



CITY COUNCIL

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**City of South Salt Lake Redevelopment Agency
AGENDA**

Public notice is hereby given that the City of South Salt Lake Redevelopment Agency will hold an electronic meeting on **Wednesday, July 8, 2020**, via Zoom, see log in information attached, commencing at **6:00 p.m.**, or as soon thereafter as possible.

Conducting: Portia Mila, RDA Chair

Opening Ceremonies

1. Roll Call

No Action Comments

1. Bills, Claims, and Communications
2. Report of the Executive Director

Approval of Minutes

- May 27, 2020
- June 3, 2020
- June 17, 2020

New Business

1. Review and Approval of Budget for South City Project
2. Review and Discussion for TIF Participation for the Single Family Housing Development in the 3900 South CDA
3. Review and Discussion regarding Business Retention Program
4. RDA Training

Motion for Closed Meeting

Adjourn

Posted July 2, 2020

Those needing auxiliary communicative aids or other services for this meeting should contact Craig Burton at 801-483-6027, giving at least 24 hours' notice

Please click the link below to join the webinar:

<https://zoom.us/j/94633682975?pwd=eU9TNG9KWd4ZGNJNSStRYU9wR292UT09>

Password: 880044

Or iPhone one-tap :

US: +13462487799,,94633682975# or +16699006833,,94633682975#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 346 248 7799 or +1 669 900 6833 or +1 253 215 8782 or +1 312 626 6799 or +1 929 205 6099 or +1 301 715 8592 or 833 548 0282 (Toll Free) or 877 853 5257 (Toll Free) or 888 475 4499 (Toll Free) or 833 548 0276 (Toll Free)

Webinar ID: 946 3368 2975

International numbers available: <https://zoom.us/u/adirvkWy42>

I, Portia Mila, Redevelopment Agency Chair, hereby determine that conducting the RDA meeting at an anchor location presents a substantial risk to the health and safety of those who may be present at the anchor location. The World Health Organization, the President of the United States, The Governor of Utah, the County Health Department and Mayor, and the Mayor of South Salt Lake City have all recognized a global pandemic exists related to the new strain of the coronavirus, SARS- CoV-2. Due to the State of emergency caused by the global pandemic, I find that conducting a meeting at an anchor location under the current state of public health emergency constitutes a substantial risk to the health and safety of those who may be present at the location. According to information from State Epidemiology, the State is currently in an acceleration phase, which has the potential to threaten the State's healthcare system.

Dated: July 2, 2020

Signed: _____/s/ Portia Mila

There are a number of development projects being discussed in the downtown area. One issue that they need to deal with is the sewer capacity for those projects. Staff is looking at options to create a new sewer line or ways to increase the capacity of the current line.

Approval of Minutes

- May 27, 2020
- June 3, 2020
- June 17, 2020

Approval of these minutes were moved to the next RDA meeting.

New Business

- 1. Review and Approval of Budget for South City Project.** Economic Development Consultant, Randy Sant, said the project is currently under construction at the old Granite Mill property on Main Street. There are two phases and they are currently working on Phase I which consists of a 150,000 square foot Class A office building. It will have 220 apartments and also 13,600 square feet of commercial on the first floor. Phase II will consist of a 130 room hotel, 151,000 square feet of Class A office space, and 253 apartments. The budget staff is proposing includes both the values, tax increment and participation from both phases.

The tax increment participation will be used to compensate the developer of this project for his infrastructure improvements which includes the roads, sewer, water, and the parking structure. In return for the tax increment the developer will be required to allow the parking structure to be used by the public at no charge. Particularly in the evenings between 6:00 p.m. to midnight and on weekends. Approximately forty-eight percent of the parking will be available. This requirement will be in the development agreement.

The Phase I apartments will consist of 62 studio units, 101 one bedroom units, 23 two bedroom units, and 16 three bedroom units. They are all market rate units.

Once the RDA approves the budget, they will be authorized to take the budget to the taxing entities which include South Salt Lake, Salt Lake County, Granite School District, Central Utah Water District, Salt Lake County Library, and the Mosquito Abatement District.

Once all phases of the project are completed, staff estimates the total assessed value to be \$161,811,159. Based on the current certified tax rates, this will produce a total annual property tax of \$1,977,980. The budget request is that seventy-five percent, or \$1,483,485 annually, would go to the RDA. That is subject to the taxing agencies agreeing to seventy-five percent for twenty years. The taxing entities annual contributions are: Salt Lake County \$234,586; Granite School District \$925,479; South Salt Lake \$208,130; Water Conservancy District \$48,543; County Library \$65,045; and Mosquito Abatement \$1,702.

