



# 362<sup>nd</sup> & Bell Street Project AFRD Consideration

Sandy City  
Council

March 4, 2024

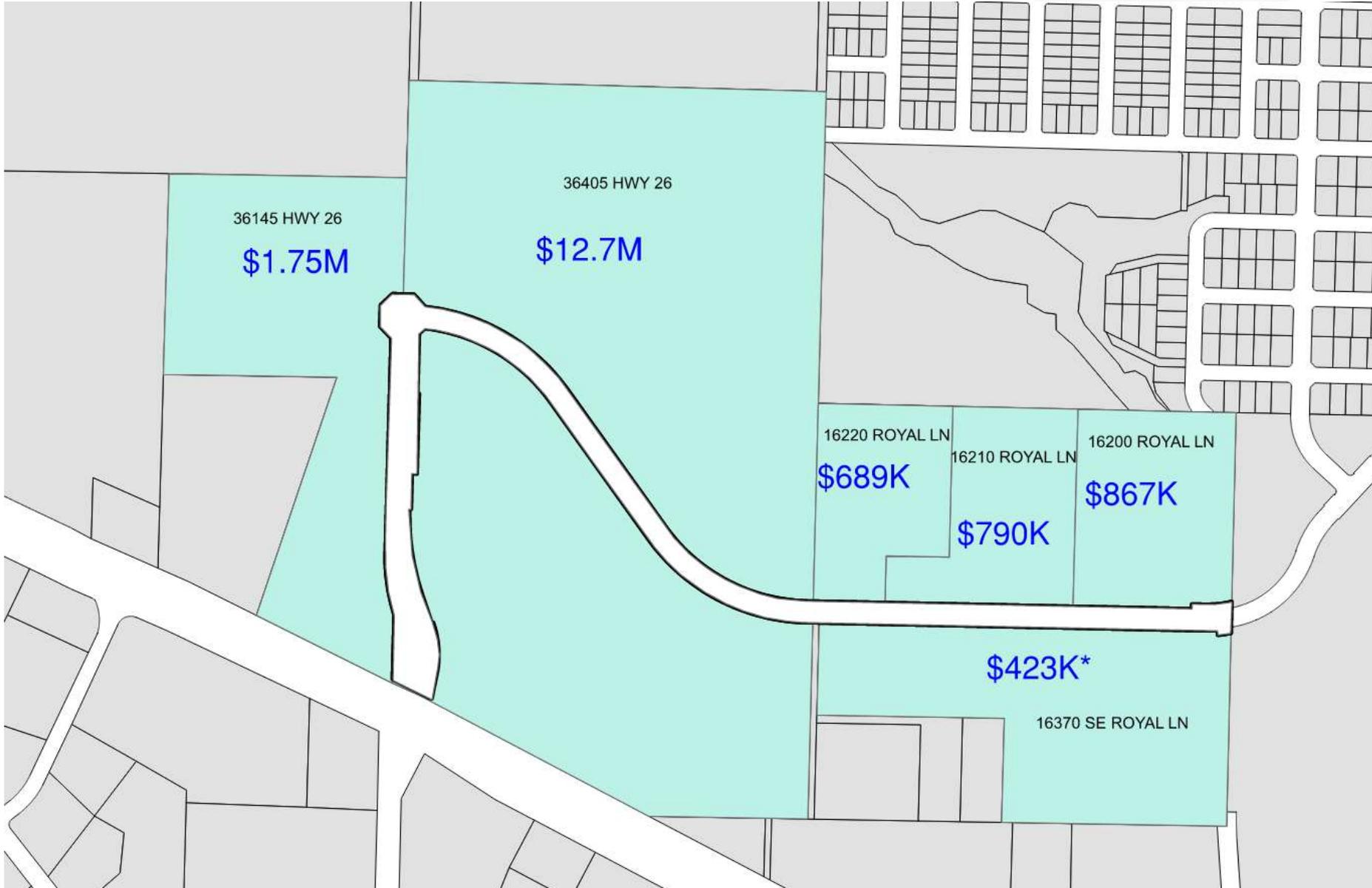


# Background

- **Reviewed at Feb 5<sup>th</sup> Council Meeting**
- **Information Requested:**
  - Value of Properties
  - Example AFRDs
  - Interest Rate Examples



