
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: May 31, 2007

SUBJECT: 900 East 900 South Streetscape Upgrade
Special Improvement District (SID), Job No. 106018
Ordinance confirming the modified and
equalized assessment rolls and levying an
assessment against certain properties in the Salt Lake City,
for the purpose of paying costs of: reconstruction of roadway
pavement, and to construct and install concrete angle parking,
concrete curbs, sidewalks, driveway approaches, median islands,
sidewalk ramps, storm drainage facilities, site furnishing,
street lighting, traffic signals, landscaping and all other
miscellaneous work necessary to complete improvements.

AFFECTED COUNCIL DISTRICTS: 4 and 5

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

ADMINISTRATIVE DEPT. Department of Public Services
AND CONTACT PERSON: Rick Graham and John Naser

FILE LOCATIONS: Public Services/900 East 900 South
SID, Job No. 106018

POTENTIAL MOTION:

If the Council desires to adopt the assessment ordinance, the following motion would be appropriate:

["I move that the Council"] Adopt an ordinance confirming the modified and equalized assessment rolls and levying an assessment against certain properties in the Salt Lake City, Utah 900 South 900 East streetscape upgrade Special Improvement District No. 106018 for the purpose of paying the costs of the reconstruction of roadway pavement, and to construct and install concrete angle parking, concrete curbs, sidewalks, driveway approaches, median islands, sidewalk ramps, storm drainage facilities, site furnishing, street lighting, traffic signals, landscaping and all other miscellaneous work necessary to complete improvements and related improvements and all other miscellaneous work necessary to complete the improvements in a proper workmanlike manner (collectively, the "Improvements"); establishing the effective date of this ordinance; and related matter.

NEW INFORMATION:

The next step for the City Council is to adopt the attached ordinance confirming the modified and equalized assessment rolls and levying an assessment against certain properties within the Salt Lake City, Utah 900 South 900 East streetscape upgrade Special Improvement District # 106018 for the purpose of paying the costs of the reconstruction of roadway pavement, and to construct and install concrete angle parking, concrete curbs, sidewalks, driveway approaches, median islands, sidewalk ramps, storm drainage facilities, site furnishing, street lighting, traffic signals, landscaping and all other miscellaneous work necessary to complete improvements.

Breakdown of costs for the improvements are as follows:

City Portion	\$1,649,309.82
Property Owners	\$ 425,628.18
Total Estimated Cost	\$2,074,938.00

On page 4, Section 6a states: “The whole or any part of the assessments for the District may be paid without interest within twenty-seven (27) days after this Ordinance becomes effective.” Please make note that according to the Administration, new State statute stipulates twenty-five (25) days rather than twenty-seven (27) days. This minor correction will be prepared for the final ordinance execution. Any part of the assessment not paid within the twenty five day period can be payable over a period of ten years from the effective date of the ordinance in ten substantially equal annual principal installments,” plus interest accrual at the rate of 4.6% per annum until and unless special assessment bonds are issued for the District.

On March 6, 2007, the City Council adopted a resolution to appoint a Board of Equalization and Review and set the dates for the Board of Equalization. The Board heard and considered objections to and made corrections of any proposed assessments which the Board deemed unequal or unjust. This was an opportunity for property owners to discuss with the Board any actual costs that are being proposed.

The Board of Equalization met for three days on April 10, 11, and 12, 2007. The Board of Equalization and Review consisted of the following City officials: Max Peterson, City Engineer; Chris Meeker, City Recorder; and Melanie Reif, Senior City Attorney. Those who assisted the Board consisted of: John Coyle, Project Manager; Russ Nunley, Project Engineer; Stephanie Toombs, Project Engineer; Marina Scott, Deputy Treasurer; Garth Limburg, Special Assessment Coordinator; Karen Carruthers, City Engineering; and Susan Finlayson, City Engineering. The following is a summary of the concerns expressed by property owners regarding the proposed SID assessments along with responses and recommendations from the Board of Equalization.

April 10, 2007 – No property owners attended		
April 11, 2007 – No property owners attended		
April 12, 2007		
Property Owner	Concerns	Board’s Response and Recommendation (Refer to Administration’s transmittal for more details)
Daniel & Darrell Fieldstad 951 E 900 S 16-08-180-039-0000	Claims property is residential rather than retail and request to have his property assessment reduced – his property is surrounded by businesses. His property consists of 4 dwellings – 2 units occupied by him and brother and remaining two units rented – no parking installed abutting his property but other retailers received new parking – claims assessment places him in a position of financial hardship to meet the payments.	Complex zoned CB (Community Business District) and all properties benefit from the improvements – owner’s property benefits from the project due to its increased property value Recommendation: No reduction in assessment Assessment remains at: 50 LF @ \$239.90 = \$11,995

Property Owner	Concerns	Board's Response and Recommendation (Refer to Administration's transmittal for more details)
<p>James Ack 4203 S. Adonis Drive</p> <p>Owns three properties:</p> <p>959 E 900 S 16-08-180-041-0000</p> <p>965 E 900 S 16-08-180-042-0000</p> <p>952 E 900 S 16-08-183-001-0000</p>	<p>Questioned as to why assessment rates increased from the initial SID Notice of Intent and when did rate increase occur. Also questioned the frontage measurement – believes 45 LF rather than 53.50 LF. Inquired as to when deteriorated concrete abutting his property would be replaced and when artwork would be installed.</p>	<p>Higher construction costs resulted in higher assessment – Mr. Ack in agreement with new rate. End of year warranty, deteriorated concrete will be replaced and contractor aware that deteriorated concrete at Mr. Ack's property is to be replaced. Artwork still going through review and projected to be installed in fall of 2007.</p> <p>Measurements were re-evaluated – 53.50 LF is a correct measurement– vacated alleyway is included as part of both properties listed with property frontage calculated at 53.50 LF for each parcel.</p> <p>Recommendation: Assessment remains the same.</p> <p>959 E 900 S 53.50 LF @ \$239.90 = \$12,834.65</p> <p>965 E 900 S 53.50 LF @ \$239.90 = \$12,834.65</p> <p>952 E 900 S 117 LF @ \$239.90 = \$28,068.30</p>

Upcoming action to be scheduled before the City Council will include:

- Resolution authorizing the issuance and providing the sale of bonds.

