

Item IV

SALT LAKE CITY COUNCIL STAFF REPORT

DATE: April 2, 2002

SUBJECT: Dedicating Private Streets to Public Ownership Briefing

STAFF REPORT BY: Michael Sears, Budget & Policy Analyst

CC: Cindy Gust-Jenson, Rocky Fluhart, Jay Magure, Margaret Hunt, David Dobbins, Stephen Goldsmith, Brett Wilde, Wayne Mills, Luann Clark, Steve Fawcett, Gordon Hoskins, Randy Hillier, Chuck Call, Rick Johnston and Rick Graham

Document Type	Budget-Related Facts	Policy-Related Facts	Miscellaneous Facts
Transmittal from Administration containing analysis and background.	If the City Council decided to accept the dedication of private streets to public ownership without requiring the streets to meet a quality standard, the cost to bring the streets up to standard would be over \$8,000,000. There will be increased O/M costs associated with the dedicated streets.	The Council in the past funded the engineering and design of some private streets with CDBG funds. CIP or General Fund money cannot be used to fund rehabilitation or improvements to private streets. The Council does not have a written policy regarding the funding of private streets before dedication to public ownership.	The Administration was asked to do a cost analysis of the private streets to public ownership issue. The Administration did not make any recommendations concerning the analysis. The Council may make a policy statement without adopting a resolution or ordinance.

The Administration has provided the attached analysis that the City Council requested during the CDBG budget process for fiscal year 2001-2002. The Administration did not make any recommendations concerning the analysis but has remained consistent in their funding recommendations to the Council. The Administration has not recommended funding the rehabilitation or improvements necessary to bring private streets up to City standards. For a private street to become publicly owned, the street must be of a certain standard. If the owners of the private street pay for the upgrade of the private street, the City has been willing to dedicate the street into the public way.

Currently the only funding options available to private street owners are Community Development Block Grant funds. These funds can only be used for the engineering and design of the street. The funds cannot be used for the actual construction of the street unless the City is willing to dedicate the street into the public way without the street meeting certain standards.

The Council has several options relating to this issue. The Council can adopt policy that will guide the Council as funding requests are evaluated or pass a resolution or ordinance specifying how private streets will be considered when a dedication request is received.

The Council may wish to form a subcommittee to make recommendations to the full Council on this topic. The Council may also wish to note that each year there are requests within the CDBG budget process for CDBG funds for the design and engineering of private streets. The Council will consider two such requests during the CDBG process for fiscal year 2002-2003.

MATTERS AT ISSUE:

- Some private streets have been receiving some City services. - The Council may wish to confirm the amount of service being provided on these streets and determine whether or not stopping service on these streets is feasible. The Council may also wish to evaluate the dedication of those streets that are receiving public services.
- The cost to bring all private streets up to City standards will be approximately \$8,000,000. There may be additional costs that will have to be paid for from Enterprise Funds, etc. - The Council may wish to clarify that the City has the resources to fund the rehabilitation of private streets and that there is sufficient revenue to provide for the additional public services that will be provided on the private streets.
- There are several standards that are in place for the street and utility infrastructure on the private streets. The homeowners may have been able to purchase their property at a lower rate due to the lower standards, but are still responsible for paying the same property taxes as others and as such argue that they should receive the same services as other City residents.
- The City may be faced with requests for dedication in the future. The Council may wish to clarify what criteria will be used to evaluate a request for dedication if the property owners do not wish to make a request while the City Council is reviewing this issue?

ADDITIONAL INFORMATION:

The Administration will have several staff members available to answer questions during the briefing on April 4, 2002. The transmittal from the Administration contains a detailed analysis with background; estimated improvement costs, funding options, implementation strategies and estimated maintenance costs.