# What Are These Properties Worth?



Values presented based on the County tax assessor's data for land only values

# Example AFRDs

District	Facility	Total	Term	Interest
Sherwood	Sewer	\$ 500,964	N/A	4% Fee
Gresham	Sewer	\$ 335,000	10 + 10	None
Sandy (Tom Orth)	Street/Utilities	\$ 345,559	20	1.57% Simple
Sandy (4J)	Street/Utilities	\$ 1,226,336	20	None
Sandy	Street/Utilities	\$ 408,510	20	6% Simple

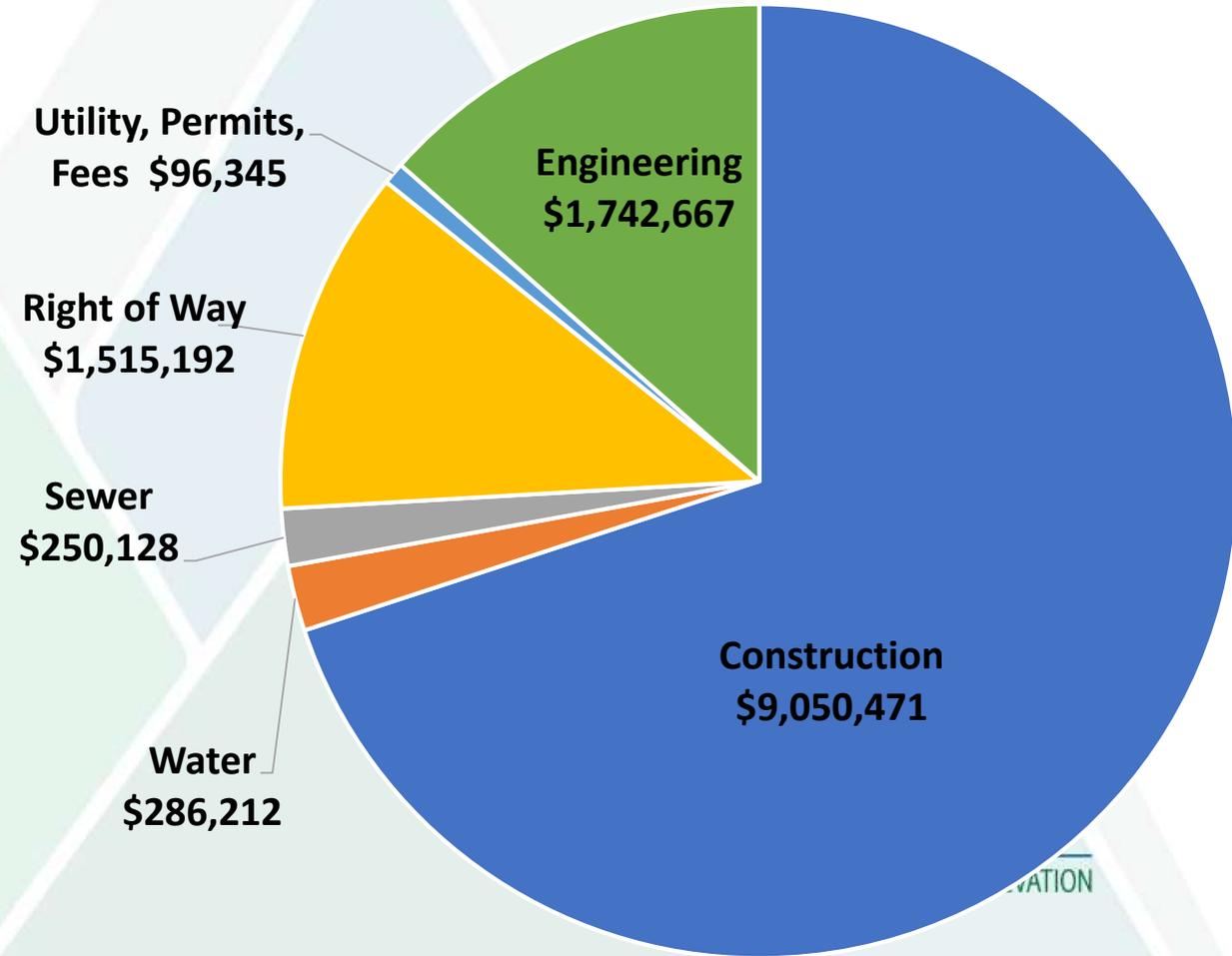
# Interest Rate Growth

Interest Rate		3%		4%		5%	
Property	Initial Valuation	Year 1	Year 20	Year 1	Year 20	Year 1	Year 20
16370 Royal Ln	\$ 339,915	\$ 350,112	\$ 543,864	\$ 353,512	\$ 611,847	\$ 356,911	\$ 679,830
16200 Royal Ln	\$ 180,891	\$ 186,318	\$ 289,426	\$ 188,127	\$ 325,605	\$ 189,936	\$ 361,783