Director deWolfe asked if the assessment took into account, or should take into account, that more businesses are thinking of shifting to remote work and are not relying on office space as much because of COVID-19.

Mr. Sant said that would be accessed on personal property such as the number of computers and desks, etc. That is where you would see that impact. The number staffed used does not take personal property into account.

Director Siwik summarized that the City would be forgoing four million dollars in property tax to help this project come about. It will have a future gain of at least \$208,000 a year in perpetuity.

Mr. Sant agreed. He said they are deferring seventy-five percent of their property tax for a twenty year period and keeping twenty-five percent for twenty years, or until they reach the cap of participation which is \$21,600,000, whichever comes first.

Director Siwik asked how many parking stalls the City gets to use.

Mr. Sant explained there are 897 stalls being built. The amount available to the City is 431 or forty-eight percent. Most of those will be available in the evenings after office hours and on the weekends. There will be a few available during the weekdays, but not many.

Director Siwik said that is a plus that they have to factor in. He doesn't like to do tax increment for housing. He's not a super fan of this but he will support it now and he feels there is some good that will come from it.

Mr. Sant advised that of the total assessed value of this project area, twenty-five percent is being created by the apartments and seventy-five percent is being created by the office, hotel, and commercial pieces. He feels they are getting a pretty good turn in the fact that this has a lot more of a commercial and retail benefit to the City.

Mr. Sant said he is asking for approval from the Board to take this budget to the taxing entities so they can start negotiations with them as to their participation.

Director Siwik made a motion to instruct staff to enter into dialogue with the other taxing entities to facilitate the tax increment agreement.

MOTION: Shane Siwik
SECOND: LeAnne Huff

Roll Call Vote:

Bynum: Yes
deWolfe: Yes
Huff: Yes
Mila: Yes
Pinkney: Yes
Siwik: Yes
Thomas: Yes

- 2. Review and Discussion for TIF Participation for the Single Family Housing Development in the 3900 South CDA.** Mr. Sant explained back in 2014 the RDA Board created this project which is the Riverfront development. In 2015 the Board adopted a project area budget for this. The terms were for a seventy-five percent participation of tax increment for fifteen years. That budget showed South Salt Lake's estimated total property tax that would come off of that budget was \$156,000 a year. The seventy-five percent participation would have been \$117,184 with a fifteen year total of \$1,575,278. The RDA took the budget to the City Council and they have adopted an interlocal agreement with the RDA passing to the RDA seventy-five percent of the tax increment for twenty years up to a cap of \$1,575,000.

When that project was put together it was estimated that the total value would be \$60,748,708. Today, without the value of the ninety-seven homes that are being built, the value of the project area is \$73,248,795. Mr. Sant estimates when the homes are completed the total value of the area will be close to \$90 million dollars. The City's certified tax rate has decreased since 2015. If they take the current tax rate and current value the property tax being paid to the City, the fifteen year total would be \$1,252,525. The question is should they go back and amend the budget of this project area. They are talking a difference of \$220,000 over fifteen years. Or should they leave it as is. The incentive is already in place and they can negotiate an agreement with the developer that would pass the increment on to them for the single family homes. So do they keep things as they are or do they want to amend the cap?

Director deWolfe said there are actually seventy-seven homes being built.

Mr. Sant said that will change the calculations but the cap will almost be the same.

Director Siwik asked what the developer is expecting.

Mr. Sant said in his opinion they don't get any more than was originally agreed to. South Salt Lake is the only entity participating in the increment and they already have an agreement with the developer of participation for fifteen years with a cap of \$1.5 million.

Director Siwik feels this is a real good use when they can get single family homes in a City that is so built out. He feels they should leave things as they are.

Director deWolfe asked if this is a unique situation. It seems like it would happen all the time.

Mr. Sant explained that in every agreement they do with a developer they will remit seventy-five percent of the increment that the RDA receives from the taxing entities up to a period of time or a cap, whichever comes first. That is how they protect themselves. It is the developer's risk. If the values and certified tax rate go up then the RDA benefits because the project is paid off quicker. If they drop then the developer is generally the loser because they do not get the full amount of increment they were anticipating. So, it's a developer's risk.

Director deWolfe said he would like to have another round of discussions before making a decision.

The Board did a straw poll to see how everyone felt.

The Board felt they would like more discussion and will bring the item back on the next RDA meeting.

- 3. Review and Discussion Regarding Business Retention Program.** Mr. Sant advised the Board that the business survey is in their drop box for review. He asked if there were comments or questions about it. He also explained the survey process plan to the Board. They plan to start next month.