Information below was previously provided to the City Council and is provided again for Council's reference.

During a bid opening in May 2005, one bid was submitted and due to rising cost of concrete, the bid was higher than expected. The Administration made the decision to re-bid the contract on November 30, 2005 at which time the three bids submitted were still higher than anticipated. According to the Administration, although the low price for the base bid project was approximately \$215,000 higher than the estimate, it is inclusive of all elements of the project's basic plans. There are two additional amenities, median island

lighting and colored concrete paving in the intersection, which would not be included with this funding. Council Members Saxton and Love made a request to the Administration to seek input from the community on their level of interest regarding the two additional amenities and whether the abutting property owners may be willing to increase their contribution. After further evaluation, Council Members Saxton and Love reported back to the Council. At that time, Engineering recommended the project proceed and asks that the City Council approve a resolution authorizing the acceptance of a construction base bid in the amount of \$1,590,142 to Allstate Contractors. There was no request for additional funding at that time.

On May 3, 2005, the City Council adopted a resolution to include the median island landscaping improvements into the Salt Lake City, Utah 900 South 900 East Streetscape upgrade Special Improvement District (SID) No. 106018, authorizing the City officials to proceed with the construction of the improvements as set forth in the Notice of Intention.

Prior to the adoption of the resolution, the City Council held a follow-up briefing regarding the \$3,700 projected on-going costs associated with the maintenance of the median island landscaping. Public Services indicated that the on-going costs will be included in a budget opening and not absorbed into their budget. As a result, Council Members Buhler and Saxton asked that the City be cognizant of budgetary impacts associated with on-going costs for future City projects.

Due to the delay in re-bidding the project, the projected starting date of the project was delayed with a projected completion date by early fall 2006. The Administration states that the construction will be phased in an effort to minimize disruption and inconvenience to property owners, pedestrians, and traffic.

On April 12, 2005, the City Council proceeded with the next step in the process of the proposed 900 East 900 South Streetscape Upgrade Special Improvement District (SID), Job No. 106018, for the Council's consideration which was to adopt a resolution to create the District. However, at that meeting, Council Member Dave Buhler made the following motion:

["I move that the Council"] Adopt a resolution to create the 900 East 900 South Streetscape Upgrade, Special Improvement District No. 106018, and to authorize the City to proceed with the construction of the improvements with the exception of the landscaped medians. I move that we defer the question of the landscaped medians to the Council's May 3rd meeting for further discussion.

Council Member Buhler inquired whether the alley located between 905 East 900 South and 925 East 900 South will be accessible for eastbound traffic on 900 South to make a left-hand turn into the alleyway as well as for vehicles existing the alleyway onto 900 South to turn eastbound. The Administration confirmed that there will be an opening between the landscaped median to allow for traffic flow in both directions. He also noted that due to the challenging budget constraints that the City is currently facing, it would be beneficial to ask Public Services to return to the May 3, 2005 City Council meeting and provide the on-going maintenance costs associated with the landscaped median. His motion was made based upon and supported with the understanding that the proposed SID would move forward in the interim as planned with no delays to the project.

An information sheet was provided to the City Council by Public Service with a breakdown showing the total project construction cost of \$1,217,300 of which \$99,200 is the cost for the median island and an annual projection on-going cost to maintain the landscape median of \$3,700. According to the Administration, the City would not assume maintenance responsibility of the medians until spring of 2007 because the contractor is required to provide maintenance for one year. The street lighting is maintained by Utah Power.

In order for the District to be created, the property owners who submitted protests must have been less than 50 percent of the total property owners' front footage within the District. According to the Administration, the final SID protest rate was 7.75 percent of front footage:

- On March 7, 2005, three written protests against the proposed improvements or against the creation of the District were filed in the Office of the City Recorder. The City Recorder's Office received three written protests from property owners at 925 East 900 South, 951 East 900 South, and 937 East 900 South.
- The City Council held a protest hearing on March 8, 2005. One property owner expressed support of the proposed SID. The Council also heard from a property owner who owns a 4-plex in opposition of the proposed SID (one of the written protests). The resident questioned the benefit he will receive in comparison to the benefit the businesses will receive. He requested that the City look at a more equitable system to fund the project.

After construction is completed, a property owner has the opportunity to appear before the Board of Equalization (comprised of the City Engineer or designee, the City Attorney or designee, and the City Recorder or designee), to present their concerns. All property owners within the proposed SID are notified in advance of the dates and times when the Board of Equalization meets. The Board of Equalization can hear any discrepancies viewed by a property owner. For example, the Board could decide that a particular residential property owner does not receive as much benefit from the project as the commercial properties, and possibly reduce the assessment. If the assessment is a real financial burden income-wise to the property owner, the assessment can be deferred until the property is sold. There is no way to predict the outcome of a Board of Equalization review.

- After the protest hearing was held, the City Council Office was contacted by a property owner who expressed interest to include the neighborhood between 1000 East to 1100 East streets along both sides of 900 South Street as part of the proposed SID. Because the number of protests was minimal at 7.75 percent, the property owner was informed that if there is an interest to pursue a special improvement district further east of 1000 East, and if there appears to be adequate support from the community, and if funding is available, this could be explored further by contacting Engineering.

