

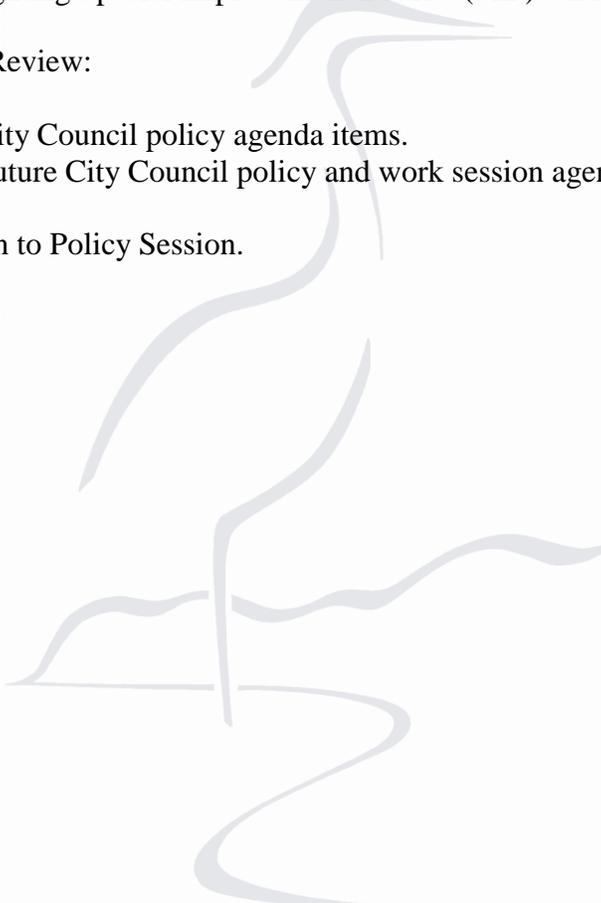
**CITY OF SARATOGA SPRINGS  
CITY COUNCIL WORK SESSION  
Tuesday, July 19, 2016 - 6:30 P.M.**

City of Saratoga Springs City Offices  
1307 North Commerce Drive, Suite 200, Saratoga Springs, Utah 84045

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**CITY COUNCIL WORK SESSION AGENDA**

1. Street Lighting Special Improvement District (SID) – Discussion.
2. Agenda Review:
  - a. City Council policy agenda items.
  - b. Future City Council policy and work session agenda items.
6. Adjourn to Policy Session.



SARATOGA SPRINGS

Councilmembers may participate in this meeting electronically via video or telephonic conferencing.  
The order of the agenda items are subject to change by order of the Mayor.

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify the City Recorder at 766-9793 at least one day prior to the meeting.

# City Council Staff Report

Author: Spencer Kyle, Assistant City Manager  
Subject: Street Lighting SID Discussion  
Date: June 21, 2016  
Type of Item: Discussion



Summary Recommendations: The City Council asked to have a discussion about the forthcoming proposed street lighting SID changes.

Background: The City has collected fees to pay for the operations, maintenance, and capital expenditures of the City's street lighting infrastructure by means of a special improvement district (SID). Most residential plats are included into the City's SID when they are recorded. An assessment is charged to each residential unit within the SID, which is charged on the monthly utility bill.

The current street light SID fee is \$2.83/month for most of the City. This fee was created prior to 2003.

In about 2004 the Saratoga Springs Development (SSD) approached the City and asked that the City take over ownership of their street lights. Prior to this time all of the street lights were privately owned by the SSD HOA, similar to the roads. The City agreed to take over ownership of the lights; however, because the existing lights were not up to the City standards (the number of lights and their locations) a separate SID was created. The residents were charged a higher rate for their SID. The amount charged was (and is) \$3.34 per month. The extra \$0.51 per month was to be used to add additional street lights to the subdivision.

Neither of these fees have been adjusted since they were created.

## Analysis:

Staff has identified several problems with the current organization of the street lighting SIDs.

1. As you can imagine, the SID rates have not kept up with inflation. For the most part the SID fees have not been high enough to pay for much more than power costs and maintenance costs. The maintenance costs have been higher than were anticipated in the early 2000's. This means that very few street lights have been added to either SID during this time (approximately 2 additional lights have been added to SSD since 2004).
2. The general fund is currently subsidizing the street lighting SID. We have been budgeting \$50,000 per year out of the general fund for the replacement of street lights. These costs should be paid for out of the SID or another funding source tied directly to street lights.

