

Proposed 2020 Property Tax Increase

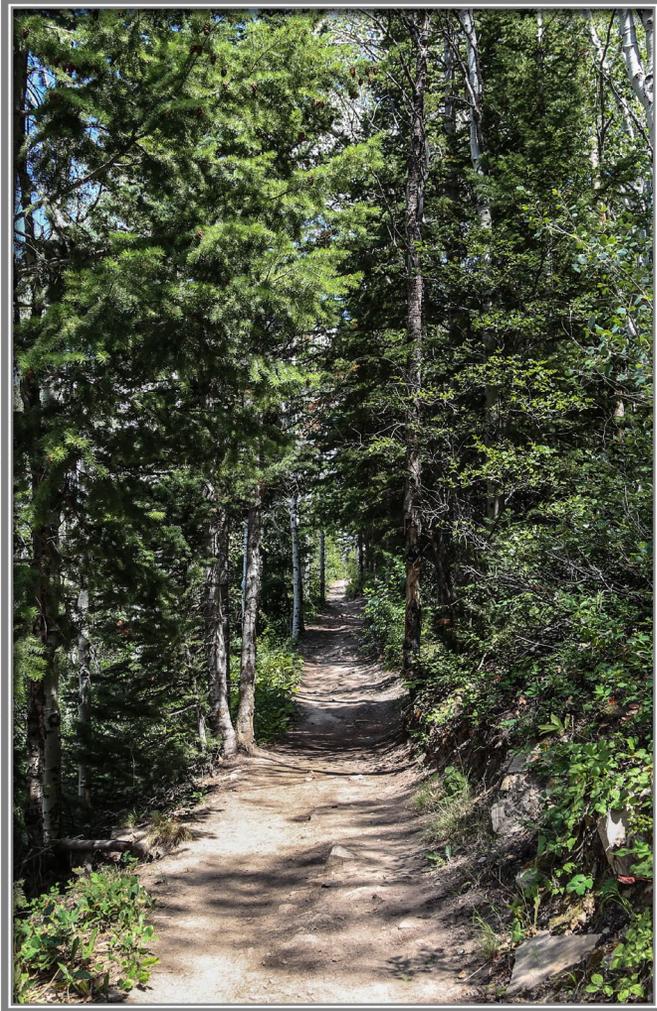


B A S I N
R E C R E A T I O N



The Snyderville Basin Special Recreation District intends to increase property taxes in the amount of \$2,379,231, which is a 72% increase. The purpose of the increase is to maintain current District assets, replace aging assets, and prepare for future capital investments.

This equates to an additional \$12.82 in property taxes per \$100,000 in market value.