On November 9, 2004, the City Council finalized the capital improvement program (CIP) budget for fiscal year 2004-05. Included in the CIP budget was \$500,000 for the 900 South & 900 East Streetscape project, which was contingent upon Neighborhood SID Approval. As the first step in creating the process to establish the Special Improvement District (SID), the Administration requested that the Council adopt a resolution declaring the Notice of Intention and set the protest hearing date for March 8, 2005. SID boundary includes all property fronting or abutting on both sides of 900 South from Windsor Street (860 East) to 1000 East. The Engineering Division has identified an estimated 26 parcels as part of the proposed SID, however some property owners own more than one parcel, therefore approximately 15 property owners will be involved with the proposed SID. All properties are commercial. The project is being coordinated with the Public Utilities Department for installation of storm drainage improvements for the project.

The Notice of Intention stated that "The proposed improvements include the reconstruction of the roadway pavement; and the construction and installation of concrete angle parking, concrete curbs, sidewalks, driveway approaches, median islands, sidewalk ramps, storm drainage facilities, site furnishing, street lighting, traffic signals, landscaping, and miscellaneous work."

Depending upon the nature of the improvements, costs will be assessed by front foot (lot width) of abutting property. Each property owner will receive information with the Notice of Intention of an estimated assessment calculation made by the City Engineer's Office.

The Administration reported that existing curb, gutter, and angle parking are deteriorated and in poor condition and will be replaced as part of the City's expense portion. Although sidewalks are in good condition and do not need to be replaced, there is the exception of sidewalk areas near the intersection which will also be replaced at the City's expense for the beautification project.

Costs that will be assessed to the property owners include: areas that lack cut-back angle parking and for the beautification amenities associated with the project (decorative concrete, decorative street lighting, landscaped medians, and site furnishing upgrades). There are no options being offered to the property owners who may want to have additional work performed in conjunction with the proposed SID improvements.

Following Council's approval of the attached resolution, a Notice of Intention informational letter and a preliminary estimate was immediately sent to property owners within the boundary areas of the proposed SID notifying property owners that the City is considering a proposed SID for reconstruction of 900 South from Windsor Street to 1000 East.

It was projected that the project may begin in May with completion by fall of 2005.

Informal public meetings were held on March 2, 2005 for the Administration to review the proposed SID with interested abutting property owners. The meeting location was the Forest Dale Golf Course, 2375 South 900 East, from 4:00 p.m. to 6:00 p.m.

BUDGET RELATED FACTS:

The City Engineer estimated that the total cost of improvements in the proposed District is \$1,502,000. It was anticipated the City's portion will be approximately \$1,140,000 (includes approximately \$249,000 from the Public Utilities Department to pay for drainage improvements and \$96,000 from the United States Department of Housing and Urban Development). The property owners' portion was estimated to be approximately \$362,000 (includes construction costs, a portion of engineering expenses, possibly a portion for debt service reserve, an allowance for interest on interim warrants issued to finance construction of the improvements and 15 percent for administrative costs).

Estimated breakdown costs to property owners are as follows:

Rate No.	Quantity	Estimated Unit Costs	Estimated Cost to Property Owners
1	1,774.19 LF	\$204 per lineal foot	\$362,000

The majority of City funding sources are allocated from the Salt Lake City Capital Improvement budget Class "C" funds (\$500,000 was appropriated during the 2004-05 CIP process contingent upon the property owners being in favor of the SID), a Federal Economic Development Initiative Grant, Salt Lake City Public Utilities Department, and with the remaining costs of the improvements paid by a special assessment to be levied against the property fronting or abutting upon or adjacent to the improvements. It was anticipated that the first payment of an assessment installment may be less than one year from the date the Council adopts the assessment ordinance; thereafter approximately ten assessment installments will fall on the anniversary date of the first assessment payment, rather than five years as is calculated for concrete replacement SIDs.

CHRONOLOGY:


- On February 3, 2005, the City Council adopted a Notice of Intention to create a Special Improvement District to upgrade the streetscape in the 900 East 900 South for Special Improvement District 106018.
- On March 8, 2005, a protest hearing was held.
- On April 12, 2005, the City Council adopted a resolution to authorize City officials to proceed with the construction of improvements.
- On December 13, 2005, the City Council adopted a resolution accepting bids and authorizing execution of a contract to the best bidder for construction work and materials to complete the improvements for the 900 South 900 East Streetscape Upgrade SID 106018.


- On March 6, 2007, the City Council adopted a resolution to appoint a Board of Equalization and review and set the dates for the Board to hear and consider objections and corrections to any proposed assessments.
- On April 10, 11, and 12, 2007, the Board of Equalization and Review met with property owners.

CC: Cindy Gust-Jenson, Sam Guevara, Lyn Creswell, Rick Graham, Ed Rutan, Louis Zunguze, Gary Mumford, Dan Mulé, Luann Clark, Tim Harpst, Boyd Ferguson, Melanie Reif, Max Peterson, John Naser, Stephanie Toombs, Gordon Haight, Kurt Larson, Diana Karrenberg, Sylvia Richards, Gwen Springmeyer, Janne Nielson, Michael Stott, Chris Bramhall, Boyd Ferguson, Karen Carruthers, Garth Limburg, Susan Finlayson, Cindy Arnold, and Jennifer Bruno.

MAY 29 2007

COUNCIL TRANSMITTAL

TO: Lyn Creswell 
Chief Administrative Officer **DATE:** May 24, 2007

FROM: Rick Graham, Director 

SUBJECT: Assessment Ordinance for 900 South 900 East Streetscape Upgrade Special Improvement District, Job No. 106018.

