100 East Grace Street
Fortuna	2.04	4610 South Fortuna Way
Sunnyvale (formerly Valley Center)	4.1	4013 South 700 West
<b>Total</b>	<b>28.05</b>	

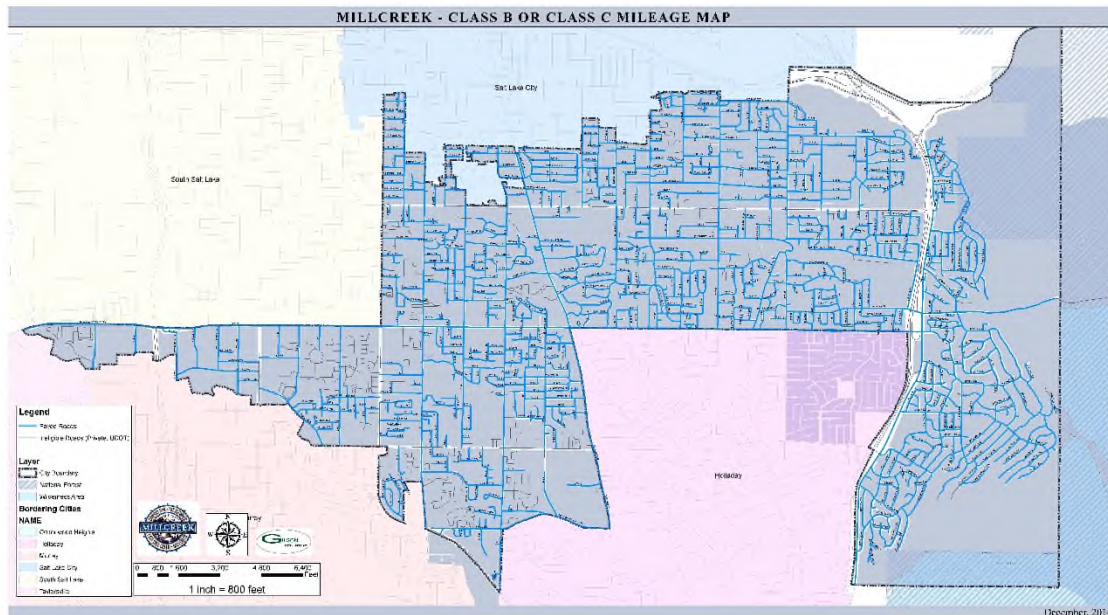
Source: Salt Lake County

As of December 2016, the total number of road miles incorporated into the City was 171.5. All roads are paved and lie within the boundary of the City. In addition, the City will also maintain 370,640 linear feet of storm drain pipe.

TABLE 3.8: STREETS AND STORM DRAIN

SYSTEM	METRIC
Road Centerline Miles	171.5 Miles
Storm Drain System	370,640 Linear Feet

Source: Salt Lake County



Source: Gilson Engineering, Inc.

The City’s administration is temporarily housed in the Mount Olympus Improvement District located at 3932 South 500 East. The City is considering lease options for a permanent city hall. Cushman and Wakefield reported the average asking lease rate for office space in Salt Lake County is \$23.34 per square foot.<sup>5</sup> The City anticipates negotiating a more favorable lease rate of \$9.00 per square foot for 7,000 square feet of office space. The City further anticipates one-time building improvement costs of \$90,000 to begin utilizing office space.

The City of Midvale recently completed a 34,756 square feet City Hall, which houses the municipal court, community development, administration and legal services, and financial services. The building utilization breakdown is included below in **Table 3.9**. Millcreek may consider a similar building allocation, depending on the services the City will provide.

TABLE 3.9: MIDVALE CITY HALL UTILIZATION

FUNCTIONAL AREA	PERCENT ALLOCATION	SQUARE FOOTAGE ESTIMATE
Municipal Court	30%	10,427
Community Development & RDA	20%	6,951
Administration & Legal	15%	5,213
Finance	15%	5,213
Common Area	20%	6,951

Source: Midvale City

<sup>5</sup> Cushman & Wakefield 2013 Year End Market Review

## SECTION IV: 5-YEAR GROWTH PROJECTIONS

### (III) PROJECTED GROWTH IN THE WITHDRAWING MUNICIPALITY DURING THE NEXT FIVE YEARS

As outlined in **Section 3**, the City's population is expected to grow by 1,362 residents over the next five years. New development, redevelopment and zoning changes are the driving factors behind population growth. Households are expected to grow by 660 through 2021.

TABLE 4.1: DEVELOPMENT-BASED MILLCREEK POPULATION

	2017	2018	2019	2020	2021	AAGR
Total Population	59,906	60,514	60,924	61,096	61,268	0.56%

Source: Kem C. Gardner Policy Institute: Millcreek Population Estimates 2010-2016, LYRB

TABLE 4.2: PROJECTED HOUSEHOLDS

	2017	2018	2019	2020	2021	AAGR
Total Households	25,419	25,733	25,937	26,008	26,079	0.64%

Source: Kem C. Gardner Policy Institute: Millcreek Population Estimates 2010-2016, LYRB

The Salt Lake County Municipal-Type Services Area historic average new growth in assessed value from 2012 to 2016 was .07 percent as shown in **Table 4.3**. The 2017 assessed value estimate for the Millcreek is \$4,568,389,725. Utilizing a new growth rate of 0.7 percent, the 5-year taxable values are included in **Table 4.4**.

TABLE 4.3: HISTORIC NEW GROWTH IN ASSESSED VALUE

SALT LAKE COUNTY MUNICIPAL-TYPE SERVICES	2012	2013	2014	2015	2016
New Growth	\$-	\$-	\$492,866,438	(\$120,661,492)	(\$61,445,042)
Certified Tax Rate Value	10,845,459,321	9,350,746,813	9,587,976,676	10,459,477,117	10,884,467,712
Percent of Total	0.0%	0.0%	5.1%	-1.2%	-0.6%
				Average	0.7%

Source: Utah State Tax Commission

TABLE 4.4: PROJECTED TAX VALUE WITH NEW GROWTH IN MILLCREEK

MILLCREEK CITY	2017	2018	2019	2020	2021
Assessed	\$4,568,389,725	\$4,568,389,725	\$4,599,658,834	\$4,630,927,944	\$4,662,411,080
New Growth		\$31,269,109	\$31,269,109	\$31,483,136	\$31,697,163
Total	\$4,568,389,725	\$4,599,658,834	\$4,630,927,944	\$4,662,411,080	\$4,694,108,243

Source: Utah State Tax Commission, LYRB

The Salt Lake County Municipal-Type Services Area is also projected to grow at a rate of .7 percent as shown in **Table 4.5**.

TABLE 4.5: PROJECTED TAX VALUE WITH NEW GROWTH IN UNINCORPORATED SALT LAKE COUNTY

GSL MSD	2017	2018	2019	2020	2021
Assessed	\$6,316,077,987	\$6,316,077,987	\$6,359,309,442	\$6,402,540,897	\$6,446,068,256
New Growth		\$43,231,455	\$43,231,455	\$43,527,360	\$43,823,265
Total	\$6,316,077,987	\$6,359,309,442	\$6,402,540,897	\$6,446,068,256	\$6,489,891,521

Source: Utah State Tax Commission, LYRB

It is important to note actual new growth will fluctuate from year to year for each community. In addition, taxable value will be affected by appreciation or depreciation of real, personal and centrally assessed property.

