

HEBER CITY CORPORATION
75 North Main Street
Heber City, UT 84032
City Council Meeting
July 20, 2021

4:00 p.m. Combined City Council/Planning Commission Meeting
7:00 p.m. Regular Meeting

**TIME AND ORDER OF ITEMS ARE APPROXIMATE AND MAY BE CHANGED AS
TIME PERMITS**

I. COMBINED CITY COUNCIL/PLANNING COMMISSION MEETING AND TRAINING - 4:00pm

1. Legislative Versus Administrative Decisions (Jordan Cullimore, Office of the Property Rights Ombudsman)
- 90 min
2. State Code and Ordinance Simplification (John Janson) - 45 min
3. Council Priorities and Vision - 30 min

BREAK - 15 min

II. REGULAR MEETING-7:00 P.M.

1. Call to Order
2. Pledge of Allegiance (Council Member Johnston)
3. Prayer/Thought by Invitation (Default: Council Member Kahler)

III. CONFLICT OF INTEREST DISCLOSURE:

IV. CONSENT AGENDA:

1. Approval of July 6, 2021 City Council Meeting Minutes (Cooke)
2. Consider Approval of Ordinance 2021-25 Adopting an Administrative Appeal Authority Amending Section 18.112 Non-Conforming Uses (Baron)

V. PUBLIC COMMENTS:

VI. ACTION ITEMS:

1. Public Hearing Regarding Grant Application to the LeRay McAllister Fund (Brower)

2. Review of Heber City Investment Portfolio with Zions Bank (Bingham) – 15 min

**RECESS AS HEBER CITY COUNCIL, CONVENE AS HEBER CITY COMMUNITY
REINVESTMENT AGENCY (CRA) BOARD**

3. Consider Approval of Agency Resolution 2021-06 Adopting the Project Area Plan for the Heber City Downtown Community Reinvestment Project Area (Brower) - 30 min
4. Consider Approval of Agency Resolution 2021-07 Adopting the Project Area Budget for the Heber City Downtown Community Reinvestment Project Area (Brower) - 30 min
5. Consider Approval of Agency Resolution 2021-08 Approving an Interlocal Agreement Between the Community Reinvestment Agency and Heber City (Brower) – 10 min

ADJOURN AS HEBER CITY CRA BOARD, RECONVENE AS HEBER CITY COUNCIL

6. Consider Approval of City Ordinance 2021-28 Adopting the Project Area Plan for the Heber City Downtown Community Reinvestment Project Area (Brower) - 5 min
7. Consider Approval of City Resolution 2021-11 Approving an Interlocal Agreement with the Heber City Community Reinvestment Agency for the Heber City Downtown Community Reinvestment Project Area (Brower) – 5 min
8. Consider Approval of Ordinance 2021-07 Accessory Dwelling Units (Kohler) - 20 min
9. Consider Approval of Resolution 2021-10 Updating the Consolidated Fee Schedule to Amend Building Department Fees (Bingham) - 5 min

VIII. CLOSED EXECUTIVE SESSION

IX. ADJOURNMENT

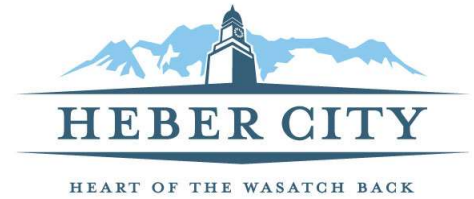
Ordinance 2006-05 allows Heber City Council Members to participate in meetings via telecommunications media.

In accordance with the Americans with Disabilities Act, those needing special accommodations during this meeting or who are non-English speaking should contact Trina Cooke at the Heber City Offices 435.657.7886 at least eight hours prior to the meeting.

Posted on July 13, 2021, in the Heber City Municipal Building located at 75 North Main, the Heber City Website at www.ci.heber.ut.us, and on the Utah Public Notice Website at <http://pmn.utah.gov>. Notice provided to the Wasatch Wave.

TAB 3

Community Reinvestment Agency Staff Report



MEETING DATE: July 20, 2021

SUBJECT: Resolution 2021-06 – Adopting the Project Area Plan for the Downtown CRA

RESPONSIBLE: Matthew Brower

DEPARTMENT: City Manager's Office

STRATEGIC RELEVANCE: Economic Development; Creation of CRA Remains Council's Top Policy Priority in 2021

SUMMARY

The Heber City Council recently established as its top policy priority the creation of a redevelopment plan to revitalize the physical, economic and social fabric of Heber's historic downtown.

The Heber City Community Reinvestment Agency has been created by Heber City and the Agency previously adopted a resolution identifying an area for study for the possible creation of a new community reinvestment project area (or "CRA").

This Resolution is the adoption of the project area plan for the new Downtown CRA. This action, along with the corresponding ordinance to be approved by the Heber City Council, approves the creation of the new Downtown CRA. The Downtown CRA is formally created shortly thereafter upon the accomplishment of a handful of post-adoption tasks by Agency staff and legal counsel.

The public hearing on this action allows the Agency to receive public input on the proposed project area plan.

RECOMMENDATION

Adopt Resolution 2021-06 approving and adopting the Community Reinvestment Project Area Plan for the Heber City Downtown Community Reinvestment Project Area.

BACKGROUND

For decades, Heber's historic downtown has languished in the absence of a long-term vision and limited private and public investment. Today, Heber's historic downtown provides few retail opportunities and little incentive for residents and visitors to visit, shop, and support. More recently, a new City Council, the adoption of a new general plan via the City's Envision Heber 2050 initiative, and UDOT's efforts to investigate and possibly build a new by-pass road around the historic downtown, have crystalized renewed interest in Heber's downtown and transitioning

it into a world-class destination. Projected growth in Wasatch County and Summit County position Heber’s downtown for significant growth in commerce, investment, and tourism related opportunities.

Utah state legislation (Utah Code Title 17C – Limited Purpose Local Government Entities - Community Reinvestment Agency Act, or the “Act”) grants certain powers to a community reinvestment agency (which is still often referred to simply as a “redevelopment agency”) beyond those granted to a county or municipality. The redevelopment agency—with certain limited exceptions—can only exercise these powers within a Community Reinvestment Area (or “CRA” or simply a “project area”).