STAFF CONTACT: John Naser, 535-6240 

DOCUMENT TYPE: Ordinance

RECOMMENDATION: That the Council adopts the Assessment Ordinance levying an assessment upon each property identified in the assessment list for the purpose of paying the costs to construction the improvements in 900 East 900 South Streetscape Special Improvement District 106018.

BUDGET IMPACT:	City Portion	\$1,649,309.82
	Property Owners	425,628.18
	Total Estimated Cost	\$2,074,938.00

BACKGROUND/DISCUSSION: The 900 South 900 East Streetscape Upgrade Improvements project involves the reconstruction and beautification of the roadway, park strip and sidewalks. The improvements include replacing deteriorated concrete, landscaped median islands, decorative sidewalks, enhanced street lighting, additional on-street parking and traffic signal upgrades. The project extends from Windsor Street to 1000 East. The project was coordinated with Public Utilities storm drain improvements. The assessments to be levied are for the purpose of paying for the improvements necessary to complete the district. Assessments for the district may be paid without interest within thirty days after this ordinance becomes effective. Any part of the assessment not paid within the thirty-day period can be payable over a period of ten years from the effective date of the ordinance.

PUBLIC PROCESS: The Board of Equalization hearings were held on April 10th, 11th and 12th of 2007.

Salt Lake City, Utah

June 5, 2007

A regular meeting of the City Council of Salt Lake City, Salt Lake County, Utah, was held on Tuesday, the 5th day of June, 2007, at the hour of 7:00 p.m., at the offices of the City Council at 451 South State Street, Salt Lake City, Utah, at which meeting there were present

Van Blair Turner	Chair
Jill Remington Love	Vice Chair
Carlton Christensen	Councilmember
Søren Dahl Simonsen	Councilmember
Nancy Saxton	Councilmember
K. Eric Jergensen	Councilmember
David L. Buhler	Councilmember

Also present:

Ross C. Anderson	Mayor
Edwin P. Rutan, II	City Attorney
	Deputy City Recorder

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this ordinance had been discussed, the Deputy City Recorder presented to the City Council a Certificate of Compliance With Open Meeting Law with respect to this 5th day of June, 2007, meeting, a copy of which is attached hereto as Exhibit A.

The Board of Equalization and Review (the "Board") for "Salt Lake City, Utah 900 South, 900 East Streetscape Upgrade Special Improvement District No. 106018" (the "District") presented to the City Council its report and stated that it had reviewed statements, comments and complaints on each property in the District as listed in the minutes of the hearings of the Board held on the 10th, 11th and 12th day of April, 2007.

The following Findings, Recommendations, and Decisions were then presented to the City Council by the Board:

FINDINGS

It is the finding of the Board that each piece of property within the District will be directly or indirectly benefited in an amount not less than the assessment to be levied against said property. No piece of property listed in the adjusted assessment list will bear more than its proportionate share of the costs of such improvements.

RECOMMENDATION AND DECISION

It is the decision of the Board that the proposed assessment list, as adjusted, is equitable and that the improvements being financed thereby constitute a benefit to the properties to be assessed. The assessment list is approved subject to the following modifications:

See Exhibit C

The Board respectfully recommends that the City Council approve and confirm the assessment list as adjusted and adopt an ordinance levying the assessment set out in the adjusted assessment list.

The City Recorder is hereby authorized and directed to mail a copy of the Board's final report to each property owner who objected at the Board hearings to the proposed assessment to be levied against the property owner's property at the property owner's mailing address.

Motion was then made by Councilmember _____ and seconded by Councilmember _____ that the City Council accept the Recommendation and Decision of the Board regarding the proposed assessments to be levied within the District. The motion carried unanimously.

The Deputy City Recorder then noted that the City Council is now convened in this meeting for the purpose, among other things, of adopting an Assessment Ordinance (the "Ordinance") for the District. The following Ordinance was then introduced in writing, was fully discussed, and pursuant to motion duly made by Councilmember _____ and seconded by Councilmember _____, was adopted by the following vote:

AYE:

NAY:

The ordinance was then signed by the Chair, presented to and approved by the Mayor, and recorded by the Deputy City Recorder in the official records of Salt Lake City, Utah. The ordinance is as follows:

ORDINANCE NO. ___ of 2007

AN ORDINANCE CONFIRMING THE MODIFIED AND EQUALIZED ASSESSMENT ROLLS AND LEVYING AN ASSESSMENT AGAINST CERTAIN PROPERTIES IN THE SALT LAKE CITY, UTAH 900 SOUTH, 900 EAST STREETSCAPE UPGRADE SPECIAL IMPROVEMENT DISTRICT NO. 106018 (THE "DISTRICT"), FOR THE PURPOSE OF PAYING THE COSTS OF THE RECONSTRUCTION OF ROADWAY PAVEMENT, AND TO CONSTRUCT AND INSTALL CONCRETE ANGLE PARKING, CONCRETE CURBS, SIDEWALKS, DRIVEWAY APPROACHES, MEDIAN ISLANDS, SIDEWALK RAMPS, STORM DRAINAGE FACILITIES, SITE FURNISHING, STREET LIGHTING, TRAFFIC SIGNALS, LANDSCAPING, AND ALL OTHER MISCELLANEOUS WORK NECESSARY TO COMPLETE THE IMPROVEMENTS IN A PROPER WORKMANLIKE MANNER (COLLECTIVELY, THE "IMPROVEMENTS"); ESTABLISHING THE EFFECTIVE DATE OF THIS ORDINANCE; AND RELATED MATTERS.

