Redevelopment Agency of Taylorsville City

AGENDA ITEM SUMMARY

MEETING DATE: January 20, 2021

AGENDA ITEM: RDA Training and Update for RDA Board

PUBLIC HEARING REQUIRED: YES__ NO_X_

RESOLUTION/ORDINANCE REQUIRED:
ORDINANCE __ RESOLUTION __ NONE _X_

PRESENTER(S): Wayne Harper

ISSUE SUMMARY: This presentation is for informational purposes only for the members of the Redevelopment Agency Board. It gives an overview of how redevelopment and tax increment financing work, with a summary of the current adopted project areas in Taylorsville.

COMMISSION / ADVISORY BOARD RECOMMENDATION: None

CITY ATTORNEY: N/A

ACTION REQUIRED: None

CONTACT INFO: Wayne Harper / 801-647-8401 / wharper@taylorsvilleut.gov

ATTACHMENTS: None

Redevelopment Agency of Taylorsville City

Overview - 1/6/2021



Overview of RDA's, CRA's, Taxing Entities:

Purposes, Relationships and Going Forward

1. What are CRA's & Interlocal Agreements?
2. How do they work?
3. What are the challenges for certain fiscal relationships?
4. What are the benefits of certain fiscal relationships?

CRA's

- Local
- Community-supported
- Performance-based
- Public Investment Tool
- Long-term Economic Benefits

CRA's
(Community Reinvestment Agencies)

fka

RDA's
(Redevelopment Agencies)

The Basics - Code

Title 17C: *Community Reinvestment Agency Act*

Creation: *City/County –Survey/Plan/Project Area Budget*

Status: *Separate Body Corporate and Politic*

Governing Body: *CRA Board*

Jurisdiction: *Subsection of Community (aka: Project Area)*

Powers: *Contract, Own Property, Borrow/Bond, Fund and Receive Funds, Incentivize Development, etc.*

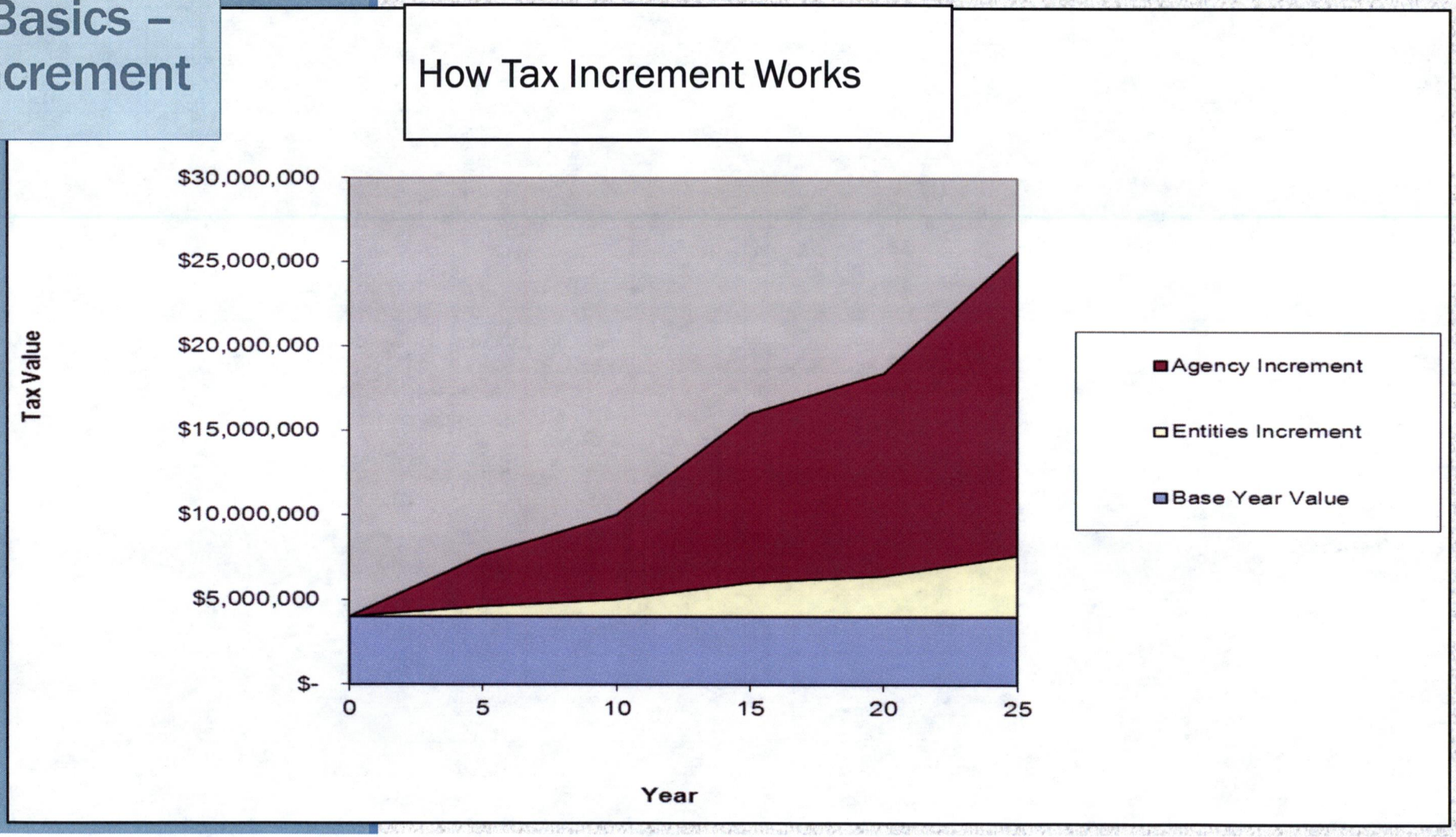
Funding Approval: *Interlocal Agreement*

