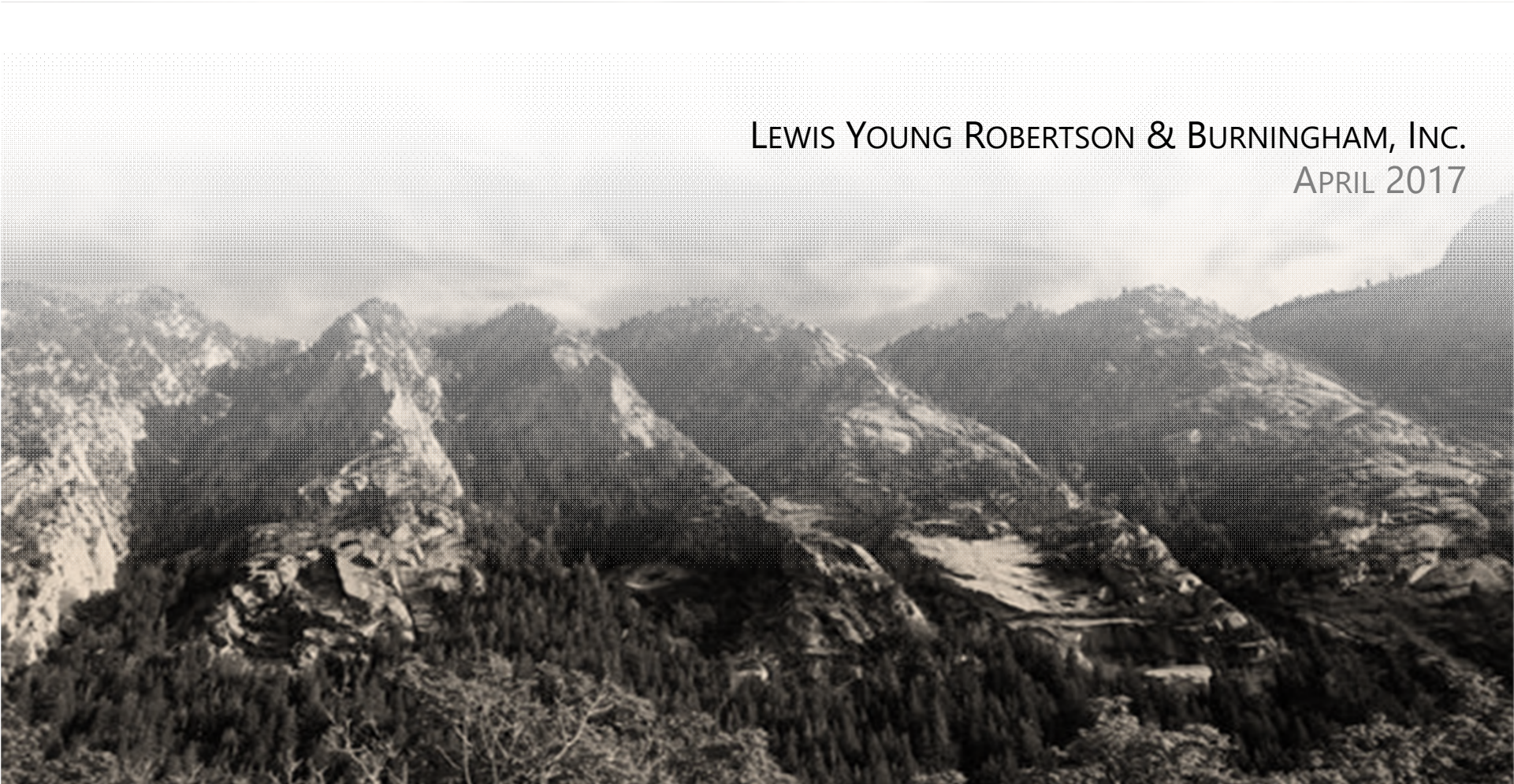


MUNICIPAL SERVICES FEASIBILITY STUDY

MILLCREEK CITY, UTAH



LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

APRIL 2017

SUMMARY



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		2017	2018	2019	2020	2021
Scenario 1	% of Revenues to Expenses	108%	108%	108%	108%	108%
	New Tax Rate	-	-	-	-	-
	\$190,368 Tax Value Impact	-	-	-	-	-
	Remittance to County	-	-	-	-	-
Scenario 2	% of Revenues to Expenses	106%	106%	106%	106%	106%
	New Tax Rate	-	-	-	-	-
	\$190,368 Tax Value Impact	-	-	-	-	-
	Remittance to County	-	-	-	-	-
Scenario 3	% of Revenues to Expenses	101%	101%	101%	101%	101%
	New Tax Rate	-	-	-	-	-
	\$190,368 Tax Value Impact	-	-	-	-	-
	Remittance to County	-	-	-	-	-
Scenario 4	% 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 County	-	-	-	-	-