BE IT ORDAINED BY THE CITY COUNCIL OF SALT LAKE CITY, SALT LAKE COUNTY, UTAH, AS FOLLOWS:

Section 1. Determination of Costs. All costs and expenses for the making of the Improvements within the District, together with related costs, have been determined.

Section 2. Approval of Assessment List, Findings. The City Council (the "Council") of Salt Lake City, Utah (the "City"), hereby accepts and adopts the Findings and Recommendation of the Board of Equalization and Review. The Council confirms and adopts the equalized and adjusted assessment roll for the District, a copy of which is attached hereto as Exhibit B and incorporated herein by reference (the "Assessment List"). The Council has determined that the Assessment List, as adjusted and equalized, is just and equitable; that each piece of property to be assessed within the District will be benefited in an amount not less than the assessment to be levied against said property; and that no piece of property listed in the assessment list will bear more than its proportionate share of the cost of the Improvements.

Section 3. Levy of Assessments. The Council hereby levies an assessment upon the real property identified in the Assessment List. The assessments levied upon each parcel of property therein described shall be in the amount set forth in the Assessment List.

The assessments hereby levied are for the purpose of paying the costs of constructing the Improvements in a proper and workmanlike manner.

The assessments are hereby levied and assessed upon each of the parcels of real property described in the Assessment List according to the extent that they are specially

benefited by the Improvements acquired or constructed within the District. The assessments are levied upon the parcels of land in the District at equal and uniform rates.

Section 4. Cost of Improvements; Amount of Total Assessments. The total cost of the Improvements in the District is \$2,074,938 including allowable related expenses. Of this total cost, the City's portion is \$1,649,309.82. The City's portion for the District includes that part of the overhead costs for which an assessment cannot be levied, if any, and the cost of making the Improvements for the benefit of property against which an assessment may not be levied, if any. The amount to be assessed against property affected or benefited by the Improvements in the District is \$425,628.18. That amount does not exceed in the aggregate the sum of: (a) the total contract price or prices for the Improvements under contract duly let to the lowest and best responsible bidder therefor and a portion of the costs of engineering, designing, and inspection; (b) the reasonable cost of utility services, maintenance and operation, labor, materials, or equipment supplied by the City, if any; (c) the price of purchasing property, if any; (d) connection fees, if any; (e) the interest on any interim warrants issued against the District; and (f) overhead costs not to exceed fifteen percent (15%) of the sum of (a), (b), and (d).

Section 5. Method and Rate. The total assessment for the District is levied in accordance with the method set out in the Notice of Intention pertaining to the District. The applicable rate for each property was determined based on costs as set out in the preceding Section.

Section 6. Payment of Assessments.

(a) The whole or any part of the assessments for the District may be paid without interest within twenty-seven (27) days after this Ordinance becomes effective. Any part of the assessment not paid within such twenty-seven (27)-day period shall be payable over a period of ten (10) years from the effective date of this Ordinance in ten (10) substantially equal annual principal installments, plus interest accruing thereon. Interest on the unpaid balance of the assessment shall accrue at the rate of four and six-tenths percent (4.6%) per annum until and unless special assessment bonds (the "Bonds") are issued for the District. After issuance of the Bonds the interest rate on unpaid assessment balances (unless delinquent rates apply) shall be the same rate as the net effective interest rate of the Bonds anticipated to be issued by the City. The first assessment installment payment date shall be on or about November 1, 2007, and subsequent installment payments shall be due on each anniversary date of the first assessment installment payment date thereafter until paid in full. Interest shall accrue from the effective date of this Ordinance. Each assessment installment shall include one year's interest on the unpaid assessment amount.

(b) After the above-referenced twenty-seven (27)-day period, all unpaid installments of an assessment levied against any piece of property may be paid prior to the dates on which they become due, but any such prepayment must include an additional amount equal to the interest which would accrue on the assessment to the next succeeding date on which interest is payable on the Bonds

issued in anticipation of the collection of the assessments, plus such additional amount as, in the opinion of the City Treasurer, is necessary to assure the availability of money to pay interest on the Bonds as interest becomes due and payable plus any premiums that may be charged and become payable on redeemable Bonds that may be called in order to utilize the assessments paid in advance.

Section 7. Default in Payment. If a default occurs in the payment of any assessment installment when due, the City may (a) declare the delinquent amount to be immediately due and subject to collection, and (b) accelerate payment of the total unpaid balance of the assessment and declare the whole of the unpaid principal and interest then due to be immediately due and payable. Additional interest shall accrue and be paid on all amounts declared to be delinquent or accelerated and immediately due and payable at the same rate as is applied to delinquent real property taxes for the year in which the assessment installment becomes delinquent (the "Delinquent Rate"). In addition to interest charges at the Delinquent Rate, costs of collection, including attorneys fees and court costs ("Collection Costs"), as determined by the City Treasurer or required by law, shall be charged and paid on all amounts declared to be delinquent or accelerated and immediately due and payable. In lieu of accelerating the total assessment balance when one or more assessment installments become delinquent, the City may elect to bring an action to collect only the delinquent portion of the assessment plus interest at the Delinquent Rate and Collection Costs.

