

Strategic Plan

Garff Ranch Summit County, Utah Municipal Incorporation

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EXECUTIVE SUMMARY

Anderson Development proposes to assist property owners in Garff Ranch to incorporate as a new Utah city.

The primary benefits are greater autonomy, the ability to raise revenue and the providing of local services like water, sewer, police and fire protection. With incorporation, local property owners can plan for future development to provide retail stores, offices, manufacturing and a wide range of housing.

Why is incorporation necessary?

Summit County severely limits development of land. The majority of the land proposed for incorporation is zoned “AG/Grazing – 80” which is a minimum lots size of 80 Acres. With incorporation, property owners will plan and carry out what happens to their property. For those who choose to do so, being on the ground floor of the development of a new Utah city will be highly profitable like being an original investor in a new, successful tech start up.

Does Summit County need a new city?

Summit County’s land use and zoning limitations limit the supply of housing. The price of Summit County limits who can live in the county. Much of Summit County’s workforce must live outside the county and commute daily. For example, Summit County is highly dependent upon the hospitality industry, but little housing that can be afforded by hospitality employees. A Garff Ranch city would open opportunities for thousands of new homes to be constructed many of which would be workforce affordable housing.

What do I gain from incorporation?

Summit County has long-standing land use policies discourage suburban development. Most new development in Summit County is resort-oriented communities. With incorporation, the property owners will prepare a new general plan, zoning code and zoning map that will plan for new city’s future.

How will this be accomplished?

Anderson Development is experienced at working with Utah State and Summit County governments, city incorporations and designing and developing large scale, mixed use master planned communities. The costliest effort will be the design and construction of initial municipal services. Anderson Development will finance the design and the construction of the initial municipal services.

What does Anderson Development get for doing this?

Anderson Development assists property owners to increase property value through negotiating entitlement increases (rezoning, approved plats, etc.) through a Management Contact. The property owner maintains full control of their property and approves all Anderson Development actions. Ultimately, Anderson Development will help property owners sell their property for a substantial increase because of the city incorporation, new zoning and municipal services. After the sale, the property owner and Anderson equally divide the increase in property value.

INTRODUCTION

Anderson Development proposes to assist property owners in the Summit County unincorporated community of Garff Ranch to incorporate as a new Utah city. The primary benefits of incorporating include greater autonomy through a local city council and planning commission, the ability to raise revenue and the providing of local services like water, sewer, police and fire protection.

With incorporation, local property owners can undertake a plan for future development to provide retail stores, offices, manufacturing and a wide range of housing that addresses the needs of both current and future property owners. Summit County needs new employment and housing opportunities for its growing population. The Garff Ranch incorporation would provide a substantial contribution to those growth needs in an area that can readily connect to existing transportation and municipal services.

Establishing a new city accomplishes the following:

- Summit County does not permit suburban development in unincorporated communities requiring a new city to change from agriculture to a suburban city.
- Existing property owners will plan and carry out what happens to their neighborhood and property.
- For those who choose to do so, being on the ground floor of the development of a new Utah city will be highly profitable like being an original investor in a new, successful tech start up.

This Strategic Plan outlines what will need to happen for Garff Ranch to incorporate. It is a process, outlined in Utah State Code Chapter 2a Section 10-2a-101 et. seq. It is anticipated that the process will take approximately one year. A series of milestones are enumerated that must be accomplished for the incorporation to be certified and a new city formed. These milestones and the effort surrounding them is outlined herein.

BENEFITS OF INCORPORATION

The primary benefits of incorporating include greater autonomy through a local city council and planning commission, the ability to raise revenue and the providing of local services like water, sewer, police and fire protection.

DOES SUMMIT COUNTY NEED A NEW CITY?

One year ago, Forbes Magazine published an article that dissected Utah's growth. The article said the following:

"Utah's economy is booming thanks to a combination of strong employment growth, a vibrant tech industry and collaboration between business, labor and government.

The Beehive State ranks among the fastest-growing states in the nation, with a 1.9 percent growth in population from 2017 to 2018 and is the youngest state in the nation with a median age of 30.5 years. Despite falling fertility rates, Utah continues to have the largest household size in the nation at 3.19. Ninety-one percent of the population in Utah lives in an urban setting and the population continues to diversify racially and ethnically.

Utah's home-building boom led the nation last year, adding homes and apartments at a rate nearly three times the national average. But economists say more is needed to reduce shortages and help lower current high prices that shut out many people from buying or renting.

"Affordability is still a serious issue, and it's getting worse, although it looks like housing prices might be moderating a little bit," said (Robert) Grow.

Approximately 3 million people live in Utah. By 2050, the population is forecast to nearly double to 5.4 million. Grow noted that Utah has been one of the few places in the country where over 20 years the state undertook a significant effort to make certain there were jobs for everybody and that incomes were growing."