DEMOGRAPHICS



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□ (I) POPULATION AND POPULATION DENSITY WITHIN THE WITHDRAWING MUNICIPALITY;

Millcreek Population & Households

	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%

Millcreek Population & Households

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

PROJECTED DEMOGRAPHICS



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- (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;
 - **Current & Future Development:** Artesian Springs, Meadowbrook Plan, Town Center Plan
 - **New Residents:** 1,362
 - **New Households:** 660

Projected Millcreek Population

	Projected				
	2017	2018	2019	2020	2021
Total Population	59,906	60,514	60,924	61,096	61,268
Household Population	25,419	25,733	25,937	26,008	26,079
People Per Household	2.4	2.4	2.3	2.3	2.3
Household Mean AGI	\$62,095	\$69,441	\$77,657	\$86,845	\$97,120

ECONOMIC BASE



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- ▣ **Taxable Value: \$4,568,389,725**
- ▣ **Residential Property: 73% of Taxable Value**
- ▣ **Office Property: 9% of Taxable Value**
- ▣ **Commercial Property: 8% of Taxable Value**

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
Total	\$7,915,566,349	\$4,568,389,725

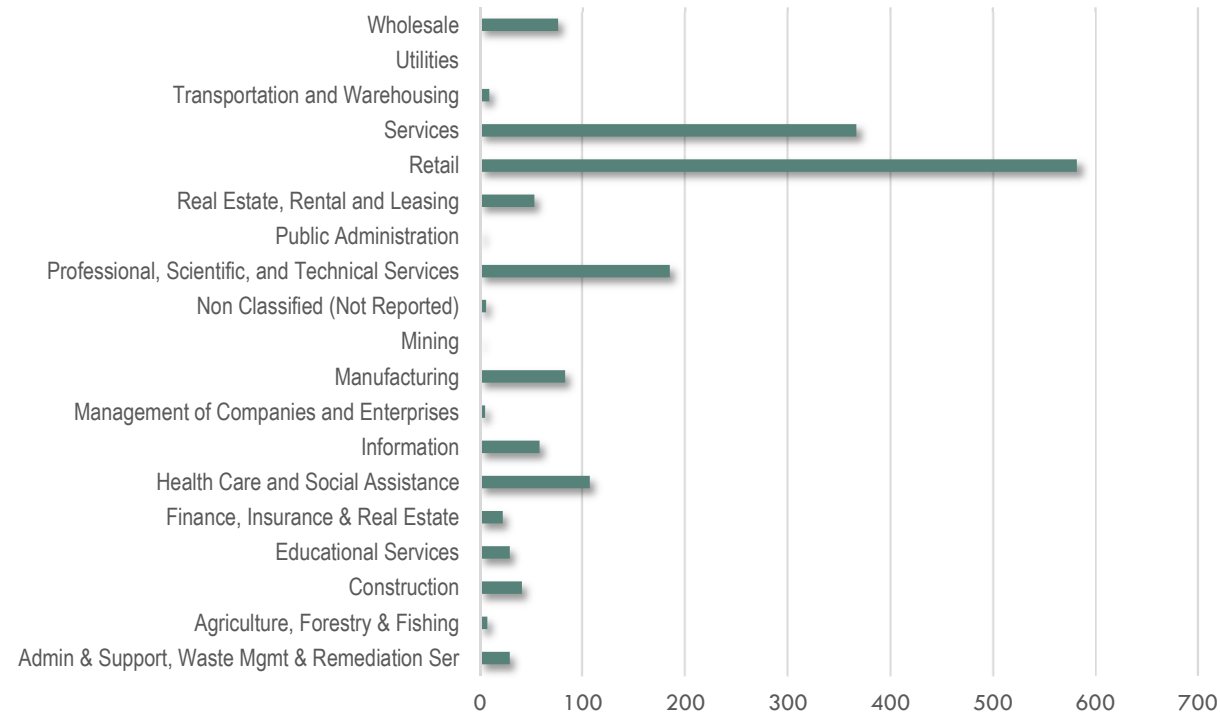
ECONOMIC BASE



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- ▣ Sales Tax Outlets: 1,662
- ▣ Business Licenses: 3,055
- ▣ Estimated 2016 Sales Tax: \$9,908,832
- ▣ Sales Tax Per Capital: \$166