To create a CRA, a redevelopment agency must first adopt a survey resolution identifying the area for study. After the proposed project area boundaries are established, the Agency prepares a project area plan, the contents of which are dictated by the Act. The project area plan describes a number of attributes of the project area and the surrounding areas. The project area plan also describes the Agency’s goals and vision for the project area (note that the degree of specificity in a project area plan can vary greatly depending on the project area).

Prior to adopting the project area plan, the Agency must hold a public hearing to allow all interested parties to comment on the draft plan and whether it should be adopted, amended, or rejected. Notice of this hearing is mailed to each property owner within the proposed project area and to a variety of government entities at least 30 days in advance of the hearing, all as required by the Act. Notice of the hearing is also provided on the public notice website and on the City’s website.

After the public hearing, the Agency can then adopt the project area plan. The Agency can also make changes to the draft plan based on input received at the public hearing and then adopt the plan at a later meeting. An additional hearing is not necessary unless the changes to the project area plan include adding new parcels to the proposed project area.

The Agency’s adoption of the project area plan is followed by a City ordinance adopting the plan. The project area is officially created once the Agency takes a handful of post-adoption steps as required by the Act. These actions will be handled by Agency legal counsel.

Upon the creation of the project area for the Downtown CRA, the Agency can engage in redevelopment activities within the project area and implement the project area plan. Aside from the geographic boundaries of the project area, much of the project area plan is forward-looking and the eventual reality may not match the Agency’s expectations at the time the plan was adopted.

The Agency Board (consisting of the Heber City Council) is in charge of the Agency and bears ultimate responsibility for administration of the CRA. Agreements and other significant decisions will come to the Agency Board for approval.

DISCUSSION

Resolution No. 2021-06 is the Agency Board’s approval of the project area plan for the Heber City Downtown Community Reinvestment Project Area. Upon the Agency’s approval, the Plan goes to the Heber City Council for approval by ordinance.

The Resolution itself includes findings by the Agency as required by Utah Code § 17C-5-108. The language in the Resolution is intended to be very broad so as to meet the statutory requirements without implying any limitations to the Agency's powers to administer of the Project Area. Most of this language closely tracks language in the Act. The resolution contains sections as follows:

Section 1: Legal Description. Establishes the boundaries of the Project Area. The actual description is included with the Plan that is attached to the Resolution.

Section 2: The Agency's Purposes and Intent with Respect to the Project Area. Describes, in general terms, the Agency's goals for the Project Area.

Section 3: Designation, Adoption, and Incorporation of the Plan. States that the draft Project Area Plan is adopted as the official plan for the Project Area.

Section 4: Required Findings. Makes the findings as required by the Act.

Section 5: Submission of the Official Plan to the Heber City Council for Adoption by Ordinance. Formally submits the Plan to the Heber City Council for approval.

Section 6: Recording and Transmittal. Describes the post-adoption steps to be taken by the Agency.

Section 7: Execution of the Plan. Provides formal authorization for the Agency to carry out the Plan.

Section 8: Directions to Agency Staff. Provides guidance to the Agency as to carrying out the Plan. Note that major decisions nonetheless come to the Agency Board for approval.

Section 9: Effective Date. Provides for immediate effectiveness of the Resolution.

FISCAL IMPACT

There is no fiscal impact associated with the adoption of Resolution 2021-06.

ALTERNATIVES

Table this Resolution for consideration at a later meeting.

POTENTIAL MOTIONS "I move to approve Agency Resolution 2021-06 adopting the project area plan for the Heber City Downtown Community Reinvestment Project Area"

CONTRACT ACCOUNTABILITY

Department: City Manager's Office

Staff Member: Matthew Brower

EXHIBITS

A: AGENCY RESOLUTION 2021-06 - A RESOLUTION APPROVING AND ADOPTING THE COMMUNITY REINVESTMENT PROJECT AREA PLAN FOR THE HEBER CITY DOWNTOWN COMMUNITY REINVESTMENT PROJECT AREA.

HEBER CITY COMMUNITY REINVESTMENT AGENCY

RESOLUTION NO. 2021-06

A RESOLUTION APPROVING AND ADOPTING THE COMMUNITY REINVESTMENT PROJECT AREA PLAN FOR THE HEBER CITY DOWNTOWN COMMUNITY REINVESTMENT PROJECT AREA.

WHEREAS, pursuant to the provisions of the Utah Limited Purpose Local Government Entities - Community Reinvestment Agency Act (the “**Act**”), specifically Utah Code Annotated (“**UCA**”) § 17C-5, the Heber City Community Reinvestment Agency (the “**Agency**”) adopted a resolution designating a survey area, which was to become the Heber City Downtown Community Reinvestment Project Area (“**Project Area**”), and calling for the preparation of a project area plan and budget; and

WHEREAS, the draft Project Area Plan (the “**Draft Plan**”), having been prepared for the Project Area pursuant to UCA § 17C-5-105, the Agency held, on July 6, 2021 a duly noticed public hearing pursuant to UCA § 17C-5-104 to allow public comment on the Draft Plan and whether it should be revised, approved, or rejected; and to receive all written and hear all oral objections to the Draft Plan; and

WHEREAS, having received and heard all commentary on and objections, orally and in writing, to the Draft Plan submitted for its consideration, the Agency has passed upon such objections as it has received and has made such modifications, amendments, and/or emendations to the Draft Plan as it deems appropriate, if any; and

WHEREAS, the Agency has made relevant findings concerning the amount of opposition, if any, to the Draft Plan by owners of real property within the Project Area.

THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE HEBER CITY COMMUNITY REINVESTMENT AGENCY AS FOLLOWS:

1. Legal Description.

The boundaries of the Project Area are described in the Project Area Plan, attached hereto as **Exhibit A**.

