



SPECIAL ASSESSMENT & PUBLIC IMPROVEMENT DISTRICT POLICY

Date Approved: August 8, 2022

Resolution No.: 22-523

Brian Head Town (the “Town”) will consider the use of Special Assessment Areas (SAA) and/or Public Improvement Districts (PID) as provided for by Utah Code Annotated as Amended §11-42 where consistent with the dictates of this of this policy. Notwithstanding the ensuing policy, the Town Council retains the privilege of denying any SAA or PID for which the Town receives a petition, as allowed under State Statute, where the Council finds that approval would result in undue risk or damage to the Town as a whole.

General Benefit of Proposed Development

The Town recognizes that in assisting individual property owners (or a group of individual property owners) with infrastructure development through public financing, all property owners in the Town are asked to share in a small fraction of the risk that would otherwise be incumbent upon that individual (or group of individuals). Therefore, the Town will only consider public financing (such as SAA or PID bonds) for development projects that entail broad public benefit. Examples of such include, but are not limited to, roadways which improve traffic circulation, water lines which provide needed firefighting capacity to areas which pose a wildfire risk to the Town, and sewer lines in areas which will protect health and sanitation for the community’s watersheds.

Petitions for SAAs or PIDs shall stipulate the proposed general community benefit entailed in the proposed development project which justifies the public assumption of risk. Exhibit A provides a map of fire protection priority areas as designated by the Town Marshal to assist the Town Council in determining the general public benefit of any proposed water lines. Proposed line extensions within these priority areas in excess of 1,000 linear feet, or which create looping/redundancy within the water delivery system, should be given consideration.

Petition Requirements

Property owners can petition the Town for the installation or reconstruction of public way improvements through a SAA or PID. Those signing the petition must be the owners of the properties adjacent to the requested public way improvements, not residents that are renting or leasing the property. Once the sponsor has acquired the required signatures that meet the majority of the property owners who are in favor of a SAA, the petition is to be submitted to the Town Clerk for verification of signatures and legal property owners. Apparent support of the project, as indicated by those signing the petition, must represent greater than 51% of the total properties/lots of the proposed public way improvements for the Town Council to approve or deny a petition and consider the creation of a Special Assessment Area.

Timeline for SAA Creation

The following gives a rough outline of a typical SAA creation and project implementation timeline:

- 1) Petition is submitted to Town
 - a) Signed by owners representing 51% of parcels,
 - b) Includes map, description of improvements, and list of parcel numbers
- 2) Staff review meeting
 - a) Communicate any issues with petition to applicant

- b) Allow applicant to correct anything before going to Council
- 3) Council receives petition in open meeting, accepts or denies the petition by motion
 - a) The SAA may be identified by priority based on the location on the Fire Protection Area Map:
 - i. High Priority: Area "A"
 - ii. Medium Priority: Area "B"
 - iii. Lower Priority: Area "C"
- 4) Council considers resolution - Notice of Intent to Create SAA
 - a) Determination whether to proceed with SAA based on general public benefit and the Fire Protection Area Map.
 - b) Resolution sets date for public hearing
 - c) Advertise public hearing for four weeks
- 5) Public hearing held in open meeting, 60 day contest period begins
 - a) Contest period can be bypassed if 100% of property owners sign a waiver and consent form
 - b) If 40% or more of property owners protest the creation of the SAA during contest period, it automatically fails
- 6) Staff obtains preliminary project cost estimate and property appraisals
- 7) Council may create SAA by resolution
- 8) Council creates Board of Equalization by resolution
 - a) Sets BOE hearing dates (35 day notice)
 - b) Use preliminary estimates plus large contingency or the maximum assessment
- 9) Town begins process of issuing bonds
- 10) Town proceeds with engineering and bidding for project
- 11) Town awards project bid and sets SAA assessment by ordinance
 - a) Property owners have 25 days to prepay their assessments before the lien is filed and interest takes effect
- 12) Bonds are issued, project may proceed

The entire process to put an SAA into place is expected to take six to eight months. As such, petitions must be received by the Town by June 30 of year one in order to proceed with the improvements in year two.

PID timelines have yet to be defined by the Town.

Assessments

Assessments will typically be distributed among property owners in a manner commensurate with the benefit received by each property. In the case of water or sewer line extension, for example, it is assumed that the benefit received by each lot is equal, regardless of size or valuation of the lot, so a flat assessment would be applied to each lot. Assessments will be included on the Iron County property tax bill and collected along with general property taxes. The Town may require that assessments be retired when a property is sold.

Financing Considerations

State Statute requires a 3:1 coverage ratio of property value to assessment for SAAs. The Town prefers a 4:1 or 5:1 coverage ratio to mitigate the risk to the public of financing a SAA project. However, Council may choose to identify the following ratios based on the Fire Protection Area Map as follows: Area "A": 3:1 coverage area. Area "B": 4:1 coverage ratio. Area "C": 5:1 coverage ratio.

