



Utah State Board of Education

Brigham City EDA

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The Brigham City Redevelopment Agency is proposing a 15 year extension to the West Forest Street Economic Development Project area. The EDA was created in 2004 and was initially authorized to collect increment through the end of 2015. If approved increment would be collected until 2032.

Earlier in 2016 the Brigham City RDA obtained approval from the Board of Education and subsequently the TEC committee to for a project area budget in the Reeder Ranch EDA for this same water bottling plant. This proposal fell through because the land owners could not come to an agreement with the EDA or the new tenants.

The city's proposal is to move that same project to this EDA, the West Forest Street Project area. The area needs improved electrical service to handle a large industrial user and some road repairs. After a meeting on Monday November 21st the proposal was modified to shorten the length of the project to extension to 15 years, reduce the administrative fee to 3% and reduce the total increment collected budget to \$17,300,000.

The 2016 assessed valuation of \$16,500,000 would become the base year, so taxing entities would realize immediately any growth which has occurred to this point.

Expected assessed valuation upon completion of the project is \$102,080,000. The value would mainly come from construction of the new plant and production equipment inside the plant, which would occur in two phases.

The current tax rate for the area is .013544 of which .001311 or 9.68% is the due to the basic rate.

The EDA plans to use the increment to help upgrade the electrical grid and install a new substation. The increment would be used to upgrade the electrical service in the area, improve and build roads and improve an overpass. Increment will also be used to make road improvements and help the new plant to pay for some development costs of the new building. Some increment would also be used for the construction of buildings, specifically to mitigate site issues such as high water table.

Presently 95% of increment is proposed to go to the RDA, 3% would stay with the RDA for administrative costs. In the present proposal there is no increment or mitigation payments to the school district, and 2% of the increment collected has not been designated.

Over the proposed 15 year extension Box Elder School District would contribute \$10,144,277 in tax increment and keep \$533,309 over the 15 year extension.

Would the project proceed without tax increment financing?

The plant would probably not locate there without the subsidies planned in this proposal. When they were not able to satisfactorily purchase the previous site the whole project stopped.

Economic Impact of the extension:

The economic impact would be in new jobs in the area and the jobs would be at a higher than average wage for the area. The project would create 45 new jobs in the near future and 30 jobs if phase 2 were completed 3 years from now.

Position of the Local Board of Education on the extension:

The Box Elder County School District Board of Education has not taken action on this item but administration is favorable after the reduction in length of the EDA. District Representatives have been invited to the Board Meeting on the 8th.