2. The Agency's Purposes and Intent with Respect to the Project Area.

The purposes and intent of the Agency with respect to the Project Area are as follows:

2.1. To satisfy the purposes of the Act, as defined therein, by promoting, creating, and/or retaining jobs through the planning, design, development, construction, rehabilitation, or business relocation within the Project Area, as well as the provision of office, industrial, manufacturing, warehousing, distribution, parking, public, or other facilities, or other improvements that benefit the state or a community;

2.2. to increase the City's tax base as well as its commercial front so as to improve both opportunity and quality of life for all of its citizens;

2.3. to promote, encourage, and bring to fruition, the development within the Project Area of a commercial development comprised of up-scale, reputable commercial concerns;

2.4. to stimulate the economy within the Project Area and in the surrounding area;

2.5. to provide for the installation of needed infrastructure, if and as necessary, for development within the Project Area;

2.6. to take any or all additional steps which may be appropriate or necessary to promote or further the aim of improving the Project Area (and, indirectly, of surrounding areas).

3. Designation, Adoption, and Incorporation of the Plan.

The Draft Plan for the Project Area (attached as **Exhibit A**) is hereby designated the *Official Plan for the Heber City Downtown Community Reinvestment Project Area* (the "**Official Plan**"), and is incorporated herein by this reference.

The Agency hereby officially approves and adopts the Official Plan for the Heber City Downtown Community Reinvestment Project Area.

4. Required Findings.

4.1. A need exists to effectuate a public purpose; to wit, the exercise of the statutorily enacted community reinvestment mechanism for the benefit of the citizens of Heber City.

4.2. Benefit to the public shall accrue from the execution of the Official Plan, as each project undertaken thereunder shall be subject to the analysis described in Utah Code § 17C-5-105(2).

4.3. The adoption and carrying out of the Official Plan are economically sound and feasible.

4.4. The Official Plan conforms to the City's General Plan.

4.5. Carrying out the Official Plan will promote the public peace, health, safety, and welfare of Heber City and its residents.

5. Submission of the Official Plan to the Heber City Council for Adoption by Ordinance.

5.1. Pursuant to Utah Code §§ 17C-5-104 & -109, the Agency Board hereby submits the Official Plan to the Heber City Council for review and adoption.

6. Recording and Transmittal.

6.1. Pursuant to Utah Code § 17C-5-111, Agency Staff are hereby directed and authorized to take the following actions within 30 days after adoption of the Official Plan by the Heber City Council:

a. to record with the Wasatch County Recorder a document containing a description of the land within the Project Area, a statement that the Official Plan for the Project Area has been adopted; and the date of its adoption by the Heber City Council; and

b. to transmit a copy of the description of the land within the Project Area, a copy of the City ordinance adopting the Official Plan, and a map indicating the boundaries of the Project Area to each of the following: (i) the auditor and assessor of the county in which the Project Area is located; (ii) the officer or officers performing the function of auditor or assessor for each taxing entity, if any, that does not use the county assessment roll or collect its taxes through the county; (iii) the legislative body or governing board of each taxing entity; (iv) the State Tax Commission; and (v) the State Board of Education.

7. Execution of the Plan.

7.1. Following adoption of the Official Plan by the Heber City Council, the Agency shall proceed to carry out the Plan.

8. Directions to Agency Staff.

8.1. The Agency staff are hereby directed and authorized to take all such actions as necessary to effectuate the purposes and aims of this resolution.

9. Effective Date

9.1. This Resolution shall take effect upon its adoption.

APPROVED AND ADOPTED on the 6th day of July, 2021.

	AYE	NAY	ABSENT	ABSTAIN
Heidi Franco	_____	_____	_____	_____
Wayne Hardman	_____	_____	_____	_____
Mike Johnston	_____	_____	_____	_____
Rachel Kahler	_____	_____	_____	_____
Ryan Stack	_____	_____	_____	_____