## SECTION V: 5-YEAR COST PROJECTIONS

### (IV) SUBJECT TO SUBSECTION (4)(B), THE PRESENT AND FIVE-YEAR PROJECTIONS OF THE COST, INCLUDING OVERHEAD, OF MUNICIPAL SERVICES IN THE WITHDRAWING MUNICIPALITY

Historically, the residents of Millcreek received municipal services through Salt Lake County. In 2016, the Greater Salt Lake Municipal Services District (“MSD”) was created. The MSD provides planning and development, animal services, municipal courts, public works, engineering, capital projects and Stat and General, as well as general administration, as noted in **Table 5.1**. Public safety services, including police, fire and EMS, are provided to the residents of Millcreek through the Unified Police Department and Unified Fire Authority. This study assumes public safety services will continue to be administered through the before-mentioned contract agencies and are not included in this analysis.

The MSD, through an interlocal agreement with the County, currently provides services to the unincorporated County, and the townships of Copperton, Emigration, Kearns, Magna and White City, as well as the City. In addition, the County provides services for select municipalities based on contract agreements.<sup>6</sup>

TABLE 5.1: MSD SERVICES

GREATER SALT LAKE MUNICIPAL SERVICES DISTRICT	
Township Services (Administration)	Public Works
Planning & Development	Engineering
Animal Services	Capital Projects
Parks	Stat and General

This analysis considers the following four cost scenarios for Millcreek City related to its interaction with the MSD:

- ☞ Scenario 1: Remain in the MSD;
- ☞ Scenario 2: Withdraw from the MSD and contract directly with the County for 100 percent of the City’s municipal services;
- ☞ Scenario 3: Withdraw from the MSD and contract directly with the County for all services except planning and development; and
- ☞ Scenario 4: Withdraw from the MSD and self-provide all services.

### SCENARIO 1: REMAIN IN THE MSD

Scenario 1 contemplates the expenses related to municipal services provided by the County if the City opted to remain in the MSD. LYRB utilized 2017 budget projections provided by the County, specifically for Millcreek, to estimate the costs associated with MSD services. The cost projections assume a similar level of service as would be contemplated for all MSD participants. Expenses in 2017 include a payment for park capital projects, as well as a debt service payment for the public works department. These expenses were estimated utilizing a cost per capita methodology. The County did not provide a detailed 2017 budget for Stat and General services. LYRB projected the costs associated with these services based on a per capita calculation.<sup>7</sup> The total MSD cost projection for the City in 2017 is **\$13,500,085**.

In addition to the expenses associated with MSD, the City will incur general expenses associated with incorporation as a city. Projections for the City’s administrative costs in Scenario 1 utilize the January-June 2017 Millcreek budget (“Millcreek 2017 budget”).<sup>8</sup> Scenario 1 includes 100 percent of the administrative/legislative expenses and 25 percent of the cost budgeted for the city recorder. Start-up costs also include a 30 percent allocation of the City’s proposed 7,000 square foot office space at a lease rate of \$9.00 per square foot, and an amortized portion of the \$90,000 of tenant improvement cost. These costs are inherent in order for the City to function as a city while receiving services from the MSD. The total budget for 2017 including city administration and start-up costs is **\$13,845,051** as shown in **Table 5.2**.

<sup>6</sup> Animal Services are contracted by Bluffdale, Herriman, Holladay, Midvale, Riverton, and Salt Lake City directly with Salt Lake County. Similarly, services within Public Works are contracted by Taylorsville, Salt Lake City and Holladay directly with Salt Lake County.

<sup>7</sup> Includes expenses related to the District Attorney, indigent legal services, sheriff cell towers and the Salt Lake Valley Emergency Communications Center (“VECC”).

<sup>8</sup> Expenses designated as “three months” were multiplied by four to estimate a full-year budget.

TABLE 5.2: SCENARIO 1 - REMAIN IN THE MSD

EXPENSE	2017	2018	2019	2020	2021
Municipal Services District Admin	\$244,818	\$-	\$-	\$-	\$-
Municipal Stat & Gen	86,543	86,543	86,543	86,543	86,543
Township Services	520,000	535,600	551,668	568,218	585,265
Planning and Development	2,821,900	2,890,160	2,960,222	3,032,136	3,105,955
Animal Services	552,454	569,028	586,098	603,681	621,792
Public Works	4,223,475	4,350,179	4,480,685	4,615,105	4,753,558
Engineering	592,506	610,281	628,590	647,447	666,871
Capital Projects	2,310,233	2,631,702	2,710,653	2,791,973	2,875,732
Parks	396,621	408,520	420,775	433,398	446,400
Courts	655,113	667,961	681,092	694,514	708,233
Sheriff - Cell Tower	23,484	24,663	25,920	27,262	28,695
District Attorney	114,042	117,464	120,988	124,617	128,356
Indigent Legal	259,187	266,963	274,972	283,221	291,718
VECC	699,709	710,205	720,858	731,671	742,646
<b>Total Expense</b>	<b>\$13,500,085</b>	<b>\$13,869,268</b>	<b>\$14,249,064</b>	<b>\$14,639,787</b>	<b>\$15,041,762</b>

Millcreek City Administration	2017	2018	2019	2020	2021
Admin/Legislative	\$85,250	\$87,808	\$90,442	\$93,155	\$95,950
Executive & Central Staff Agencies	-	-	-	-	-
Data Processing	-	-	-	-	-
Admin Agencies	-	-	-	-	-
Treasurer	-	-	-	-	-
Recorder	27,188	28,003	28,843	29,709	30,600
Attorney	-	-	-	-	-
Non-departmental	-	-	-	-	-
<b>Total City Administration</b>	<b>\$112,438</b>	<b>\$115,811</b>	<b>\$119,285</b>	<b>\$122,863</b>	<b>\$126,549</b>
<b>Total Expense</b>	<b>\$13,612,523</b>	<b>\$13,985,079</b>	<b>\$14,368,349</b>	<b>\$14,762,651</b>	<b>\$15,168,312</b>
Start-up Expense	\$232,528	\$232,528	\$232,528	\$232,528	\$232,528
<b>Total Budget</b>	<b>\$13,845,051</b>	<b>\$14,217,607</b>	<b>\$14,600,877</b>	<b>\$14,995,179</b>	<b>\$15,400,840</b>

## SCENARIO 2: WITHDRAW FROM THE MSD AND CONTRACT DIRECTLY WITH THE COUNTY FOR 100% OF THE CITY'S MUNICIPAL SERVICES

Scenario 2 contemplates the expenses related to municipal services provided by the County if the City withdraws from the MSD but contracted directly with Salt Lake County for 100 percent of the services. LYRB utilized 2017 budget projections provided by the County, specifically for Millcreek, to estimate the costs associated with County services. The cost projections assume a similar level of service as would be contemplated for the remaining MSD participants. Based on the County's recommendation, the expenses for township services have been removed from this scenario because the communications and community outreach services would be provided by the City. As with Scenario 1, expenses in 2017 include a payment for park capital projects, as well as a debt service payment for the public works department. The total cost projection for 2017 for directly contracting with the County is **\$12,980,085**.

The City will also incur general city administrative expenses. The projections include a 100 percent allocation of the administrative/legislative positions and 40 percent allocation of all other positions. While services will be provided by contract, the City will still require oversight and management of the contracts. Further, the City must maintain financial oversight and perform procedural budgets and audits. Projections for the City's administrative costs in Scenario 2 utilize the 2017 Millcreek budget. Start-up costs include a 100 percent allocation of the City's proposed 7,000 square foot office space at a lease rate of \$9.00 per square foot, and an amortized portion the \$90,000 of building improvement cost. While only a portion of the City's administrative budget is included in this scenario, the analysis includes the full cost of the building in order to accommodate the staff capacity to govern the City and manage contracts for municipal services. The total budget for 2017 including city administration and start-up costs is **\$14,172,730** as shown in **Table 5.3**.