3. Not all plats in the City have been added to the SID. For example half of the Gables development was included in the SID and half was not. A survey of townhome developments in the City found that about half had been included and half had not been included.
4. Our code is not clear on how the SID is supposed to be charged. Currently, each account is charged one fee. It makes sense that every single family home is charge one fee. However, this also means that large apartment complexes, commercial development, and multi-family developments that only have one account are only charge one fee as opposed to one fee per unit within the development. When this was discovered our initial reaction was to charge each unit one fee; however, staff could not find clear direction in our code on how they were supposed to be charged (and even found that some of these developments had been left out of the SID). This was the recent discovery that lead to a look at changing how the fee is charged. As a result, our ordinances will have to be updated substantially not only to specify this process but also to be up-to-date with the current law.

### Why an SID?

Staff does not know why an SID was chosen as the vehicle to administer this program. Some cities use an SID and some have a street light utility fees. In older communities, many neighborhoods don't have street lights. In neighborhoods that want street lights, these older cities often organize SIDs so that the neighborhood that wants street lights installed pays for them. This way residents who don't have street lights don't have to pay for them. While this reason is commonly used elsewhere to create street lighting SIDs, it doesn't seem to apply to Saratoga Springs as all of our subdivisions have street lights.

The Utah Code specifically allows a city to charge fees for water, sewer, garbage, and "municipal services." Provo City has recently used this language as the basis to charge a transportation utility fee. This has upset some Utah legislators, and the Utah Legislature has recently considered restricting municipalities from charging utility fees for services other than those specifically mentioned in the Utah Code. If the Legislature were to pass a bill restricting our ability to impose a utility fee for street lights, then we would have to create a new SID if we had dissolved the SID.

In addition, SIDs allow cities to impose liens on property and foreclose on the property if the lien is not paid. Utility fees only allow us to shut off service if the fee is not paid. Imposing or raising fees for an SID is the same as for updating utility fees—the City Council must pass a resolution and ensure that the fees are reasonably related to the costs of providing the services.

With respect to adding property to an SID, it is a simple process so long as the City is currently providing services to the property for 12 consecutive months. In that case, the City Council would merely need to pass a resolution adding the property to the SID. If the City is not currently providing services to the property, then the property owners or voters have to sign a petition.

## What Options are Being Considered?

Staff is currently looking at two options—updating the current SID or creating a street light utility fee.

The first option is to update the current fees charged in the SID. These fees need to be updated regularly like we do with our utility fees. The City could also update the boundaries of the SID to include the whole City. This way, new plats would not need to be added to the SID. The biggest advantage of continuing with an SID is that if someone refuses to pay their fee the City can place a lien on their home. The fees can later be collected prior to a home being sold. We will also have to update our ordinances to comply with the new provisions in the Utah Code. All of this could be an administrative hassle, especially if the City were to add new property to the SID that is not part of a current development approval.

The other option the City is considering is doing away with the SID and creating a street light utility fee. This fee would not appear to be different than the current fees as they're already charged on the utility bill. The advantage to the utility fee is that the fees can be easily updated on a regular basis (just like our other utility fees). The City would also not need to worry about SID boundaries. The City would be able to modify policies of the utility fund as needed (like a clarification on how to charge multi-family units for street lights). The disadvantage of this mechanism is that the City doesn't have as many teeth in collecting the fee. The City could probably still shut off someone's water if their utility bill isn't paid in full. One question would be how do we charge residents who do not live within a subdivision and do not use any City utilities? There are a handful of homes in this situation. If the street lighting fee is the only thing on the bill, there is not much incentive to pay it. Staff still believes that these residents should contribute to the street lighting costs as they drive on collector streets that have lights. The number of homes in this situation may be insignificant enough that their failure to pay wouldn't affect the utility fund.