Sales Tax Outlets



PUBLIC FACILITIES



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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
Total	28.05	

Millcreek Streets and Storm Sewer System

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

PROJECTED GROWTH



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- (III) PROJECTED GROWTH IN THE WITHDRAWING MUNICIPALITY DURING THE NEXT FIVE YEARS;
 - **Current & Future Development:** Artesian Springs, Meadowbrook Plan, Town Center Plan
 - **New Residents:** 1,362
 - **New Households:** 660
 - **Factors Driving New Growth:** Redevelopment, In-fill Development

Projected Tax Value with New Growth

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

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;

Greater Salt Lake County Municipal Services District

Township Services (Administration)	Public Works
Planning & Development	Engineering
Animal Services	Capital Projects
Parks	Stat and General

Scenario 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
- ☞ Scenario 4: Withdraw from the MSD and self-provide all services

According to the City's legal counsel, the City would not be required to remit payment to the County under Scenario 2 and 3, as these scenarios are not required by statute. Scenario 2 and Scenario 3 have been included for informational purposes only and to aid in the evaluation of costs to the City.

5-YEAR COST PROJECTIONS



SCENARIO 1: REMAIN IN THE MSD

	2017	2018	2019	2020	2021
MSD Expense	\$13,500,085	\$13,869,268	\$14,249,064	\$14,639,787	\$15,041,762
City Admin Expense	\$112,438	\$115,811	\$119,285	\$122,863	\$126,549
Start-Up Expense	\$232,528	\$232,528	\$232,528	\$232,528	\$232,528
Total Budget	\$13,845,051	\$14,217,607	\$14,600,877	\$14,995,179	\$15,400,840

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

	2017	2018	2019	2020	2021
MSD Expense	\$12,980,085	\$13,333,668	\$13,697,396	\$14,071,569	\$14,456,498
City Admin Expense	\$417,550	\$430,077	\$442,979	\$456,268	\$469,956
Start-Up Expense	\$775,094	\$775,094	\$775,094	\$775,094	\$775,094
Total Budget	\$14,172,730	\$14,538,839	\$14,915,469	\$15,302,932	\$15,701,548

5-YEAR COST PROJECTIONS



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

	2017	2018	2019	2020	2021
MSD Expense	\$13,005,765	\$13,376,515	\$13,758,171	\$14,151,060	\$14,555,519
City Admin Expense	\$916,000	\$943,480	\$971,784	\$1,000,938	\$1,030,966
Start-Up Expense	\$830,578	\$830,578	\$830,578	\$830,578	\$830,578
Total Budget	\$14,752,343	\$15,150,573	\$15,560,534	\$15,982,576	\$16,417,063

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

	2017	2018	2019	2020	2021
MSD Expense	\$16,466,751	\$16,950,733	\$17,449,119	\$17,962,344	\$18,490,854
City Admin Expense	\$1,666,100	\$1,716,083	\$1,767,566	\$1,820,593	\$1,875,211
Start-Up Expense	\$3,134,128	\$3,134,128	\$3,134,128	\$3,134,128	\$3,134,128
Total Budget	\$21,266,980	\$21,800,944	\$22,350,813	\$22,917,065	\$23,500,192

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;

Total Millcreek Revenue Potential

Sales Tax	\$10,411,929	\$10,724,287	\$11,046,015	\$11,377,396	\$11,718,718
Franchise Tax	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
Total Revenue	\$15,023,309	\$15,429,274	\$15,842,162	\$16,261,134	\$16,691,732

Millcreek Revenue By Scenario

	2017	2018	2019	2020	2021
Scenario 1	14,965,941	15,371,332	15,783,640	16,202,027	16,632,034
Scenario 2	14,965,941	15,371,332	15,783,640	16,202,027	16,632,034
Scenario 3	14,965,941	15,371,332	15,783,640	16,202,027	16,632,034
Scenario 4	\$15,023,309	\$15,429,274	\$15,842,162	\$16,261,134	\$16,691,732