TABLE 5.3: SCENARIO 2 - WITHDRAW FROM THE MSD AND CONTRACT FOR 100% OF THE CITY'S MUNICIPAL SERVICES

EXPENSE	2017	2018	2019	2020	2021
Municipal Services District Admin	\$244,818	\$-	\$-	\$-	\$-
Municipal Stat & Gen	86,543	86,543	86,543	86,543	86,543
Township Services	-	-	-	-	-
Planning and Development	2,821,900	2,890,160	2,960,222	3,032,136	3,105,955
Animal Services	552,454	569,028	586,098	603,681	621,792
Public Works	4,223,475	4,350,179	4,480,685	4,615,105	4,753,558
Engineering	592,506	610,281	628,590	647,447	666,871
Capital Projects	2,310,233	2,631,702	2,710,653	2,791,973	2,875,732
Parks	396,621	408,520	420,775	433,398	446,400
Courts	655,113	667,961	681,092	694,514	708,233
Sheriff - Cell Tower	23,484	24,663	25,920	27,262	28,695
District Attorney	114,042	117,464	120,988	124,617	128,356
Indigent Legal	259,187	266,963	274,972	283,221	291,718
VECC	699,709	710,205	720,858	731,671	742,646
<b>Total Expense</b>	<b>\$12,980,085</b>	<b>\$13,333,668</b>	<b>\$13,697,396</b>	<b>\$14,071,569</b>	<b>\$14,456,498</b>

Millcreek City Administration	2017	2018	2019	2020	2021
Admin/Legislative	\$85,250	\$87,808	\$90,442	\$93,155	\$95,950
Executive & Central Staff Agencies	81,200	83,636	86,145	88,729	91,391
Data Processing	20,000	20,600	21,218	21,855	22,510
Admin Agencies	58,000	59,740	61,532	63,378	65,280
Treasurer	2,400	2,472	2,546	2,623	2,701
Recorder	43,500	44,805	46,149	47,534	48,960
Attorney	120,000	123,600	127,308	131,127	135,061
Non-departmental	7,200	7,416	7,638	7,868	8,104
<b>Total City Administration</b>	<b>\$417,550</b>	<b>\$430,077</b>	<b>\$442,979</b>	<b>\$456,268</b>	<b>\$469,956</b>
<b>Total Expense</b>	<b>\$13,397,635</b>	<b>\$13,763,745</b>	<b>\$14,140,375</b>	<b>\$14,527,838</b>	<b>\$14,926,454</b>
Start-up Expense	\$775,094	\$775,094	\$775,094	\$775,094	\$775,094
<b>Total Budget</b>	<b>\$14,172,730</b>	<b>\$14,538,839</b>	<b>\$14,915,469</b>	<b>\$15,302,932</b>	<b>\$15,701,548</b>

### SCENARIO 3: WITHDRAW FROM THE MSD AND CONTRACT DIRECTLY WITH THE COUNTY FOR ALL SERVICES EXCEPT PLANNING AND DEVELOPMENT

Scenario 3 contemplates the expenses related to the City withdrawing from the MSD and contracting directly with the County for all services except planning and development. LYRB utilized 2017 budget projections provided by the County, specifically for Millcreek, to estimate the costs associated with County services. The cost projections assume a similar level of service as would be contemplated for the remaining MSD participants. As with Scenario 1 and 2, expenses in 2017 include a payment for park capital projects, as well as a debt service payment for the public works department. Scenario 3 excludes the township services expense and assumes the partial contract will allow the City to negotiate for only the services they request. The total cost projection for 2017 under this scenario is **\$13,005,765**.

Scenario 3 also assumes Millcreek will incur 100 percent of its budgeted administrative expense. Projections for the City's administrative costs in Scenario 3 utilize the 2017 Millcreek budget. Start-up costs include a 100 percent allocation of the City's proposed 7,000 square foot office space at a lease rate of \$9.00 per square foot, and an amortized portion the \$90,000 building improvement cost. The analysis includes the full cost of the building in order to accommodate the staff capacity to govern the City, manage contracts for municipal services, and provide planning and development services. Further, the County's depreciation schedules were utilized to estimate the costs associated with running a planning and development department. These costs included equipment and fleet vehicles. Equipment costs were amortized over three years at an interest rate of 1.8 percent and fleet vehicles were amortized over seven years with an interest rate of 2.25 percent. The total budget for 2017 including city administration and start-up costs is **\$14,752,343** as shown in **Table 5.4**.

TABLE 5.4: SCENARIO 3 - WITHDRAW FROM THE MSD AND CONTRACT FOR ALL SERVICES EXCEPT PLANNING AND DEVELOPMENT

EXPENSE	2017	2018	2019	2020	2021
Municipal Services District Admin	\$244,818	\$-	\$-	\$-	\$-
Municipal Stat & Gen	86,543	86,543	86,543	86,543	86,543
Township Services	-	-	-	-	-
Planning and Development	2,847,580	2,933,007	3,020,997	3,111,627	3,204,976
Animal Services	552,454	569,028	586,098	603,681	621,792
Public Works	4,223,475	4,350,179	4,480,685	4,615,105	4,753,558
Engineering	592,506	610,281	628,590	647,447	666,871
Capital Projects	2,310,233	2,631,702	2,710,653	2,791,973	2,875,732
Parks	396,621	408,520	420,775	433,398	446,400
Courts	655,113	667,961	681,092	694,514	708,233
Sheriff - Cell Tower	23,484	24,663	25,920	27,262	28,695
District Attorney	114,042	117,464	120,988	124,617	128,356
Indigent Legal	259,187	266,963	274,972	283,221	291,718
VECC	699,709	710,205	720,858	731,671	742,646
<b>Total Expense</b>	<b>\$13,005,765</b>	<b>\$13,376,515</b>	<b>\$13,758,171</b>	<b>\$14,151,060</b>	<b>\$14,555,519</b>

Millcreek City Administration	2017	2018	2019	2020	2021
Admin/Legislative	\$85,250	\$87,808	\$90,442	\$93,155	\$95,950
Executive & Central Staff Agencies	203,000	209,090	215,363	221,824	228,478
Data Processing	50,000	51,500	53,045	54,636	56,275
Admin Agencies	145,000	149,350	153,831	158,445	163,199
Treasurer	6,000	6,180	6,365	6,556	6,753
Recorder	108,750	112,013	115,373	118,834	122,399
Attorney	300,000	309,000	318,270	327,818	337,653
Non-departmental	18,000	18,540	19,096	19,669	20,259
<b>Total City Administration</b>	<b>\$916,000</b>	<b>\$943,480</b>	<b>\$971,784</b>	<b>\$1,000,938</b>	<b>\$1,030,966</b>
<b>Total Expense</b>	<b>\$13,921,765</b>	<b>\$14,319,995</b>	<b>\$14,729,956</b>	<b>\$15,151,998</b>	<b>\$15,586,485</b>
Start-up Expense	\$830,578	\$830,578	\$830,578	\$830,578	\$830,578
<b>Total Budget</b>	<b>\$14,752,343</b>	<b>\$15,150,573</b>	<b>\$15,560,534</b>	<b>\$15,982,576</b>	<b>\$16,417,063</b>

## SCENARIO 4: WITHDRAW FROM THE MSD AND SELF-PROVIDE ALL SERVICES

Scenario 4 contemplates the expenses related to the City self-providing all municipal services. LYRB utilized 2017 budget data for seven comparison cities including Orem, Sandy, Ogden, Layton, Taylorsville, South Jordan and Murray. Factors considered in the selection of the comparison cities included population, demographic characteristics and buildout status. Metrics including population, centerline miles, park acres, business licenses, building permits, court cases, animal control incidents, and linear feet of storm drain pipe were utilized to estimate the cost for municipal service based on per unit cost. The comparison data can be found in **Appendix A**.

The cost projections assume a similar level of service as would be contemplated for all MSD participants. Scenario 4 excludes the township services expense, as well as the debt service and parks capital payment. The total MSD cost projection for 2017 is **\$16,466,751**.