Tools: *TIRA, Bonding, Lending, Property Acquisition/Disposition, Infrastructure*

Funding: *Tax Increment – Property Tax and/or Sales Tax*

The Basics – Tax Increment

How Tax Increment Works



A Brief History



A Brief History



Blight Era 1965 – 2006

- Redevelopment (RDA)
- Blight Findings
- TEC Committee
- Distribution and Size Restrictions
- Eminent Domain
- Housing
- Issues with Blighted Orchards

A Brief History



Investment Era 2006 – 2016

- URA, CDA, and EDA
- TEC and Interlocal Agreements
- Flexibility
- Rural Expansion
- Housing

A Brief History



Partnership Era
2016 – Present

- CRA
- Interlocal Agreements
- Flexibility
- Rural Expansion
- Affordable Housing

Project Area Approvals

THE BASICS:

Formerly
Taxing Entity Committee Approvals

Now
Interlocal Agreements

Variables:

- Size
- Time
- Distribution to Taxing Entities
- Base Year
- Time Frame to Trigger Tax Increment
- Tax Increment Cap

Complementary and Conflicting Interests and Purposes –

An Overview

- 60 Years of Change (RDA, URA, CDA, EDA, CRA)
- 25-year Project Areas
- Extensions
- Rural / Suburban / Urban
- Interlocal Agreements
- Different Taxing Entities
- Taxing Entity Policy & Cap Ordinances

- Created by City / County
- Public Investment – Taxing Entities
- Assessment, Collection, Distribution – Counties
- Implementation – Developers and Businesses
- Reporting – City/County
- Local Match and Incentives – GOED / EDCUtah

The Big Idea –

Nowadays = Partnership

What are the challenges for these various fiscal & policy relationships?