All indications are that Summit County hospitality industry will continue to grow. What lags behind is housing construction, especially workforce affordable housing. New employees and their families working in Summit County often live in the Salt Lake Valley to find affordable housing.

The incorporation of a new city in Garff Ranch would open opportunities for thousands of new homes five and ten minutes south of employment in Provo and Orem, respectively.

A NEW CITY IN SUMMIT COUNTY

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WHAT IS THE PROCESS OF INCORPORATION?

Utah State laws spell out the process and steps that need to occur. Ultimately, it comes down to an election. Do most of the voters within the boundaries of the proposed city want to become a city? If most voters say yes, then a city is formed.

The following are the sequential steps to forming a new, Utah city.

Initially, a group needs to find if there is interest by those who live and own property in an area towards incorporating a new city.

- Anderson Development is spearheading this group and is actively seeking interest from property owners of Garff Ranch.

With interest, the group contacts the Utah Lieutenant Governor's Office and files a request for the preparation of an Incorporation Feasibility Study.

- State Code Section 10-2a-202(1)(a) states that the request needs to be signed by the owners of private property that:
 - o Covers at least 10% of the total private land area of proposed incorporated area and
 - o Is equal to at least 7% of the value of all the private real property within the proposed incorporation area.
- Anderson Development is initially proposing an incorporation boundary of roughly 17,700 acres which would require the signature of property owners that in combination, own 1,700 acres.
- The 7% of land value would also need to be met.

Shortly after a request is filed, the Lieutenant Governor will mail a letter to all major property owners within the proposed incorporation area. Major property owners are those that own more than 10% of the private property in the area.

- Major property owners can ask to be excluded.
- The Lieutenant Governor may choose to still include major property owners if their property would create an island in the new city or
- The properties are already provided municipal services by Summit County, which is not the case in this area.

Within three months after the request is filed, the Lieutenant Governor's Office shall hire a consultant to prepare an Incorporation Feasibility Study.

- The Feasibility Study shall analyze the following areas:
 - o The existing and projected five-year population and tax base.
 - o The five-year cost of municipal services.

- The availability, risks and opportunities for revenue.
- The individual house tax burden for five years.
- The fiscal impact of incorporation on surrounding municipalities.
- The Feasibility Study shall determine whether the anticipated five-year revenues will exceed the anticipated municipal expenses by at least 5%.
 - If the revenues to not exceed expenses by at least 5%, then the incorporation request must be revised to comply or
 - Is considered infeasible and not proceed further.
- The Feasibility Study shall be completed within four months.

With the completed Feasibility Study, the Lieutenant Governor's Office shall hold two noticed public hearings.

- The public hearings are to review the Feasibility Study and ask questions about the proposed incorporation.

Within one year of the filing of the incorporation request, the group shall circulate an incorporation petition amongst residents and property owners.

- The petition must be signed by at least 10% of the registered voters and
- The owners of at least 10% of the private property.

If the incorporation petition is certified, the Lieutenant Governor's Office will place the incorporation on the next General Election ballot.

- Only registered voters may vote.
- If a majority of the voters choose incorporation, then the new city will be formed.

While it is not always the case, it is likely that a City Council will also be elected in addition to the vote on incorporation.

- Candidates for the first city council will register with Summit County and be placed on the General Election Ballot.

Initially continuing to use Summit County municipal services, the new City Council will hire a city administrative staff and begin to build the new city through legislative action.

- City services will be established as soon as possible.
- New city codes and laws will be instituted within the first six months.

WHAT DO I GAIN FROM INCORPORATION?

Property that stays in unincorporated Summit County will not be able to grow beyond the existing agricultural land use.

- As an unincorporated Summit County property owner, opportunities for growth and development other than agriculture do not exist.
- Summit County has a long-standing land use policy against suburban development.

All the proposed incorporation area is zoned AG/Grazing – 80 (a minimum 80-acre parcel) and it is unlikely that Summit County will change the zoning to smaller residential lots.

- Summit County zoning reflects the long-standing land use policy of very large lot agriculture.
- It is not likely that Summit County will change zoning and incorporation is the only way to have suburban growth.

Existing property owners will plan and carry out what happens to their neighborhood and property.

- With incorporation, the existing property owners will prepare a new general plan, zoning code and zoning map that will plan for new city's future.
- The residents and property owners, working with a new City Council and City Planning Commission, will determine what will be developed.

For those who choose to do so, being on the ground floor of the development of a new Utah city will be highly profitable like being an original investor in a new, successful tech start up.

- Few property owners can determine the future of their land.
- Property owners with agricultural land in an existing city already have existing land use and zoning designations that need to be changed through public hearings and the vote of the Planning Commission and City Council.
- The property owners in the proposed incorporation will be active participants in the decisions made as part of the incorporation effort.