## Current Deficiencies

Attached to this staff report are two maps of the City showing the current state of street lights in the City. Our current standard is to have one street light every 300 feet. Based upon this criteria, these maps have been developed to show the deficiencies. Streets in black have no street lights or less 10% of the street meets the standard. Streets in red have between 10 and 50% of the streets meeting the current standard. Streets in green have more than 50% of the streets meeting the standard. Staff considers the streets in green to not need additional street lights added.

The majority of streets that are either black or red are arterial roads owned by UDOT, roads with no development on them yet and the northern part of SSD. One of the policy questions for the City Council is should SSD be charge the same fee as the rest of the City or should they pay a higher fee until their streets are brought closer to the City standard? The argument to charge them the higher fee is that the majority of new street lights that need to be added will be added in SSD. The argument to charge SSD the same amount as the rest of the city is the

ease of administering one fee throughout the City. It could also be argued that that they've paid the \$0.51/month higher fee for 12 years, which may be long enough to warrant charging the same fee. Staff is not ready to make a recommendation on this issue, but will look for policy direction from the City Council when you are ready to provide that direction.

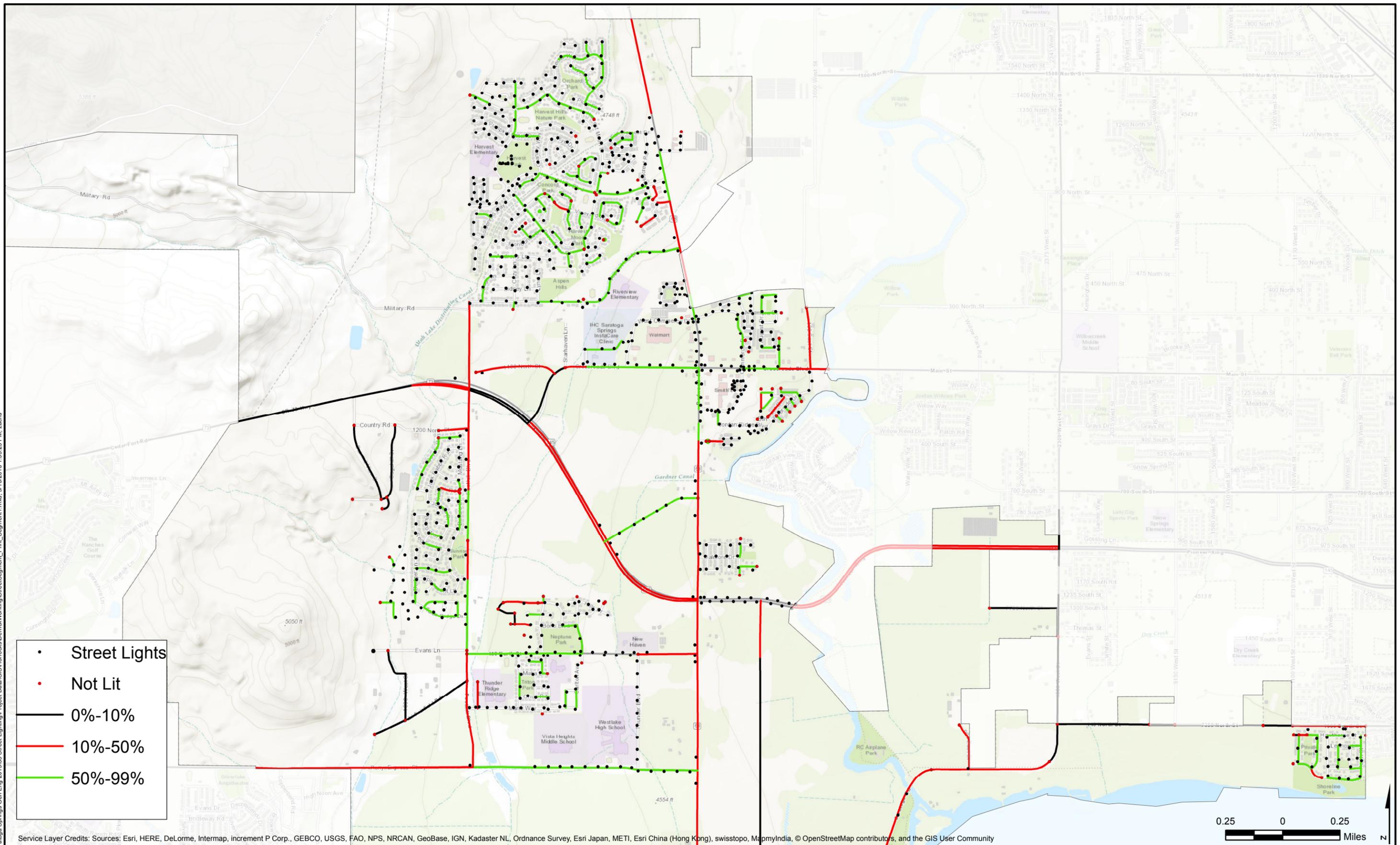
Funding Source: The funding source would either be the SID or a utility fee. The following is a breakdown of the current street light budgets:

