
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: August 18, 2004

SUBJECT: Resolution accepting bids for purchasing of materials and construction work and authorizing execution of a contract to the best bidder for the Rose Park Special Improvement District No. 106024.

SID includes property within the boundaries of 600 North on the south, Rose Park Golf Course on the north, Jordan River on the west, and I-15 on the east.

AFFECTED COUNCIL DISTRICTS: District One

STAFF REPORT BY: Jan Aramaki, Policy Analyst/Constituent Liaison

ADMINISTRATIVE DEPT. AND CONTACT PERSON: Department of Community Development
Gordon Haight and Tim Harpst

NEW INFORMATION:

On August 10, 2004, the City Council adopted a resolution creating the Rose Park Lighting Special Improvement District No. 106024. Bids were opened on August 18, 2004 and the best bidder was identified. The next step required by the City Council is to adopt the attached resolution accepting bids and authorizing execution of a contract to the best bidder for construction work and materials to complete the improvements for the Rose Park Special Improvement District No. 106024.

Upcoming action before the City Council will include:

- Set the date to hold a board of equalization.
- Ordinance confirming the assessment rolls and levying assessments.
- Resolution authorizing the issuance and providing the sale of bonds.

POTENTIAL MOTIONS:

1. ["I move that the Council"] Adopt a resolution accepting bids for purchasing of materials and construction work and authorizing execution of a contract to the best bidder for construction contract and a contract for materials of Salt Lake City, Utah Rose Park Special Improvement District; and related matters.

2. ["I move that the Council"] Not adopt a resolution accepting bids for purchasing of materials and construction work and authorizing execution of a contract to the best bidder for construction contract and a contract for materials of Salt Lake City, Utah Rose Park Special Improvement District; and related matters.

The following information was provided previously. It is provided again for your reference.

BACKGROUND INFORMATION:

In February 2004, the City Council adopted a resolution declaring the intention of the City to create an improvement district to construct lighting improvements in Rose Park. A protest hearing was held in March. The Council created the Rose Park Lighting Special Improvement District No. 106024 on August 10, 2004.

Assessment Analysis Provided Earlier by the Administration is as follows:

- FY 2005 – The cost of all services and improvements for the nine Rose Park extensions is \$77,765.74. The property owners in Rose Park will be assessed 75% of that amount, or \$58,324.31. The remaining 25% is paid by the City. The proposed overhead fee is \$4,652.10 which is 15% of the contract price of \$31,014. These overhead charges can be absorbed in the existing assessment collection without raising assessments. During this fiscal year, no Rose Park resident will experience a change in the amount or the manner in which they are currently assessed.
- FY 2006 – The Rose Park residents will receive a combined assessment similar in look to curb and gutter-type assessments, that will be payable over a 10-year period. The first installment is estimated to be \$35.00, of which \$29.00 is for capital improvements and \$6.00 is for lighting costs. The actual costs will be dependent on the final construction costs. There are no overhead charges associated with this first installment.
- FY 2007 to FY 2015 – Each resident will receive two assessment invoices: one for street lighting power and maintenance for approximately \$7.00 (\$6.00 + \$1.00 overhead), and one for capital improvements for approximately \$29.00 plus bond interest.
- FY 2016 and beyond – The \$29.00 assessment plus bond interest for the capital improvements would end and the \$7.00 power and maintenance assessment would be increased to approximately \$15.00. The \$8.00 increase would be collected to begin building a capital replacement fund reserve.

The above costs are in today's dollars and will increase as power and maintenance costs increase. The assessment will continue for as long as the system is being powered and maintained since there is not a "sunset" or termination clause.

KEY ELEMENTS: (Resolution)

The boundaries that define the proposed SID include: 600 North on the south, Rose Park Golf Course on the north, Jordan River on the west, and I-15 on the east. The SID proposal combines nine existing SIDs into one. Residents who are currently participating in the nine separate SIDs are paying yearly assessments based upon linear feet of street frontage. By combining the nine existing SIDs into one, the new assessment will be based on a per lot basis which means that all the Rose Park residents will be assessed the same dollar amount, with the exception of the following property owners: Board of Education, Elementary School; Board of Education, Jr. High School; LDS Church; Salt Lake City Parks; Jordan River Park Authority; Utah Power; Y-Z Investments; Terraces of Rose Park Condos; Utah Division of Wild Life; and Smith Food King. (A detailed breakdown showing each property's acreage and assessment amounts is provided by the Administration on page two of their transmittal). Private property owners in the Rose Park area can participate in the proposed SID, however, school, state, federal and county agencies are not obligated to participate in a City SID. The Administration indicates these property owners will be approached and asked to participate in the proposed SID. In addition, the Salt Lake City Parks Division manages 25 acres. The Administration is recommending that Salt Lake City Parks Division participate in the proposed SID for a cost of \$3,500 per year.