In addition to the expenses associated with MSD, Scenario 4 assumes the City will incur administrative expenses above those budgeted in the City's 2017 budget. The Taylorsville City 2017 administration budget was used to project the costs of self-provision. As Taylorsville's budget will include enterprise funds not associated with municipal services, an 85 percent allocation was used to project the administrative costs. In addition to the start-up costs associated with the city hall and fleet and equipment described in Scenario 3, Scenario 4 will also include a public works building. The total building cost is estimated at \$21,000,000<sup>9</sup> and is amortized over 20 years at an interest rate of 3.5 percent. The total budget for 2017 including city administration and start-up costs is **\$21,266,980** as shown in **Table 5.5**.

<sup>9</sup> Based on cost estimates for the new West Jordan public works building. The total project cost is \$26,500,000 and includes demolition of existing buildings, as well as additional storage areas.

TABLE 5.5: SCENARIO 4 - WITHDRAW FROM THE MSD AND SELF-PROVIDE ALL SERVICES

EXPENSE	2017	2018	2019	2020	2021
Municipal Services District Admin	\$-	\$-	\$-	\$-	\$-
Municipal Stat & Gen	-	-	-	-	-
Township Services	-	-	-	-	-
Planning and Development	4,299,712	4,428,704	4,561,565	4,698,412	4,839,364
Animal Services	659,009	678,780	699,143	720,117	741,721
Public Works	3,226,374	3,323,165	3,422,860	3,525,546	3,631,312
Engineering	490,322	505,032	520,183	535,788	551,862
Capital Projects	6,182,684	6,368,165	6,559,210	6,755,986	6,958,665
Parks	220,946	227,574	234,401	241,433	248,676
Courts	291,281	300,020	309,020	318,291	327,840
Sheriff - Cell Tower	23,484	24,663	25,920	27,262	28,695
District Attorney	114,042	117,464	120,988	124,617	128,356
Indigent Legal	259,187	266,963	274,972	283,221	291,718
VECC	699,709	710,205	720,858	731,671	742,646
<b>Total Expense</b>	<b>\$16,466,751</b>	<b>\$16,950,733</b>	<b>\$17,449,119</b>	<b>\$17,962,344</b>	<b>\$18,490,854</b>

<b>Millcreek City Administration</b>					
Admin/Legislative	\$422,992	\$435,682	\$448,753	\$462,215	\$476,082
Executive & Central Staff Agencies	-	-	-	-	-
Data Processing	-	-	-	-	-
Admin Agencies	843,608	868,916	894,984	921,833	949,488
Treasurer	-	-	-	-	-
Recorder	-	-	-	-	-
Attorney	399,500	411,485	423,830	436,544	449,641
Non-departmental	-	-	-	-	-
<b>Total City Administration</b>	<b>\$1,666,100</b>	<b>\$1,716,083</b>	<b>\$1,767,566</b>	<b>\$1,820,593</b>	<b>\$1,875,211</b>
<b>Total Expense</b>	<b>\$18,132,851</b>	<b>\$18,666,816</b>	<b>\$19,216,685</b>	<b>\$19,782,936</b>	<b>\$20,366,064</b>
Start-up Expense	\$3,134,128	\$3,134,128	\$3,134,128	\$3,134,128	\$3,134,128
<b>Total Budget</b>	<b>\$21,266,980</b>	<b>\$21,800,944</b>	<b>\$22,350,813</b>	<b>\$22,917,065</b>	<b>\$23,500,192</b>



## SECTION VI: 5-YEAR REVENUE PROJECTIONS

### (V) ASSUMING THE SAME TAX CATEGORIES AND TAX RATES AS CURRENTLY IMPOSED BY THE MUNICIPAL SERVICES DISTRICT AND ALL OTHER CURRENT SERVICE PROVIDERS, THE PRESENT AND FIVE-YEAR PROJECTED REVENUE FOR THE WITHDRAWING MUNICIPALITY

The MSD budget includes three primary revenue sources including sales tax, franchise tax (cable lease payment) and Class C Road funds. Additional revenues streams include a 911 surcharge fee, the sheriff cell tower revenue, court fines, building related permits, business licenses and animal services revenue. The revenue analysis considers the following four scenarios which match the expenditure analysis:

- ☐ Scenario 1: Remain in the MSD;
- ☐ Scenario 2: Withdraw from the MSD and contract directly with the County for 100 percent of the City's municipal services;
- ☐ Scenario 3: Withdraw from the MSD and contract directly with the County for all services except planning and development; and
- ☐ Scenario 4: Withdraw from the MSD and self-provide all services.

#### SCENARIO 1: REMAIN IN THE MSD

The State Tax Commission completed an analysis that estimated Millcreek's portion of the unincorporated County's sales tax in 2016 at \$10,108,669. The analysis utilized the total unincorporated County direct sales and an allocation based on point of sale outlets located in Millcreek as determined by the County and verified by the City. Delivery locations, non-nexus and motor vehicle sales were apportioned based on the City's population, which is 41 percent of the total unincorporated County. The historic AAGR of sales tax in unincorporated Salt Lake County over the past five years is 4.25 percent. LYRB projected the total sales tax based on a conservative 3 percent.

Class C road funds are distributed based on a population and weighted lane mile calculation. The City currently has 171.5 centerline miles, all of which are paved. Paved roads receive a weighting of 5 in the fund distribution calculation. Thus, Millcreek has 858 weighted lane miles. Millcreek's first Class C fund distribution from the State for January 2017-February 2017 was \$246,026.65. The 2017 distribution was based on Millcreek's 2015 U.S. Census American Community Survey population of 60,119. Thus, the census population was used in the calculation of Class C road funds. The census data suggests Millcreek's population is 41 percent of the unincorporated County which corresponds with the calculation utilized by the State Tax Commission to project sales tax. Millcreek accounts for 8 percent of Salt Lake County.

Per Utah Code section 72-2-108(3), if an unincorporated county's population is less than 14 percent of the county, the "aggregate percentage of the population apportioned to municipalities in that county shall be reduced by an amount equal to the difference between 14 percent and the actual percentage of [the county] population."<sup>10</sup> As a result of Millcreek's incorporation, the unincorporated County only accounts for 8 percent of Salt Lake County's population. The projections for Millcreek's Class C road distribution has been adjusted down to 44 percent to satisfy the 14 percent rule.

Historically, the County has collected a franchise tax in the form of a cable lease. This analysis assumes the City will continue to collect this federally approved fee through local cable providers. Projections are based on historic and budget estimates provided by the County.

The 911 surcharge expense is offset by the VECC expense. A portion of revenue from the Salt Lake County Public Works Department, the Unified Police Department, the Utah Communications Authority, and Wasatch Front Waste is allocated in the Sheriff (Cell Tower) revenue, which partially offsets the cell tower expense. The Sheriff (Cell Tower) distribution is based on a per capita distribution. The court fines, building related permits, and business licenses collected for Millcreek are distributed back to the City. Unlike the previously mentioned fees, animal services related fees collected by the County are kept by the County as a function of the contract with cities and townships. **Table 6.1** includes the projected revenues Millcreek will collect and distribute to the MSD if they stay in the MSD.