1. Dissimilar sources generating revenues & expenses
   (Systemic issue)
2. Economic development vs. mission
   (Political issue)
3. Oversight & overburdened
   (Legislative & Policy issue)

Taxing Entities Impacts and Benefits

Taxing Entity	Development	Revenues	Expenses
Cities & Counties	Office	Moderate	Low
	High-density Res	Low	Low - Moderate
	Single-family Res	Low	Moderate
	Retail	High	Moderate
	Industrial	Moderate	Moderate
School Districts	Office	Moderate	Low
	High-density Res	Low	Moderate
	Single-family Res	Low	Very High
	Retail	Moderate	Low
	Industrial	Moderate	Low
Special Districts	Office	Moderate	Low - Moderate
	High-density Res	Low-Moderate	Moderate
	Single-family Res	Low-Moderate	Moderate
	Retail	Moderate	Low – Moderate
	Industrial	Moderate	Low - High

Economic Development vs. Mission

Cities and counties are responsible for, and have expertise in, economic development.

While every taxing entity benefits from economic development, it is often not their priority.

This can result in challenges when negotiating interlocal agreements to fund CRA's.

Officials from other taxing entities have a fiduciary responsibility to the taxing entity they represent.

Oversight & Overburdened

Depending on the taxing entities' internal policies and procedures, the process for entering into an interlocal cooperative agreement for tax increment can be cumbersome.

If a taxing entity received multiple requests per year over the course of multiple years, they feel bogged down and less inclined to participate.

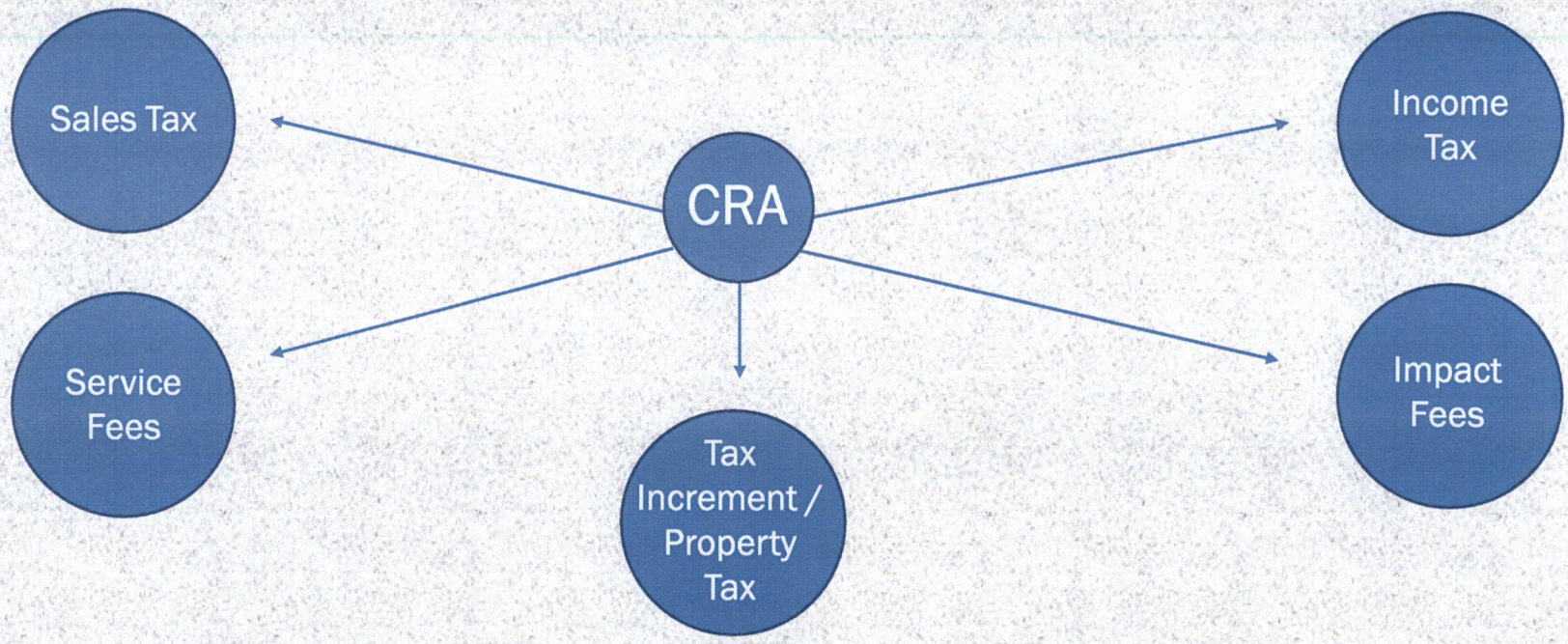
And what are the benefits & objectives of these policy & fiscal relationships?