In response to questions by Board Member deWolfe, Mr. Sant explained that every quarter staff will present to the Board the data they have captured from the survey. They will ask the business what information they want to keep proprietary and they won't share it.

- 4. RDA Training.** This item was moved to the next meeting.

Director Bynum made a motion to adjourn.

MOTION: Sharla Bynum

SECOND: LeAnne Huff

Roll Call Vote:

Bynum: Yes

deWolfe: Yes

Huff: Yes

Mila: Yes

Pinkney: Yes

Siwik: Yes

Thomas: Yes

The meeting adjourned at 7:01 p.m.

/s/ Portia Mila

Portia Mila, RDA Chair

Craig D. Burton, Secretary

SOUTH CITY (the Mill) TIF BUDGET

The following is a summary of the budget prepared for the south City (The Mill) project. This development will consist of two phases. Phase 1, which is currently under construction, will consist of a 151,000 sq. ft Class office building, 222 apartments, and 13,600 sq. ft. of commercial. Phase 2 will consist of a 130-room hotel, an additional 151,000 sq. ft. class office building, and 253 apartments. The budget being proposed includes the values and tax increment participation for both phases. The tax increment participation will be used to compensate the developer for the infrastructure improvement, including roads, sewer, water and the parking structure required to support the development. In return for the tax increment participation, the developer will be required to allow for public parking, at no charge, in the evenings from 6-12 midnight, and all day on the weekends. This will assist the city as the surrounding area develops, particularly restaurants and evening users to park at a central location. Its estimated that 48% of the parking stalls will be available for the public during the evening and weekends. The breakout of the apartments for phase 1, will include the following: 62 studio units (28%), 101 1-bedroom units (54%), 23 2-bedroom units (10%), and 16 3- bedroom units (8%). These are market rate units. Its important to note that under the Utah RDA statue, that any participation of tax increment, must be approved by the taxing entities that levy a tax in the project area, by interlocal agreement. This budget recommends a participation rate of 75%, for 20 years, but it will be up to the taxing entities (City, County. Granite school District, and Central Utah Water District) to approve the requested participation rate and length of the participation. Upon approval of the Budget, we will proceed to meet with these districts and gain their support.

PROJECT VALUE & TAXES

TOTAL ASSESSED VALUE	\$161,811,159
TOTAL PROPERTY TAX	\$1,977,980

INCREMENT TAX PARTICIPATION

PARTICIPATION RATE	75%
TOTAL YEARS	20
ANNUAL TIF	\$1,483,485

USES OF TAX INCREMENT

RDA ADMINISTRATION	\$74,174
URA HOUSING	\$296,697
COUNTY	\$14,982
DEVELOPER INCENTIVE	\$1,097,632

TAXING DISTRICT PARTICIPATION

SALT LAKE COUNTY	\$234,586
GRANITE SCHOOL	\$925,479

SOUTH SALT LAKE	\$208,130
WATER CONSERVANCY DIST.	\$48,543
COUNTY LIBRARY	\$65,045
MOSQUITO DISTRICT	\$1,702

BALANCE FOR TAXING DISTRICTS

SALT LAKE COUNTY	\$78,195
SCHOOL DISTRICT	\$308,493
SOUTH SALT LAKE	\$69,377
CONSERVANCY DISTRICT	\$16,181
LIBRARY	\$21,683
MOSQUITO DISTRICT	\$544

REDEVELOPMENT SUMMARY

WHAT IS REDEVELOPMENT?

Redevelopment is a set of tools provided under state law, Title 17C of the Utah Code, that empowers local governments in economic development, job creation, eliminating blight, and achieving the goals of development, reconstruction and rehabilitation of residential, commercial, industrial, and retail districts. Municipalities and counties are authorized to create redevelopment agencies, also known as urban renewal agencies, to use these tools.

Redevelopment is a term that has a long history in Utah, but in 2006, the Utah Legislature broke “redevelopment” down into three different tracks, including Urban Renewal, Economic Development, and Community Development. Each of those three tracks serves a somewhat different purpose. The same legislation also changed the legal name of agencies from “Redevelopment Agencies” to “Community Development and Renewal Agencies,” but many Agencies across the state still go by the historical nomination of Redevelopment Agency, or RDA.

Urban Renewal is the new term for what was historically redevelopment. The goal of Urban Renewal is to eliminate blight from specific areas within the community.

Economic Development is a tool that redevelopment agencies can use to help promote job growth in the community. The redevelopment agency can use tax increment to help encourage business relocation, expansion, and development through incentives targeted toward the creation of high-quality jobs.

Community Development is a flexible tool that allows redevelopment agencies the opportunity to encourage all kinds of new development that the community believes will be beneficial, including mixed-use and retail. Community Development provides a flexible alternative to the more rigid Urban Renewal and Economic Development tracks.