<sup>10</sup> USC 72-2-108(3)

TABLE 6.1: SCENARIO 1 - REMAIN IN THE MSD

REVENUE	2017	2018	2019	2020	2021
Sales Tax	\$10,411,929	\$10,724,287	\$11,046,015	\$11,377,396	\$11,718,718
Franchise Tax (Cable Lease)	482,481	490,624	498,904	507,324	515,886
Class B & C Roads	1,817,077	1,867,557	1,914,876	1,957,900	2,001,864
911 Surcharge	699,709	710,205	720,858	731,671	742,646
Sheriff (Cell Towers)	7,925	8,638	9,415	10,261	11,183
Court Fines	453,697	460,502	467,410	474,421	481,537
Building Permits	703,760	714,316	725,031	735,906	746,945
Business Licenses	389,363	395,203	401,131	407,148	413,255
Animal Services	-	-	-	-	-
<b>Total Revenue</b>	<b>\$14,965,941</b>	<b>\$15,371,332</b>	<b>\$15,783,640</b>	<b>\$16,202,027</b>	<b>\$16,632,034</b>

## SCENARIO 2: WITHDRAW FROM THE MSD AND CONTRACT DIRECTLY WITH SALT LAKE COUNTY FOR 100% OF THE CITY'S MUNICIPAL SERVICES

There is no difference in the revenues from Scenario 1 in the projection for Scenario 2 as detailed in Table 6.2. The City will continue to collect the same revenues as if they were in the MSD.

TABLE 6.2: SCENARIO 2 - LEAVE THE MSD AND CONTRACT FOR 100% OF THE CITY'S MUNICIPAL SERVICES

REVENUE	2017	2018	2019	2020	2021
Sales Tax	\$10,411,929	\$10,724,287	\$11,046,015	\$11,377,396	\$11,718,718
Franchise Tax (Cable Lease)	482,481	490,624	498,904	507,324	515,886
Class B & C Roads	1,817,077	1,867,557	1,914,876	1,957,900	2,001,864
911 Surcharge	699,709	710,205	720,858	731,671	742,646
Sheriff (Cell Towers)	7,925	8,638	9,415	10,261	11,183
Court Fines	453,697	460,502	467,410	474,421	481,537
Building Permits	703,760	714,316	725,031	735,906	746,945
Business Licenses	389,363	395,203	401,131	407,148	413,255
Animal Services	-	-	-	-	-
<b>Total Revenue</b>	<b>14,965,941</b>	<b>15,371,332</b>	<b>15,783,640</b>	<b>16,202,027</b>	<b>16,632,034</b>

## SCENARIO 3: WITHDRAW FROM THE MSD AND CONTRACT DIRECTLY WITH THE COUNTY FOR ALL SERVICES EXCEPT PLANNING AND DEVELOPMENT

There is no difference in the revenues from Scenario 1 in the projection for Scenario 3 as detailed in Table 6.3. The City will continue to collect the same revenues assuming they contract with the County for all services except planning and development services.

TABLE 6.3: SCENARIO 3 - LEAVE THE MSD AND CONTRACT FOR ALL SERVICES EXCEPT PLANNING AND DEVELOPMENT

REVENUE	2017	2018	2019	2020	2021
Sales Tax	\$10,411,929	\$10,724,287	\$11,046,015	\$11,377,396	\$11,718,718
Franchise Tax (Cable Lease)	482,481	490,624	498,904	507,324	515,886
Class B & C Roads	1,817,077	1,867,557	1,914,876	1,957,900	2,001,864
911 Surcharge	699,709	710,205	720,858	731,671	742,646
Sheriff (Cell Towers)	7,925	8,638	9,415	10,261	11,183
Court Fines	453,697	460,502	467,410	474,421	481,537
Building Permits	703,760	714,316	725,031	735,906	746,945
Business Licenses	389,363	395,203	401,131	407,148	413,255
Animal Services	-	-	-	-	-
<b>Total Revenue</b>	<b>14,965,941</b>	<b>15,371,332</b>	<b>15,783,640</b>	<b>16,202,027</b>	<b>16,632,034</b>

## SCENARIO 4: WITHDRAW FROM THE MSD AND SELF-PROVIDE ALL SERVICES

The revenues collected in Scenario 4 differ slightly from that those in Scenarios 1 through 3. This variation is a result of the City collecting and keeping all fees related to animal services as shown in **Table 6.4**.

TABLE 6.4: SCENARIO 4- WITHDRAW FROM THE MSD AND SELF-PROVIDE ALL SERVICES

REVENUE	2017	2018	2019	2020	2021
Sales Tax	\$10,411,929	\$10,724,287	\$11,046,015	\$11,377,396	\$11,718,718
Franchise Tax (Cable Lease)	482,481	490,624	498,904	507,324	515,886
Class B & C Roads	1,817,077	1,867,557	1,914,876	1,957,900	2,001,864
911 Surcharge	699,709	710,205	720,858	731,671	742,646
Sheriff (Cell Towers)	7,925	8,638	9,415	10,261	11,183
Court Fines	453,697	460,502	467,410	474,421	481,537
Building Permits	703,760	714,316	725,031	735,906	746,945
Business Licenses	389,363	395,203	401,131	407,148	413,255
Animal Services	57,369	57,942	58,522	59,107	59,698
<b>Total Revenue</b>	<b>\$15,023,309</b>	<b>\$15,429,274</b>	<b>\$15,842,162</b>	<b>\$16,261,134</b>	<b>\$16,691,732</b>

## SECTION VII: 5-YEAR NEW TAX PROJECTIONS

### (VI) A PROJECTION OF ANY NEW TAXES PER HOUSEHOLD THAT MAY BE LEVIED WITHIN THE WITHDRAWING MUNICIPALITY WITHIN FIVE YEARS OF THE WITHDRAWAL

The required scope of a feasibility study was determined to address remaining in the MSD and a full self provision scenario (Scenario 1 and Scenario 4 respectively). For informational purposes only, Scenario 2 and Scenario 3 have been included to aid in the evaluation of cost to the City.

#### SCENARIO 1: REMAIN IN THE MSD

Based on the expenses and revenues projected in **Sections 5 and 6**, Scenario 1 results in 108 percent of revenues over expenditures as shown in **Table 7.1**. As Scenario 1 contemplates the City remaining in the MSD, the City's excess revenues would be used by the MSD to cover MSD expenses.

TABLE 7.1: SCENARIO 1: REMAIN IN THE MSD

	REVENUE TO EXPENSE	2017	2018	2019	2020	2021
Scenario 1	Total Revenue	\$14,965,941	\$15,371,332	\$15,783,640	\$16,202,027	\$16,632,034
	Total Expense	\$13,845,051	\$14,217,607	\$14,600,877	\$14,995,179	\$15,400,840
	% of Revenues to Expenses	108%	108%	108%	108%	108%
	New Tax Rate	-	-	-	-	-
	Remittance to MSD	-	-	-	-	-

#### SCENARIO 2: WITHDRAW FROM THE MSD AND CONTRACT DIRECTLY WITH THE COUNTY FOR 100% OF THE CITY'S MUNICIPAL SERVICES

Scenario 2 results in 106 percent of revenues over expenditures. The total revenue in Scenario 2 is \$14,965,941.

According to the City's legal counsel, the City would not be required to remit payment to the County under Scenarios 2, as this scenario is not required by statute.

TABLE 7.2: SCENARIO 2: WITHDRAW FROM THE MSD AND CONTRACT FOR 100% OF THE CITY'S MUNICIPAL SERVICES

	REVENUE TO EXPENSE	2017	2018	2019	2020	2021
Scenario 2	Total Revenue	\$14,965,941	\$15,371,332	\$15,783,640	\$16,202,027	\$16,632,034
	Total Expense	\$14,172,730	\$14,538,839	\$14,915,469	\$15,302,932	\$15,701,548
	% of Revenues to Expenses	106%	106%	106%	106%	106%
	New Tax Rate	-	-	-	-	-
		-	-	-	-	-

#### SCENARIO 3: WITHDRAW FROM THE MSD AND CONTRACT DIRECTLY WITH THE COUNTY FOR ALL SERVICES EXCEPT PLANNING AND DEVELOPMENT

The revenues to expenses in Scenarios 3 is 101 percent. The City would not be required to remit any revenues to the County. Further, the City would not be required to levy an additional tax as shown in **Table 7.3**.

