



Community Development and Renewal Agency of Herriman City Agenda

Wednesday, May 08, 2024

NOTICE IS HEREBY GIVEN that the Herriman City Council shall assemble for a
meeting in the City Council Chambers, located at
5355 WEST HERRIMAN MAIN STREET, HERRIMAN, UTAH

1. Call to Order - 7:00 p.m. (or as soon as possible thereafter)

2. Approval of Minutes

2.1. Motion for review and outline of the finalization process to approve the minutes
of May 8, 2024

3. Discussion and Action Items

3.1. Discussion and Consideration of a Resolution of the Community Development
and Renewal Agency of Herriman City to adopt the tentative budget for the fiscal
years beginning July 1, 2024 and ending June 30, 2026, and schedule a public
hearing on June 12, 2024 – Kyle Maurer, Finance Director

4. Adjournment

In accordance with the Americans with Disabilities Act, Herriman City will make reasonable accommodation for participation in the meeting. Request assistance by contacting Herriman City at (801) 446-5323 or info@herriman.org and provide at least 48 hours advance notice of the meeting.

ELECTRONIC PARTICIPATION: Members may participate electronically via telephone, Skype, or other electronic means during this

meeting.

I, Wendy Thorpe, certify the foregoing agenda was emailed to at least one newspaper of general circulation within the geographic jurisdiction of the public body, at the principal office of the public body, on the Utah State Public Notice website www.utah.gov/pmn/index.html and on Herriman City's website at www.herriman.org

Posted and Dated this [enter posted date]

Wendy Thorpe
Deputy City Recorder



STAFF REPORT

DATE: April 28, 2024

TO: The Community Development and Renewal Agency Board

FROM: Kyle Maurer, Director of Finance and Administrative Services

SUBJECT: Discussion and consideration of a Resolution of the Community Development and Renewal Agency of Herriman City to adopt the biennial tentative budget for the fiscal years beginning July 1, 2024, and ending June 30, 2026, and schedule a public hearing on June 12, 2024.

RECOMMENDATION:

Staff recommends approval of the Resolution.

ISSUE BEFORE BOARD:

Should the Board adopt the tentative budget as presented?

BACKGROUND/SUMMARY:

As part of the fiscal years 2025 and 2026 budget approval process, staff will be presenting a tentative budget for the Community Development and Renewal Agency. Staff will update the Board on revenue estimates and provide a brief overview of the expenditures, highlights, and budgetary changes.

DISCUSSION:

The tentative budget provides a starting point to discuss the fiscal years 2025 and 2026 operating budgets before final approval.

ALTERNATIVES:

The Board may choose not to accept the tentative budget as presented.

FISCAL IMPACT:

Fiscal impacts are outlined in the attached budgets.

ATTACHMENTS:

Tentative Budgets
Resolution

RENEWAL AGENCY FUNDS



Renewal Agency—Herriman Towne Center CDA

FUND DESCRIPTION

The Herriman Towne Center CDA was created in 2010 as a means to finance infrastructure improvements made within the Towne Center CDA project area. Special Assessment Area (SAA) bonds were issued to finance the upfront costs of infrastructure installation, with tax increment generated by the project area used to pay the yearly debt service obligations. In 2023 the City entered into a participation agreement with HTC Communities LLC (one of the original developers) to reimburse for other infrastructure costs not included in the SAA Bond. The project area will continue until tax year 2035.

Budget - Herriman Towne Center CDA								
Revenues								
	FY2023 Actuals	FY2024 Estimated Actuals	FY2025 Department Requested	FY2025 CM Recommended Budget	FY2025 % Change	FY2026 Department Requested	FY2026 CM Recommended Budget	FY2026 % Change
Property Tax	106,487	109,700	110,900	110,900	1%	120,610	120,610	9%
Property Tax - Intergovernmental	2,804,987	2,891,000	3,655,730	3,655,730	26%	3,975,910	3,975,910	9%
Miscellaneous	191,501	100,000	109,220	109,220	9%	126,020	126,020	15%
Transfers In	4,342	-	-	-	0%	-	-	0%
Total Revenues	3,107,317	3,100,700	3,875,850	3,875,850	25%	4,222,540	4,222,540	8%
Expenditures								
	FY2023 Actuals	FY2024 Estimated Actuals	FY2025 Department Requested	FY2025 CM Recommended Budget	FY2025 % Change	FY2026 Department Requested	FY2026 CM Recommended Budget	FY2026 % Change
Debt Service	1,755,142	1,753,706	1,754,590	1,754,590	0%	1,755,150	1,755,150	0%
Tax Increment Payments	-	4,886,699	1,615,460	1,615,460	-67%	1,879,920	1,879,920	16%
Miscellaneous	4,000	8,000	6,000	6,000	-25%	6,000	6,000	0%
Administrative	35,869	60,800	79,720	79,720	31%	80,980	80,980	2%
Total Expenditures	1,795,010	6,709,205	3,455,770	3,455,770	-48%	3,722,050	3,722,050	8%
Revenue Over (Under) Expenditures	1,312,307	(3,608,505)	420,080	420,080		500,490	500,490	