**HEBER CITY COMMUNITY
REINVESTMENT AGENCY**

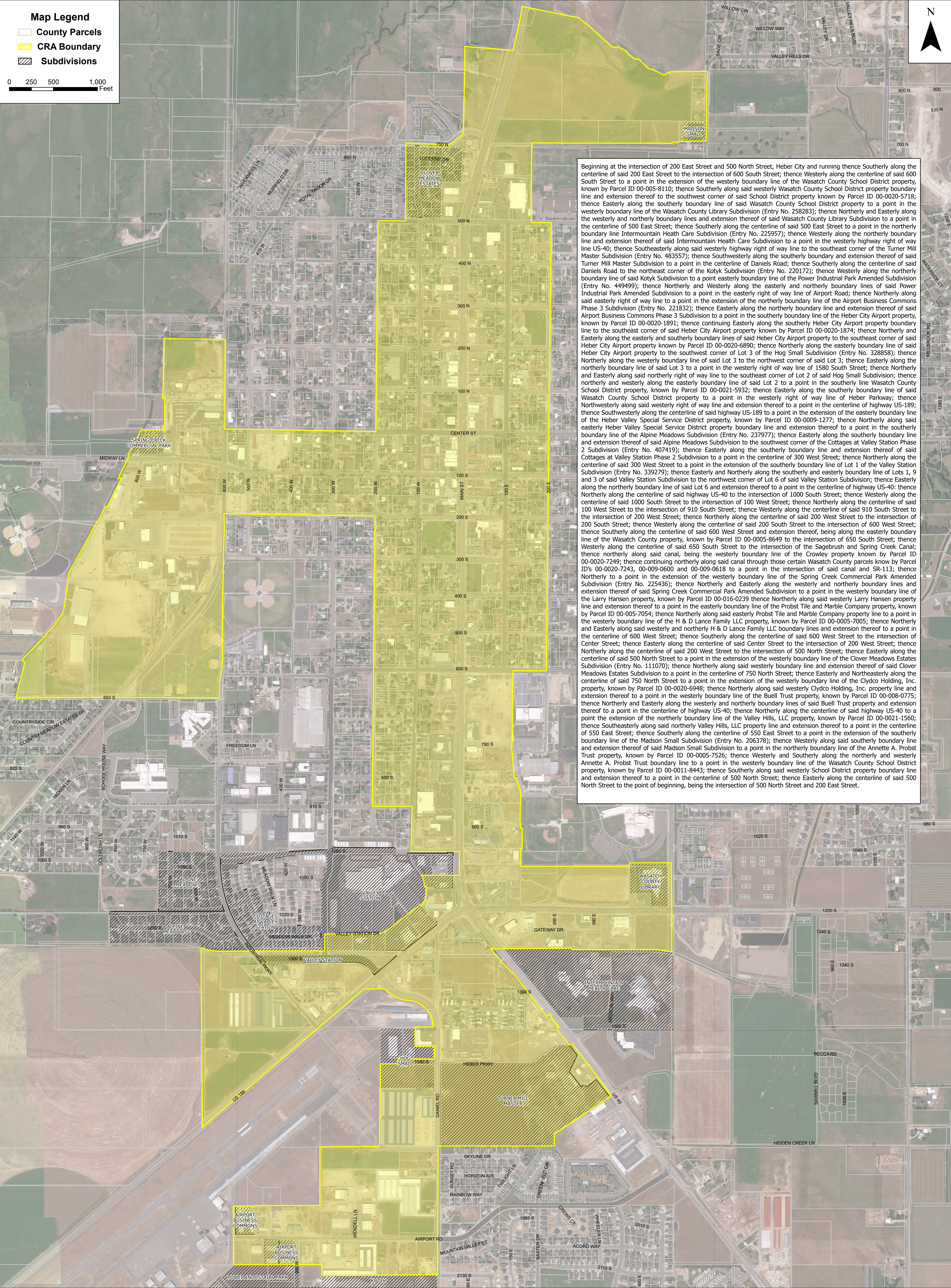
Kelleen Potter, Chair

ATTEST:

Trina Cooke, Secretary

EXHIBIT A

Heber City Downtown Community Reinvestment Project Area Plan



HEBER CITY COMMUNITY REDEVELOPMENT AREA BOUNDARY DESCRIPTION

Beginning at the intersection of 200 East Street and 500 North Street, Heber City and running thence Southerly along the centerline of said 200 East Street to the intersection of 600 South Street; thence Westerly along the centerline of said 600 South Street to a point in the extension of the westerly boundary line of the Wasatch County School District property, known by Parcel ID 00-005-8110; thence Southerly along said westerly Wasatch County School District property boundary line and extension thereof to the southwest corner of said School District property known by Parcel ID 00-0020-5718; thence Easterly along the southerly boundary line of said Wasatch County School District property to a point in the westerly boundary line of the Wasatch County Library Subdivision (Entry No. 258283); thence Northerly and Easterly along the westerly and northerly boundary lines and extension thereof of said Wasatch County Library Subdivision to a point in the centerline of 500 East Street; thence Southerly along the centerline of said 500 East Street to a point in the northerly boundary line Intermountain Heath Care Subdivision (Entry No. 225957); thence Westerly along the northerly boundary line and extension thereof of said Intermountain Health Care Subdivision to a point in the westerly highway right of way line US-40; thence Southeasterly along said westerly highway right of way line to the southeast corner of the Turner Mill Master Subdivision (Entry No. 483557); thence Southwesterly along the southerly boundary and extension thereof of said Turner Mill Master Subdivision to a point in the centerline of Daniels Road; thence Southerly along the centerline of said Daniels Road to the northeast corner of the Kotyk Subdivision (Entry No. 220172); thence Westerly along the northerly boundary line of said Kotyk Subdivision to a point easterly boundary line of the Power Industrial Park Amended Subdivision (Entry No. 449499); thence Northerly and Westerly along the easterly and northerly boundary lines of said Power Industrial Park Amended Subdivision to a point in the easterly right of way line of Airport Road; thence Northerly along said easterly right of way line to a point in the extension of the northerly boundary line of the Airport Business Commons Phase 3 Subdivision (Entry No. 221832); thence Easterly along the northerly boundary line and extension thereof of said Airport Business Commons Phase 3 Subdivision to a point in the southerly boundary line of the Heber City Airport property, known by Parcel ID 00-0020-1891; thence continuing Easterly along the southerly Heber City Airport property boundary line to the southeast corner of said Heber City Airport property known by Parcel ID 00-0020-1874; thence Northerly and Easterly along the easterly and southerly boundary lines of said Heber City Airport property to the southeast corner of said Heber City Airport property known by Parcel ID 00-0020-6890; thence Northerly along the easterly boundary line of said Heber City Airport property to the southwest corner of Lot 3 of the Hog Small Subdivision (Entry No. 328858); thence Northerly along the westerly boundary line of said Lot 3 to the northwest corner of said Lot 3; thence Easterly along the northerly boundary line of said Lot 3 to a point in the westerly right of way line of