Upon any default, the City Treasurer shall give notice in writing of the default to the owner of the property in default as shown by the last available equalized assessment rolls. Notice shall be effective upon deposit of the notice in the U.S. Mail, postage prepaid, and addressed to the owner as shown on the last equalized assessment rolls for the City or on the official ownership records of the City. The notice shall provide for a period of thirty (30) days in which the owner shall pay the installments then due and owing together with accrued interest at the regular rate plus costs as determined by the City Treasurer. If the City elects to use the enforcement remedy involving acceleration, the Notice shall also declare that after the thirty (30) day period the City shall accelerate the then unpaid balance of the principal of the assessment to be immediately due and payable together with Collection Costs and interest on the entire unpaid balance to accrue from the date of delinquency at the Delinquent Rate. Thereafter, the City may commence foreclosure proceedings in the manner provided for actions to foreclose mortgage liens or trust deeds. If the City elects to utilize the trust deed enforcement remedy, the City Attorney shall designate a trust deed trustee for purposes of the enforcement action. If at the sale no person or entity shall bid and pay the City the amount due on the assessment plus interest and costs, the property shall be deemed sold to the City for these amounts. The City shall be permitted to bid at the sale.

The remedies provided herein for the collection of assessments and the enforcement of liens shall be deemed and construed to be cumulative and the use of any one method or means of collection or enforcement shall not deprive the City of the use of any other method or means. The amounts of accrued interest and all costs of collection shall be added to the amount of the assessment up to the date of foreclosure sale.

Section 8. Remedy of Default. If prior to the final date that payment may be legally made under a final sale or foreclosure of property to collect delinquent assessment installments, the property owner pays the full amount of all unpaid installments that are past due and delinquent with interest at the Delinquent Rate, plus all approved or required costs, the assessment of said owner shall be restored so that the owner will have the right to make the payments in installments as if the default had not occurred.

Section 9. Lien of Assessment. An assessment or any part or installment of it, any interest accruing, and the penalties and costs of collection shall constitute a lien against the property upon which the assessment is levied on the effective date of this Ordinance. Said lien shall be superior to the lien of any trust deed, mortgage, mechanic's or materialman's lien, or other encumbrance, shall be equal to and on a parity with the lien for general property taxes, and shall apply without interruption, change of priority, or alteration in any manner to any reduced payment obligations. The lien shall continue until the assessment, reduced payment obligations, and any interest, penalties, and costs on it are paid, notwithstanding any sale of the property for or on account of a delinquent general property tax, special tax or other assessment, the issuance of a tax deed, an assignment of interest by the governing entity, or a sheriff's certificate of sale or deed.

Section 10. Contestability. No assessment shall be declared void or set aside in whole or in part in consequence of any error or irregularity that does not go to the equity or justice of the assessment or proceeding. Any party who has not waived his objections to same as provided by statute may commence a civil action against the City to enjoin the levy or collection of the assessment or to set aside and declare unlawful this Ordinance.

Such action must be commenced and summons must be served on the City not later than 30 days after the effective date of this Ordinance. This action shall be the exclusive remedy of any aggrieved party. No court shall entertain any complaint that the party was authorized to make by statute but did not timely make or any complaint that does not go to the equity or justice of the assessment or proceeding.

After the expiration of the 30-day period provided in this section:

(a) The Bonds issued or to be issued against the District and the assessments levied in the District shall become incontestable as to all persons who have not commenced the action provided for in this section; and

(b) A suit to enjoin the issuance or payment of the Bonds, the levy, collection, or enforcement of the assessment, or to attack or question the legality of the Bonds or assessments may not be commenced in this state, and a court may not inquire into those matters.

Section 11. Notice to Property Owners. The City Treasurer is hereby authorized and directed to give notice of assessment by mail to the property owners in the District. Said notice shall, among other things, state the amount of the assessment and

the terms of payment. A copy of the form of notice of assessment is available for examination upon request at the office of the City Recorder.

Section 12. All Necessary Action Approved. The officials of the City are hereby authorized and directed to take all action necessary and appropriate to effectuate the provisions of this Ordinance.

Section 13. Repeal of Conflicting Provisions. All ordinances or parts thereof in conflict with this Ordinance are hereby repealed.

Section 14. Publication of Ordinance. Immediately after its adoption, this Ordinance shall be signed by the Mayor and the City Recorder and shall be recorded in the ordinance book kept for that purpose. This Ordinance shall be published once in the Deseret Morning News, a newspaper published and having general circulation in the City, and shall take effect immediately upon its passage and approval and publication as required by law.

Section 15. Notice of Assessment Interest. The City Recorder is hereby authorized and directed to file a Notice of Assessment Interest with the Salt Lake County Recorder within five days after the 27-day prepayment period provided in Section 6(a). Such Notice shall (1) state that the City has an assessment interest in the assessment property, and (2) describe the property assessed by legal description and tax identification number.

PASSED AND APPROVED by the City Council of Salt Lake City, Utah, this 5th day of June, 2007.

(SEAL)

By: _____
Chair

ATTEST:

By: _____
Deputy City Recorder

The City Treasurer was thereupon authorized to mail to the property owners in the District the foregoing notice of special assessment as hereinbefore provided.

After the transaction of other business not pertinent to the foregoing matter, the meeting was on motion duly made, seconded, and carried, adjourned.

(SEAL)

By: _____
Chair

ATTEST:

By: _____
Deputy City Recorder

PRESENTATION TO THE MAYOR

The foregoing ordinance was presented to the Mayor for his approval or disapproval on this _____ day of _____, 2007.

By: _____
Chair

MAYOR'S APPROVAL OR DISAPPROVAL

The foregoing ordinance is hereby approved this _____ day of _____, 2007.

Ross C. Anderson
Mayor

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I, Chris Meeker, the duly appointed and qualified Deputy City Recorder of Salt Lake City, Utah, do hereby certify that the above and foregoing is a full, true and correct copy of the record of proceedings had by the City Council of Salt Lake City, Utah, at its meeting held on the 5th day of June, 2007, insofar as the same relates to or concerns the Salt Lake City, Utah 900 South, 900 East Streetscape Upgrade Special Improvement District No. 106018 (the "District") as the same appears of record in my office.