Redevelopment agencies create incremental value that would not have otherwise been created.

Redevelopment agencies can help taxing entities achieve housing goals.

Redevelopment agencies can help taxing entities plan and develop for future land acquisition and sales and infrastructure planning and development.

GOAL:
Annual Revenue Benefits from CRA



GOAL:
Long-term Community Benefits from CRA

- Infrastructure
- Affordable Housing
- High-paying Jobs
- High-quality Development
- “But For” Development

Taylorsville RDA Project Area Summaries

6200 South Redwood Road URA

Created: *10/20/2010*

Life:. *15 years*

Years Remaining: *7 years*

Max TI: *$11,558,357*

TI Requested FY 2020: *$360,000*



F TAYLORSVILLE CITY

5400 South & Bangerter Highway URA & CDA

Created: *1/23/2008*

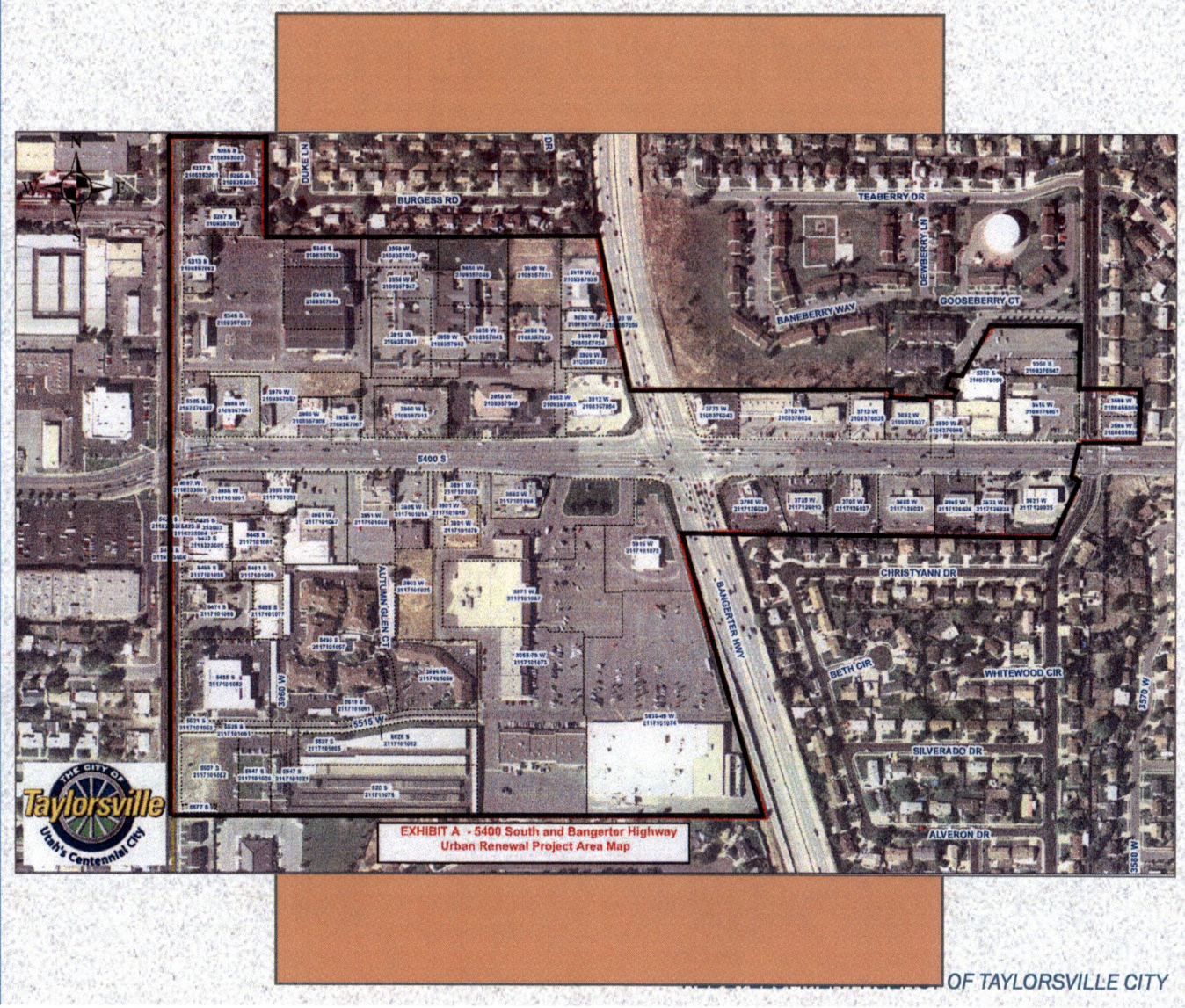