SAA bonds will not exceed a ten-year term or 7.5% true interest cost. Bonds will be structured with an annual call provision to allow property owners to retire the entire outstanding assessment at any time but are required pay the interest up until the call date regardless of when the assessment is paid. Each bond issuance will have a 10% debt service reserve funded by the

proceeds of the bonds. The Town will only consider backstopping SAA or PID bonds with sales tax revenue or other Town guarantee under extraordinary circumstances where significant public interest is involved.

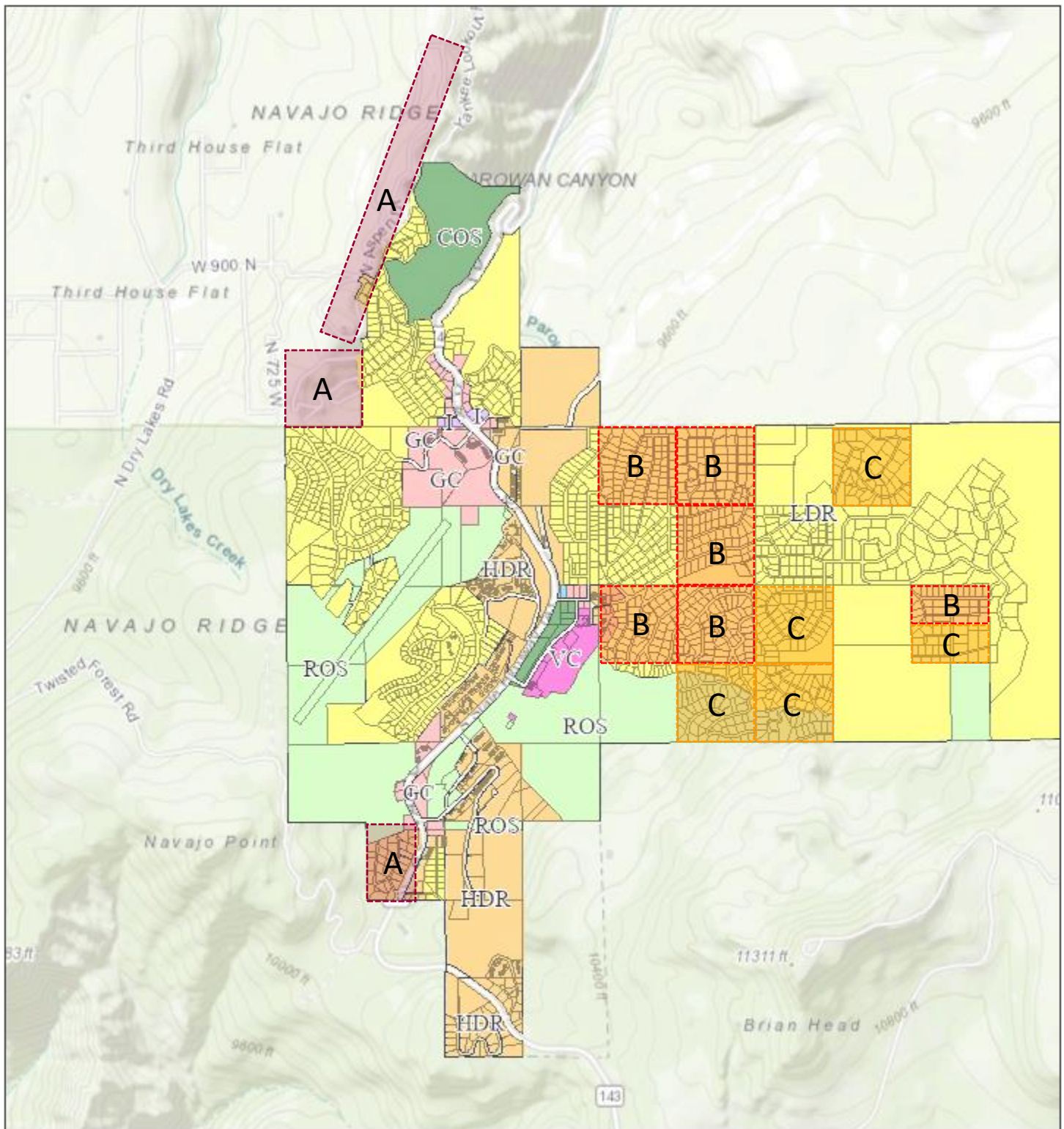
At no time will the Town carry more than five-million dollars in outstanding SAA debt

Exhibit A – Map of Fire Protection Priority Areas

Exhibit B – Special Assessment Area Frequently Asked Questions

Exhibit A

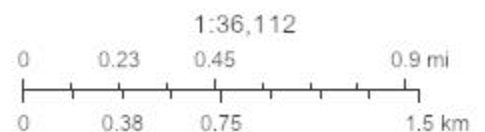
Fire Protection Priority Areas



July 29, 2022

Priority Levels

- A Critical for Fire Protection
- B Potentially Substantial for Fire Protection
- C Some Benefit for Fire Protection



Bureau of Land Management, Utah AGRC, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, METI/NASA, EPA, USDA

These prioritizations assume the completion of all 2022 SAA water lines and the Toboggan water line in 2023



Brian Head Town

Special Assessment Areas Frequently Asked Questions

What is a Special Assessment Area?