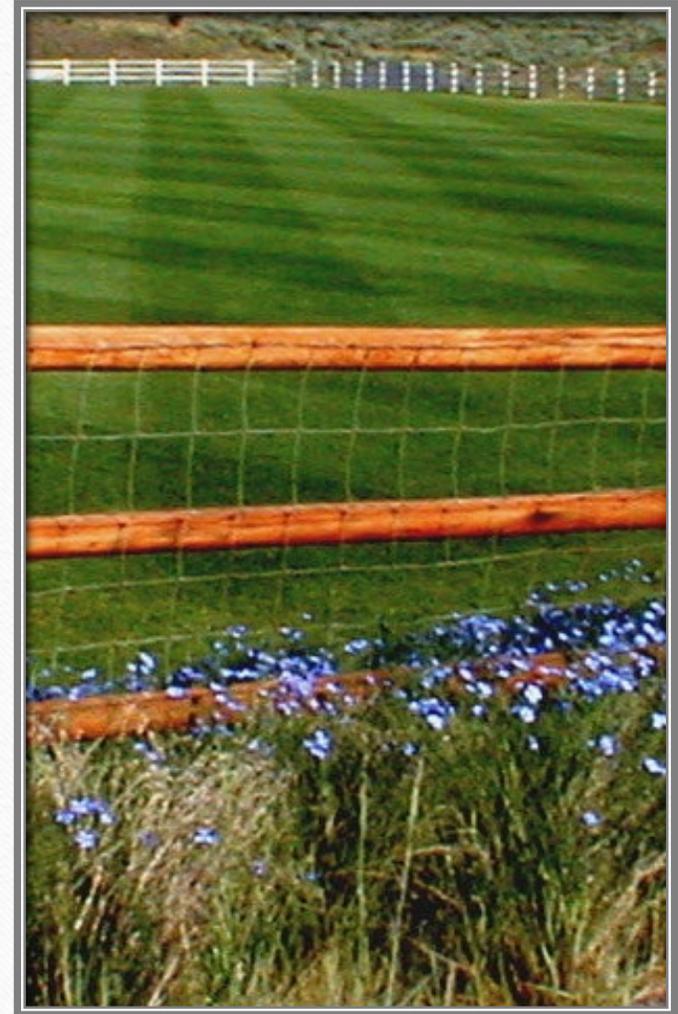


Why?

Without the increase:

- The capital replacement fund will be depleted by 2021
- The capital projects fund will be depleted by 2022
- Service levels the community has come to expect and enjoy will decline

- The last time the District went through truth in taxation was 2004.
- Since then, voters have authorized \$45 million in general obligation bonds. \$37 million of which was for trails, trailheads, and recreational open space.
- Trails and open space amenities are non-revenue generating items that require property tax revenue to maintain and operate.

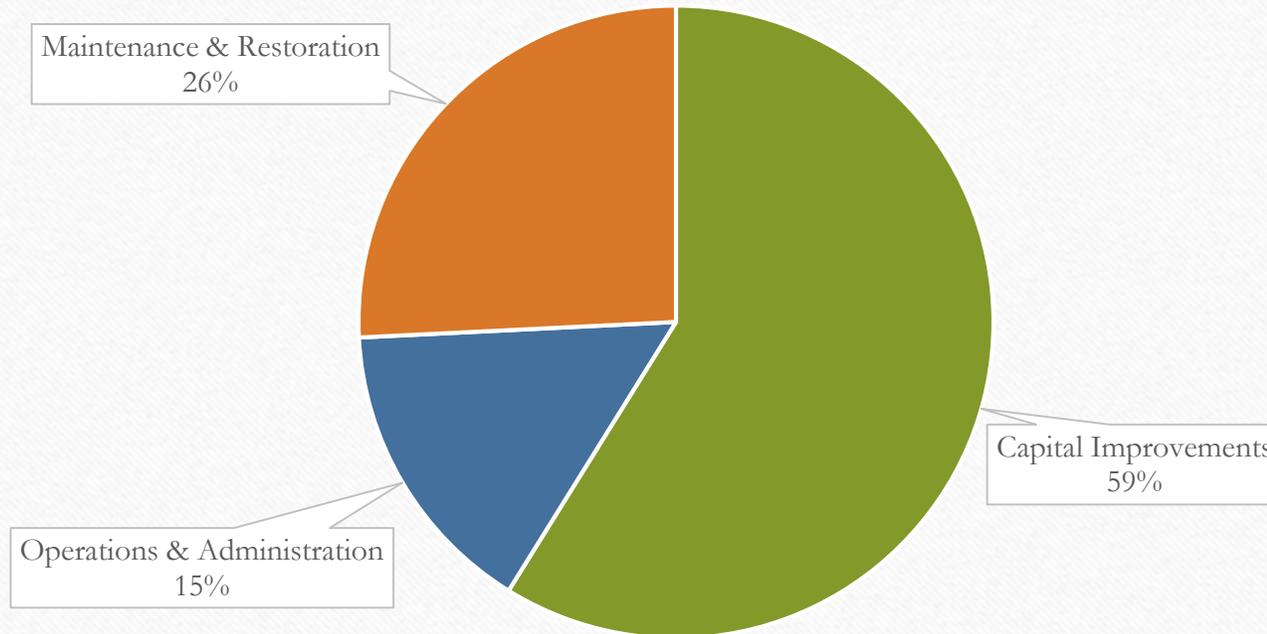


15 Years of Growth

Over the past 15 years, the District has added the following amenities
(non-revenue generating amenities shown in red):

- 2,134 Acres of Recreational Open Space
- 92 Miles of Trail
- 17 Trailheads
- 12 Pavilions
- 8 Pickleball Courts
- 6 Tennis Courts
- 4 Multi-Purpose Fields
- 4 Dog Parks
- 3 Playgrounds
- 3 Fitness Class Areas
- 1 Basketball Court
- 1 Bike Park
- 1 Skate Park
- 1 Disc Golf Course
- 1 Gymnasium
- 1 Lap Pool
- 1 Splash Pad

What will the additional revenue be used for?



