COMMUNITY REINVESTMENT AGENCY OF DRAPER CITY, UTAH

WORKING GROUP SESSION – AUGUST 18, 2026

DISCUSSION TOPICS – AGENDA

- Overview of CRA and Tax Increment Financing
- Review of Project Area Fund Balances
- Allowable Uses of Agency Funds (Tax Increment & Fund Balances)
- Examples of Allowable Uses
- Programming of Agency Funds

Overview of the Draper CRA, Project Areas, and TIF

Background

The City of Draper created the Community Reinvestment Agency (CRA) of Draper City for the purpose of promoting economic development and redevelopment throughout the City.

City

Community Reinvestment Agency

Project Areas of Draper CRA

- FrontRunner CDA
- Crescent RDA
- South Mountain CRA
- Sand Hills RDA
- East Bangerter EDA
- West Freeway

Project Area

What is a Project Area?

- Geographic boundary/area located within City
- Targeted purpose for: redevelopment, economic development, or community development
- Purposes funded with Agency Funds – primarily TIF

Tax Increment Financing (TIF)

What TIF? TIF is a tool utilized in project areas to capture the incremental growth in assessed value via property taxes. Taxing entities can choose to give all, or a portion of their increase in property taxes back to the Draper CRA. Draper CRA can use these funds for public infrastructure, developer incentives, or other approved project area uses.

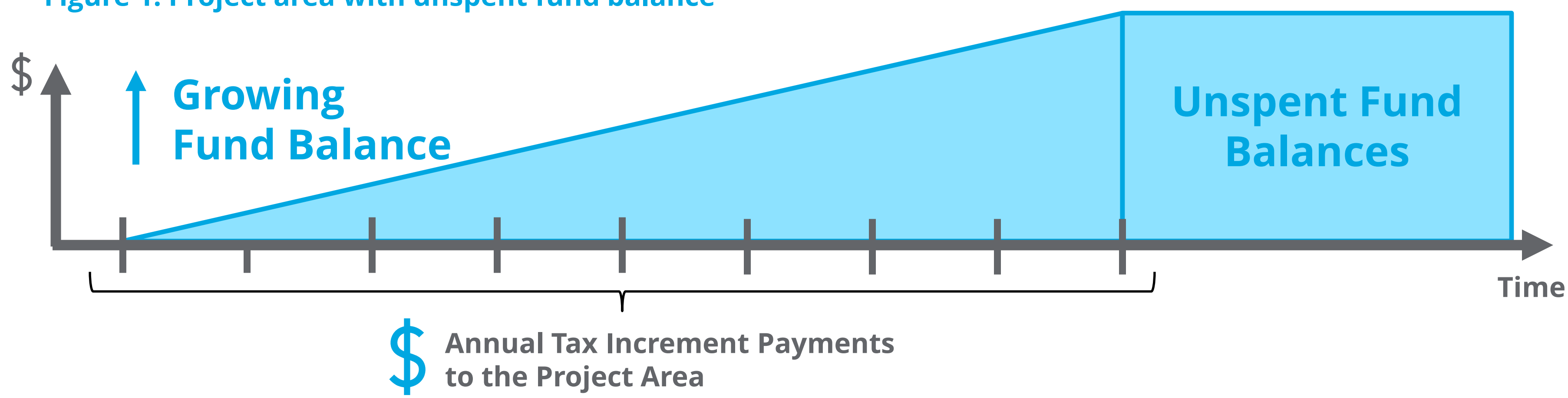
FUND BALANCES

Fund Balances

What is Fund Balance in a Project Area?

- Accumulation of Tax Increment from contributing Taxing Entities that hasn't yet been spent
- Purposes for Accumulation of Fund Balances:
    - Saving for upcoming projects (public infrastructure and improvements)
    - Tax Incentives retained due to Developer breach or failure to meet standards
    - Unidentified uses of tax increment (benefit to Project Area)

Figure 1: Project area with unspent fund balance



DRAPER CRA (AGENCY) PROJECT AREA FUND BALANCES[1]

Project Area	Funds for Project Area Expenses or Other Qualifying Projects	Funds for Housing	Additional Increment	Totals
FrontRunner CDA	$5,027,095	$180,000	$0	$5,207,095
Crescent RDA	7,335,256	-	6,385,347	13,720,603
South Mountain CRA	3,837,781	495,720	-	4,333,501
Sand Hills RDA[2]	2,492,842	-	-	2,492,842
East Bangerter EDA[2]	2,369,199	2,653,080	-	5,022,279
West Freeway[2]	213,400	-	-	213,400
Totals	**$21,275,572**	**$3,328,800**	**$6,385,347**	**$30,989,719**

1) All numbers reflect current fund balance estimates with exception of the $6,385,347 of future additional (haircut) increment, which will reimburse past project expenditures. This table does not include other future tax increment from FrontRunner CDA and South Mountain CRA, all of which will need to be programmed.
2) These project areas are no longer in the Tax Increment Collection Period and under State Law, any associated fund balances must be programmed and spent in the next few years.

Allowable Uses of Agency Funds

Project Area Fund Balances

Housing (17C-1-411-412)

Affordable housing programs:
- Down payment assistance
- Rent assistance
- Security deposit assistance
- Mortgage payment aid
- Developer incentives

Housing infrastructure:
- Parking structures
- Roads
- Expanded sewer system
- Expanded electrical system
- Etc.

Project Area Expenditures (17C-1-409)

Planned project area expenditures:
- Infrastructure expenses
- Public improvements
- Developer incentives
- Arts and education

Uses outside of project area:
- Funds may be used outside the project area for PUBLIC INFRASTRUCTURE if it is determined that the funded project will provide a benefit to the project area

Reimbursements $

Additional tax increment:
- Reimbursements can be made for projects which qualified for additional tax increment, but due to restraints were not paid for with additional tax increment at the time of the project, i.e., Crescent RDA

Reimbursements can be used for project area expenditures, housing, or other public improvements

Examples of Allowable Uses*

Public Works Facility

Funding:
- Fund monies received from the **Crescent RDA** have a **high degree of flexibility**, making it a favorable source of funding for a Public Works Facility
- Funding from all project areas can be used if the Public Works Facility is reasonably proven to have a benefit on the project area(s) from which funds were used
- **Several communities** have recently built public works facilities, and many are in the planning stages

Cottonwood Heights, UT

Orem, UT

Rental Assistance Program

Overview:
- Rental Assistance Programs can vary, but range from emergency rent, meaning one-time emergency payments to prevent eviction, or monthly, recurring, rental assistance payments for low-income households

Funding:
- Entities like Salt Lake City and Weber County have created programs that provide rental assistance
- These programs have been funded directly by funds of the entity and federal programs, though financing through project area funds is highly viable

*Suggestions, subject to further analysis.

Programming of Agency Funds

1. What are Current Fund Balances for Draper's Project Areas?

2. Where have Agency Funds already been Allocated?

3. What amount of Current Fund Balances Remain?

4. What Projects Can Remaining Fund Balances be Used For?

QUESTIONS

Jason W. Burningham | Principal / Owner
LRB Public Finance Advisors
O 801.456.3930 | C 801.201.6839
lrbfinance.com

Jack Druyon | Analyst
LRB Public Finance Advisors
C 385.267.8090
lrbfinance.com

Lewis Young Robertson & Burningham is now LRB Public Finance Advisors

PUBLIC
FINANCE
ADVISORS