



# Bonneville Research

June 4, 2019

## **Introduction:**

This analysis is intended to provide Millcreek, a Utah Municipality and the Millcreek Council with the information required by the Utah Code Section 10-8-2. Appropriations -- Acquisition and disposal of property -- Corporate purpose -- Procedure.

## **Reason for the Study:**

Utah Code § 10-8-2 and case law require a more rigorous review and approval process before the city can provide grants to nonprofit organizations. The process requires that the city complete a study before the grants are awarded.

## **Key Elements of the Study:**

In making the study, the following factors shall be considered:

1. Completion of a study that addresses the following:
  - a. The benefit the City will receive—tangible or intangible—in return for appropriated funds.
  - b. An analysis of how the appropriation will be used to enhance the safety, health, prosperity, moral wellbeing, peace, order, comfort, or convenience of Millcreek residents.
  - c. Whether the appropriation is necessary and appropriate to accomplish any of the goals and objectives of the City such as:
    - i. Removing blight or underdeveloped properties;
    - ii. Increasing the City's tax base;
    - iii. Creating jobs;
    - iv. Retaining jobs, and
    - v. Any other identified public purpose that the appropriation might serve.
  - d. Completion of a financial analysis showing projected financial returns to the City, if any, and the period of time over which the City will recoup the amount of the appropriation.
2. A finding by the Council that the development will promote the safety, health, prosperity, moral wellbeing, peace, order, comfort, or convenience of the Millcreek residents shall be adopted by Resolution citing the Study as evidence to support that finding.
3. The final appropriation shall be completed in accordance with the processes outlined in Utah Code Ann. § 10-8-2:

- a. If the appropriation will be made as an amendment to the current year fiscal budget, then the appropriation shall be approved pursuant to the process outlined in Utah Code Ann. § 10-8-2(3)(d).
- b. If the appropriation is made as part of a future fiscal year budget, then the appropriation shall be approved during the regular annual budget process.

**Millcreek Agreement** – Millcreek proposes to make the following FY19 monetary appropriations for the Fiscal Year 2019/2020:

- Community Councils
  - Canyon Rim - \$6,000
  - East Mill Creek - \$5,000
  - Mt. Olympus - \$3,000
  - Millcreek - \$15,000
- Events (Utah Venture Outdoors, Inc, the special events group for the summer Venture Out! series; Millfreaks; and the annual Halloween party.) - \$125,000
- Rain Barrel Program (partnering with Utah Rivers Council to provide subsidized water barrels for Millcreek residents) - \$5,000
- Millcreek Arts Council - \$6,000

2

**ANALYSIS**

Chapter 2.56 of the Millcreek City Ordinance states the purpose of establishing community districts and recognizing community councils in the city is to provide a mechanism by which a geographical area may be identified as a community for purposes of formulating and presenting recommendations on actions within the authority of the city which affect that geographical area by force of law or practice, and:

Chapter 3.71.050 of the “Millcreek Code of Ordinances, 2017” states the City may appropriate funds or resources in aid of a private enterprise project as provided by state law.

The stated purposes of the proposed Millcreek, a Utah Municipal Corporation, appropriations are as follows:

- Community Councils shall be encouraged to develop priorities regarding municipal services and facilities for its community district. These recommendations should be communicated in writing to the city council on an annual basis for use in policy development and in the budget process. Community councils are encouraged to arrive at such recommendations pursuant to duly held and well-publicized public hearings in each community district.
  - Community Councils are encouraged to make recommendations concerning such applications to the city planning commission.