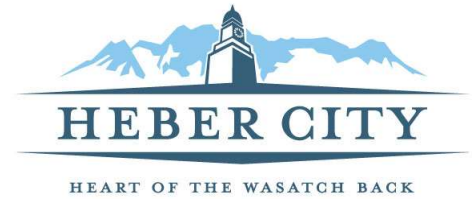
1580 South Street; thence Northerly and Easterly along said northerly right of way line to the southeast corner of Lot 2 of said Hog Small Subdivision; thence northerly and westerly along the easterly boundary line of said Lot 2 to a point in the southerly line Wasatch County School District property, known by Parcel ID 00-0021-5932; thence Easterly along the southerly boundary line of said Wasatch County School District property to a point in the westerly right of way line of Heber Parkway; thence Northwesterly along said westerly right of way line and extension thereof to a point in the centerline of highway US-189; thence Southwesterly along the centerline of said highway US-189 to a point in the extension of the easterly boundary line of the Heber Valley Special Service District property, known by Parcel ID 00-0009-1277; thence Northerly along said easterly Heber Valley Special Service District property boundary line and extension thereof to a point in the southerly boundary line of the Alpine Meadows Subdivision (Entry No. 237977); thence Easterly along the southerly boundary line and extension thereof of said Alpine Meadows Subdivision to the southwest corner of the Cottages at Valley Station Phase 2 Subdivision (Entry No. 407419); thence Easterly along the southerly boundary line and extension thereof of said Cottages at Valley Station Phase 2 Subdivision to a point in the centerline of 300 West Street; thence Northerly along the centerline of said 300 West Street to a point in the extension of the southerly boundary line of Lot 1 of the Valley Station Subdivision (Entry No. 339279); thence Easterly and Northerly along the southerly and easterly boundary line of Lots 1, 9 and 3 of said Valley Station Subdivision to the northwest corner of Lot 6 of said Valley Station Subdivision; thence Easterly along the northerly boundary line of said Lot 6 and extension thereof to a point in the centerline of highway US-40; thence Northerly along the centerline of said highway US-40 to the intersection of 1000 South Street; thence Westerly along the centerline of said 1000 South Street to the intersection of 100 West Street; thence Northerly along the centerline of said 100 West Street to the intersection of 910 South Street; thence Westerly along the centerline of said 910 South Street to the intersection of 200 West Street; thence Northerly along the centerline of said 200 West Street to the intersection of 200 South Street; thence Westerly along the centerline of said 200 South Street to the intersection of 600 West Street; thence Southerly along the centerline of said 600 West Street and extension thereof, being along the easterly boundary line of the Wasatch County property, known by Parcel ID 00-0005-8649 to the intersection of 650 South Street; thence Westerly along the centerline of said 650 South Street to the intersection of the Sagebrush and Spring Creek Canal; thence northerly along said canal, being the westerly boundary line of the Crowley property known by Parcel ID 00-0020-7249; thence continuing northerly along said canal through those certain Wasatch County parcels know by Parcel ID's 00-0020-7243, 00-009-0600 and 00-009-0618 to a point in the intersection of said canal and SR-113; thence Northerly to a point in the extension of the westerly boundary line of the Spring Creek Commercial Park Amended Subdivision (Entry No. 225436); thence Northerly and Easterly along the westerly and northerly boundary lines and extension thereof of said Spring Creek Commercial Park Amended Subdivision to a point in the westerly boundary line of the Larry Hansen property, known by Parcel ID 00-016-0239 thence Northerly along said westerly Larry Hansen property line and extension thereof to a point in the easterly boundary line of the Probst

Tile and Marble Company property, known by Parcel ID 00-005-7054; thence Northerly along said easterly Probst Tile and Marble Company property line to a point in the westerly boundary line of the H & D Lance Family LLC property, known by Parcel ID 00-0005-7005; thence Northerly and Easterly along said westerly and northerly H & D Lance Family LLC boundary lines and extension thereof to a point in the centerline of 600 West Street; thence Southerly along the centerline of said 600 West Street to the intersection of Center Street; thence Easterly along the centerline of said Center Street to the intersection of 200 West Street; thence Northerly along the centerline of said 200 West Street to the intersection of 500 North Street; thence Easterly along the centerline of said 500 North Street to a point in the extension of the westerly boundary line of the Clover Meadows Estates Subdivision (Entry No. 111070); thence Northerly along said westerly boundary line and extension thereof of said Clover Meadows Estates Subdivision to a point in the centerline of 750 North Street; thence Easterly and Northeasterly along the centerline of said 750 North Street to a point in the extension of the westerly boundary line of the Clydco Holding, Inc. property, known by Parcel ID 00-0020-6948; thence Northerly along said westerly Clydco Holding, Inc. property line and extension thereof to a point in the westerly boundary line of the Buell Trust property, known by Parcel ID 00-008-0775; thence Northerly and Easterly along the westerly and northerly boundary lines of said Buell Trust property and extension thereof to a point in the centerline of highway US-40; thence Northerly along the centerline of said highway US-40 to a point the extension of the northerly boundary line of the Valley Hills, LLC property, known by Parcel ID 00-0021-1560; thence Southeasterly along said northerly Valley Hills, LLC property line and extension thereof to a point in the centerline of 550 East Street; thence Southerly along the centerline of 550 East Street to a point in the extension of the southerly boundary line of the Madson Small Subdivision (Entry No. 206378); thence Westerly along said southerly boundary line and extension thereof of said Madson Small Subdivision to a point in the northerly boundary line of the Annette A. Probst Trust property, known by Parcel ID 00-0005-7526; thence Westerly and Southerly along the northerly and westerly Annette A. Probst Trust boundary line to a point in the westerly boundary line of the Wasatch County School District property, known by Parcel ID 00-0011-8443; thence Southerly along said westerly School District property boundary line and extension thereof to a point in the centerline of 500 North Street; thence Easterly along the centerline of said 500 North Street to the point of beginning, being the intersection of 500 North Street and 200 East Street.

Prepared by:
Scott Bishop, PS (UT 6077910)
Horrocks Engineers
July 16, 2021

TAB 4

Community Reinvestment Agency Staff Report



MEETING DATE: July 20, 2021

SUBJECT: Resolution 2021-07 – Adopting the Project Area Budget for the Downtown CRA

RESPONSIBLE: Matthew Brower

DEPARTMENT: City Manager's Office

STRATEGIC RELEVANCE: Economic Development; Creation of CRA Remains Council's Top Policy Priority in 2021

SUMMARY

The Heber City Council recently established as its top policy priority the creation of a redevelopment plan to revitalize the physical, economic and social fabric of Heber's historic downtown.

The Heber City Community Reinvestment Agency has been created by Heber City and the Agency has previously adopted a resolution identifying a area for study for the possible creation of a new community reinvestment project area (or "CRA").

This Resolution is the adoption of the project area budget for the new Downtown CRA. The project area budget is essentially the Agency's financial projections for development within the Downtown CRA

The public hearing on this action allows the Agency to receive public input on the proposed project area budget.

RECOMMENDATION

Adopt Resolution 2021-07 approving and adopting the Community Reinvestment Project Area Budget for the Heber City Downtown Community Reinvestment Project Area.

BACKGROUND

A project area budget is required for every community reinvestment project area created under Utah Code Title 17C – Limited Purpose Local Government Entities - Community Reinvestment Agency Act (the "Act"). In a CRA in which the redevelopment agency has no eminent domain power (such as this Downtown CRA), the project area budget is primarily financial projections based on the Agency's current expectations for future development within the project area. In this case, the project area budget does not govern the sharing of tax increment with the redevelopment agency as that is handled through interlocal agreements between the agency and the taxing entities.

