



362nd & Bell Street Project AFRD

Sandy City
Council

February 5, 2024



Background

Benefits

- Relief of Traffic Bottleneck
- Access to Schools
- Resiliency – Evacuation and Emergency Access
- Economic Development

Project Cost \$12.94M



Decision(s) to be made

- 1) Does the council desire a reimbursement district?**
- 2) Interest rate and term limit?**
- 3) Basis of calculation: street frontage or area?**
- 4) What should be the value of the district?**

Question 1: AFRD

- Investment made by City decreases cost of development of adjacent properties
- AFRD allows City to recoup investment; allows reallocation of funds to other City utility needs
- Properties are impacted only if development occurs

Does the Council wish to establish an AFRD?

Question 2: Interest Rate and Term

- Municipal code prescribes 9% simple interest rate
- The funding spent for this project would earn **5%**
- Standard length of reimbursement districts is **20 years**

What interest rate and term to use?

Question 3: AFRD Methodology

By Area

- Reimbursement amount based on area of affected lots
- Only developable land
- Fair approach

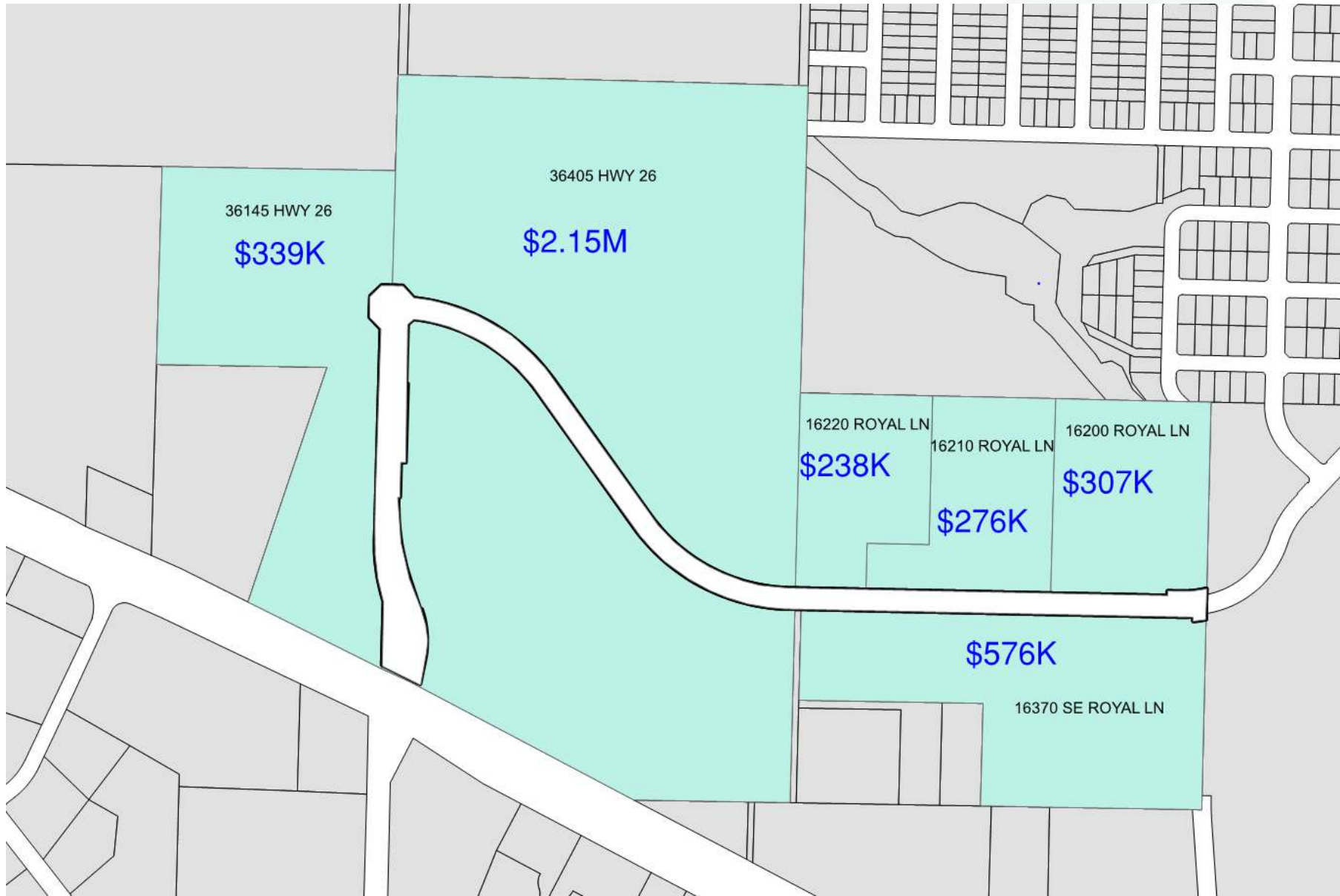
By Street Frontage

- Reimbursement based on street frontage on 362nd and Bell
- Good representation of direct access to roadway
- Based on lot shape, may not correlate well with development potential