TABLE 7.3: SCENARIO 3 - WITHDRAW FROM THE MSD AND CONTRACT FOR ALL SERVICES EXCEPT PLANNING AND DEVELOPMENT

	REVENUE TO EXPENSE	2017	2018	2019	2020	2021
Scenario 3	Total Revenue	\$14,965,941	\$15,371,332	\$15,783,640	\$16,202,027	\$16,632,034
	Total Expense	\$14,752,343	\$15,150,573	\$15,560,534	\$15,982,576	\$16,417,063
	% of Revenues to Expenses	101%	101%	101%	101%	101%
	New Tax Rate	-	-	-	-	-
		-	-	-	-	-

According to the City's legal counsel, the City would not be required to remit payment to the County under Scenarios 3, as this scenario is not required by statute.

## SCENARIO 4: WITHDRAW FROM THE MSD AND SELF-PROVIDE ALL SERVICES

Scenario 4 includes start-up costs associated with 100 percent self-provision of municipal services. The total revenues to expenses ratio is 71 percent. In order to self-provide all municipal services, the City would be required levy a tax to cover the revenue shortfall. Based on the City's parcel database, the average taxable value of a single family home is approximately \$190,368 (\$345,585 market value).<sup>11</sup> The levy for a home with a taxable value of \$190,368 in 2017 would be \$260, as shown in **Table 7.4**.

TABLE 7.4: SCENARIO 4 - WITHDRAW FROM THE MSD AND SELF-PROVIDE ALL SERVICES

	REVENUE TO EXPENSE	2017	2018	2019	2020	2021
Scenario 4	Total Revenue	\$15,023,309	\$15,429,274	\$15,842,162	\$16,261,134	\$16,691,732
	Total Expense	\$21,266,980	\$21,800,944	\$22,350,813	\$22,917,065	\$23,500,192
	% of Revenues to Expenses	71%	71%	71%	71%	71%
	New Tax Rate	0.001367	0.001385	0.001405	0.001428	0.001450
	\$190,368 Tax Value Impact	\$260	\$264	\$268	\$272	\$276
	Remittance to MSD	-	-	-	-	-

<sup>11</sup> Based on 2016 County parcel data for Millcreek City.

## SECTION VIII: FISCAL IMPACTS ON MUNICIPALITIES

### (VII) THE FISCAL IMPACT ON OTHER MUNICIPALITIES SERVICED BY THE MUNICIPAL SERVICES DISTRICT.

The net impact to the unincorporated County, municipal townships, and contracting municipalities (collectively “other municipalities”) is determined for Scenarios 1, 2, and 3 based on a baseline revenue stream to the MSD, from Millcreek, of \$14,965,941 (see **Tables 6.1, 6.2, and 6.3**). This baseline represents the total revenue Millcreek will remit to the MSD if it continues to be part of the MSD. The revenue baseline for Scenario 4 is slightly higher at \$15,023,309 to account for animal services revenue the City will recognize in a self-provision scenario (see **Table 6.4**). The impacts of the four scenarios outlined in this analysis are addressed below in relation to the corresponding baseline revenue.

#### SCENARIO 1: REMAIN IN THE MSD

By remaining in the MSD, the City’s total projected revenue would continue to flow to the MSD. As noted above, the City’s total revenue is considered the baseline revenue for the MSD. As discussed in Section 5, the City will incur start-up and administrative expenses despite remaining in the MSD. This analysis assumes the City will negotiate with the MSD to retain revenues sufficient to cover the City’s administrative and start-up costs, which are \$344,966 in 2017. Thus, the net loss to the other municipalities under Scenario 1 is \$344,966, as shown in **Table 8.1**. Although minimal, the MSD would have to impose a tax or fee to cover the loss. Based on an average taxable value of \$98,310 (\$199,570 market value)<sup>12</sup> for a single family home, the levy in 2017 to cover the deficit would be \$5 annually. However, the MSD may be able to reduce overall expenses to account for this shortfall.

TABLE 8.1: SCENARIO 1: REMAIN IN THE MSD

	MSD REVENUE TO EXPENSE	2017	2018	2019	2020	2021
Scenario 1	Baseline Revenue to Other Municipalities	\$14,965,941	\$15,371,332	\$15,783,640	\$16,202,027	\$16,632,034
	Revised Revenue to Other Municipalities	\$14,620,975	\$15,022,993	\$15,431,827	\$15,846,635	\$16,272,957
	Net Impact to Other Municipalities	(\$344,966)	(\$348,339)	(\$351,813)	(\$355,392)	(\$359,078)
	Tax Rate	0.000055	0.000055	0.000055	0.000055	0.000055
	\$98,310 Tax Value Impact	\$5	\$5	\$5	\$5	\$5

#### SCENARIO 2: WITHDRAW FROM THE MSD AND CONTRACT DIRECTLY WITH THE COUNTY FOR 100% OF THE CITY’S MUNICIPAL SERVICES

By leaving the MSD and contracting directly with the County for 100 percent of the municipal services, the other municipalities’ expected revenue from Millcreek will be the total MSD contract expense, which is \$12,980,085 under Scenario 2 (see **Table 5.3**). As noted in Section 7, **Table 7.2**, the City would be required to remit to the MSD \$149,659 under Scenario 2, which represents the City’s revenues above 105 percent of its expenses. Thus, the combined total revenue to the other municipalities and the MSD would be \$13,129,745 in 2017. This total revenue is subtracted from the baseline revenue of \$14,965,941 to determine the net impact to the other municipalities, which is a loss of \$1,836,196 in 2017.

TABLE 8.2: SCENARIO 2: WITHDRAW FROM THE MSD AND CONTRACT FOR 100% OF THE CITY’S MUNICIPAL SERVICES

	MSD REVENUE TO EXPENSE	2017	2018	2019	2020	2021
Scenario 2	Baseline Revenue to MSD	\$14,965,941	\$15,371,332	\$15,783,640	\$16,202,027	\$16,632,034
	Revised Revenue to MSD	\$12,980,085	\$13,333,668	\$13,697,396	\$14,071,569	\$14,456,498
	Revenue Above 105%	-	-	-	-	-
	Total Revenue to MSD	\$12,980,085	\$13,333,668	\$13,697,396	\$14,071,569	\$14,456,498
	Net Impact to Other Municipalities	\$1,985,855	\$2,037,663	\$2,086,244	\$2,130,458	\$2,175,537
	Tax Rate	0.000314	0.000320	0.000326	0.000331	0.000335
	\$98,310 Tax Value Impact	\$31	\$32	\$32	\$32	\$33

<sup>12</sup> Based on 2016 County parcel data for Unincorporated Salt Lake County.

Assuming 100 percent of the costs are fixed, the other municipalities would have to impose a tax or fee to cover the loss. Based on an average taxable value of \$98,310 (\$199,570 market value) for a single family home, the levy in 2017 to cover the deficit would be \$29.

According to the City’s legal counsel, the City would not be required to remit payment to the County under Scenarios 2, as this scenario is not required by statute.

### SCENARIO 3: WITHDRAW FROM THE MSD AND CONTRACT DIRECTLY WITH THE COUNTY FOR ALL SERVICES EXCEPT PLANNING AND DEVELOPMENT

According to the City’s legal counsel, the City would not be required to remit payment to the County under Scenarios 3, as this scenario is not required by statute. However, the analysis shows revenues would not exceed expenditures under this analysis.

The sum of all MSD contracts with the County under Scenario 3 is \$10,158,185. This total excludes the costs associated with Millcreek self-providing planning and development services. Assuming 100 percent of the costs are fixed, the net loss to the other municipalities is the baseline revenue of \$14,965,941 less the contract amount, or \$4,807,755.