Amended Base Year Date: *6/12/2012*

Life: *15 years*

Years Remaining: *8 years*

Max TI: *$20,010,037*

TI Requested FY 2020: *$240,000*



Bennion Point EDA

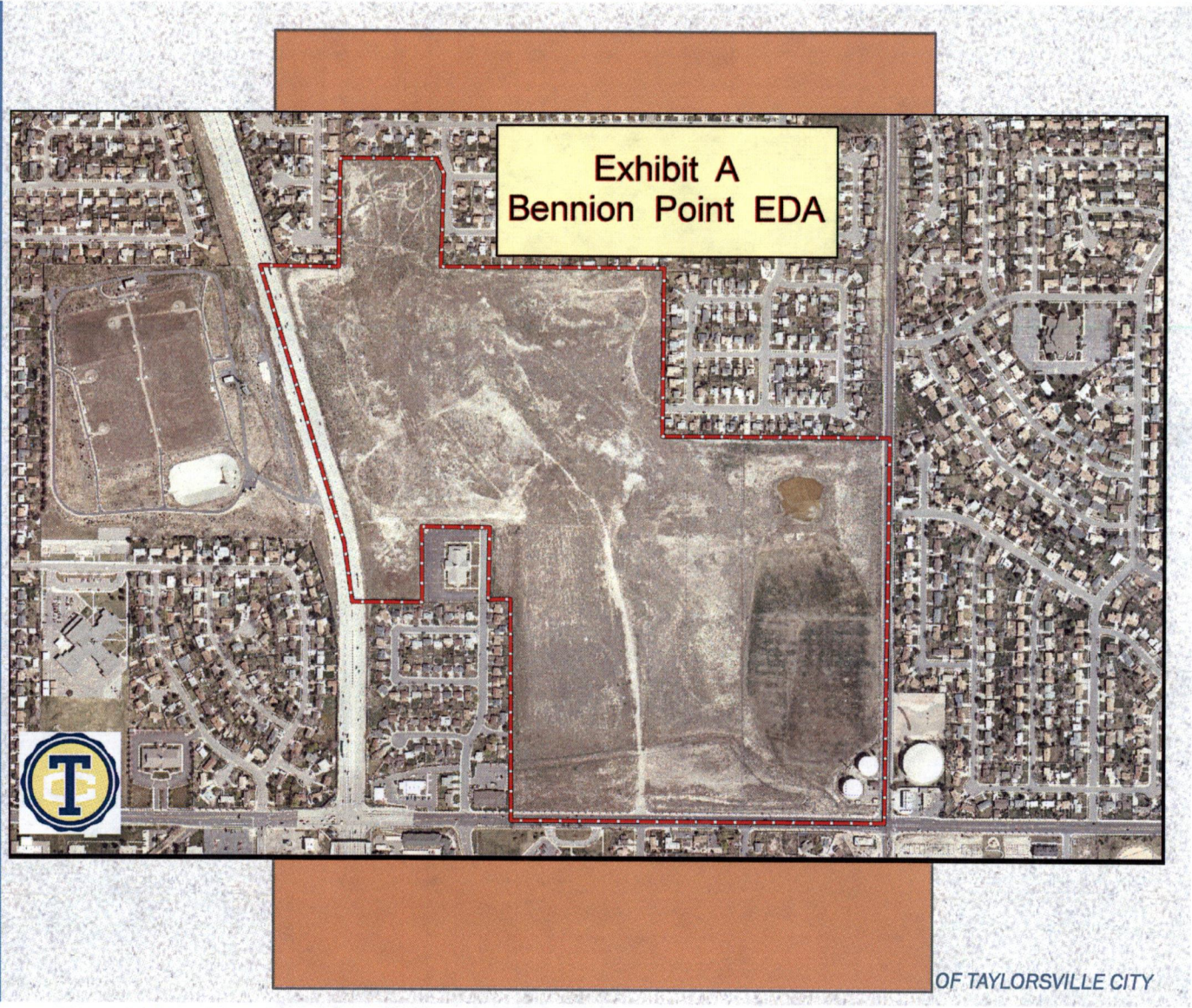
Created: *12/19/2012*

Life: *15 years*

Years Remaining: *14 years*

Max TI: *$14,000,000*

TI Requested FY 2020: *$697,500*



Center Point CDA

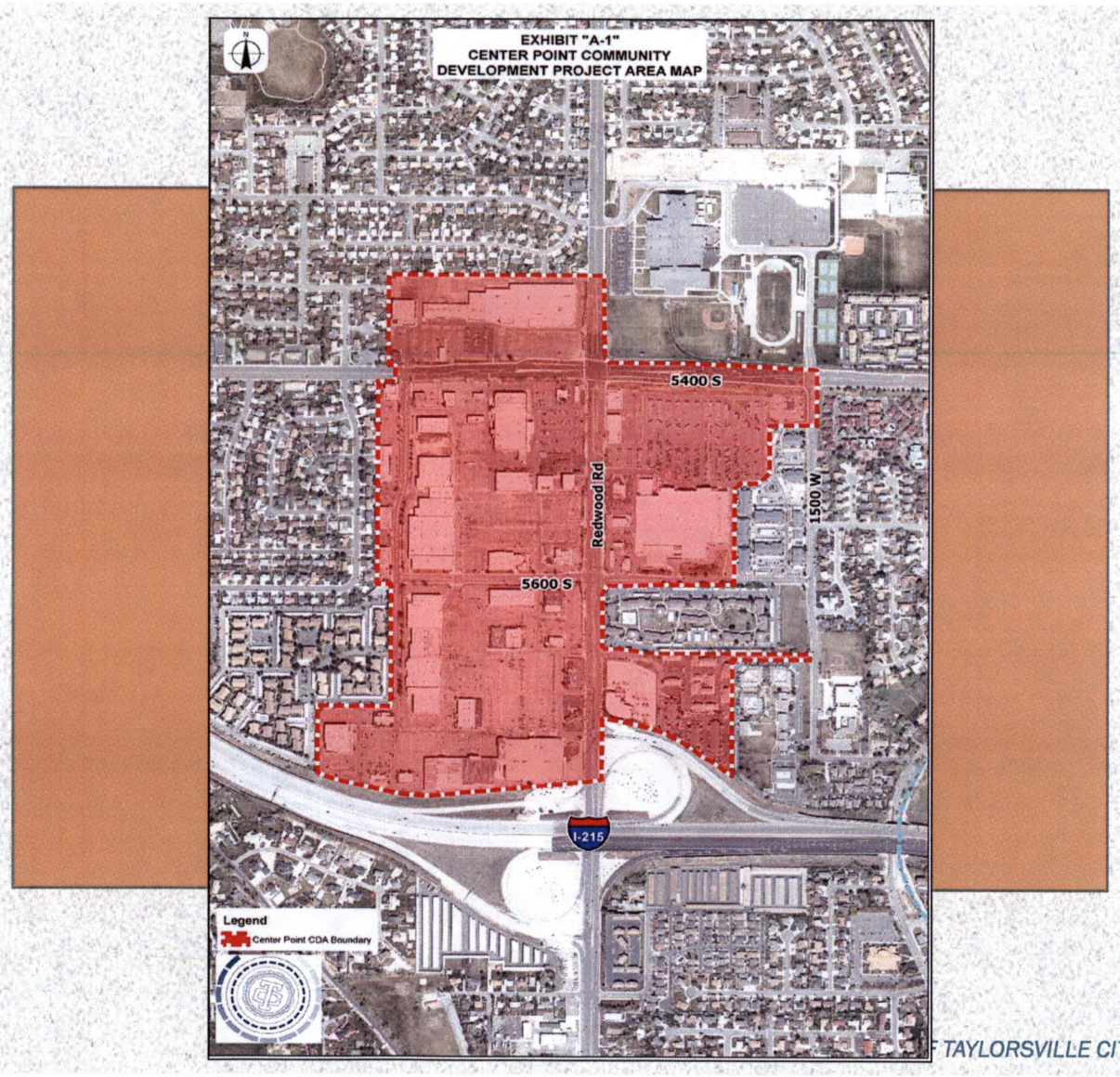
Created: *10/20/2013*

Life: *15 years*

Years Remaining: *15*

Max TI: *Negotiated as part of Interlocal Agreement*

TI Requested FY 2020: *$0.00*



North Point CDA

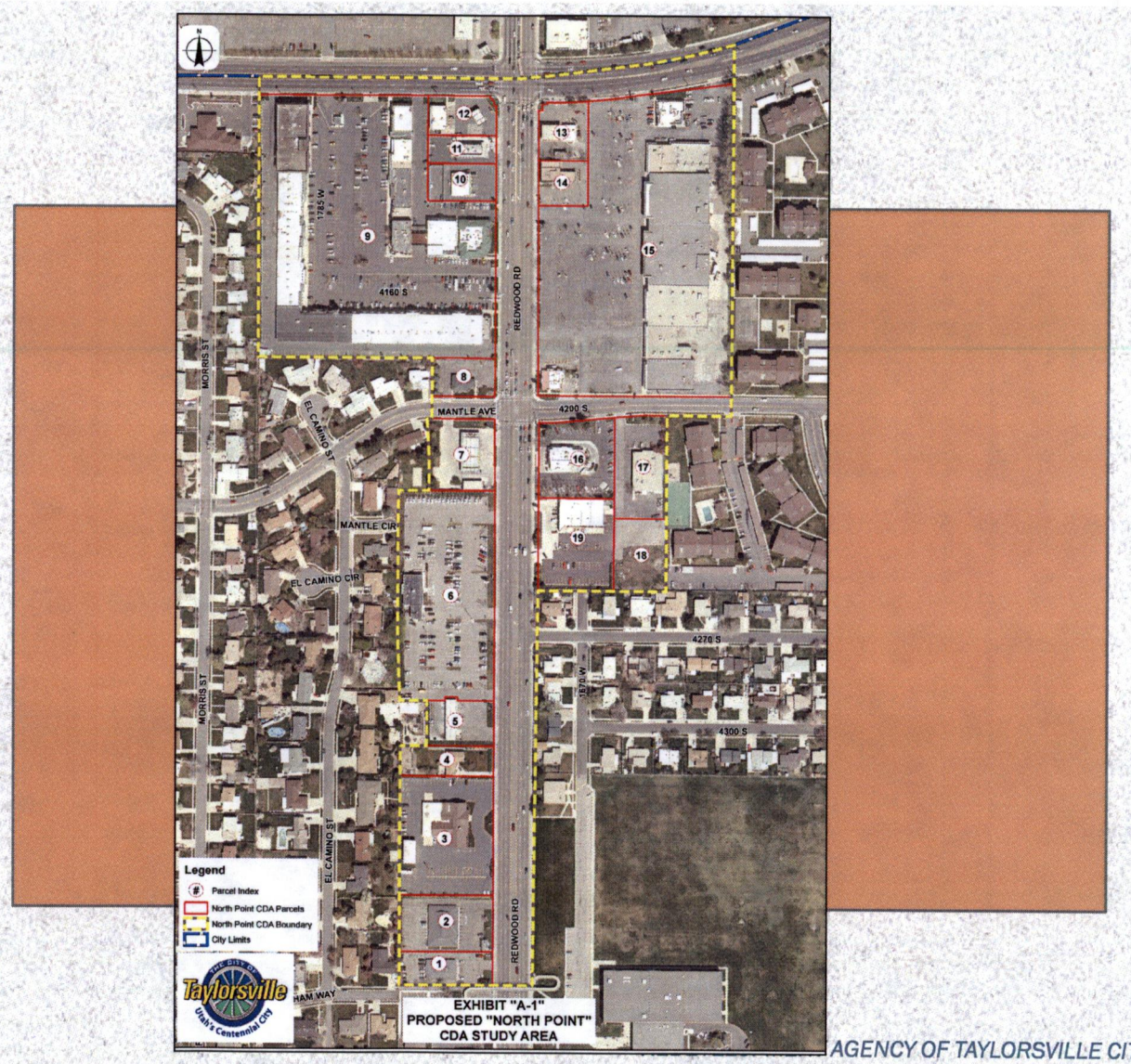
Created: *7/18/2012*

Life: *15 years*

Years Remaining: *15*

Max TI: *Negotiated as part of Interlocal Agreement*

TI Requested FY 2020: *$0.00*



November 1 Report

- Purpose
- Estimates on Tax Increment
- Historical Narrative