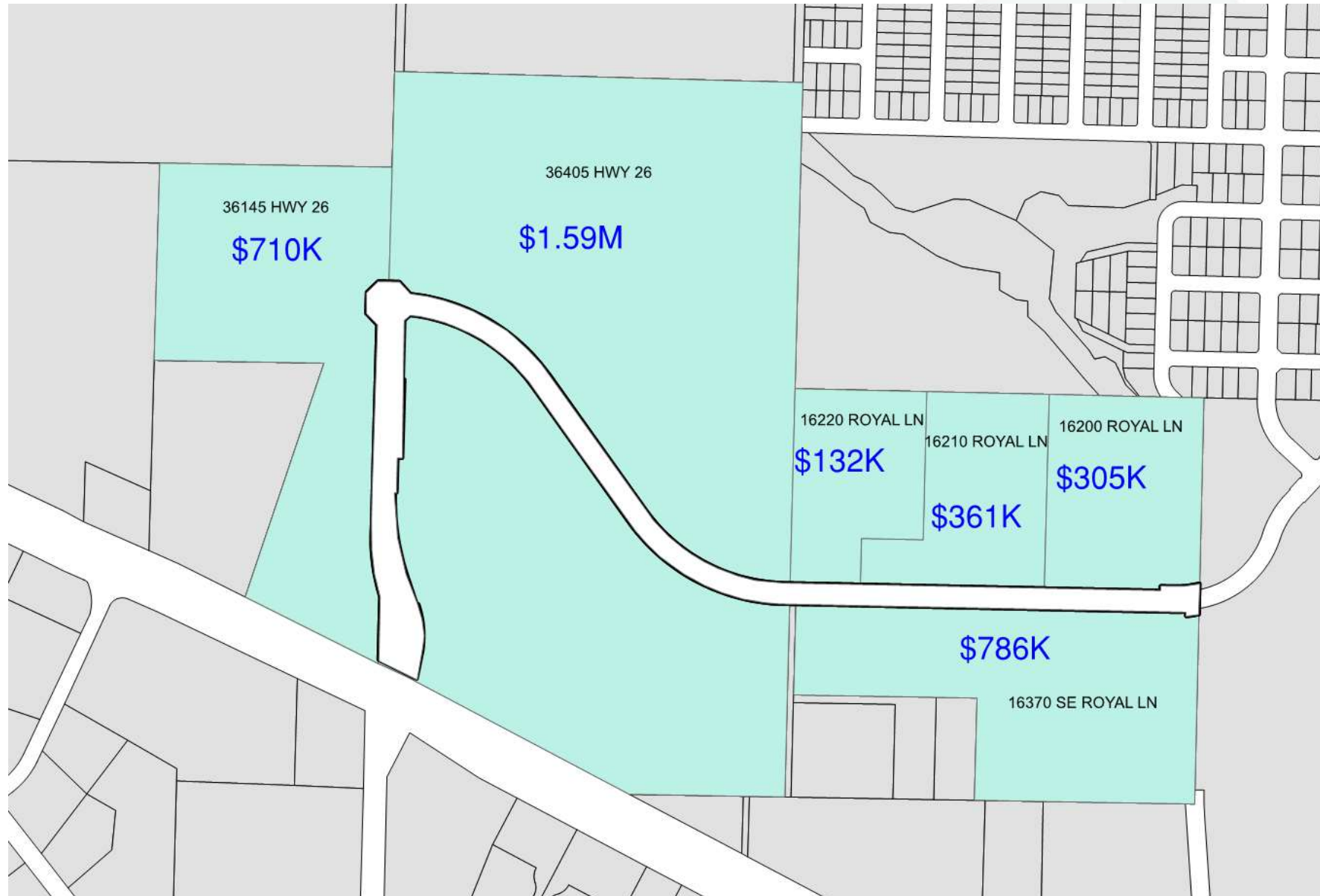
Relative Methodology Impacts to Properties