Examples of redevelopment tools:

- Ability to assemble land for development
- Ability to utilize tax increment and issue bonds
- Ability to invest in infrastructure to assist private enterprise
- Ability to increase affordable housing stock

Redevelopment Agencies use redevelopment powers and tools as a catalyst in revitalizing their communities. Redevelopment encourages new development, creates jobs and generates tax revenues in declining urbanized areas by developing partnerships between local governments and private entities. As of 2010 in Utah, 70 cities and 5 counties have redevelopment agencies.

Redevelopment can help a community implement a revitalization effort for downtowns, retail areas, neighborhoods or industrial areas. Redevelopment plans are locally created and adopted so they can respond to a community’s unique needs and vision.

Redevelopment plans can help communities to:

- Attract new jobs and businesses
- Create more affordable housing
- Stimulate private reinvestment in local neighborhoods and businesses
- Reduce crime
- Stimulate development of improvement programs
- Stimulate private investment and help rehabilitate homes and businesses
- Build or improve roads, utilities and public facilities
- Preserve open space
- Transform hazardous waste sites (called brownfields) into productive uses
- Create, adopt and/or implement specific plans
- Initiate and fund comprehensive planning efforts

WHAT IS A REDEVELOPMENT AGENCY?

The Redevelopment Agency, also known as a Community Development and Renewal Agency, is a separate, distinct legal entity from the City. However, the City Council serves as the governing board of the Agency. And, the Redevelopment Agency can utilize city staff or hire its own staff and advisors to carry out its day-to-day operations as well as to help formulate and implement redevelopment plans.

The benefit of this system is that the Redevelopment Agency is ultimately responsible to the voting public through the elected governing body that oversees the Agency.

WHAT CAN REDEVELOPMENT DO?

Redevelopment activities may include the rehabilitation/reconstruction of existing structures, the redesign/re-planning of areas with inefficient site layout, the demolition and clearance of existing structures, the construction/rehabilitation of affordable housing and the construction of public facilities including, but not limited to, public buildings, streets, sidewalks, sewers, storm drains, water systems and street lights. All of this contributes to general economic revitalization of an area, making it more attractive for additional investors.

Through redevelopment, a project area receives focused attention and financial investment to reverse deteriorating trends, create jobs, revitalize the business climate, rehabilitate and add to the housing stock, as well as gain active participation and investment by residents and local business which would not otherwise occur. These revitalization efforts have positive effects that spill over the project area boundaries and improve the entire community.

Examples of activities/benefits generated through redevelopment:

- Commercial mixed-use projects
- New/rehabilitated affordable and market-rate housing
- New and revitalized schools
- Increased investment in the area
- Living wage job creation
- Transportation facilities
- Sales, hotel and utility tax revenue
- Youth recreation and service centers
- Community beautification

- Renewed civic pride

WHY CAN'T PRIVATE ENTERPRISE DO IT ALONE?

Community redevelopment is usually accomplished by forming a partnership of public and private enterprise. Public funds are used to lay the foundation and provide the pre-conditions that are necessary for private enterprises to be interested in and capable of investing their financial resources. One can think of a redevelopment project as a way to “level the playing field.” A Redevelopment Agency may do this by assisting with extraordinary costs of making land within a project area ready for rehabilitation or for new development.

Through the redevelopment process, a partnership of public and private efforts can join forces to bring new life to deteriorating areas.

The blighted areas designated for redevelopment are those areas where private enterprise has failed to revitalize an area. If deterioration is not stopped and turned around, the area will be unattractive for business investment. Public funds are used to leverage private investment into these blighted areas. These funds may also be spent to improve streets, utilities, landscaping, etc. to encourage and attract private development.

Also, the State of Utah requires local participation in state efforts to attract new business and industries to Utah. The Agency has the tools to provide the required local participation.

WHAT ARE THE POWERS OF AN AGENCY?

The Redevelopment Agency has powers that are typical for a local governmental agency and unique powers that are exercised only by redevelopment agencies. Examples of these general powers include:

- Adopt a budget or enter into interlocal cooperation agreements
- Buy and sell property
- Make certain types of loans or grants to carry out the redevelopment plan
- Construct improvements
- Rehabilitate, modernize, consolidate or remove structures
- Assist in the development or rehabilitation of housing for use by moderate-income and low-income families

In addition to these general powers, a Redevelopment Agency has unique powers that include:

- The ability to buy private property for resale to another private person or organization
- The limited ability to use the power of eminent domain (condemnation) to acquire private property
- The power to collect property tax “increment” in order to finance the redevelopment program of the community

Importantly, the Agency has no taxing powers or authority.