In 2015, the County published the Townships and Unincorporated Islands Fiscal Evaluation.<sup>13</sup> The analysis indicates the expenses for planning and development services are 98 percent variable, which means they will fluctuate based on the size of the service area. To account for this variability, the overall revenue needed by the other municipalities is reduced from \$4,807,755 to \$2,052,136. Thus, the net loss to the other municipalities is offset by a reduction in expense of \$2,775,620 as a result of Millcreek self-providing planning and development services.

Assuming 98 percent of the planning and development costs are variable, the other municipalities would have to impose a tax or fee to cover the remaining loss. Based on an average taxable value of \$98,310 (\$199,570 market value) for a single family home, the levy in 2017 to cover the deficit would be \$32 as shown in **Table 8.3**.

TABLE 8.3: SCENARIO 3 - WITHDRAW FROM THE MSD AND CONTRACT FOR ALL SERVICES EXCEPT PLANNING AND DEVELOPMENT

	MSD REVENUE TO EXPENSE	2017	2018	2019	2020	2021
Scenario 3	Baseline Revenue to MSD	\$14,965,941	\$15,371,332	\$15,783,640	\$16,202,027	\$16,632,034
	Revised Revenue to MSD	\$10,158,185	\$10,443,508	\$10,737,174	\$11,039,433	\$11,350,543
	MSD Loss	(\$4,807,755)	(\$4,927,823)	(\$5,046,466)	(\$5,162,594)	(\$5,281,491)
	MSD Expense Reduction	\$2,755,620	\$2,822,276	\$2,890,693	\$2,960,918	\$3,033,002
	Net Impact to Other Municipalities	(\$2,052,136)	(\$2,105,547)	(\$2,155,773)	(\$2,201,676)	(\$2,248,489)
	Tax Rate	0.000325	0.000331	0.000337	0.000342	0.000346
	\$98,310 Tax Value Impact	\$32	\$33	\$33	\$34	\$34

### SCENARIO 4: WITHDRAW FROM THE MSD AND SELF-PROVIDE ALL SERVICES

By self-providing all services in Scenario 4, the net loss to the other municipalities would be \$15,023,309 assuming all costs are fixed. However, based on the economies of scale the County utilizes to provide municipal services to the unincorporated County, metro townships, and select contracting municipalities, Scenario 4 considers an allocation of fixed and variable costs to determine the true impact to the other municipalities.

The Townships and Unincorporated Islands Fiscal Evaluation previously referenced provides variable and fixed costs associated with township services, planning and development, and animal services, stat and general (used to estimate the variable cost for parks), courts, District Attorney, VECC, and indigent legal. LYRB assigned a variable estimate to the remaining categories as indicated in **Table 8.4**. A 100 percent variable designation suggests if Millcreek is self-providing services, there is no loss to the other municipalities. A zero percent designation suggests the other municipalities will have to make up 100 percent of the lost revenue from Millcreek through other sources of revenue.

<sup>13</sup> Salt Lake County Townships and Unincorporated Islands Fiscal Evaluation, Zions Bank Public Finance.

TABLE 8.4: VARIABLE COSTS

GREATER SALT LAKE MUNICIPAL SERVICES DISTRICT			
Township Services*	88%	Public Works	50%
Planning & Development*	98%	Engineering	50%
Animal Services*	54%	Capital Projects	100%
Parks*	62%	Municipal Stat and General*	62%
Courts*	59%	Sheriff – Cell Tower	100%
District Attorney*	100%	Indigent Legal*	100%
VECC*	100%		

\*As calculated in the Townships and Unincorporated Islands Fiscal Evaluation, 2015

The total variable costs or cost reduction to the other municipalities by Millcreek self-providing services is \$9,954,587 in 2017. Thus, the net loss to the other municipalities is the Scenario 4 baseline revenue less the fixed revenue, or \$5,068,722. Assuming the variable costs in **Table 8.4**, the other municipalities would have to impose a tax or fee to cover the loss. Based on an average taxable value of \$98,310 (\$199,570 market value) for a single family home, the levy in 2017 to cover the deficit would be \$79 as shown in **Table 8.5**.

TABLE 8.5: SCENARIO 4 - WITHDRAW FROM THE MSD AND SELF-PROVIDE ALL SERVICES

MSD REVENUE TO EXPENSE		2017	2018	2019	2020	2021
Scenario 4	Baseline Revenue to MSD	\$15,023,309	\$15,429,274	\$15,842,162	\$16,261,134	\$16,691,732
	Revised Revenue to MSD	-	-	-	-	-
	MSD Loss	(\$15,023,309)	(\$15,429,274)	(\$15,842,162)	(\$16,261,134)	(\$16,691,732)
	MSD Expense Reduction	\$9,954,587	\$10,475,350	\$10,759,160	\$11,051,065	\$11,351,307
	Net Impact to Other Municipalities	(\$5,068,722)	(\$4,953,923)	(\$5,083,002)	(\$5,210,069)	(\$5,340,425)
	Tax Rate	0.000803	0.000779	0.000794	0.000808	0.000823
	\$98,310 Tax Value Impact	\$79	\$77	\$78	\$79	\$81



## APPENDIX A

TABLE A.1: COMPARISON CITY METRICS

METRIC	OREM	SANDY	OGDEN	LAYTON	TAYLORSVILLE	SOUTH JORDAN	MURRAY
Population	94,457	94,615	83,670	72,231	58,652	64,033	48,460
Centerline	241	313	319	254	154	237	147
Park Acres	345	318	355	531	32	665	250
Business Licenses	4,334	5,451	5,605	3,000	2,053	2,442	3,719
Building Permits	342	587	118	298	12	863	220
Courts	13,378	18,335	19,577	5,691	11,203	6,353	9,665
Animal	2,862	2,186	2,677	3,337	2,003	975	Incomplete
Storm Drain L Ft	467,280	786,880	722,000	860,640	316,800	844,800	551,000

TABLE A.2: MILLCREEK METRICS

METRIC	MILLCREEK	DATA SOURCE
Population	59,906	Kem C. Gardner Institute
Centerline	172	UDOT
Park Acres	28	Salt Lake County
Business Licenses	3,055	Millcreek Community Councils
Building Permits	40	Kem C. Gardner Institute
Courts	3,447	Assessed value estimate <sup>14</sup>
Animal	3,659	Salt Lake County
Storm Drain L Ft	370,640	Salt Lake County

TABLE A.3: COMPARISON CITY MUNICIPAL SERVICES BUDGET

	OREM	SANDY	OGDEN	LAYTON	TAYLORSVILLE	SOUTH JORDAN	MURRAY
Municipal Service Budget	15,023,390	20,721,713	21,242,100	10,729,844	8,407,202	15,060,654	10,734,736
2016 Certified Tax Rate Value	4,365,875,357	6,575,812,228	3,218,402,510	3,574,320,532	2,725,125,242	4,481,376,150	3,973,329,933
Cost Per Capita	159	219	254	149	143	235	222
Cost Per Assessed Value	0.003441	0.003151	0.006600	0.003002	0.003085	0.003361	0.002702

TABLE A.4: COMPARISON CITY BUDGET BY SERVICE CATEGORY

BUDGET CATEGORY	OREM	SANDY	OGDEN	LAYTON	TAYLORSVILLE	SOUTH JORDAN	MURRAY
Building Permits	771,219	1,227,782	1,618,400	-	525,081	1,409,474	764,428
Business Licenses	72,839	581,106	265,275	-	-	245,587	-

<sup>14</sup> Salt Lake County does not track Justice Court cases by jurisdiction. The proportion of Millcreek's assessed value as compared to the Salt Lake County Municipal-Type Services district was used to estimate the total cases attributed to Millcreek.