Property Address	Higher Impact of AFRD
16370 Royal Lane	Frontage
16200 Royal Lane	-
16210 Royal Lane	Frontage
16220 Royal Lane	Area
36405 Hwy 26	Area
36145 Hwy 26	Frontage

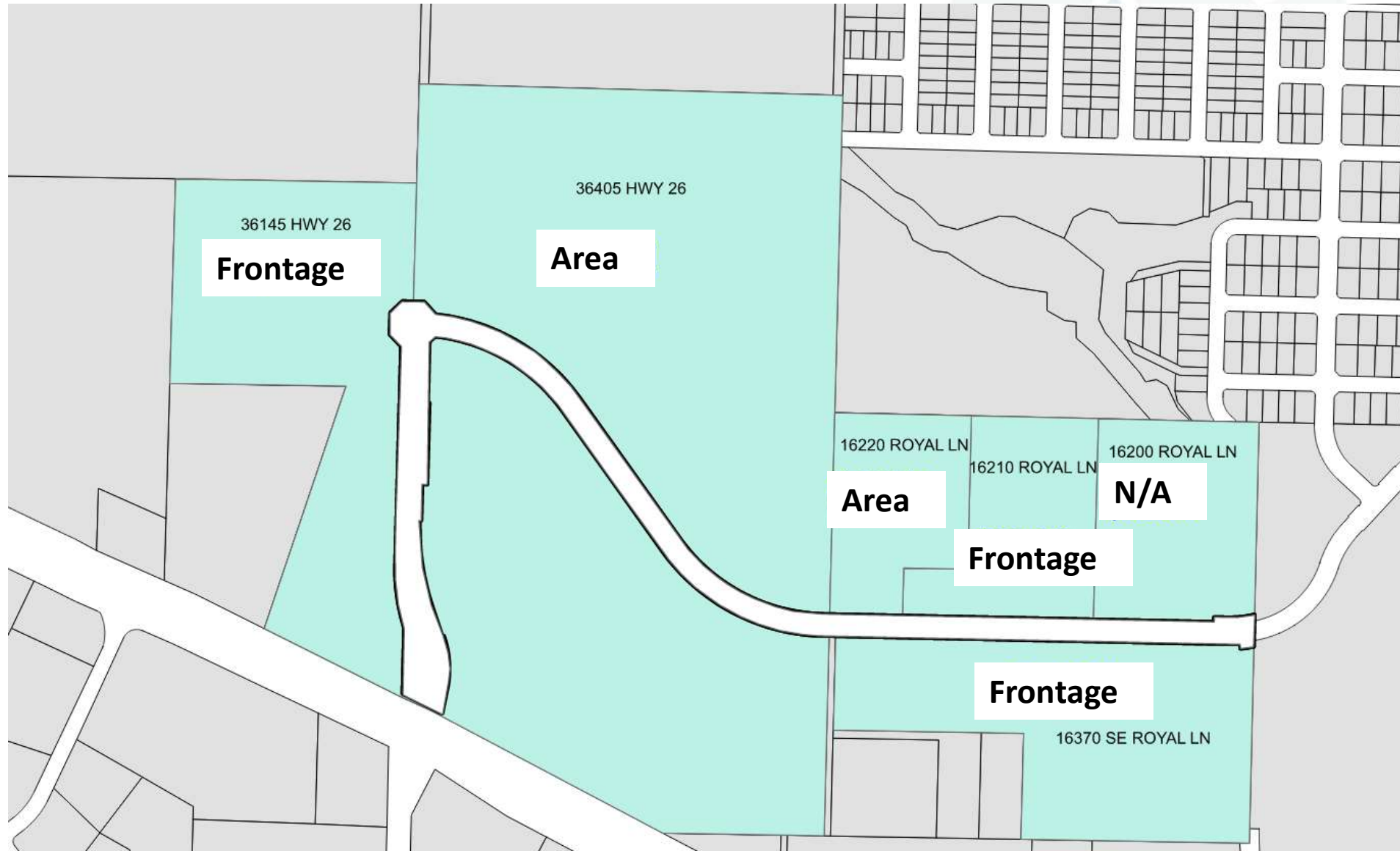
Example – Area Method – 30% Project Cost