Fund Balance Available (Unrestricted)					
	FY2023 (Actual)		FY2024 (Budget)	FY2025 (Budget)	FY2026 (Budget)
Beginning Balance	\$	5,026,472	\$ 6,338,779	\$ 2,730,274	\$ 3,150,354
Addition (Use of)		1,312,307	(3,608,505)	420,080	500,490
Ending Balance	\$	6,338,779	\$ 2,730,274	\$ 3,150,354	\$ 3,650,844

Significant Budgetary Changes

- The CDA will begin receiving tax increment from the HCFSa beginning in fiscal year 2025.
- The City made its first tax increment payment to HTC Communities LLC in fiscal year 2024.

Renewal Agency—Herriman Business Center CDA

FUND DESCRIPTION

The Herriman Business Center CDA was created in 2018 as a means to finance infrastructure improvements made within the Herriman Business Center CDA project area. The CDA is obligated through a tax participation agreement to pay the Sorenson Legacy Foundation and Sorenson Impact Foundation all tax increment collected (excluding Salt Lake County), limited to project costs submitted. The project area will continue until tax year 2040.

Budget - Herriman Business Center CDA								
Revenues								
	FY2023 Actuals	FY2024 Estimated Actuals	FY2025 Department Requested	FY2025 CM Recommended Budget	FY2025 % Change	FY2026 Department Requested	FY2026 CM Recommended Budget	FY2026 % Change
Property Tax	42,444	43,800	44,720	44,720	2%	46,060	46,060	3%
Property Tax - Intergovernmental	1,261,055	1,300,000	1,642,120	1,642,120	26%	1,691,380	1,691,380	3%
Miscellaneous	30,645	12,000	23,600	23,600	97%	26,030	26,030	10%
Total Revenues	1,334,144	1,355,800	1,710,440	1,710,440	26%	1,763,470	1,763,470	3%
Expenditures								
	FY2023 Actuals	FY2024 Estimated Actuals	FY2025 Department Requested	FY2025 CM Recommended Budget	FY2025 % Change	FY2026 Department Requested	FY2026 CM Recommended Budget	FY2026 % Change
Tax Increment Payments	1,026,434	1,058,000	1,405,590	1,405,590	33%	1,447,760	1,447,760	3%
Administrative	869	26,700	25,630	25,630	-4%	26,290	26,290	3%
Total Expenditures	1,027,303	1,084,700	1,431,220	1,431,220	32%	1,474,050	1,474,050	3%
Revenue Over (Under) Expenditures	306,841	271,100	279,220	279,220		289,420	289,420	

Fund Balance Available (Unrestricted)				
	FY2023 (Actual)	FY2024 (Budget)	FY2025 (Budget)	FY2026 (Budget)
Beginning Balance	\$ 2,880,982	\$ 587,823	\$ 858,923	\$ 1,138,143
Addition (Use of)	(2,293,159)	271,100	279,220	289,420
Ending Balance*	\$ 587,823	\$ 858,923	\$ 1,138,143	\$ 1,427,563

Significant Budgetary Changes

- The CDA will begin receiving tax increment distributions from the HCFSa beginning in fiscal year 2025.

Renewal Agency—Herriman Anthem CRA

FUND DESCRIPTION

The Herriman Anthem CRA was created in 2017 as a means to finance infrastructure improvements made within the Herriman Anthem CRA project area and to incentivize the development of a WinCo grocery store in the project area. The CDA is obligated through a tax participation agreement to pay the Anthem Center LLC 73.33% of tax increment funds received (after deducting certain project area expenditures), limited to infrastructure expenses incurred. The Renewal Agency has also entered into other tax increment participation agreements for other infrastructure costs and retail incentives. The project area will continue until tax year 2040.