A Special Assessment Area (SAA) is an area legally defined through ordinance by the Town Council for the installation of public way improvements. Public way improvements may involve the installation of curb and gutter, sidewalks, and drive approaches where such improvements have not previously existed. Improvements may also include roadway and drainage improvements, accessibility ramp construction, and installation of culinary water and sanitary sewer systems. All SAA improvements must extend from existing similar Town owned and approved facilities. SAA projects upgrade the community through the elimination of drainage problems, pedestrian safety concerns, year-round access, fire protection and unsightly conditions in the public way.

What does it Cost?

Actual costs may vary based on specific construction needs and bids received from contractors when the Special Assessment Area is created. The sponsor of the SAA will work with the Town on preliminary engineering estimates for improvements.

At the completion of the project when actual costs are determined, a special tax assessment is placed on all abutting properties according to the proportional benefit received from the public way improvements. Property owners can pay the assessment in one lump sum or through equal annual installments. The installment plan for Water, Sewer and Street Extension SAA's are generally spread over ten years. Interest charges are accrued on the unpaid balance at a rate established by the Town Treasurer. This interest rate is set when the Town obtains a municipal bond for the project. Favorable interest rates have always been obtained because of the excellent bond rating held by Brian Head Town. Property owners who pay the entire assessment within fifteen days of the initial notification avoid any interest charges.

How do I get an SAA in my neighborhood?

Property owners can petition the Town for the installation or reconstruction of public way improvements through a Special Assessment Area. Those signing the petition must be the owners of the properties adjacent to the requested public way improvements, not residents that are renting or leasing the property. A petition form is provided at the end of this information sheet for your use in collecting signatures and determining support of the proposed project. Apparent support of the project, as indicated by those signing the petition, must represent greater than 51% of the total properties/lots of the proposed public way improvements for the Town Council to accept a petition and consider the creation of a Special Assessment Area.

Once the sponsor has acquired the required signatures that meet the majority of the property owners who are in favor of a SAA, the petition is to be submitted to the Town Clerk for

verification of signatures and legal property owners. Once confirmed, the Town Clerk will present the petition to the Town Council for approval.

How long does it take?

SAA petitions are given immediate attention. The time frame from receipt of a petition to construction is approximately 18 months (or sooner), pending the availability of capital improvement funding. Activities that occur during this time frame include public meetings to address property owner concerns, defining the project scope, designing the project, preparing cost estimates, determining the availability of funding, and complying with all SAA bonding requirements.

Please contact the Town offices to obtain more information and/or assistance.

Phone: 435-677-2029

Petition on following page must be completed and signed by the legal owner of the property.

Special Assessment Area Petition

Public Way Improvements

PETITIONERS' SPOKESPERSON:

PHONE: _____

MAILING ADDRESS: _____

PHYSICAL ADDRESS OF PROPERTY: SUBDIVISION: _____

UNIT: _____ BLOCK: _____ LOT# _____

LOCATION OF PROPOSED DISTRICT:

SPECIFIC IMPROVEMENTS REQUESTED:

- ☐ Sidewalk
- ☐ Curb and Gutter
- ☐ Drive Approaches
- ☐ Total Street Reconstruction
- ☐ Water System
- ☐ Sewer System
- ☐ Gravel Road Construction
- ☐ Paved Road Construction
- ☐ Other: _____

ADDITIONAL COMMENTS OR REQUESTS:

Special Assessment Area Petitioners

Signature: _____ Date: _____

(Print Name: _____) Phone: _____

Mailing Address: _____

Subdivision: _____ Unit _____ Block _____ Lot _____

Signature: _____ Date: _____

(Print Name: _____) Phone: _____

Mailing Address: _____

Subdivision: _____ Unit _____ Block _____ Lot _____

Signature: _____ Date: _____

(Print Name: _____) Phone: _____

Mailing Address: _____

Subdivision: _____ Unit _____ Block _____ Lot _____

Signature: _____ Date: _____

(Print Name: _____) Phone: _____

Mailing Address: _____

Subdivision: _____ Unit _____ Block _____ Lot _____

Signature: _____ Date: _____

(Print Name: _____) Phone: _____

Mailing Address: _____

Subdivision: _____ Unit _____ Block _____ Lot _____

Signature: _____ Date: _____

(Print Name: _____) Phone: _____

Mailing Address: _____

Subdivision: _____ Unit _____ Block _____ Lot _____