WHY IS REDEVELOPMENT IMPORTANT?

Redevelopment is one of the most effective ways to breathe new life into deteriorated areas plagued by social, physical, environmental or economic conditions which act as a barrier to new investment by private enterprise. Through redevelopment, a project area will receive focused attention and financial investment to reverse deteriorating trends, create jobs, revitalize the business climate, rehabilitate and add to the housing stock, and gain active participation and investment by citizens which would not otherwise occur.

WHAT IS BLIGHT?

Urban Renewal, or true “redevelopment,” can only be used in areas that suffer from adverse physical and economic conditions, defined in the law as “blight.” However, blight is irrelevant in Economic Development and Community Development project areas.

The following types of adverse physical and economic conditions have been observed in redevelopment areas to be examples of blight.

Adverse Physical Conditions

- Unsafe building conditions
- Aging, deteriorating, and poorly-maintained buildings, sometimes interspersed with well-maintained buildings
- Incompatible adjacent or nearby uses of land parcels that hinder economic activity
- Adverse physical factors, such as susceptibility to flooding and earthquakes, that demand significant improvements to buildings in order that they be safe for occupancy
- Small and irregularly shaped lots under multiple ownership that are vacant or underutilized
- Outdated and inefficient building configuration and design that does not meet current business needs
- Unsafe access into buildings or parking lots
- Inadequate and obsolete infrastructure, (i.e. utilities, storm drainage, sewers, street lighting, and confusing and inefficient street systems)

Adverse Economic Conditions

- High business vacancies, low commercial leases and high turnover rates
- Vacant and underutilized land or buildings
- Depreciated or stagnant property values and other evidence of disinvestment
- Hazardous waste and other negative environmental conditions
- High incidence of criminal activity, sometimes equated with an over-concentration of bars, liquor stores or adult stores
- Lack of neighborhood businesses to serve residents, such as banks, pharmacies or grocery stores
- Residential overcrowding

WHY DOES THE AGENCY HAVE THE LIMITED POWER OF EMINENT DOMAIN (CONDEMNATION OF PROPERTY)?

Eminent domain or condemnation is the right of a government to take private property for public use in exchange for just compensation. Agencies may use this redevelopment tool—in very narrow circumstances—to assemble many separate parcels of land into a site large enough for their needs in order to reduce or eliminate a blighting condition. However, the Agency’s power of eminent domain is severely limited because the Agency can only exercise eminent domain if an overwhelming majority of property owners within an Urban Renewal project area consent to the Agency’s use of eminent domain. Without that property owner consent, the Redevelopment Agency cannot unilaterally exercise eminent domain on any private property.

Redevelopment agencies very rarely use eminent domain. This is because eminent domain may only be utilized after negotiations between the Agency and the private property owner fail. In most cases, the benefits and profits to be gained by the private property owner are clear. When eminent domain is used, it is typically because the well being of the residents or businesses in the project area are in jeopardy. Occasionally redevelopment agencies might also use eminent domain to condemn hazardous and dilapidated structures located in economically weak areas.

The Agency is required by The Utah Community Development and Renewal Agencies Act to hold public hearings on the action, to pay the owner fair market value and to give the occupant all relocation benefits and allowances entitled by law. Acquiring property this way is typically used only as a last resort since it is generally time-consuming and costly. The time period for acquiring property through eminent domain within the project area may not exceed 5 years after the establishment of the project.

WHAT IS RELOCATION?

Relocation is the displacement of a business or family for the purpose of clearing land and preparing it for its designated use. If a household or business is displaced due to property acquisition by a Redevelopment Agency, occupants may be entitled by law to certain moving assistance benefits. These benefits help assist families, individuals, businesses and nonprofit organizations to relocate. Relocation benefits include:

- Assistance in finding a new location
- Payments to help cover moving costs
- Additional payments for certain other costs
- Redevelopment agencies must make every effort to accommodate property owners and ensure that they are compensated for the costs involved in relocating their business and reasonable moving expenses

The law also protects homeowners displaced by eminent domain. The owner must be fully compensated for the fair market value of the property. In addition, local agencies must provide relocation benefits. Local agencies condemning properties must furnish a relocation advisor to assist homeowners who are displaced.

If a renter must leave an apartment or any other type of legal rental unit, a relocation specialist will work with the renter and landlord to find a decent and safe replacement apartment or rental unit that is comparable to the present apartment in terms of price, size, and neighborhood conveniences. The renter is eligible to receive moving expenses.

IF A CITIZEN SHOULD DECIDE TO SELL PROPERTY TO THE AGENCY, WHO DETERMINES THE SELLING PRICE?