Budget - Herriman Anthem CRA								
Revenues								
	FY2023	FY2024	FY2025	FY2025 CM		FY2026	FY2026 CM	
	Actuals	Estimated Actuals	Department Requested	Recommended Budget	FY2025 % Change	Department Requested	Recommended Budget	FY2026 % Change
Property Tax	26,947	29,000	31,630	31,630	9%	32,580	32,580	3%
Property Tax - Intergovernmental	1,057,080	1,140,000	1,448,650	1,448,650	27%	1,492,110	1,492,110	3%
Miscellaneous	16,337	6,000	6,960	6,960	16%	6,360	6,360	-9%
Total Revenues	1,100,364	1,175,000	1,487,240	1,487,240	27%	1,531,050	1,531,050	3%
Expenditures								
	FY2023	FY2024	FY2025	FY2025 CM		FY2026	FY2026 CM	
	Actuals	Estimated Actuals	Department Requested	Recommended Budget	FY2025 % Change	Department Requested	Recommended Budget	FY2026 % Change
Tax Increment Payments	382,773	455,000	622,640	622,640	37%	730,580	730,580	17%
Tax Incentive Payments	523,801	170,000	180,000	180,000	6%	13,250	13,250	-93%
Mitigation Payments	324,510	351,000	405,540	405,540	16%	417,710	417,710	3%
Affordable Housing	-	82,000	107,480	107,480	31%	110,700	110,700	3%
Administrative	869	12,800	23,380	23,380	83%	23,950	23,950	2%
Total Expenditures	1,231,953	1,070,800	1,339,040	1,339,040	25%	1,296,190	1,296,190	-3%
Revenue Over (Under)								
Expenditures	(131,589)	104,200	148,200	148,200		234,860	234,860	

Fund Balance Available (Unrestricted)				
	FY2023 (Actual)	FY2024 (Budget)	FY2025 (Budget)	FY2026 (Budget)
Beginning Balance	\$ 201,274	\$ 69,686	\$ 173,886	\$ 322,086
Addition (Use of)	(131,588)	104,200	148,200	234,860
Ending Balance*	\$ 69,686	\$ 173,886	\$ 322,086	\$ 556,946

Significant Budgetary Changes

- The CDA will begin receiving tax increment distributions from the HCFSa beginning in fiscal year 2025.
- The tax incentive agreement for the construction of WinCo foods will be completed in fiscal year 2026.

Renewal Agency—Herriman Innovation CRA

FUND DESCRIPTION

The Herriman Innovation CRA was created in 2019 as a means to finance infrastructure improvements associated with a business park on the west side of the City. The CRA is obligated through a tax participation agreement to pay Herriman Industrial # 1 87.1% of tax increment funds received (after deducting certain project area expenditures) up to \$1,280,441. Additionally, an interlocal agreement with South Valley Sewer District requires a \$3,000,000 contribution for a sanitary sewer line to be constructed in the project area. Additionally, the CRA must set aside 10% of tax increment received for affordable housing. The project area will continue until tax year 2037.

Budget - Herriman Innovation District CRA								
Revenues								
	FY2023 Actuals	FY2024 Estimated Actuals	FY2025 Department Requested	FY2025 CM Recommended Budget	FY2025 % Change	FY2026 Department Requested	FY2026 CM Recommended Budget	FY2026 % Change
Property Tax	6,941	7,100	8,650	8,650	22%	8,650	8,650	0%
Property Tax - Intergovernmental	253,289	258,000	340,480	340,480	32%	340,480	340,480	0%
Miscellaneous	8,509	6,000	15,820	15,820	164%	23,430	23,430	48%
Total Revenues	268,739	271,100	364,950	364,950	35%	372,560	372,560	2%
Expenditures								
	FY2023 Actuals	FY2024 Estimated Actuals	FY2025 Department Requested	FY2025 CM Recommended Budget	FY2025 % Change	FY2026 Department Requested	FY2026 CM Recommended Budget	FY2026 % Change
Tax Increment Payments*	-	-	-	-	0%	-	-	0%
Mitigation Payments	104,336	107,200	141,270	141,270	32%	141,270	141,270	0%
Affordable Housing	-	15,900	20,790	20,790	31%	20,790	20,790	0%
Administrative	869	6,000	12,720	12,720	112%	12,950	12,950	2%
Total Expenditures	105,204	129,100	174,780	174,780	35%	175,010	175,010	0%
Revenue Over (Under)								
Expenditures	163,534	142,000	190,170	190,170		197,550	197,550	

*Herriman Industrial # 1 has not made a request for payment. As such, the Renewal Agency cannot initiate payment.