| <b>2016-17 Budget</b>               | <b>City SID</b>  | <b>SSD SID</b>  | <b>General Fund</b> |
|-------------------------------------|------------------|-----------------|---------------------|
| <b>Revenue</b>                      |                  |                 |                     |
| SID Fees                            | \$135,000        | \$22,500        |                     |
| Protective Inspections (Lock Boxes) |                  |                 | \$40,000            |
| <b>Total Revenue</b>                | <b>\$135,000</b> | <b>\$22,500</b> | <b>\$40,000</b>     |
| <b>Expenses</b>                     |                  |                 |                     |
| Power Expense                       | \$44,100         | \$2,000         |                     |
| Street Lighting Supplies            | \$73,678         |                 |                     |
| Street Lighting Maintenance Expense | \$13,604         | \$15,610        |                     |
| Bad Debt Expense                    | \$218            | \$191           |                     |
| Administrative Charge               | \$28,383         | \$14,191        |                     |
| Lock Box Expenses                   |                  |                 | \$40,000            |
| Street Light Capital Projects       |                  |                 | \$50,000            |
| <b>Total Expenses</b>               | <b>\$159,983</b> | <b>\$31,992</b> | <b>\$90,000</b>     |
| <b>Net Revenue</b>                  | <b>-\$24,983</b> | <b>-\$9,492</b> | <b>-\$50,000</b>    |

It is anticipated that if all units in the City were charged the street lighting fee (as opposed to all accounts) the fee would not see a significant increase from the current rate. Staff continues work on the analysis to determine what the fee should be.

Recommendation: This is a discussion item only.

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- Street Lights
- Not Lit
- 0%-10%
- 10%-50%
- 50%-99%

Service Layer Credits: Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community