16210 Royal Ln	\$ 162,914	\$ 167,802	\$ 260,663	\$ 169,431	\$ 293,246	\$ 171,060	\$ 325,829
16220 Royal Ln	\$ 140,381	\$ 144,592	\$ 224,609	\$ 145,996	\$ 252,685	\$ 147,400	\$ 280,761
36405 Hwy 26	\$ 1,430,871	\$ 1,473,797	\$ 2,289,393	\$ 1,488,105	\$ 2,575,567	\$ 1,502,414	\$ 2,861,741
36145 Hwy 26	\$ 225,963	\$ 232,742	\$ 361,541	\$ 235,002	\$ 406,733	\$ 237,261	\$ 451,926

# What Should Be the Value of the AFRD?

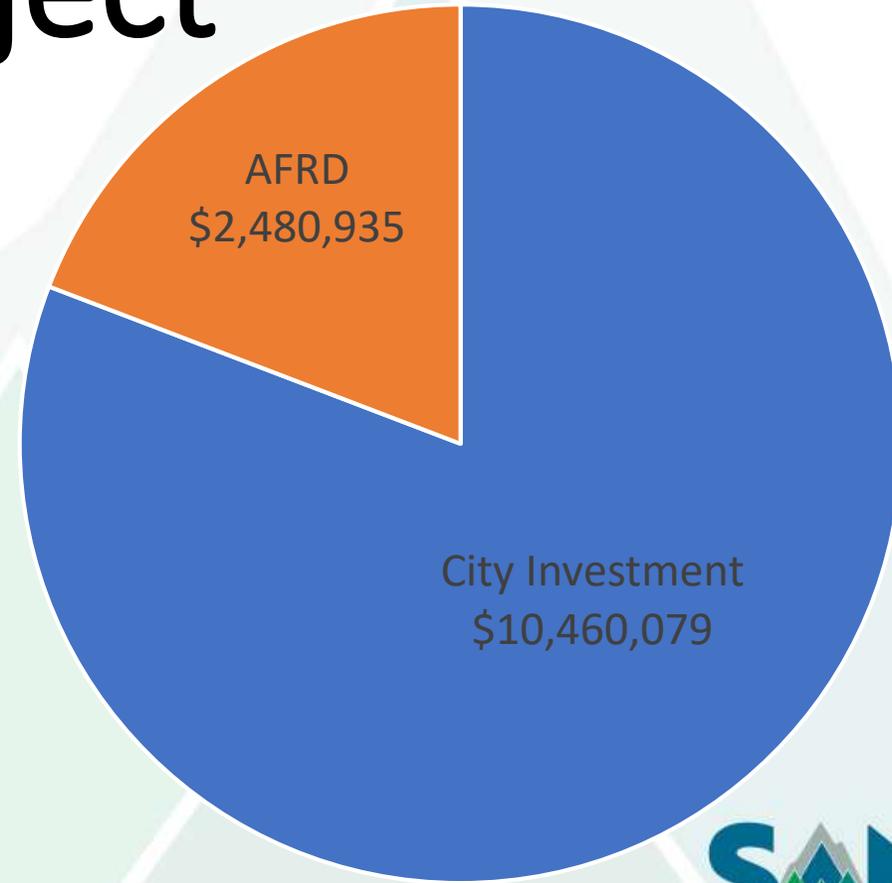
Construction	\$ 9,050,471
Water	\$ 286,212
Sewer	\$ 250,128
Right of Way	\$ 1,515,192
Utility, Permits, Fees	\$ 96,345
Engineering	\$ 1,742,667
<b>Project TOTAL</b>	<b>\$ 12,941,014</b>

Project Total used for reimbursement district is **\$12,404,675**. This represents the total cost paid by the street fund