I further certify that the Ordinance levying the special assessments was recorded by me in the official records of Salt Lake City on 5th day of June, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of Salt Lake City this 5th day of June, 2007.

(SEAL)

By: _____
Deputy City Recorder

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

AFFIDAVIT OF MAILING
NOTICE OF ASSESSMENT

I, Daniel Mulé, the duly appointed and qualified City Treasurer of Salt Lake City, Salt Lake County, Utah, do hereby certify that on the ___ day of June, 2007, I caused to be mailed a Notice of Assessment to each property owner in the Salt Lake City, Utah 900 South, 900 East Streetscape Upgrade Special Improvement District No. 106018 (the "District") by United States Mail, postage prepaid, at the last known address of such owner.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of Salt Lake City, Salt Lake County, Utah this ___ day of _____, 2007.

By: _____
City Treasurer

PROOF OF PUBLICATION

Attached to this page is the Proof of Publication, indicating by the affidavit of the publisher that the said Ordinance levying the special assessments adopted by the City Council on 5th day of June, 2007, was published one time in the Deseret Morning News.

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, _____, the undersigned Deputy City Recorder of Salt Lake City, Salt Lake County, Utah (the "City"), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the 5th day of June, 2007, public meeting held by the City as follows:

(a) By causing a Notice, in the form attached hereto as Schedule A, to be posted at the City's offices at 451 South State Street, Salt Lake City, Utah, on the 1st day of June, 2007, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting; and

(b) By causing a copy of such Notice, in the form attached hereto as Schedule A, to be delivered to the Deseret Morning News on the 1st day of June, 2007, at least twenty-four (24) hours prior to the convening of the meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 5th day of June, 2007.

(SEAL)

By: _____
Deputy City Recorder

SCHEDULE A

NOTICE OF MEETING

EXHIBIT B

ASSESSMENT LIST

[Available for review at the offices of the
City Recorder or City Engineer]

EXHIBIT C

MODIFICATIONS RECOMMENDED
BY BOARD OF EQUALIZATION AND REVIEW

**REPORT OF THE BOARD OF EQUALIZATION
SPECIAL IMPROVEMENT DISTRICT
900 East 900 South Streetscape SID (106018);
Strongs Court (102109) & Fenway Avenue (102129), Reconstruction SID**

The Board of Equalization Hearings for Special Improvement Districts Numbers 106018; 102109 and 102129 were held on April 10, 11, and 12, 2007 at 349 South 200 East in the first floor conference room; in conformance with statutes and ordinances governing special improvement districts. The Board was comprised of the following members:

Max Peterson,	City Engineer
Chris Meeker,	City Recorder
Melanie Reif,	Senior City Attorney

Assisting the Board were the following individuals:

John Coyle	Project Manager
Russ Nunley,	Project Engineer
Stephanie Toombs,	Project Engineer
Marina Scott,	Deputy Treasurer
Garth Limburg,	Special Assessment Coordinator
Karen Carruthers,	City Engineering
Susan Finlayson,	City Engineering

The following are issues raised by property owners concerning the Special Improvement District assessments and recommendations of the Board of Equalization.

Tuesday, April 10, 2007

**Arnold & Geraldine Seiler
1204 East Fenway Avenue
Salt Lake City, Utah 84102-3212
16-05-482-001-0000**

102129 Fenway Avenue SID

Mr. & Mrs. Seiler were very pleased with the project and the great job done by Russ Nunley and John Coyle. Mr. Seiler also stated that the neighborhood is delighted with the project. Mr. Seiler stated that he had one question for both himself and his neighbor, Mr. & Mrs. Harrison, who lives across the street from his property: due to the corner location of their two homes, both property owners did not receive a new water service as their properties had water service off of 1200 East and he was wondering if their assessments could be adjusted for only the street construction costs. Mr. Seiler also wanted to share a story about the corner lot exemption as explained to him 30 years ago and he was wondering whether the Board could explain the corner lot exemption policies to him again.

Response:

Mr. Peterson stated that the Board will evaluate the issue of not participating in the water system cost and Mr. Seiler and Mr. Harrison would be notified in the next few weeks on whether or not an adjustment will be granted. Mr. Peterson also explained the corner lot exemption. Mr. Peterson further explained that Fenway was converted from a private street to a public street and, therefore, it had to be brought up to City standards. The work was done only on Fenway and the corner lot exemption would not apply since no work was done on 1200 East. The Seiler and Harrison corner lot properties did not

receive new water services off Fenway; thus, the water service cost needs to be removed from the assessment. The water main assessment benefited all Fenway properties by the installation of a new fire hydrant and bringing the street up to City standards and making Fenway a City street.

Recommendation of the Board:

The Board recommends the assessment be revised as follows:

Current Assessment

2 - Concrete Roadway and Water Main	38.00 Ln. ft. @ \$ 134.30	\$ 5,103.40
Total		\$ 5,103.40

Revised Assessment

2 Concrete Roadway and Water Main	38.00 Ln. ft. @ \$ 134.30	\$ 5,103.40
2a Water Service Adjustment	38.00 Ln. ft. @ \$ - 11.21	\$ - 425.98
Total		\$ 4,677.42

Wednesday, April 11, 2007

No property owners attended this meeting.