Example – Frontage Method– 30% Project Cost



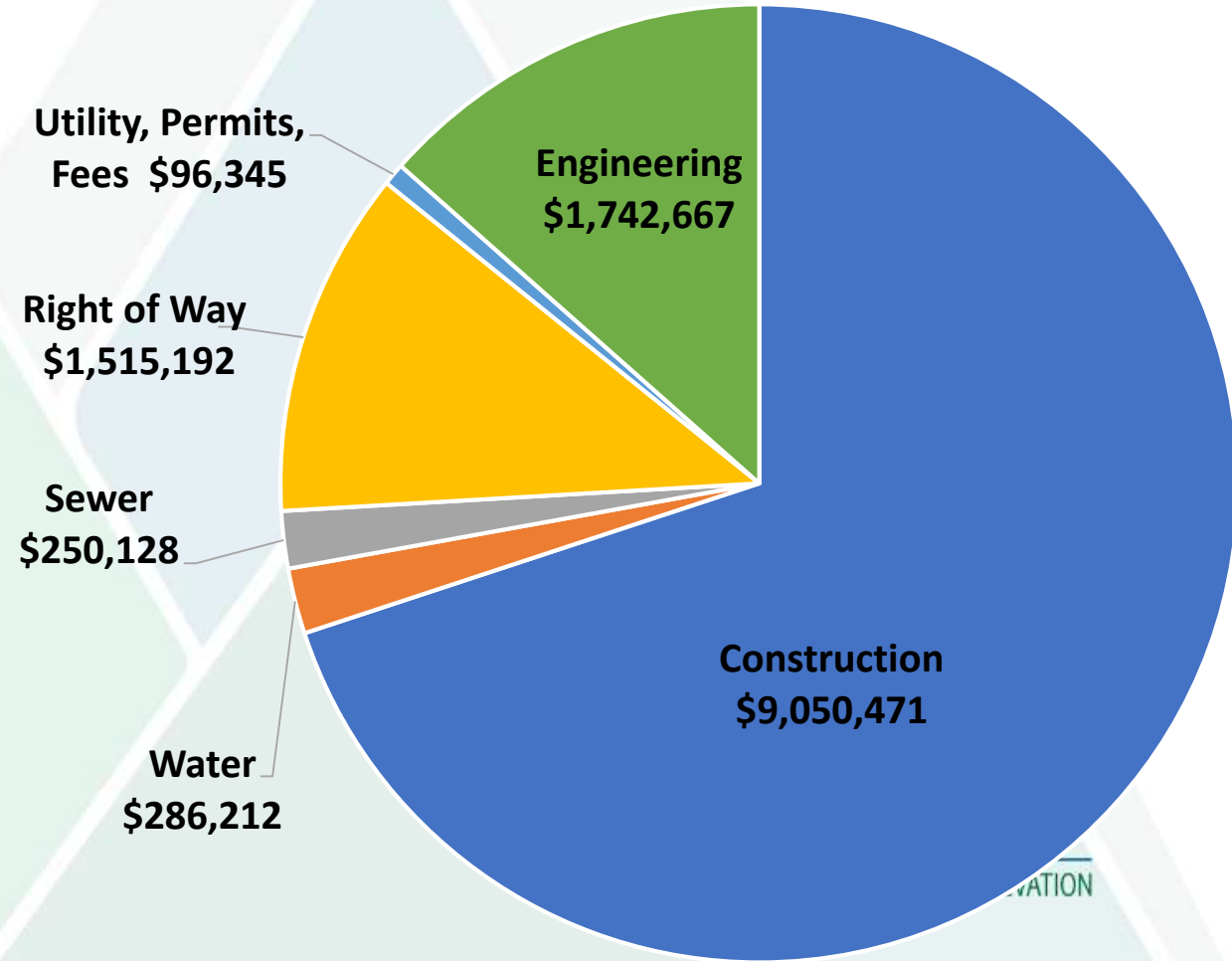
Relative Methodology Impacts to Properties



Which method does Council prefer to use?

Question 4: What Should Be the Value of the AFRD?

Construction	\$	9,050,471
Water	\$	286,212
Sewer	\$	250,128
Right of Way	\$	1,515,192
Utility, Permits, Fees	\$	96,345
Engineering	\$	1,742,667
Project TOTAL	\$	12,941,014