Project Description: According to the Administration's paperwork, the proposed project includes: "removing the existing street lights and overhead wiring and installing 12 foot cast aluminum decorative poles with an acorn lens on top. Lower poles will minimize the impact of the tree canopy and will provide better lighting to the sidewalks for pedestrians. Removal of the overhead wiring will help improve the visual appearance of the area and eliminate the pruning of trees. The underground electrical wiring will be installed primarily by boring to minimize construction impacts to the neighborhoods and to reduce the risk of cutting tree roots. The lens will include dark sky "cutoff" shielding with optional resident side shielding. This results in the greatest percentage of light generated being shone on the street and sidewalk and not in the sky or windows."

CHRONOLOGY:

- In June 2003 as part of the fiscal year 2003-04 budget, the City Council approved funding for the proposed Rose Park Lighting project to remove all existing overhead street lighting and install new decorative poles with underground wiring throughout the Rose Park Community Council district. Funding allocation includes: \$975,000 from FY 2003-04 Capital Improvement Program (CIP) appropriation and \$675,000 in accumulated lighting replacement funds currently available in the existing SID. An additional \$561,000 was also approved by the City Council to be assessed to property owners. However, as a result of updated cost estimates, interest, and additional fees having been added to the cost, the Administration states that the estimated bond amount has increased from \$561,000 to \$800,000. The property owners' share is \$800,000 which will be financed by annual assessments to property owners over a ten-year period. The City currently contributes 25 percent of the cost of the Rose Park lighting power and maintenance, which the Administration expects to continue at a slightly lower rate once

the new system is installed. Total estimated cost of the proposed project is \$2,450,000.

- February 3, 2004, the City Council adopted a resolution declaring the intention of the City to construct improvements within the City consisting of the installation of decorative street lighting poles, the removal of existing wooden street lighting poles, and all other miscellaneous work necessary to complete the improvements; to levy an assessment to operate and maintain said street lighting facilities; to create a special improvement district to defray the cost and expenses of the improvement district by special assessments to be levied against the property benefited by such improvements; to declare its official intent to reimburse itself for expenditures paid by it prior to the sale of bonds; and setting the deadline for filing written protest and setting the date for a public hearing protest.
- February 24 and March 4, 2004 – the Administration held two informational meetings prior to the protest hearing to provide answers to any questions residents may have about the project and to provide residents the opportunity to express comments. In addition, the Administration states that numerous meetings were held with the Rose Park Community Council and residents to identify the poles and lights within the proposed street lighting district.
- March 9, 2004 Protest hearing was held. In order for the District to be created, the protest rate must be less than 50 percent of the property owners who submitted written protests to the City Recorder by the March 8th deadline. The Administration reports there were no protests made at the hearing; however, the City Recorder's Office reports receiving eleven written comments protesting the district, representing 0.5% protest rate.
- On June 1, 2004 as a result of the City Council's briefing received on the annual assessment for street lighting Special Improvement District No. 1, the Council requested that the Administration provide bullet points outlining how 15% administrative overhead costs impact the Rose Park Lighting Special Improvement District and SIDs L01, L02, and L03. The Transportation and Treasurer's Divisions provided the requested information, including maps for Special Improvement District L01, L02, and L03 which show the locations of the lighting extensions within each SID.
- On August 10, 2004, the City Council adopted a resolution creating the Rose Park Lighting Special Improvement District No. 106024.

cc: Rocky Fluhart, Rick Graham, Lee Martinez, Sam Guevara, Cindy Gust-Jenson, David Dobbins, Dan Mulé, Tim Harpst, Gordon Haight, Chris Bramhall, Karen Carruthers, Garth Limburg, Kurt Larson, Gary Mumford, Marge Harvey, and Barry Esham

File location: Special Improvement District