BUDGET CATEGORY	OREM	SANDY	OGDEN	LAYTON	TAYLORSVILLE	SOUTH JORDAN	MURRAY
Animal Services	343,317	687,402	622,325	214,783	317,000	186,349	354,843
Streets	3,520,505	4,175,134	4,093,975	3,906,181	2,585,767	5,422,218	3,225,176
Street Lighting	1,425,334	864,000	7,750	386,000	435,000	169,506	30,000
Engineering	230,526	976,508	464,750	358,372	60,000	1,841,393	724,171
Parks	2,446,893	5,032,389	3,200,950	2,347,838	238,000	2,173,707	2,018,975
Storm Sewer	2,497,895	3,703,842	6,746,125	1,686,315	682,600	1,279,095	1,322,920
Justice Court	770,279	1,369,578	1,525,175	-	1,979,331	481,710	1,244,533
Comm/Econ Dev & Plan	2,944,583	2,103,972	2,697,375	1,830,355	1,584,423	1,851,615	1,049,690

Budget categories were excluded if services were not identifiable.

TABLE A.5: COMPARISON CITY BUDGETS

	OREM	SANDY	OGDEN	LAYTON	TAYLORSVILLE	SOUTH JORDAN	MURRAY
<b>Administration</b>							
Administration				1,358,230		1,607,600	
Advisory Boards & Commissions	37,300				13,700		
Chief of Staff						258,077	
City Council		262,008	1,109,850		239,014		391,463
City Manager	718,943	651,939					
City Recorder	238,462	254,875	435,050			344,872	721,458
Community Promotion	118,000				101,600		
Council Executive Staff		445,370					
Economic Development							
Mayor			645,825		143,324		624,290
Mayor & City Council	371,814	567,582					
Neighborhoods in Action	55,800						
<b>Legal</b>							
Civil	291,742			85,974	8,000		
Legal Services Administration	413,049	1,263,926	1,239,475	853,465	135,000	862,469	479,667
Prosecution	366,206				327,000		445,378
<b>Administrative Services</b>							
Accounting	281,965		545,925		992,480		
Administrative Services Admin	426,668		689,050			293,128	
Admin Services Capital							
City Treasurer	117,594	283,874					1,026,619
Communications		481,104				151,108	



	OREM	SANDY	OGDEN	LAYTON	TAYLORSVILLE	SOUTH JORDAN	MURRAY
Emergency Management		123,971					
Finance & IT		241,445					
Finance Services		1,344,819	608,300	620,102		1,587,168	583,557
GIS							545,498
Human Resources	475,219	557,251	560,975	641,559		572,615	372,285
Information Center						469,805	
IT		2,322,308	5,698,850	974,282		1,384,869	1,558,493
IT Capital		747,500					
Purchasing			138,475				
Refuse Division				2,986,240			
Risk Management		1,470,039	1,604,500			641,607	
Telecom				31,250			
Utility Billing	488,465						
<b>Non-Departmental</b>							
Non-Departmental	12,069,199	1,820,133	6,824,325	13,578,581	720,159		425,392
Non-Departmental Capital			185,000				
<b>Municipal Services</b>							
<b>Planning and Development</b>							
Building Safety	771,219	1,227,782	1,618,400	-	525,081	1,409,474	764,428
Building Safety Capital	20,000						
Boards & Commissions		24,170					
Business Licensing	72,839	581,106	265,275	-	-	245,587	-
Community Development			171,600	1,335,051	788,951		709,266
Construction	249,417						
Design	293,568						
Development Services Admin	227,173		798,600				340,424
Development Services Admin Capital							212,397
Economic Development	206,754		1,084,150	47,506	265,123		
Economic Development Capital				557,750			
Debt Service Repayment				320,000			
Facilities	1,163,185	1,186,715		447,798	530,349	1,184,480	
Facilities Capital		450,000	558,825	127,410		1,690,000	
Planning	547,087	893,087	643,025			667,135	



	OREM	SANDY	OGDEN	LAYTON	TAYLORSVILLE	SOUTH JORDAN	MURRAY
Planning Capital		20,000			250,000		
Transportation / PD Development	257,399						
<b>Animal Services</b>							
Animal Control & Bailiffs	343,317	687,402	622,325	214,783	317,000	186,349	354,843
<b>Public Works</b>							
B&C Roads	1,003,899		493,000	2,058,461		3,473,700	1,559,731
B&C Capital	2,011,101						
Public Works Administration	424,785	448,964	537,700	404,818	1,285,767	541,295	145,925
Shops & Garage							106,600
Maintenance Administration	37,567						
Public Works Support		270,090					
Traffic & Signs	577,559	593,571					
Traffic & Signs Capital		8,000					
Streets	1,376,695	2,862,509	3,063,275	1,442,902	1,300,000	1,407,223	1,412,920
Streets Capital	161,385	3,491,703	2,058,300	2,731,800	5,086,000	950,000	1,093,500
Street Lighting	1,425,334	864,000	7,750	386,000	435,000	169,506	30,000
Street Lighting Capital	220,166	120,405		443,000			
<b>Engineering</b>							
Engineering	230,526	976,508	464,750	358,372	60,000	1,841,393	724,171
Engineering Capital				2,000			
<b>Parks</b>							
Parks	2,324,456	4,522,297	3,200,950	2,347,838	238,000	2,173,707	2,018,975
Parks & Rec Admin		510,092					
Urban Forestry & Horticulture	122,437						
Parks Capital	317,000	2,168,081	1,177,925	649,343	1,631,000	2,333,000	3,270,186
<b>Storm Sewer</b>							
Storm Sewer	2,497,895	3,703,842	6,746,125	1,686,315	682,600	1,279,095	1,322,920
Storm Sewer Debt					330,741		250,580
Storm Sewer Capital	1,310,000	702,841	1,984,850	1,327,000	1,500,000	1,666,000	58,000
<b>Justice Court</b>							
Justice Court	770,279	1,369,578	1,525,175		1,979,331	481,710	1,244,533
Justice Court Capital							18,500

TABLE A.6: MILLCREEK BUDGET BASED ON COST PER UNIT ANALYSIS

BUDGET CATEGORY	COST
Building Permits	\$446,177
Business Licenses	\$207,212
Animal Services	\$659,009
Streets	\$ 2,884,270
Street Lighting	\$342,104
Engineering	\$490,322
Courts	\$ 291,281
Parks	\$220,946
Storm Sewer	\$ 1,452,132
Comm/Econ Dev & Plan	2,194,191
Total	9,187,644

TABLE A.7: 2017 MILLCREEK BUDGET

BUDGET CATEGORY	2017 BUDGET
Admin/Legislative	\$85,250
Executive & Central Staff Agencies	\$203,000
Data Processing	\$50,000
Admin Agencies	\$145,000
Treasurer	\$6,000
Recorder	\$108,750
Attorney	\$300,000
Non-departmental	\$18,000
Admin/Legislative	\$916,000
Executive & Central Staff Agencies	\$85,250
Total	\$916,000

TABLE A.8: 2017 MILLCREEK START-UP COSTS

BUDGET CATEGORY	2017	2018	2019	2020	2021
Lease	756,000	756,000	756,000	756,000	756,000
Tenant Improvements	19,094	19,094	19,094	19,094	19,094
Proposed City Hall	775,094	775,094	775,094	775,094	775,094
Public Works Building	1,502,258	1,502,258	1,502,258	1,502,258	1,502,258
Department Fleet & Assets <sup>15</sup>	856,776	856,776	856,776	856,776	856,776
Total Start-Up Costs	3,134,128	3,134,128	3,134,128	3,134,128	3,134,128

<sup>15</sup> Includes fleet for planning and development, animal services, public works and engineering, as well as assets included in the Salt Lake County depreciation schedules for planning and development and animal services.