
Star Valley Ranch Association’s “Feasibility Study”

Improvement and Service District (ISD) Funding Option

All information in this report is in compliance with Wyoming State Statutes, Title 18, Chapter 12 Improvement and Service Districts, Sections 18-12-101 through 18-12-140 and SVRA DCCRs Article V, Section E.

1. WHAT IS THE DEFINITION OF AN IMPROVEMENT AND SERVICE DISTRICT (ISD)?

Under the direction of the State of Wyoming Statutes, an Improvement and Service District (ISD) would be independent of SVRA governance. As a separate political subdivision of the State of Wyoming an ISD would be able to charge for the transportation of culinary water, repair of roads and culinary water system, apply for grants and low interest loans, sell bonds, drill wells, and build storage tanks. All expenses would be shared equally by all members of all the lots in SVRA based on the most current assessed valuations as listed by the Lincoln County Assessor’s Office.

2. WHAT IS THE PURPOSE OF AN ISD AT STAR VALLEY RANCH?

The purpose of an ISD is to raise revenue for major improvements and services to the members such as:

- the culinary water distribution system,
- drilling of wells and construction of storage tanks,
- repair and maintenance of roads

3. WHAT IS THE PROCESS AND TIME FRAME TO FORM AN ISD?

The Lincoln County Commissioners have jurisdiction over the proceedings for creation of an ISD. The proceedings are started when the SVRA Board of Directors file a petition with the Commissioners signed by not less than 60 percent of the persons owning lots in the SVRA and representing 60% of the assessed valuation of all lots in the SVRA. From the date the first signed petition is returned, a six-month time frame begins to complete the process.

Each lot in the SVRA would be entitled to one vote. Any vote received by a lot owned by a corporation, partnership or association must be accompanied by a written authorization for the person submitting the vote.

When the formation petition is filed, the Commissioners shall fix a time and place for hearing the petition, which shall be not less than twenty (20) nor more than forty (40) days after filing of the

petition. The notice of hearing shall be published at least once in a newspaper of general circulation in the county ten (10) days or more prior to the date of the hearing.

If after the hearing the Commissioners find that the establishment of the proposed ISD would serve the public convenience and necessity in that area and that the petition has been properly presented, the Commissioners shall adopt a resolution to establish the formation of the district and shall call an election on the organization of the district to be held at least forty (40) days after passage of the resolution.

If a majority of the votes cast in the election favor organization of the ISD, the Commissioners are required to declare the district to be organized.

The ISD is managed by an ISD Board of Directors consisting of three members who are selected in the election to organize the district. Members of the ISD Board would serve without pay, but would be reimbursed for expenses incurred while performing their responsibilities. The ISD has the typical powers of a corporation plus the special power reserved to governmental entities to assess the land within the ISD to repay debt incurred for construction of improvements and operation and maintenance of improvements.

Before commencing an actual improvement project, the ISD Board of Directors must give notice of their intent to undertake an improvement project that would result in a special assessment against the lots in the SVRA.

At the request of the ISD Board of Directors the county clerk shall give notice, by advertisement once in a newspaper of general circulation in the county, to the owners of the property to be assessed to provide:

- The nature of the improvement proposed;
- The extent of the district to be improved;
- The probable cost of the improvement;
- The time at which the cost will be payable;
- The time when a resolution authorizing the improvements will be considered by the ISD Board.

All complaints and objections concerning the proposed improvements by owners of the lots subject to assessment will be heard and considered by the ISD Board of Directors before final action.

If objections to the improvement are made by owners or agents representing lots subject to thirty percent (30%) or more of the projected dollar assessments, the improvement may not be authorized and a new resolution for the same or a similar purpose encompassing the lots representing objections may not be considered within one (1) year thereafter.

A copy of the resolution as finally adopted must be delivered to the county clerk who shall by written notice, mailed or otherwise delivered, notify each lot owner to be assessed of the amount of assessment, the purpose for which the levy is made, the tax against each lot and the date it becomes delinquent.

The county assessor shall prepare a local assessment roll showing lots assessed, the total amount of assessment, the amount of each installment of principal and interest, if the same is payable in

installments, and the date when each installment will become due, and deliver the same, duly certified to the county treasurer for collection.

Under Wyoming Statutes indicated above, the ISD has the authority to add a mill levy, with no cap, to cover the cost of the project. The amount of the mill levy would depend on the amount of the project and the number of years determined to pay off the indebtedness. Assessments on members would be collected on their county tax bill.

4. WHAT IS THE COST OF IMPLEMENTING AN ISD?

The SVRA Board of Directors would need to allocate the funds necessary to form the ISD. The funding would include the following:

- Approximately \$1500.00 for a mailing to petition for formation and to elect an ISD Board of Directors;
- A \$200.00 one-time fee to accompany the request to form the ISD;
- Approximately \$10,000 to \$12,000 for legal fees to implement the ISD to ensure compliance with all applicable regulations;
- A current boundary map dated 2003 is available and cost \$5,000.

1. WHAT IS THE PROBABILITY OF SUCCESS FOR AN ISD AT STAR VALLEY RANCH?

With a clear proposal initiated and backed by the SVRA Board of Directors communicated through official Board publications, this process has good potential for approval. In 2003 a group of lot owners attempted to form an ISD. At that time over 900 petitions were signed and returned in support of the formation of an ISD. These were not submitted to the county commissioners, as they were short of the required 60% by about 200 petitions needed in the six (6) month time frame.

2. HOW WOULD THE ISD WORK WITH THE SVRA DCCRS?

The SVRA Board of Directors can sell, lease or encumber the culinary water system and/or roads to the ISD according to Article V, Section E of the SVRA DCCRs.

3. HOW WOULD THE ISD WORK WITH THE SVRA BOARD OF DIRECTORS?

With the authority for the water and road systems in the hands of the Board of Directors of the ISD it would be imperative that the SVRA Board of Directors be in constant touch with the ISD Board to give unanimous support and suggestions for projects for the ISD to consider. It is important that the lot owners work together as a united group to maintain the integrity of Star Valley Ranch.

4. WHAT WOULD BE THE AFFECT OF AN ISD ON THE SVRA MEMBERSHIP?

An additional cost of living at Star Valley Ranch would be created by the assessment of a mill levy to pay for the projects initiated and approved by the ISD Board. The increased costs would have to be determined by the amount required to fund the project and the number of years determined to repay the indebtedness of the project. If a water project is considered then there may be the additional cost of a monthly or annual fee for culinary water.

5. WHAT ARE THE RISKS?

Lack of cooperation between the SVRA and ISD Board of Directors

6. SUMMARY STATEMENT:

The SVRA is in need of major improvements in both our water and road systems. If a major improvement is to be implemented, the Association faces several significant hurdles because it is a Wyoming Nonprofit Corporation. As a nonprofit association it cannot qualify for grant funds or low interest, long-term loan funds from the Wyoming Water Development Commission (WWDC). As a nonprofit corporation, the Association does not have the statutory authority to issue bonds to finance capital improvements.

Under Wyoming law, there is a way to accomplish our needs by forming an Improvement and Service District (ISD). The ISD allows nonresident landowners the right to vote as members of the District.

The key characteristic of an ISD is that it has the power to assess the lands within the ISD to repay indebtedness incurred for construction of improvements and for operation and maintenance of improvements. Those assessments have the same status as county property taxes. An Improvement and Service District can receive grant funds or loans from the WWDC. The benefit to this approach would help our property values increase rather than decrease because of adverse situations.