Maintenance and Restoration

- All the new amenities and assets added over the past 15 years have a cost to maintain, yet most do not produce revenue.
- Maintaining and restoring open space costs between \$200 to \$1,500 per acre, annually, depending on the property landscape and location. Assuming \$200 per acre, that is \$440,000 per year. The current annual budget is \$61,000.
- Maintenance of the District's trails and parking lots is necessary to prolong their life and prevent premature replacement costs.

Operations and Administration

- Staffing levels must increase to support the growing maintenance requirements of the District to ensure that facilities are safe and fully operational.
- The need for consultants has risen to assist with specialties required for proper open space management.
- The need for additional enforcement of regulations, along with education of trail and park use rules, has increased due to the growth of the District.

Capital Replacement

The District's assets are aging. \$4.6 million in replacement needs have been identified between 2020 and 2026.

Critical upcoming needs include:

- Playground replacement at Willow Creek Park - \$600,000
- Artificial turf field replacement at Matt Knoop Park - \$250,000
- Asphalt trail section replacement in Newpark and Trailside - \$210,000
- Indoor track replacement at the Fieldhouse - \$110,000

Capital Projects

- Community survey results show the residents want MORE of what we are providing, which costs money. Without pursuing another bond, the District must add to its Capital fund balance to allow for additional parks and trails development.
- Trailheads and trail development on Discovery and Gillmor/Triangle properties are estimated to cost \$2.4 million over the next three years.
- The District is constantly evaluating how to best serve all areas of the service area.

DESIRED FACILITY IMPROVEMENTS

Residents would like to see more courts, swimming facilities and field space, especially those accessible in the winter.



What improvements, if any, would you like to see made to the [recreational facilities] in the Snyderville Basin or Park City area?



Revenue-Neutral Tax Rate Formula

$$\frac{\text{Property Tax Revenue}}{\text{Taxable Property Value}} = \text{Tax Rate}$$

New growth is the only way to increase property tax revenue without going through the truth in taxation process.

Revenue generated from new growth cannot sustain the expanding operations and future growth of the District.

The District's Tax Rate

- In 1995, residents approved a maximum property tax levy of .0006 to fund the operation of District facilities and programs.
- The tax rate has been decreasing since 2012.

The 2019 tax rate is:

.000367 O & M

.000434 Debt Service

.000801 Total Tax Rate

Example of the Notice of Proposed Tax Increase Mailing that went to Property Owners

Average Market Value	Taxable Value (55%)	Current Year Tax Rate*	Tax This Year	Estimated Tax Rate Next Year**	Estimated Tax Next Year	Increase
\$793,000	\$436,150	0.000367	\$160.07	0.00063	\$274.77	\$114.71

*The notice sent out does not include the debt service tax levy portion of the District's tax rate, which is .000434.

**Also, the notice sent out does not take into account the maximum tax rate that voters approved for Operations & Maintenance, which is .0006.

Taking these two items into account, a more accurate picture of what the estimated 2020 tax will be is below.

Average Market Value	Taxable Value (55%)	Current Year Tax Rate	Tax This Year	Estimated Tax Rate Next Year	Estimated Tax Next Year	Increase
\$793,000	\$436,150	0.000801	\$349.36	0.001034	\$450.98	\$101.62

.000367 + .000434

.0006 + .000434

PUBLIC HEARING

Wednesday, December 4, 2019

Sheldon Richins Building

1885 West Ute Blvd

6:00 PM



Raising property taxes will allow the District to maintain current facilities and amenities at a level the community has come to expect, as well as prepare for future growth.