

REQUEST FOR COUNCIL ACTION

SUBJECT:

An Ordinance establishing the 2015 assessments for the Highlands Assessment Area;

SUMMARY:

The Highlands Assessment Area needs to be assessed to provide the financial resources for the ongoing maintenance of dedicated public improvements, such as parks and trails, and collector and arterial street park strips as they come on line.

FISCAL IMPACT:

The assessments will raise funding to provide a higher level of service within the Highlands Assessment Area than in the City generally. For the first few years, the Parks Department will budget amounts to cover short falls in the assessment, due to a timing mismatch of facilities coming on line for maintenance and additional residential units coming on line to pay the assessment. Funding advances from the City can be collected back from future assessments.

STAFF RECOMMENDATION:

Staff recommends APPROVAL.

MOTION RECOMMENDED:

"I move that the City Council adopt and approve Ordinance 15-10, establishing the 2015 assessments for the Highlands Assessment Area, all as explained in the Staff Report. "

Roll Call Vote required. not required.

Reviewed by:

ARThorup

Robert Thorup
Deputy City Attorney

Proposed By:

Brian Clegg

Brian Clegg
Parks Director.

Recommended By:

Bryce Haderlie

Bryce Haderlie
Interim City Manager

Introduction and History

The City Council has created the Highlands Assessment Area under the auspices of the Utah Code. In connection with the City Council approval process, a Notice of Intent to Create Assessment Area was prepared, approved by the City Council, and mailed to property owners in the Highlands. This Notice described the assumptions, policy decisions and processes associated with the creation of the Highlands Assessment Area, and which would govern assessments. The purpose of the Highlands Assessment Area is to provide funding for the maintenance of the high level of open space and other public improvements associated with the Highlands master development area. Now that public improvements, homes and businesses have started to appear in the Highlands, the Highlands Assessment Area should be activated and assessments started because ongoing City maintenance responsibilities have already commenced.

2015 Calendar Year Assessment Area Budget

Through a variety of analyses and information gathering, the Parks Department has determined that the net budget for the Highlands Assessment Area for the remainder of calendar year 2015 will be \$8998. This amount is estimated to provide weekly mowing and weed attention, as well as winter snow removal from park sidewalks and trails as well as maintenance of park strips along collector and arterial roadways. This weekly attention is twice the attention that open space in other parts of the City will receive under current budgeting, and significantly greater attention than provided by the Developer.

As approved by the City Council previously, 3% of this amount will be assessed to the owners of undeveloped land, based on an ERU (Equivalent Residential Unit) share of $\frac{1}{4}$ acre. In other words, the 3% share of the maintenance budget, or \$270, will be divided by the number of $\frac{1}{4}$ acre units in undeveloped land and assessed to the owners thereof.

As approved by the City Council previously, 5% of this amount will be assessed to the owners of commercial enterprises, with each separate business location being a single ERU. In other words, the 5% share of the maintenance budget, or \$450, will be divided by the number of individual business locations and assessed to the owners thereof. If a single business occupies more than $\frac{1}{4}$ acre of land, then its total number of $\frac{1}{4}$ acre units will be added to the other business locations to divide into the 5% share.

As approved by the City Council previously, the remaining 92% of the assessment area annual budget will be assessed to owners of residential real estate, with each residential unit counting as 1 ERU. In other words the remaining 92% of the maintenance budget, or \$8278, will be divided by the number of residential units having a certificate of occupancy and assessed to the owners thereof.

The 2015 Residential Assessment

There are 21 residential units now extant in the Highlands with certificates of occupancy. Based on this number of residential units, a monthly assessment of \$32.00 would be required to raise the needed money. However, during 2015 additional housing units are expected to come on line. Moreover, based on a projection of full build-out of public improvements to be maintained by the Assessment Area, and now-projected full build out of residential units, the monthly assessment per household will be \$15.00.

A monthly assessment of **\$15.00** on each of these residential units is calculated to raise less than is needed in the first years, but should be the residential assessment that will avoid raising the assessment over time.