A property owner may sell their property to a Redevelopment Agency. An Agency seeking to acquire property for redevelopment normally appraises the land and offers the owner its fair market value, which must be not less than the appraised value of the property.

The Agency would hire an independent appraiser to establish the fair market value of the property. If the owner is not satisfied with the appraised value of the property, they may hire their own appraiser to re-evaluate the property after which both appraisals will be compared and a selling price negotiated. Fair market value is the value that the property would have if it were placed in today's market place and sold.

WHAT IS A REDEVELOPMENT PLAN?

The plan provides the Agency with direction and powers to take certain actions such as to buy and sell land within the area covered by the plan (project area), to improve dilapidated facilities, and to use tax increment financing.

The redevelopment plan provides a legal framework for planning and implementing revitalization activities in a redevelopment project area. A redevelopment plan:

- Describes the purposes and objectives of eliminating deteriorated conditions
- Sets the basic goals, powers and limitations within which the Redevelopment Agency must conduct its activities over the life of the project
- Is broad and flexible. The plan should set forth basic powers and limitations and should provide a general statement of redevelopment objectives and techniques that clearly establishes how the Agency intends to remove deterioration from the project area

The redevelopment plan must also be in harmony with the city or county general plan. A redevelopment plan generally contains the following components:

- A legal description of the project area in written and graphic form and a description of land uses
- Descriptions of the proposed actions to be taken to carry out redevelopment (These descriptions cover the duties, powers, and authorities of the Redevelopment Agency and describe the rights of owners and tenants.)
- Descriptions of the authority and limitations for financing the activities necessary to implement the plan
- Plans for how the Agency will implement redevelopment projects to remove the deterioration

Adoption of a redevelopment plan is normally a lengthy and complicated process involving public participation and preparation of specific reports and documents. This process typically takes between 12 and 18 months. The duration of the redevelopment plan cannot exceed 25 years, unless authorized by the taxing entity committee.

WHO ADOPTS THE REDEVELOPMENT PLAN?

A redevelopment plan is adopted by both the Agency Board and by ordinance of the governing body of the community. Public hearings are required so that community input can be considered before the plan is adopted.

The redevelopment process involves a series of legally mandated steps. The following basic steps must be followed:

- For Urban Renewal, the Agency first adopts a survey area encompassing portions of the community that might benefit from redevelopment.
- After the survey area is adopted, or if no survey area is required because the Agency is doing Economic Development or Community Development, the Agency selects a redevelopment project area that is coterminous with or smaller than the survey area.
- The Agency develops a draft redevelopment plan.
- The Agency then circulates the draft plan.

- The Agency then requests input on the draft plan from the property owners in the proposed project area, taxing entities and the public. A draft project area plan must be available to the public at the Agency's offices during normal business hours.
- The Agency consults with affected taxing entities and the community.
- The local governing body/Agency calls for a public hearing on the proposed plan.
- The plan and budget are adopted.
- For Community Development, the Redevelopment Agency also negotiates separate interlocal cooperation agreements with each taxing entity wishing to participate in the project

WHAT IS A PROJECT AREA?

The project area is an officially adopted boundary in which actual redevelopment will take place. The project area must first go to public hearing (giving citizens who will be included in the project area a chance to express their views) after which the Redevelopment Agency acts on the adoption of the project area and becomes primarily responsible for future projects.

For Urban Renewal, before a project area is established, a survey area is designated to determine whether or not a redevelopment project is feasible. Preliminary studies, such as feasibility studies, are conducted to make a determination of the blighting conditions within the area.

Based upon this evaluation, the Redevelopment Agency selects a project area and indicates how the purpose of the Community Development and Renewal Law can be attained by redevelopment of this area. A project area can be reduced in size prior to adoption of the redevelopment plan, but cannot be enlarged without amending the survey area. A project area can also include non-adjacent properties.

HOW IS REDEVELOPMENT FINANCED?

Redevelopment is primarily financed by tax increment revenue. Other revenue sources include loans, grants and issuance of tax allocation bonds.

Typically, agencies use tax increment funds to leverage financial assistance from various agencies of the state and federal governments, and private sources.

The most common bond instrument used by redevelopment agencies to finance projects is called a tax allocation bond or revenue secured bond. These bonds, which are a loan of money to an Agency, are not a debt of the community or the general taxpayer. Rather, they are repaid solely from tax increment revenue generated within the project area. In other words, increased tax revenues generated through redevelopment activities are funneled back into the project area to stimulate more development as well as to pay the costs involved.

WHAT IS TAX INCREMENT?