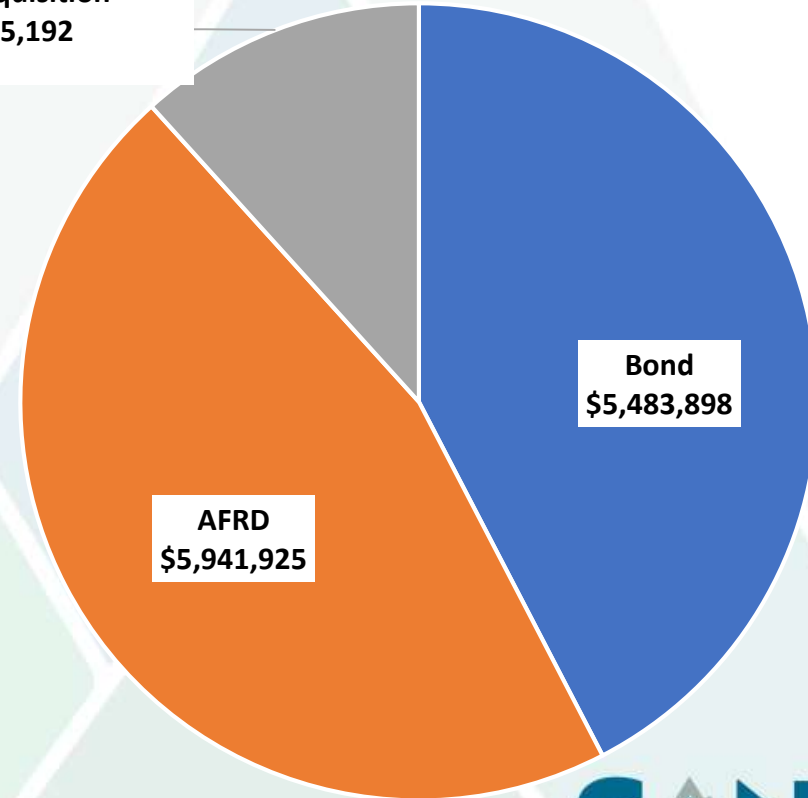


AFRD Option A-- 46% of Project

- Recoup unbonded cost of project less ROW cost
- AFRD will be \$5,942,000 or approximately 46% of project

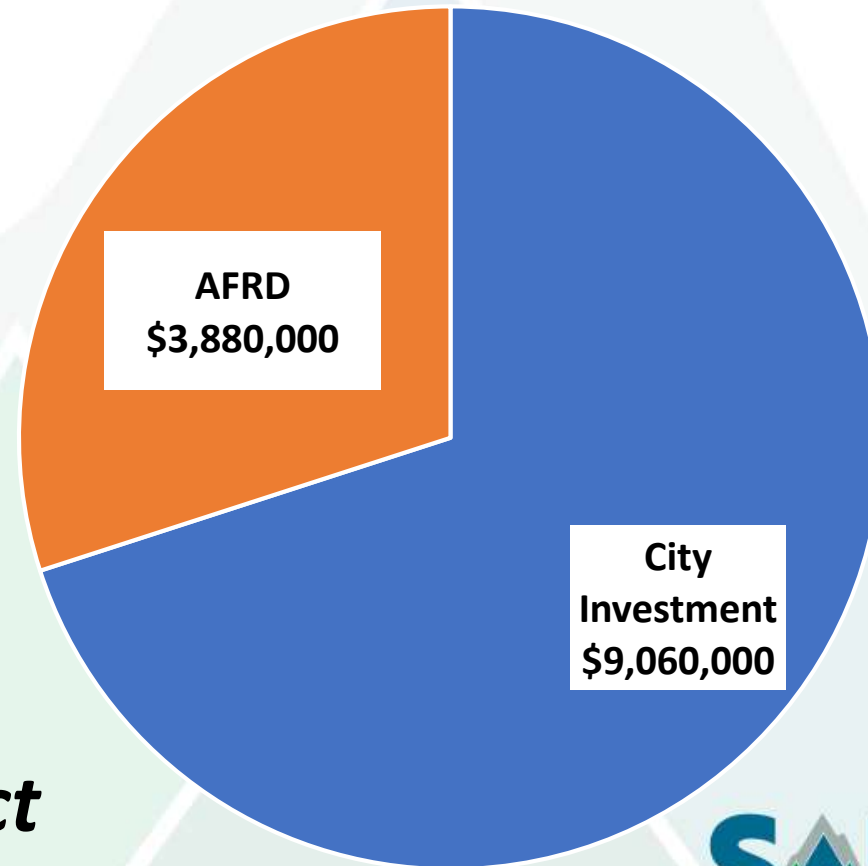
What value or percent of project does Council wish to use?

ROW acquisition
\$1,515,192



AFRD Option B-- 30% of Project

- Recoups some costs
- Keeps economic development incentives
- Total AFRD \$3.88M



What value or percent of project does Council wish to use?

Next Steps

- Council direct staff by motion
- Staff to issue Public Notice with terms
- Bring Public Hearing and Resolution with AFRD terms to Council
- Council to pass Resolution (at future meeting)



Questions?

Thank you!