However, for project areas in which a redevelopment agency is seeking the limited eminent domain power authorized under the Act, the project area budget *does* control the flow of tax increment generated within the project area. In such a case, the project area budget must be approved by a “taxing entity committee” made up of representatives of the various taxing entities.

Note that a “project area budget” is entirely different from the annual budget for the Agency (or the City). Whereas the annual budget deals with overall finances of the Agency, the project area budget deals solely with a particular project area and the content of the project area budget is dictated by the Act.

The project area budget must contain certain information as required by Utah Code § 17C-5-303, summarized below:

1. Base taxable value of property within the project area
2. Projected amount of tax increment generated
3. Term during which the agency will collect tax increment
4. Area from which tax increment will be collected
5. Percentage of tax increment the agency will receive
6. Details of sales tax increment collected by the agency, if any
7. Details of the use of collected tax increment, to the extent known
8. Amount of tax increment that will be used to fund agency overhead/operation
9. Details of any property owned by the agency

Most of these details are also incorporated into the interlocal agreements with the taxing entities (base value, years, percentages, etc.). The future projections as to the amount of tax increment to be generated will likely significantly differ from reality, especially over the long term.

Prior to adopting the project area budget, the Agency must hold a public hearing to allow all interested parties to comment on the draft budget and whether it should be adopted, amended, or rejected. Notice of this hearing is mailed to each property owner within the proposed project area and to a variety of government entities at least 30 days in advance of the hearing, all as required by the Act. Notice of the hearing is also provided on the public notice website and on the City’s website. This hearing will be combined with the hearing on the project area plan for the Downtown CRA.

After the public hearing, the Agency can then adopt the project area budget. The Agency can also make changes to the draft budget based on input received at the public hearing and then adopt the budget at a later meeting.

Unlike the project area plan, the budget does not go to the Heber City Council for approval. The City will, however, decide whether to approve the interlocal agreement with the Agency, the anticipated details of which are reflected in the project area budget.

The various taxing entities must consent to the project area budget; this consent is included in the draft interlocal agreements with taxing entities so as to reduce the administrative burden of complying with the Act’s requirements.

DISCUSSION

Resolution No. 2021-07 is the Agency Board's approval of the project area budget for the Heber City Downtown Community Reinvestment Project Area.

The resolution itself is fairly simple as the Act does not require that the Agency make specific findings relating to the budget. The resolution contains sections as follows:

Section 1: Acknowledgement that the Agency has received all comments on the draft budget.

Section 2: Formal adoption of the project area budget for the Downtown CRA.

Section 3: Authorization for the Agency to take required post-adoption steps.

Section 4: Provides for immediate effectiveness of the Resolution.

FISCAL IMPACT

There is no fiscal impact associated with the adoption of Resolution 2021-07.

ALTERNATIVES

Table this Resolution for consideration at a later meeting.

POTENTIAL MOTIONS "I move to approve Agency Resolution 2021-07 adopting the project area budget for the Heber City Downtown Community Reinvestment Project Area"

CONTRACT ACCOUNTABILITY

Department: City Manager's Office

Staff Member: Matthew Brower

EXHIBITS

A: AGENCY RESOLUTION 2021-07 - A RESOLUTION APPROVING AND ADOPTING THE COMMUNITY REINVESTMENT PROJECT AREA BUDGET FOR THE HEBER CITY DOWNTOWN COMMUNITY REINVESTMENT PROJECT AREA.

HEBER CITY COMMUNITY REINVESTMENT AGENCY

RESOLUTION NO. 2021-07

A RESOLUTION APPROVING AND ADOPTING THE COMMUNITY REINVESTMENT PROJECT AREA BUDGET FOR THE HEBER CITY DOWNTOWN COMMUNITY REINVESTMENT PROJECT AREA.

WHEREAS, pursuant to the provisions of the Utah Limited Purpose Local Government Entities - Community Reinvestment Agency Act (the “**Act**”), specifically Utah Code Annotated (“UCA”) § 17C-5, the Heber City Community Reinvestment Agency (the “**Agency**”) adopted a resolution designating a survey area, which was to become the Heber City Downtown Community Reinvestment Project Area (“**Project Area**”), and calling for the preparation of a project area plan and budget; and

WHEREAS, pursuant to the provisions of the Utah Community Reinvestment Agency Act (the “**Act**”), specifically Utah Code Annotated (“UCA”) § 17C-5, on July 1, 2021 the Agency approved the Community Reinvestment Project Area Plan for the Project Area after holding a duly-noticed public hearing; and

WHEREAS, the Agency has prepared a Project Area Budget (the “**Budget**”) for the Project Area as required by the Act; and

WHEREAS, the Budget having been prepared for the Project Area pursuant to the Act, the Agency made the Budget publicly available and provided notice of the budget hearing as required by the Act; and

WHEREAS, the Agency held, on July 1, 2021 a duly-noticed public hearing pursuant to UCA § 17C-5-302 to allow public comment on the Budget and whether it should be revised, approved, or rejected, and to receive all written and hear all oral objections to the Budget; and

WHEREAS, having received and heard all commentary on and objections to the Budget submitted for its consideration, the Agency has passed upon such objections as it has received and has made such modifications, amendments, and/or emendations to the Budget as it deems appropriate, if any; and

WHEREAS, pursuant to UCA § 17C-5-304, the Budget remains subject to approval by the entities that levy taxes within the Project Area that enter into interlocal agreements with the Agency for the Project Area before the Agency may collect project area funds from the Project Area; and

WHEREAS the Agency now desires to formally adopt the Budget as the official budget for the Project Area.

THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE HEBER CITY COMMUNITY REINVESTMENT AGENCY AS FOLLOWS:

1. The Agency has received all comments and objections to the draft Budget.
2. The Budget attached hereto as **Exhibit A** is hereby adopted as the official budget for the Heber City Downtown Community Reinvestment Project Area.
3. Agency staff are hereby authorized to take all actions necessary, including those actions required by UCA § 17C-5-305, to carry out the purposes of this resolution.
4. This resolution shall be effective upon adoption.

APPROVED AND ADOPTED on the 6th day of July, 2021.