Tax increment is the primary source of revenue that redevelopment agencies have to undertake redevelopment projects. It is based on the assumption that a revitalized project area will generate more property taxes than were being produced before redevelopment. When a redevelopment project area is adopted, the current assessed values of the property within the project area are designated as the base year value.

Tax increment comes from the increased assessed value of property, not from an increase in tax rate. Any increases in property value, as assessed because of change of ownership or new construction, will increase tax revenue generated by the property. This increase in tax revenue is the tax increment that goes to the Agency.

For example, a property owner pays \$1,000 on land assessed at \$100,000 this year. If, as a result of new construction on the property, the property increases in assessed valuation to \$500,000, the property owner would pay \$5,000 at the same standard tax rate. The \$4,000 increase is called "tax increment." Redevelopment agencies are entitled to collect this increase in property tax revenues, or tax increment, on the acreage they redeveloped to repay the debt involved in the project, and to reinvest these dollars in redevelopment activities within the project area. As well, 20 percent of that tax increment money goes into a housing fund set aside specifically to finance low- to moderate- income housing.

WILL PROPERTY TAXES BE RAISED?

The Redevelopment Agency has no power to set tax rates or levy property taxes. Property tax on properties within a redevelopment project area is governed by the same laws as on properties outside redevelopment project areas.

When redevelopment activities are successful, the property values within and around the redevelopment project area increase over time due to the sale of property, or the rehabilitation and new construction of buildings. Thus, property tax increment revenues are the result of the rise in property values, not an increase in tax rates. The changed image and improved economic base increase the marketability of property in the area. Redevelopment activities enhance the marketability of properties.

HOW ARE OTHER JURISDICTIONS AFFECTED BY TAX INCREMENT FINANCING?

Taxing entities such as the county, school districts, and special districts that serve the project area continue to receive all the tax revenues they were receiving the year the redevelopment project was formed (the base year). In addition, taxing entities may receive a portion of the incremental increase in property tax revenues from a redevelopment project area, if adopted as part of the project area budget.

No redevelopment projects occur without taxing entity approval. For Urban Renewal and Economic Development projects, the taxing entities are represented by a taxing entity committee that reviews and, in its discretion, approves project area budgets. The taxing entity committee's approval is required before the Redevelopment Agency can collect any tax increment.

For Community Development projects, the Redevelopment Agency does not convene a taxing entity committee. Instead, the Redevelopment Agency works independently with each taxing entity located within the project area. The Redevelopment Agency and each taxing entity may agree to an interlocal cooperation agreement giving the Redevelopment Agency a portion of tax increment generated in the Community Development project area.

WHAT IS ECONOMIC DEVELOPMENT?

Economic development is used to increase the number and quality of jobs in the state of Utah. Economic Development Project Areas have assisted in the creation of many employment opportunities throughout the State of Utah. Fundamentally and

operationally, Economic Development Projects differ from Redevelopment Project Areas in that Economic Development Project Areas are not required to have or prove blight. As such, without Blight as a constraint, economic development project areas must produce new high paying “quality jobs” as defined by Utah Law. In addition, economic development project areas may not have retail uses as the primary component of the project area. Any retail components must be ancillary to the primary uses which create the new job opportunities.

HOW ARE AN ECONOMIC DEVELOPMENT PLAN AND BUDGET ADOPTED?

A five step process must be followed to adopt an economic development plan and budget.

First, an area is targeted for economic development. This is called a “survey area.” Second, the Agency prepares an economic development plan and project area budget describing the economic development project to be accomplished as a result of the Agency’s participation.

Third, the Agency board holds one or more public hearings to obtain comments and suggestions on the proposed plan and budget. The Agency board and the city council then adopt, adopt with modifications, or reject the plan. Adopting the plan establishes an economic development project area.

Fourth, if the plan includes the use of tax increment, a committee of representatives from the affected taxing agencies approves, approves with changes, or rejects the project area budget.

WHAT HAPPENS AFTER AN ECONOMIC DEVELOPMENT PLAN AND BUDGET ARE ADOPTED?

After plan and budget adoption, the Agency negotiates an agreement with an employer who will provide the additional employment opportunities. If the plan is prepared without a specific economic development partner, the Agency follows the plan to encourage economic development.

HOW DOES COMMUNITY DEVELOPMENT DIFFER FROM URBAN RENEWAL AND ECONOMIC DEVELOPMENT?

A Community Development Plan can be used to achieve the goals of either an Urban Renewal or Economic Development Plan. It does not have a taxing entity committee but instead individual Interlocal Agreements are negotiated with each taxing entity which will participate in a portion or all of the tax increment created in the project area.