Redevelopment Agency of Taylorsville City

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Phone: 801-963-5400 Fax: 801-955-2052

NOVEMBER 1ST REPORT - 2020

October 29, 2020

The Redevelopment Agency of Taylorsville City is providing a November 1st report for 2020.

This Agency Report is submitted in response to Utah State Code 17C-1-603, which requires each entity to submit a report on or before November 1 each year.

The estimate of the tax increment to be paid to the agency for the calendar year ending December 31, 2020, is:

(i) 6200 South Redwood Road URA: $360,000.00

6200 Redwood Road URA					
2020	Estimated Total Taxable Value	Base Year Taxable Value	Incremental Taxable Value Available for Tax Increment	Estimated Total Increment	Increment Requested (75%)
Total	$98,592,414	$65,724,014	$32,868,400	$480,000	$360,000

(ii) 5400 South and Bangerter Highway URA: $240,000.00

5400 South Bangerter Highway CDA & URA					
2020	Estimated Total Taxable Value	Base Year Taxable Value	Incremental Taxable Value Available for Tax Increment	Estimated Total Increment	Increment Requested (75%)
Total	$65,760,744	$44,806,351	$20,954,393	$320,000	$240,000

(iii) Bennion Point EDA*: $697,500.00

Bennion Point EDA					
2020	Estimated Total Taxable Value	Base Year Taxable Value	Incremental Taxable Value Available for Tax Increment	Estimated Total Increment	Increment Requested (75%)
Total	$79,910,600	$72,318	$79,838,282	$930,000	$697,500

(iv) North Point CDA: $0.00**

North Point CDA					
2020	Estimated Total Taxable Value	Base Year Taxable Value	Incremental Taxable Value Available for Tax Increment	Estimated Total Increment	Increment Requested
Total	$41,250,000	$0	$41,250,000	$0	$0

(v) Center Point CDA: $0.00**

Center Point CDA					
2020	Estimated Total Taxable Value	Base Year Taxable Value	Incremental Taxable Value Available for Tax Increment	Estimated Total Increment	Increment Requested
Total	$215,300,000	$0	$215,300,000	$0	$0

***Note:** Bennion Point EDA has a base year of 2012. Tax increment was triggered for this area in 2018.*

****Note:** North Point CDA Project Area has a base year of 2012. Center Point CDA Project Area has a base year of 2013. Since there are no interlocal agreements in place and no tax increment has been triggered in the two CDA Project Areas, the base years are shown for reference purposes only and tax increment is **not** being calculated or requested.*

November 1 Report

SUMMARY

- UCA 17C-1-416
- Future Actions

Questions?