	AYE	NAY	ABSENT	ABSTAIN
Heidi Franco	_____	_____	_____	_____
Wayne Hardman	_____	_____	_____	_____
Mike Johnston	_____	_____	_____	_____
Rachel Kahler	_____	_____	_____	_____
Ryan Stack	_____	_____	_____	_____

**HEBER CITY COMMUNITY
REINVESTMENT AGENCY**

Kelleen Potter, Chair

ATTEST:

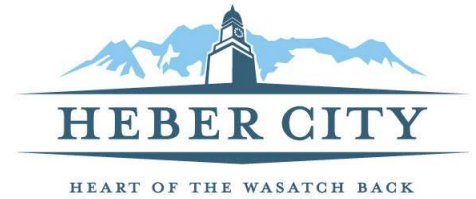
Trina Cooke, Secretary

EXHIBIT A

Heber City Downtown Community Reinvestment Project Area Budget

TAB 5

Community Reinvestment Agency Staff Report



MEETING DATE: July 20, 2021

SUBJECT: Resolution 2021-08 – Approving an interlocal agreement with Heber City for the Downtown CRA

RESPONSIBLE: Matthew Brower

DEPARTMENT: City Manager's Office

STRATEGIC RELEVANCE: Economic Development; Creation of CRA Remains Council's Top Policy Priority in 2021

SUMMARY

With the creation of the Downtown Community Reinvestment Project Area approved by both the Agency and the City Council, the Agency is ready to negotiate the distribution of tax increment generated by new development within the Downtown CRA. In order to receive tax increment generated within the Downtown CRA, the Agency must enter into interlocal agreements with the participating taxing entities. These agreements establish the terms under which the Agency receives tax increment. This Resolution is the Agency's approval of the interlocal agreement with Heber City. The City Council must likewise approve and execute the agreement before it becomes effective.

RECOMMENDATION

Adopt Resolution 2021-08 approving an interlocal agreement with Heber City for the Heber City Downtown Community Reinvestment Project Area.

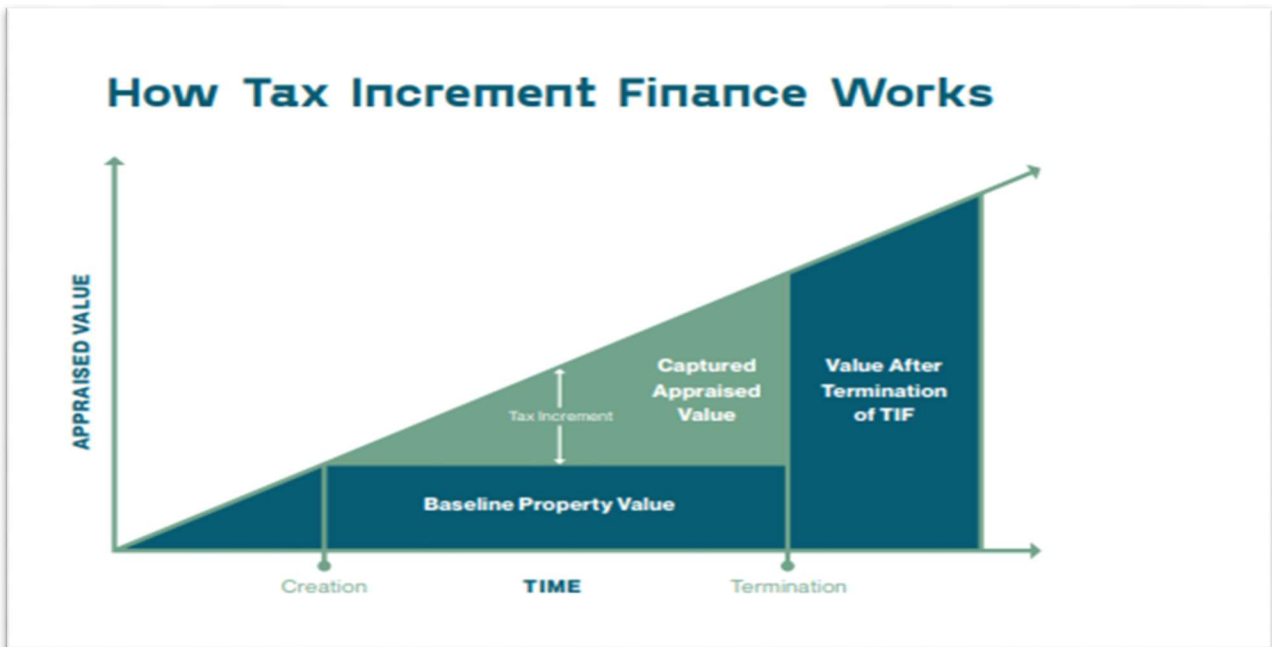
BACKGROUND

Please refer to the staff report for Agency Resolution 2021-06 for discussion of the need for a CRA and the CRA creation process.

Upon the creation of the Downtown CRA, the Agency can engage in redevelopment activities within the project area and implement the project area plan. The Agency's powers to engage in such activities are established (and limited) by statute. In order to engage in such activities and promote development within the Project Area, the Agency needs sufficient funding. Agency funding can come from a variety of sources, including City general fund expenditures. Most funding for redevelopment activities throughout Utah comes through taxing entities sharing a

portion of the tax increment generated within the project area with the redevelopment agency. Tax increment generally refers to new property tax revenues (from both real and personal property) generated by taxable value growth within the project area. Taxing entities can also share sales taxes (and even other revenues) with a redevelopment agency; however, this is less common than sharing property tax increment.

Tax increment is essentially the new tax revenues generated within a redevelopment project area. These new revenues are created by increased taxable values within a project area from (re)development. The figure below is a visual representation of the tax increment calculation.



An effective CRA requires the participation of the taxing entities that have taxing authority within the project area. These entities continue to receive base taxes (taxes that are existing prior to creation of a CRA), as well as a negotiated portion of the generated increment for some number of future years. At the end of the tax increment collection period as established by interlocal agreements, taxes return to the entities in full. All generated tax increment is required to be spent within the project area (with certain exceptions for expenditures outside the project area that are necessary for development within the project area).