INCORPORATION OPPORTUNITY

For those who choose to do so, being on the ground floor of the development of a new Utah city will be highly profitable like being an original investor in a new, successful tech start up. The property owners in the proposed incorporation will be active participants in the decisions made as part of the incorporation effort.

OPERATIONS AND ADMINISTRATION

Anderson Development will take the leadership to process the incorporation administration and operations.

Anderson Development and their consultants are experienced at working with Utah State and Summit County governments, city incorporations and designing and developing large scale, mixed use master planned communities. Having a professional team to manage the process will streamline the timing and increase the success.

Anderson Development will finance the incorporation process and activities.

City incorporation operations and administration is costly and often stifles locally administered efforts. Anderson Development will finance the necessary fees and studies that are needed to proceed with the incorporation effort.

In the Garff Ranch incorporation, the costliest effort will be the design and construction of initial municipal services for streets, water and sewer. Today, the necessary municipal services do not exist and must be in place for the new City to allow suburban development. Anderson Development will provide the financing for the both the design and the construction of the initial municipal services.

How can Anderson Development afford to do this? What do they get out of it?

Anderson Development assists property owners who wish to increase the value of their undeveloped property by securing entitlements such as suburban zoning and finances the needed improvements such as streets, water and sewer. In this case, we are doing it on a much larger scale and with many property owners.

Property owners will be asked to enter a Management Contract with Anderson Development that is explained on the next page.

PROFESSIONAL ADMINISTRATION

Anderson Development and their consultants are experienced at working with Utah State and Summit County governments, city incorporations and designing and developing large scale, mixed use master planned communities. Having a professional team to manage the process will streamline the timing and increase the success.

MANAGEMENT CONTRACT SUMMARY

Anderson Development assists property owners to increase property value through negotiating entitlement increases (rezoning, approved plats, etc.). This is done through a Management Contract. The property owner maintains full control of their property and approves all Anderson Development actions.

Most property owners do not have the experience and expertise needed to negotiate an entitlement increase.

- Negotiating entitlement increases is complicated and requires the assistance of licensed professionals such as civil engineers, attorneys and accountants.

In this case, Anderson Development is negotiating a city incorporation and the agreements, services, experience, expertise and financial investment are considerably higher.

- City incorporation requires individuals with decades of experience and expertise in a range of professional fields.
- The upfront costs of city incorporation are millions of dollars.
- Anderson Development finances the costs of incorporation.
- There are no costs to the property owners who sign a Management Contract.

After the incorporation is approved with new zoning, Anderson Development negotiates an owner approved property sale to a land developer or home builder. After the sale, the property owner and Anderson Development equally divide the entitlement increase as compensation.

- When the Management Contract is signed, a “base value” is agreed upon.
- The property owner receives the base value as compensation.
- Any real estate commissions and the Manager’s actual expenses are reimbursed.
- Finally, the net profit – the remaining funds that are left after the payment of the above, is equally divided between the property owner and Anderson Development.
- In this instance, while the expenses of city incorporation are considerably higher, the entitlement increase from undeveloped, unserved agricultural land to entitled, municipally served suburban development land is exceptionally substantial.

MANAGEMENT CONTRACT

Anderson Development finances the costs of incorporation. There are no costs to the property owners who sign a Management Contract.

ABOUT ANDERSON DEVELOPMENT

Since 1990, Anderson Development has been Utah's premier land developer. Anderson Development specializes in:

- Assembling large tracts of land
- Master planned Communities
- Governmental Permitting
- Governmental Bonding
- Developing off-site and backbone infrastructure
- Marketing land to vertical developers for construction upon the land.

Anderson Development has been a strong advocate for landowner rights through political and or legal efforts. Many of Anderson Development's projects have come from frustrated landowners, developers, or builders who had been unsuccessful in resolving one or more issues which had prevented their property to be used at its highest and best use.

Our business philosophy revolves around keeping the landowners' best interests in mind by rewarding the landowner with development profits over and above the initial value of the land. This philosophy of keeping incentives in the right place has led to Anderson's substantial presence in the marketplace. Our focus is to add value to all disciplines of real estate. We strive for highest and best land use.

Anderson Development is best known for the redevelopment of Geneva, the roughly 1,700 Acre US Steel mill site in Vineyard, Utah. Shortly after the incorporation of Vineyard, Anderson Development began the process of working with the new city to develop needed municipal services like streets, water and sewer. Subsequently, Anderson Development began the planning, development and construction of the master planned mixed use community Geneva. Ten years later, Geneva has a commercial and employment base and over 4,000 new homes. Utah Valley University owns roughly 250 Acres of Geneva and will soon build a new UVU Campus.

ANDERSON DEVELOPMENT

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