

AGENDA SUMMARY
GRAND COUNTY COMMISSION MEETING
SEPTEMBER 6, 2022

Agenda Item:

TITLE:	Approving a Resolution certifying the petition to create an improvement district, creating the Kane Springs Improvement District, and Establishing the Board of Trustees
FISCAL IMPACT:	Under law, the District is a distinct entity for which the County has no financial liability; however, Districts serving particular developments have a history in SE Utah of mismanagement by developer agents requiring County intervention and expertise - regardless, the County has no authority to deny formation of the District
PRESENTER(S):	Gabriel Woytek, Grand County Clerk, and Christina Sloan, Grand County Attorney

Prepared By:

Christina Sloan,
Grand County Attorney

FOR OFFICE USE ONLY:

Attorney Review:

Complete
August 30, 2022

RECOMMENDATION:

I move to approve the Resolution certifying the petition to create an improvement district, creating the Kane Springs Improvement District, and appointing the county legislative body as the Board of Trustees - and authorize the Clerk to sign all necessary certification documentation and transmit the same to the Lt. Governor's Office.

OR

I move to approve the Resolution certifying the petition to create an improvement district, creating the Kane Springs Improvement District, and establishing the Board of Trustees - - and authorize the Clerk to sign all necessary certification documentation and transmit the same to the Lt. Governor's Office.

BACKGROUND:

Kane Creek Preservation and Development, LLC and Kane Springs, LLC, the owners of 100% of the land within the proposed service area, petitioned the County to create a new local improvement district, the Kane Springs Improvement District. In compliance with local and state law, the purpose of the Kane Springs Improvement District is to provide sanitary sewer collection and treatment service to the land within its District. It may provide culinary water service and construction and maintenance of rights of way within its service area as well.

A local improvement district provides a mechanism to the owners of property within the service area (as shown on Exhibit A to the Resolution) to finance improvements required to develop the property via taxes and assessments to lands within the service area. The district is a separate legal entity from the County, and the County has no financial liability for the district.

The owners have followed the procedure and requirements of Title 17B, Chapter 1 (All Local Districts) and Chapter 2a, Part 4 (Local Improvement Districts). Thus, the County has no legal authority to deny creation of the local district.

The owners propose a three-member Board of Trustees comprised of owner agents. However, County policy is to appoint at least one commissioner to each local district board. And, because development-specific districts have a history of mismanagement in SE Utah, County leadership has discussed more active County management of all new districts.

The County may appoint its legislative body as the Board of Trustees at the time of formation, or it may appoint up to 3 members of the Board from the Grand County Commission. For this reason, two resolutions are attached for the Commission's consideration: one that appoints the County Commission as the Board of Trustees and one that appoints a 5-member Board of Trustees composed of three local residents (or their owners/agents if a seasonally occupied development). There are pros and cons to either structure:

County BOD:

1. Pros:
 - a. All meetings are public, conducted just prior to County Commission meetings, which keeps the community up to date on plans for the Kane Springs development, the largest of its kind in the history of Grand County on sensitive lands by the Colorado River;
 - b. BOD can delegate responsibilities and duties to professionals, such as legal, engineering, etc.
2. Cons:

- a. BOD will not be supported by the county attorney or county engineering since the District is a separate entity from the County;
- b. Could be time intensive in the initial stages of the District.

5-Member BOD (3 resident members; 2 county commissioners):

1. Pros:
 - a. Resident members in majority and can assume the majority of the workload;
 - b. County involved but not solely responsible for managing the District.
2. Cons:
 - a. Less public involvement;
 - b. County Commission does not have a controlling vote in management.

ATTACHMENT(S):

- Proposed Resolution (County BOD)
- Proposed Resolution (5-Member BOD)
- Exhibit A to Resolution (Final Local Entity Plat)
- Petition to Create Kane Springs Improvement District