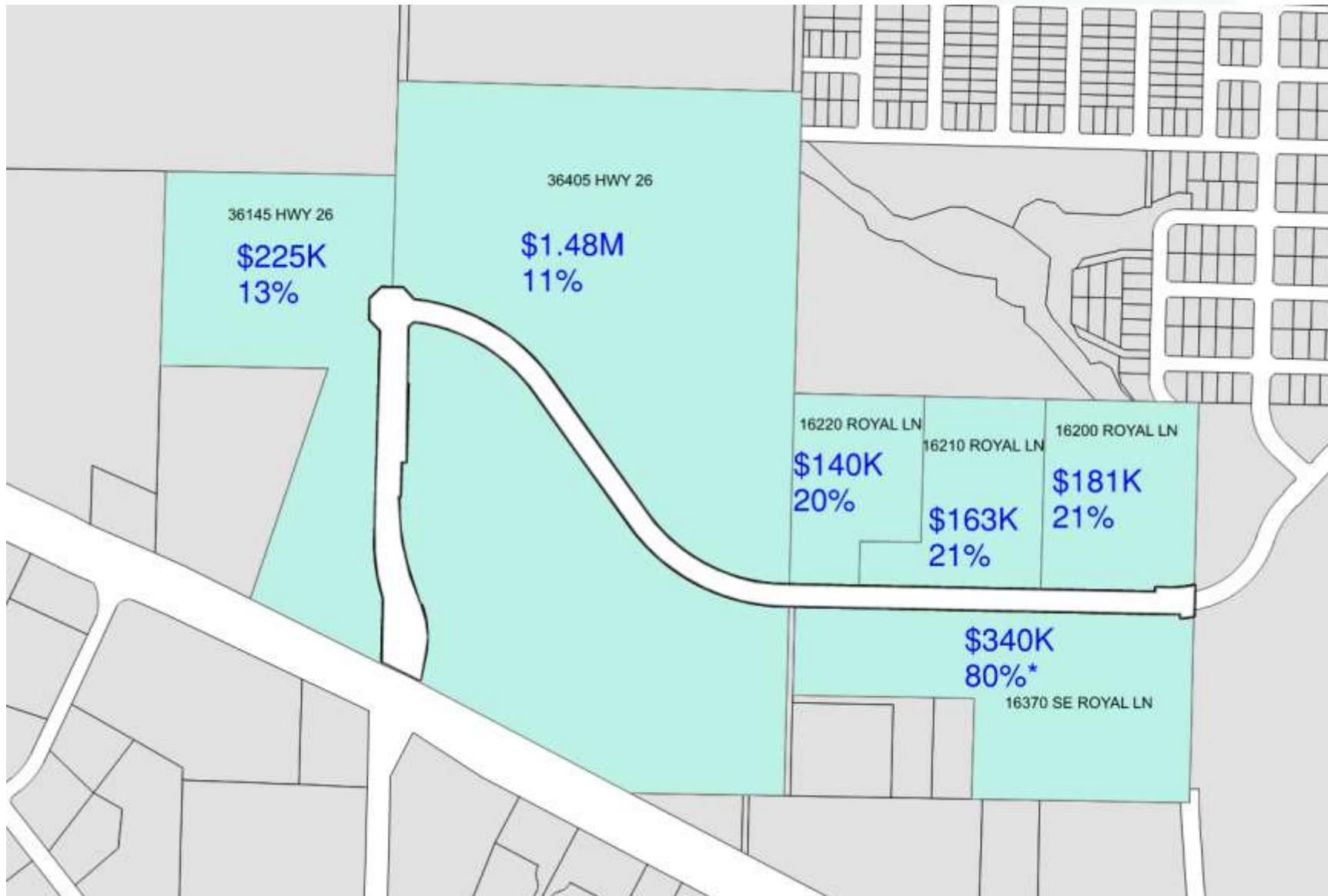


# AFRD Proposed - 20% of Street Fund contribution to Project

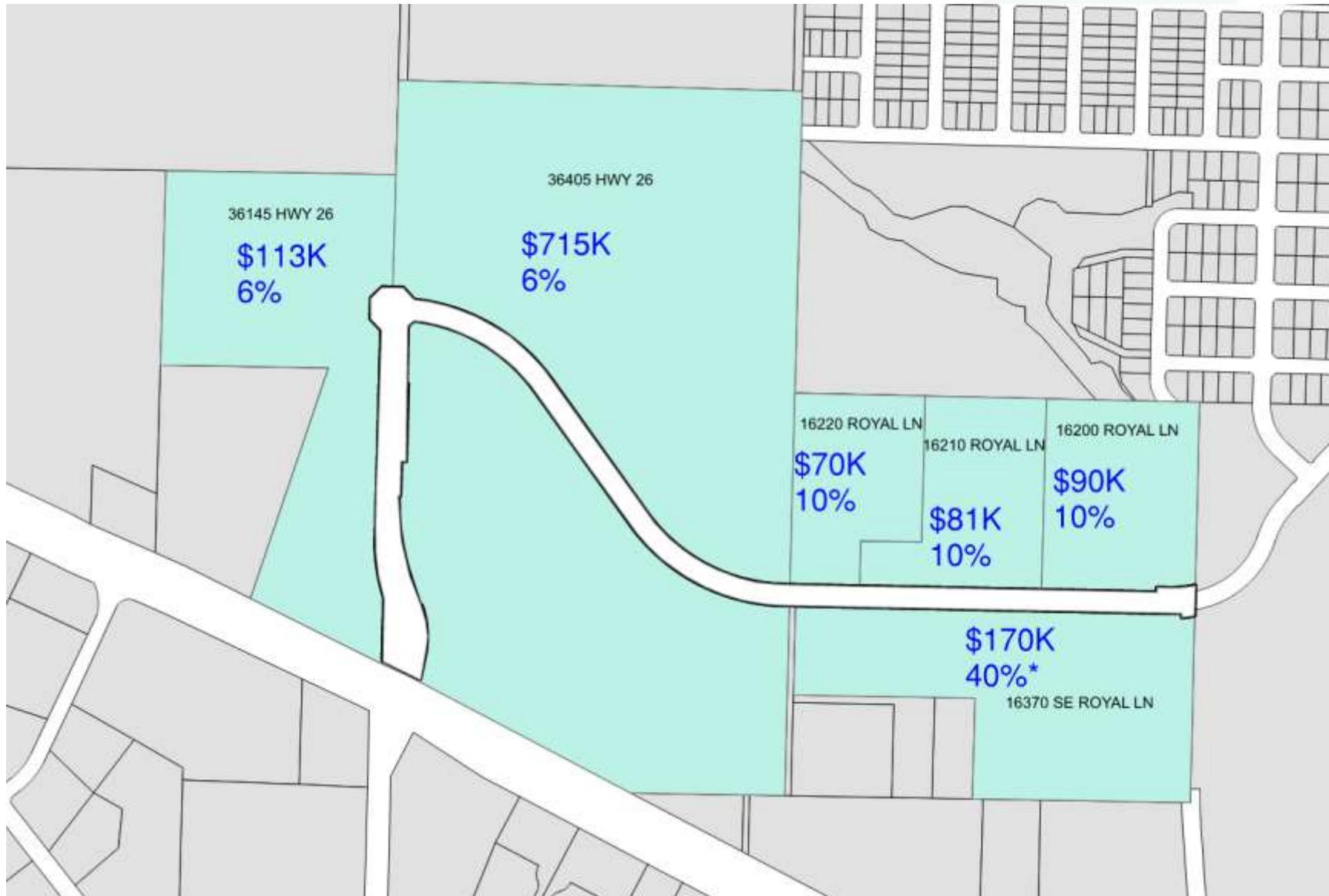
- Recoups funds from Street Fund operating budget
- Eliminates Water and Sewer Contribution
- Keeps economic development incentives
- Total AFRD **\$2.48M**



# 20% AFRD Impact to Properties



# 10% AFRD Impact to Properties



# Alternative Reimbursement Percentages

Reimbursement %	10%	20%	30%
16370 Royal Ln.	\$ 169,958	\$ 339,915	\$ 509,873
16200 Royal Ln.	\$ 90,446	\$ 180,891	\$ 271,337
16210 Royal Ln.	\$ 81,457	\$ 162,914	\$ 244,372
16220 Royal Ln.	\$ 70,190	\$ 140,381	\$ 210,571
36405 Hwy 26	\$ 715,435	\$ 1,430,871	\$ 2,146,306
36145 Hwy 26	\$ 112,981	\$ 225,963	\$ 338,944

# Interest Rate and Term Options

- Municipal code prescribes 9% simple interest rate
- The funding spent for this project would earn **5% compound interest**
- Standard length of reimbursement districts is **20 years, option could be 10 years with option to renew another 10 years.**

# Decision(s) to be made

- 1) Does the council desire a reimbursement district?**
- 2) What should be the value of the district?**
- 3) Interest rate and term limit?**

# Staff Recommendation

- **Create AFRD valued at 20% of the Street Funded cost of the project \$2.48M**
- **District term of 20 Years**
- **Interest rate 5% simple interest**
- **Calculation based on Area Method**

# Timeline

- Council direct staff by motion if AFRD desired
- Public Notice with terms
- Public Hearing and Resolution to Council
- Council to pass Resolution (as early as March 18th)



# Questions?

Thank you!