Of course, we cannot accurately foresee the actual cost of maintenance over time. Nor can we accurately foresee the total number of residential units in the future, and over time. What we do know is that any overage collected will be retained in the Assessment Area and will be applied to the next year's budget. Also any under collection can be added to future budgets to recoup advances made by the City. If after build-out the Assessment Area starts to incur costs that are not fully absorbed by the existing assessments, the City Council will be asked to raise the assessments as needed to fully cover the costs.

The Process of Assessment

The City Council approved a proposed assessment in March. These proposed assessments were provided to the owners of property in the Highlands by direct notice. During the ensuing period, a board of equalization convened twice, once during the day and once in the evening, to hear appeals of the tentative assessment from property owners. The City Council is now asked to approve final assessments. Once final assessments are approved, the assessments will be levied and collected pending a new assessment proposal.

Collection of Assessments

As approved by the City Council previously, the residential and commercial assessments will be added to the water bills going to the same addresses and will be a charged akin to fees already collected through the water bill. The enforcement of payment of the assessment is akin to enforcement of a failure to pay any charge currently on the water bill: a water shut off.

As also approved previously, the undeveloped property assessment will be assessed in the most efficient way. Initially property owners will be asked to pay their assessment directly to the City through a mailed billing. Those property owners who fail to pay as requested will have the assessment placed on the annual property tax bill at the County for their property.

THE CITY OF WEST JORDAN, UTAH
A Municipal Corporation

ORDINANCE NO. 15-10

AN ORDINANCE ESTABLISHING 2015 ASSESSMENTS FOR THE HIGHLANDS ASSESSMENT AREA.

Whereas, the City Council has previously established the Highlands Assessment Area to financially support ongoing maintenance of the higher level of public improvements contemplated in the Highlands Master Development area; and

Whereas, the first homes, businesses and completed public improvements have appeared in the Highlands and there is a need to now address the assessments for the Highlands Assessment Area; and

Whereas, the Staff has carefully examined and calculated the costs for ongoing maintenance of existing public improvements within the Highlands Assessment Area during the remainder of 2015; and

Whereas, the Staff has met with the developers and builders in the Highlands Assessment Area and have received support for the Staff's calculations of costs and proposed assessments; and

Whereas, the Highlands Assessment Area Board of Equalization met twice to hear and resolve any and all appeals of the proposed 2015 Assessments,

NOW THEREFORE, IT IS ORDAINED BY THE CITY COUNCIL OF WEST JORDAN, UTAH:

Section 1. The City Council hereby approves and authorizes the collection of the 2015 assessments for the Highlands Assessment Area as follows:

\$270.00 to be assessed annually against all undeveloped land, based on an ERU (Equivalent Residential Unit) share of $\frac{1}{4}$ acre.

\$450.00 to be assessed annually against all developed commercial land, based on an ERU share for each commercial business, or, if the business occupies more than one quarter-acre of land, one share for each quarter-acre of land occupied by a single commercial business.

\$15.00 to be assessed monthly against each developed residential lot or dwelling unit.

Section 2. This Ordinance will take effect immediately.

Adopted by the City Council of West Jordan, Utah this 22nd day of April, 2015.

CITY OF WEST JORDAN

ATTEST:

By: _____
Mayor Kim V. Rolfe

Melanie Briggs, City Recorder

Voting by the City Council

AYE"

"NAY"

Jeff Haaga

Judy Hansen

Chris McConnehey

Chad Nichols

Sophie Rice

Ben Southworth

Mayor Kim V. Rolfe

CITY CLERK/RECORDER'S CERTIFICATE OF PUBLICATION

I, Melanie S. Briggs, certify that I am the City Clerk/Recorder of the City of West Jordan, Utah, and that the foregoing ordinance was published in the Legal Section, of the Salt Lake Tribune, on the _____ day of _____, 2015, pursuant to Utah Code Annotated, 10-3-711.

MELANIE S. BRIGGS, MMC
City Clerk/Recorder

[SEAL]