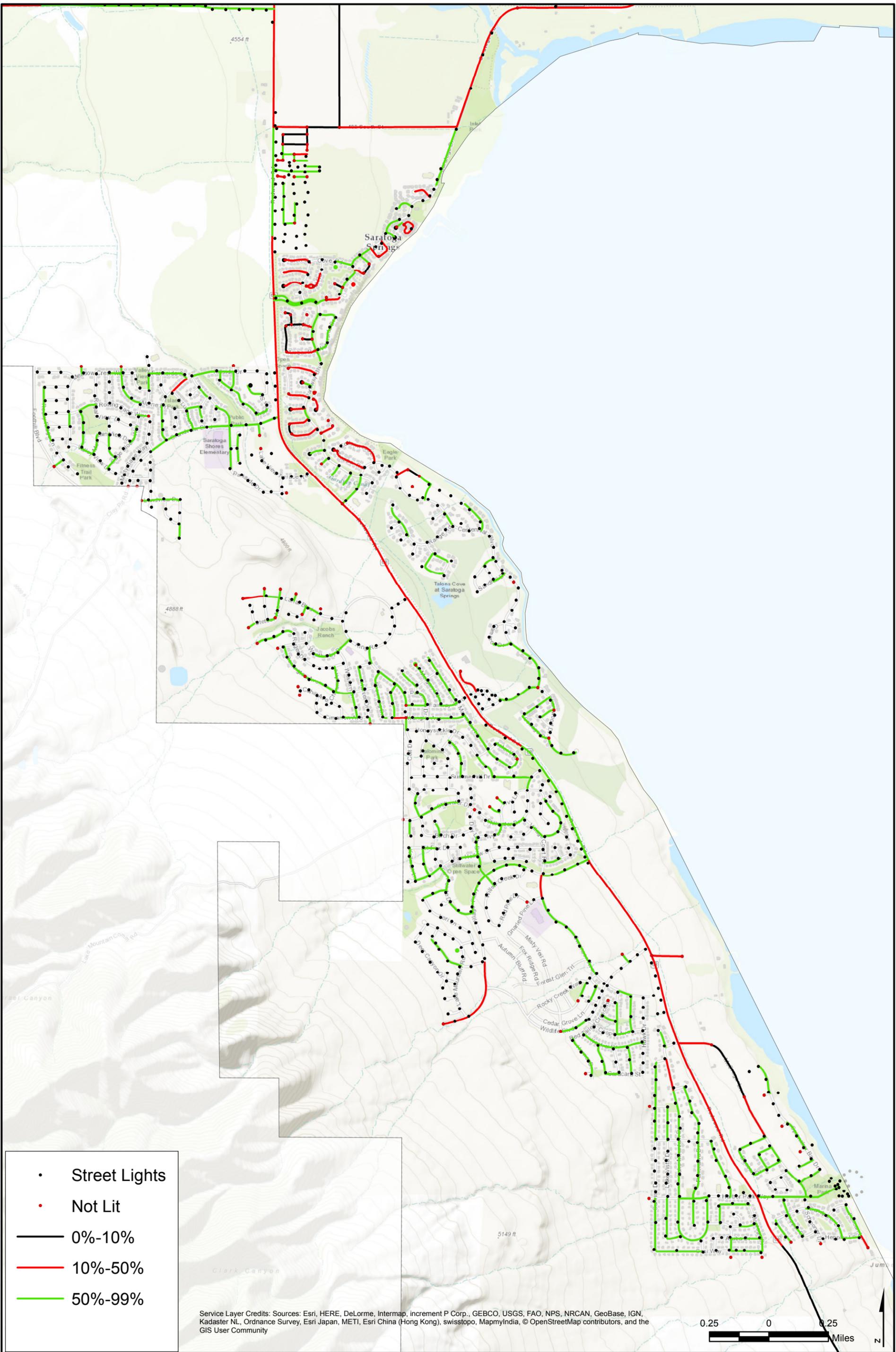


2162 West Grove Parkway  
Suite 400  
Pleasant Grove, UT 84062  
(801) 763-5100

Saratoga Springs  
Street Segment Deficient Lighting 300ft

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- Street Lights
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# CITY OF SARATOGA SPRINGS

## Memo

**To:** Mayor, City Council and/or Planning Commission  
**From:** Planning Department  
**Date:** July 11, 2016  
**Meeting Date:** July 19, 2016  
**Re:** New Applications, Resubmittals, & Approvals

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### **New Projects:**

- 6.28.16 Saratoga Springs Commercial- Utah Valley Turf Farm Rezone (1347 N. Exchange Dr.)
- 7.6.16 Lake Mountain Preliminary Plat (400 West Harbor Park Way)

### **Resubmittals & Supplemental Submittals:**

- 6.29.16 Deer Meadow Church- Fox Hollow N.6 Preliminary (3261 South Village Parkway)
- 6.29.16 Saratoga Hills Plat 6 Preliminary (Grandview & Hillside Dr.)
- 7.6.16 Legacy Farms Village Plan 3 Plats 3A-3E Preliminary & Final (400 S. Redwood Rd)
- 7.6.16 River Heights Phase IV Plat D Final Plat (Cardoba Dr & Verano Way)
- 7.7.16 Saratoga Animal Hospital Concept Plan (154 West Commerce Drive)
- 7.7.16 River Heights Phase IV Plat D Final Plat Landscaping & Irrigation (Cardoba Dr & Verano Way)
- 7.11.16 Denny's Construction Drawings (1516 N. Redwood Rd Lot 4)

### **Staff Approvals:**

- Hillcrest Site Plan Amendment (architecture)
- Fox Hollow Sales Trailer TUP
- Sweet Sugar Produce TUP
- Phantom Fireworks TUP
- Denny's Site Plan Minor Site Plan Amendment
- The Shops Building – The Crossing at Saratoga Springs Lot 2 Site Plan