Fund Balance Available (Unrestricted)				
	FY2023 (Actual)	FY2024 (Budget)	FY2025 (Budget)	FY2026 (Budget)
Beginning Balance	\$ 89,900	\$ 253,434	\$ 395,434	\$ 585,604
Addition (Use of)	163,534	142,000	190,170	197,550
Ending Balance*	\$ 253,434	\$ 395,434	\$ 585,604	\$ 783,154

*Does not include participation agreement with Herriman Industrial # 1 or South Valley Sewer District

Significant Budgetary Changes

- Herriman Industrial # 1 increment payment is not included the budget, as a formal request has not been made and the Renewal Agency cannot make payment until this is received.

Renewal Agency—Herriman North CRA

FUND DESCRIPTION

The Herriman North CRA was created in 2019 as a means to incentivize the creation of an Automall within the City of Herriman. The project area includes 117.3 acres of land and includes Mountain View Corridor to the east and 12600 South (Herriman Boulevard) to the south.

The project area only has one participant—The City of Herriman. An interlocal agreement was entered into between the Renewal Agency and the City of Herriman to contribute 70 percent of sales tax revenues generated in the area to the Renewal Agency to satisfy participation agreements signed by multiple businesses. Currently, only one agreement is active for retail businesses located along Herriman Boulevard.

Budget - Herriman North CRA								
Revenues								
	FY2023 Actuals	FY2024 Estimated Actuals	FY2025 Department Requested	FY2025 CM Recommended Budget	FY2025 % Change	FY2026 Department Requested	FY2026 CM Recommended Budget	FY2026 % Change
Transfer In	13,313	25,000	25,000	25,000	0%	25,000	25,000	0%
Total Revenues	13,313	25,000	25,000	25,000	0%	25,000	25,000	0%
Expenditures								
	FY2023 Actuals	FY2024 Estimated Actuals	FY2025 Department Requested	FY2025 CM Recommended Budget	FY2025 % Change	FY2026 Department Requested	FY2026 CM Recommended Budget	FY2026 % Change
Tax Incentive Payments	13,313	25,000	25,000	25,000	0%	25,000	25,000	0%
Total Expenditures	13,313	25,000	25,000	25,000	0%	25,000	25,000	0%
Revenue Over (Under) Expenditures								
	-	-	-	-		-	-	

Fund Balance Available (Unrestricted)				
	FY2023 (Actual)	FY2024 (Budget)	FY2025 (Budget)	FY2026 (Budget)
Beginning Balance	\$ -	\$ -	\$ -	\$ -
Addition (Use of)	-	-	-	-
Ending Balance	\$ -	\$ -	\$ -	\$ -

THE COMMUNITY DEVELOPMENT AND RENEWAL AGENCY
OF HERRIMAN

RESOLUTION NO. R2024-

**A RESOLUTION OF THE COMMUNITY DEVELOPMENT AND RENEWAL AGENCY OF HERRIMAN
ADOPTING THE TENTATIVE BIENNIAL BUDGET FOR THE FISCAL YEARS BEGINNING JULY 1, 2024, AND
ENDING JUNE 30, 2026, AND REQUEST TO SCHEDULE A PUBLIC HEARING ON JUNE 12, 2024, FOR
FORMAL ADOPTION ON JUNE 12, 2024**

WHEREAS, State law requires the filing of a tentative budget for each Redevelopment Agency located within the State of Utah; and

WHEREAS, the tentative budget complies with the requirements set out in UAC 10-6-111; and

WHEREAS, the budget shall be reviewed, considered, and tentatively adopted by the governing body and may be amended or revised in such a manner as is considered advisable prior to the adoption of the final budget.

NOW, THEREFORE, BE IT RESOLVED by the Community Development and Renewal Agency of Herriman City, State of Utah, as follows:

SECTION ONE: That the Community Development and Renewal Agency of Herriman City adopts the following tentative budgets for the fiscal years beginning July 1, 2024, and ending June 30, 2026, as shown on the forms accompanying this Resolution.

SECTION TWO: A public hearing be scheduled on June 12, 2024, for formal adoption June 12, 2024.

SECTION THREE: That this Resolution shall become effective immediately upon the passage thereof.

PASSED AND ADOPTED by the governing body of the Agency this 8th day of May, 2024.

**COMMUNITY DEVELOPMENT AND RENEWAL
AGENCY OF HERRIMAN**

By: _____
Chairman

Secretary