- The Millcreek City Council may budget monies annually for the community councils which will be spent for administrative costs, including, but not limited to, legal notices, elections, newsletters, computers and software, other office equipment, dues to the association of community councils, city-sponsored community events and community council outreach activities or events, postage, stationery, and duplication costs. Funding will be provided pursuant to budgeted amounts and upon the direction of the city council.
- Utah Venture Outdoors, Inc. plan and execute Millcreek City sponsored community building special events that include a Friday night festival series, and a Halloween event known as Millfreaks. Millcreek is working to integrate the arts into their economic development arsenal to achieve a wide range of direct and indirect economic goals. These events are intended to assist Millcreek in the following ways:
  - Supporting Millcreek economic and cultural resource development by generating economic vitality through, crafts, and cultural attractions;
  - Encouraging Millcreek residents to participate in healthy outdoor recreation that is available close to the community;
  - Helping to improve Millcreek quality of life, expand Millcreek businesses and tax revenue base, and create a positive community image; and
  - Making Millcreek more attractive to highly desirable, knowledge-based employees thus stimulating new forms of knowledge-intensive production to flourish.
- Rain Barrel Program – Will partner with Utah Rivers Council to reduce water consumption by providing subsidized water barrels for Millcreek residents. The Rain Barrels are expected to assist Millcreek in the following ways:
  - A rain barrel is a container that captures and stores rainwater draining from your roof. Barrels usually range from 50 to 80 gallons and have a spigot for filling watering cans and a connection for a soaker hose;
  - Rain barrels save homeowners money on their water bills. Garden and lawn irrigation accounts for 40 percent of residential water use during the summer, according to the U.S. Environmental Protection Agency. By using rain barrels, homeowners can save 1,300 gallons of water during the growing season. Rain barrels provide a free water source for irrigation and ease reliance on the city's water supply; and
  - Rain barrels help reduce the flow of storm runoff. When it rains, runoff picks up soil, fertilizer, oil, pesticides and other contaminants from hard surfaces and landscapes. Rain barrels capture water that would have swept over a paved surface or lawn, thereby minimizing runoff pollutants.
- Millcreek Arts Council – To plan and develop Arts programs for Millcreek which are planned to assist Millcreek in the following ways:

- Creating venues that draw people together who would otherwise not be engaged in Millcreek community-building social activities;
- Fostering trust between participants and thereby increasing their generalized trust of others and Millcreek community cohesion;
- Providing a positive community experience of collective efficacy and civic engagement, which spurs participants to further community action;
- Provide a source of pride for residents (participants and non-participants alike) in Millcreek, thus increasing their sense of connection to Millcreek;
- Providing an experience for participants to learn the technical and interpersonal skills necessary for collective community organizing; and
- Increasing the scope of Millcreek residents social and community networks.

The municipality of Millcreek’s purpose for the above-listed appropriations, will be to enhance the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of the municipality; and the appropriations are necessary and appropriate to accomplish the reasonable goals and objectives of Millcreek, a Utah Municipal Corporation, in the areas of economic development, job creation, affordable housing, blight elimination, job preservation, the preservation of historic structures and property, and any other public purpose.

**Conclusion and Required Finding:**

The appropriations are necessary and appropriate to accomplish the public purposes of Millcreek, a Utah Municipal Corporation, in the areas of economic development, job creation, job preservation, in order to enhance the safety, health, prosperity, moral wellbeing, peace, order, comfort, or convenience of the inhabitants of Millcreek, and therefore Millcreek, a Utah Municipal Corporation, will receive adequate benefit in return for any money or resources appropriated.

4

**GENERAL LIMITING CONDITIONS**

*Every reasonable effort has been made to assure that the data contained in this study reflect accurate and timely information, and it is believed to be reliable.*

- *The study is based on estimates, assumptions and other information developed by Bonneville Research from its independent research effort, general knowledge of the region, primary data sources including Millcreek, the Utah State Tax Commission, and the Utah State Auditor’s Office, and consultations with the client’s representatives.*
- *No responsibility is assumed for inaccuracies in reporting by the Client, its agents or any other data sources used in preparing or presenting this study. This report is based on information collected during July of 2018, and Bonneville Research has not undertaken any update of its research since this date. Bonneville Research makes no warranty that any of the projected values or results contained in this study will actually be achieved. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose. This study is qualified in its entirety by and should be considered in light of these limitations, conditions, and considerations.*

## **Robert Springmeyer**

Robert Springmeyer, the Principal of Bonneville Research, performed this 10-8-2 Appropriations study.

Mr. Springmeyer is actively involved in redevelopment and other economic impact projects. He has provided independent economic and redevelopment analysis for numerous urban renewal agencies within the State and completed "Fair Value Analyses" for Holladay and South Salt Lake Cities. Mr. Springmeyer is the Chairman of Bonneville Research and has directed the Economic Analysis/Tax Studies completed for the Downtown Alliance, the Utah State Tax Review Commission, Salt Lake County, Brigham City, Salt Lake, Sandy, Bountiful and South Jordan Cities, including the Urban Renewal Agencies of Salt Lake, Taylorsville, Holladay, South Salt Lake, Draper, West Jordan, Ogden, South Jordan, Sandy, and Murray. He is educated in Political Science, Economics, and Business Management, and has consulted with local governments for over 40 years and has been listed in Who's Who in Finance, and Who's Who in the West.