Thursday, April 12, 2007

Daniel & Darrell Fieldstad
951 East 900 South
Salt Lake City, Utah 84105-1430
16-08-180-039-0000

106018 - 900 East 900 South Streetscape SID

Mr. Daniel Fieldstad stated the property in question is a residential property, not retail, and therefore, he thinks his property assessment should be reduced. He submitted a letter and map of the area to the Board to show that his property is surrounded by businesses. Mr. Fieldstad further explained that his property consists of four dwellings, and both he and his brother each occupy a unit and the remaining two units are occupied by renters. Mr. Fieldstad applauded the Engineering and Construction personnel who worked on the project. He is really happy with the way this project was handled from the beginning to the end and how the appearance of the neighborhood has improved. Mr. Fieldstad feels he should have to pay for the beautiful environment in which he now lives, but feels that he should not have to pay the same amount as the retailers who have benefited more from the improvements. Mr. Fieldstad explained that he had no new parking installed abutting his property, but the retailers have new parking available for their customers and he does not want to pay for added parking stalls. Mr. Fieldstad also feels the assessment puts him in a position of financial hardship to meet the payments.

Mr. Fieldstad also wanted to convey to the Board that Miss Toombs did an amazing job and she was a joy to work with.

Mr. Peterson explained that Mr. Fieldstad property is zoned commercial and is an owner occupied residence with two rental units. The Board will make a decision about the issue with the parking and

assessment. The assessment deferment program was explained by Mr. Limburg to Mr. Fieldstad so that he may apply for this program.

Response:

The 951 East 900 South property is a four residential unit complex zoned CB (Community Business District) and all properties in the district benefited from the improvements. The \$1,910,000 million project was funded with \$1,390,000 of City and Public Utilities funds, \$99,410 of Federal Economic Development Initiative funds (EDI) funds and \$425,625 of Property Owner SID assessments. The property owners' assessment is for street beautification items such as median islands, landscaping, street and median lighting, street furniture, added cutback parking, and colored sidewalk. All the other project costs were paid by City and EDI funds. Mr. Fieldstad's commercial property, now being used as a residential and rental property, has benefited from the project due to its increased property value and a more desirable 900 East and 900 South neighborhood.

The Board recommends the assessment not be reduced because most of the project was paid for using non property owner funds and Mr. Fieldstad's property and all the other assessed properties received a benefit from the overall project.

Recommendation of the Board:

The assessment for this property will not change.

Current Assessment

1	Streetscape Improvements	50.00 Ln. ft. @ \$ 239.90	\$ 11,995.00
Total			\$ 11,995.00

James Ack

For the three following properties:

McAck Holdings LLC

**4203 South Adonis Drive
Salt Lake City, Utah 84124-3404**

**959 East 900 South
Salt Lake City, Utah 84105-1430
16-08-180-041-0000**

UPS Holdings, LC

**965 East 900 South
Salt Lake City, Utah 84105-1430
16-08-180-042-0000**

Gretchen, LC

**952 East 900 South
Salt Lake City, Utah 84105-1431
16-08-183-001-0000**

106018 - 900 East 900 South Streetscape SID

Mr. Ack questioned why the rate was higher from the first SID notice of intent, and he was wondering when the rate increase came about. Mr. Ack also requested two properties be re-measured due to the frontage being 45.00 lineal feet and not 53.50 lineal feet. He also wanted to know when the deteriorated concrete abutting his property would be replaced. Mr. Ack was also curious about when the artwork will be installed.

Mr. Ack commended both the Engineering Division and Miss Toombs who has been terrific to work with and for the outstanding job that was done.

Mr. Peterson and Miss Toombs explained that the second letter was sent out to determine the interest of the property owners to pay an increased SID rate due to higher construction cost. Miss Toombs stated that Mr. Ack phoned her and agreed with the new rate. Miss Toombs also explained that at the end of the year warranty, the deteriorated concrete would be replaced by the contractor and the contractor was already aware that he needed to replace the deteriorated concrete at Mr. Ack's property. Miss Toombs explained that the artwork was still going through review and should be installed sometime in the fall of 2007.

Response:

Miss Toombs attempted to contact Mr. Ack to explain that the two 53.50 lineal feet properties that he requested re-measurement were correct. The alley way was vacated and became part of both properties listed above and the property frontage is now 53.50 lineal feet for each parcel.

Recommendation of the Board:

The assessment for this property will not change.

106018 - 900 East 900 South Streetscape SID

McAck Holdings LLC

4203 South Adonis Drive
Salt Lake City, Utah 84124-3404

959 East 900 South
Salt Lake City, Utah 84105-1430
16-08-180-041-0000

Current Assessment

1	Streetscape Improvements	53.50 Ln. ft. @ \$ 239.90	<u>\$ 12,834.65</u>
	Total		\$ 12,834.65

UPS Holdings, LC

965 East 900 South
Salt Lake City, Utah 84105-1430
16-08-180-042-0000

Current Assessment

1	Streetscape Improvements	53.50 Ln. ft. @ \$ 239.90	<u>\$ 12,834.65</u>
	Total		\$ 12,834.65

Gretchen, LC

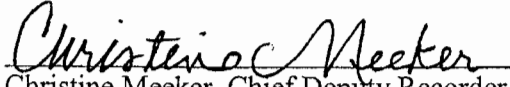
952 East 900 South
Salt Lake City, Utah 84105-1431
16-08-183-001-0000

Current Assessment

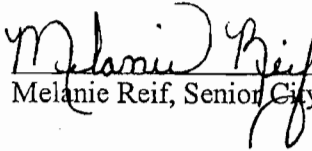
1	Streetscape Improvements	117.00 Ln. ft. @ \$ 239.90	<u>\$ 28,068.30</u>
	Total		\$ 28,068.30


Max G. Peterson, City Engineer

5-3-2007
Date


Christine Meeker, Chief Deputy Recorder

5-3-07
Date


Melanie Reif, Senior City Attorney

May 3, 2007
Date