5-YEAR 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; AND

SCENARIO 1: REMAIN IN THE MSD

	2017	2018	2019	2020	2021
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 Rev to Exp	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 PERCENT OF THE CITY'S MUNICIPAL SERVICES

	2017	2018	2019	2020	2021
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 Rev to Exp	106%	106%	106%	106%	106%
New Tax Rate	-	-	-	-	-
Remittance to MSD	-	-	-	-	-

5-YEAR NEW TAX PROJECTIONS

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

	2017	2018	2019	2020	2021
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 Rev to Exp	101%	101%	101%	101%	101%
New Tax Rate	-	-	-	-	-
Remittance to MSD	-	-	-	-	-

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

	2017	2018	2019	2020	2021
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 Rev to Exp	71%	71%	71%	71%	71%
New Tax Rate	0.001367	0.001385	0.001405	0.001428	0.001450
\$190,368 Tax Value	\$260	\$264	\$268	\$272	\$276
Remittance to MSD	-	-	-	-	-

FISCAL IMPACTS ON MSD



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

SCENARIO 1: REMAIN IN THE MSD

	2017	2018	2019	2020	2021
MSD Baseline Revenue	\$14,965,941	\$15,371,332	\$15,783,640	\$16,202,027	\$16,632,034
Revenue to MSD	\$14,620,975	\$15,022,993	\$15,431,827	\$15,846,635	\$16,272,957
MSD Loss (Fixed)	(\$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	\$5	\$5	\$5	\$5	\$5

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

	2017	2018	2019	2020	2021
MSD Baseline Revenue	\$14,965,941	\$15,371,332	\$15,783,640	\$16,202,027	\$16,632,034
Total Revenue to MSD	12,980,085	13,333,668	13,697,396	14,071,569	14,456,498
MSD Loss (Fixed)	\$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	\$31	\$32	\$32	\$32	\$33

FISCAL IMPACT ON MSD



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

	2017	2018	2019	2020	2021
MSD Baseline Revenue	\$14,965,941	\$15,371,332	\$15,783,640	\$16,202,027	\$16,632,034
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 Exp Reduction	\$2,765,462	\$2,832,357	\$2,901,018	\$2,971,494	\$3,043,836
MSD Loss (Fixed)	(\$2,042,293)	(\$2,095,466)	(\$2,145,448)	(\$2,191,100)	(\$2,237,656)
Tax Rate	0.000323	0.000330	0.000335	0.000340	0.000345
\$98,310 Tax Value	\$32	\$32	\$33	\$33	\$34

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

	2017	2018	2019	2020	2021
MSD Loss	(\$15,023,309)	(\$15,429,274)	(\$15,842,162)	(\$16,261,134)	(\$16,691,732)
MSD Exp Reduction	\$9,848,928	\$10,367,123	\$10,648,295	\$10,937,494	\$11,234,957
MSD Loss (Fixed)	(\$5,174,381)	(\$5,062,151)	(\$5,193,866)	(\$5,323,640)	(\$5,456,775)
Tax Rate	0.000819	0.000796	0.000811	0.000826	0.000841
\$98,310 Tax Value	\$81	\$78	\$80	\$81	\$83

SUMMARY: IMPACT TO MILLCREEK

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		2017	2018	2019	2020	2021
Scenario 1	% of Revenues to Expenses	108%	108%	108%	108%	108%
	New Tax Rate	-	-	-	-	-
	\$190,368 Tax Value Impact	-	-	-	-	-
	Remittance to MSD	-	-	-	-	-
Scenario 2	% of Revenues to Expenses	106%	106%	106%	106%	106%
	New Tax Rate	-	-	-	-	-
	\$190,368 Tax Value Impact	-	-	-	-	-
	Remittance to MSD	-	-	-	-	-
Scenario 3	% of Revenues to Expenses	101%	101%	101%	101%	101%
	New Tax Rate	-	-	-	-	-
	\$190,368 Tax Value Impact	-	-	-	-	-
	Remittance to MSD	-	-	-	-	-
Scenario 4	% 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	-	-	-	-	-



QUESTIONS