SOUTH SALT LAKE BUSINESS SURVEY

This survey will help South Salt Lake City's business development team be more supportive of local businesses. Your responses will remain anonymous.

*COMPANY PROFILE:

- 1- Company Name:

- 2- Date Company was established:

- 3- Phone number:

- 4- Email address:

- 5- Best contact for company:

*COMPANY INFORMATION:

* 1-Description of products/services _____

* 2- What are the factors that make your company successful here _____

* 3-Where is your business in its lifecycle for its primary product/service?

___ Emerging ___ Growing ___ Maturing ___ Declining

* 4- Functions located at this facility (check all that apply):

___ Distribution ___ Manufacturing ___ Warehousing ___ Sales ___ RD/Engineering

___ Services ___ Headquarters

5- Location of company's headquarters, if not in South Salt Lake _____

6-Does the company have other US locations? ___ Yes ___ No

If yes where are the locations?

* 7-How long has the company been in the City? _____

LOCAL WORKFORCE

* 1-Total number of employees at the facility: _____

2-Historical employment trend: ___ Increasing ___ Staying the same ___ Declining

3-Projected number of employees at the facility in next 12 months: _____

4-Percent of workforce: _____% Skilled/Professional _____% Semi-skilled _____ % Entry-level

5-Average hourly wage: \$_____ Skilled/Professional \$_____ Semi-Skilled

\$_____ Entry

6-Describe your wage scale compared to other local or comparative firms:

_____ Greater than _____ Same _____ Lower than

7-What benefits do you offer your employees?

_____ None _____ Vision _____ Medical _____ Life insurance _____ Dental _____ Retirement

* 8- Percent of workforce who live in: _____% SSL _____% County _____% Outside

* 9- Do you have problems retaining employees? _____ Yes _____ No

* 10- If yes, have you identified the cause for this? _____

*11-Do you have problems recruiting employees? _____yes _____no

*12-What do you think are the reasons for the recruitment issue? _____

13-Do you have a formal workforce training program in place?

*14- Please share any recommendations that could assist you in your retention or recruitment process? _____

15-Does your business have a policy or practice for recruiting and supporting a diverse workforce? If so, please describe.

FACILITIES/EQUIPMENT

1- *Status of property/building: _____ Owned _____ Leased

2- *If leased, expiration date: _____

3- Condition of facility: _____ Excellent ____ Good ____ Fair ____ Poor

4- Condition of equipment: ____ Excellent ____ Good ____ Fair ____ Poor

5- Describe the hours of operation at this site: _____ AM shift _____ PM shift ____ 24 Hours

6- How much of the facility's space are you currently using?

_____ More than 90% _____ 75-90% _____ 51-74% _____ Less than 50%

7- Your company's historical investment trends over past 18 months in the facility: ____ increasing
____ same ____ declining

8- Is there room to expand at the facility? ____yes ____no

*Are you planning to expand your facility in the next 1-2 years? _____yes _____ no

9- *If you are expanding, would you consider South Salt Lake as a new location for the expansion?

10- Why or why not?

11- *Have you had safety or security concerns about your property and/or employees?

BUSINESS CLIMATE:

* 1-Please rate the local business climate (in SSL): ___ excellent ___ good ___ fair ___ poor

2-Please rate the following:

Use the following rating system: (1=excellent,2=good, 3=fair,4=poor 5=no opinion)

Workforce quality ___

Workforce availability___

Local government___

Local sales tax structure___

State sales tax structure___

Cultural/recreation amenities___

Housing___

K-12 education___

Colleges/university___

Technical training___

3- If any rating is poor, why? _____

*4-Any recommendations that you would make improve the local business Climate?_____

*5-How would you rate the probability of any local expansion plans in the next 1-2 years?

___low ___medium ___high

6-How would you rate the risk of your business downsizing in the next 1-3 years?

___low ___moderate ___high

*7-How would you rate the risk of your facility closing in the next 1-3 years?

___low ___medium ___high

Municipal Services

***1-Please rate the following using the following rating system: (1=excellent, 2=good, 3=fair,4=poor, 5=no opinion)**

Public water___

Sewer___

Storm water___

Code enforcement___

Building inspection/permitting___

Zoning/land use___

Local transportation___,

Interstate highway system___

Police services___

Fire/emergency services___

***2-If any service is rating poor the reason? _____**

***3-has your business been impacted by the homeless issue? ___yes ___no**

***4-If yes, please share what is/was the impact?**

***5-Any other issues you would like the City to be aware of?**

***6- How would you rate your neighborhood (1=Good,2= Fair,3= Poor)**

Safety_____

Appearance_____

Neighbors_____

Public assets (Sidewalks, Lights, etc.) _____

Access_____

Traffic_____