A CRA does not result in increased property tax rates for area residents. It merely allows for a capture of property taxes that are generated from increased values due to new investment in the area, with that capture to be spent within the area. Participation from all taxing entities allows for much greater impact to the area than would be possible if funding were solely through the city. All taxing entities likewise receive the benefits of increases in taxable value from development within the project area.

DISCUSSION

Resolution No. 2021-08 is the Agency Board's approval of the interlocal agreement with Heber City. This agreement must likewise be approved by the City Council; the Agency cannot force the City or any other taxing entity to share tax increment from the Downtown CRA. Similar resolutions will be presented to the Board for interlocal agreements with other taxing entities as those negotiations proceed.

The interlocal agreement allows the Agency to receive 80 percent of the tax increment generated within the Downtown CRA for a period of up to 20 years. The agreement is structured such that December 31, 2041 is a hard cutoff date for tax increment meaning the Agency must start collecting tax increment on January 1, 2022 in order to collect the full 20 years of increment. The "base year value" for calculating tax increment is the value of all taxable property within the Downtown CRA as of January 1, 2021 (in other words, the current value of the taxable property in the Project Area). Note that if the total taxable value within the CRA falls below the base year value for whatever reason, the Agency will not receive any tax increment revenue until the total value exceeds the base year value.

Of the tax increment received under the interlocal agreement, the Agency is required to set aside ten percent to be used for affordable housing related purposes as described in Utah Code § 17C-1-412. The purposes authorized under that section are generally related to affordable housing, although the statute allows for use for a variety of other specific purposes as well. A copy of § 17C-1-412 is attached to this staff report as an exhibit.

Other key terms in the interlocal agreement are as follows:

- Tax increment may be used by the Agency for all purposes authorized by the Community Reinvestment Agency Act.
- If the Agency is unable to utilize the full amount of tax increment received, the remainder is to be returned to the taxing entity.
- The City consents to the project area budget as adopted by the Agency (refer to staff report on Agency Resolution 2021-07 for discussion of the project area budget).

The other terms of the interlocal agreement are general contract "boilerplate" and provisions to ensure compliance with the Interlocal Cooperation Act.

The Resolution itself includes approves the interlocal agreement and deals with certain other requirements of the Utah Interlocal Cooperation Act (Utah Code § 11-13-101 *et seq.*). The resolution contains sections as follows:

Section 1: Approval of the interlocal agreement, which is attached as an exhibit to the Resolution.

Section 2: Authorization for the Chair to make such minor changes as may be necessary prior to execution.

Section 3: Requires that the interlocal agreement be reviewed by Agency legal counsel.

Section 4: Requires that a copy of the agreement be filed with Agency records as required by statute.

Section 5: Provides that the interlocal agreement is effective upon posting of the required notices.

Section 6: Provides for immediate effectiveness of the Resolution.

FISCAL IMPACT

The adoption of Resolution 2021-08 and execution of the interlocal agreement with Heber City will provide partial funding for the Agency's project area development activities within the Downtown CRA. The amount of funds received by the Agency under the interlocal agreement is dependent on future development occurring within the Downtown CRA.

ALTERNATIVES

Table this Resolution for consideration at a later meeting.

POTENTIAL MOTIONS "I move to approve Agency Resolution 2021-08 approving an interlocal agreement with Heber City for the Heber City Downtown Community Reinvestment Project Area"

CONTRACT ACCOUNTABILITY

Department: City Manager's Office

Staff Member: Matthew Brower

EXHIBITS

A: AGENCY RESOLUTION 2021-08 - A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT WITH HEBER CITY FOR THE HEBER CITY DOWNTOWN COMMUNITY REINVESTMENT PROJECT AREA.

B: Utah Code § 17C-1-412 (Use of CRA housing allocation).

EXHIBIT "A"

HEBER CITY COMMUNITY REINVESTMENT AGENCY

RESOLUTION NO. 2021-08

A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT WITH HEBER CITY FOR THE HEBER CITY DOWNTOWN COMMUNITY REINVESTMENT PROJECT AREA

WHEREAS pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “**Act**”), public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into mutually advantageous agreements for joint and cooperative actions, including the sharing of tax and other revenues; and

WHEREAS the Heber City Community Reinvestment Agency (the “**Agency**”) and Heber City, (the “**Taxing Entity**”) are “public agencies” for purposes of the Act; and

WHEREAS the Agency has adopted a Project Area Plan (the “**Plan**”) for the Heber City Downtown Community Reinvestment Project Area (the “**Project Area**”); and

WHEREAS after careful analysis and consideration of relevant information, the Agency desires to enter into an interlocal agreement with the Taxing Entity (the “**Interlocal Agreement**”) whereby the Taxing Entity consents to the Agency receiving for an extended period of time a portion of the tax increment produced by the Taxing Entity’s levy on real and personal property within the Project Area; and

WHEREAS Section 11-13-202.5 of the Act requires that certain interlocal agreements be approved by resolution of the legislative body of a public agency.

THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE HEBER CITY COMMUNITY REINVESTMENT AGENCY AS FOLLOWS:

1. The Interlocal Agreement with the Taxing Entity, substantially in the form attached hereto as **Exhibit A**, is approved and shall be executed by the Agency.

2. The Chair shall make such additions, changes, and emendations as the Chair deems necessary prior to the execution of the Interlocal Agreement, so long as such changes do not materially alter the terms of the Interlocal Agreement.

3. Pursuant to Section 11-13-202.5 of the Act, the Interlocal Agreement has been submitted, or will be submitted prior to execution, to legal counsel of the Agency for review and approval as to form and legality.

4. Pursuant to Section 11-13-209 of the Act and upon full execution of the Interlocal Agreement, a copy thereof shall be filed immediately with the keeper of records of the Agency.

5. The Interlocal Agreement shall be effective on the date of the notice required by Utah Code § 17C-5-205.

6. This Resolution shall take effect upon adoption.

APPROVED AND ADOPTED on the 6th day of July, 2021.

	AYE	NAY	ABSENT	ABSTAIN
Heidi Franco	_____	_____	_____	_____
Wayne Hardman	_____	_____	_____	_____
Mike Johnston	_____	_____	_____	_____
Rachel Kahler	_____	_____	_____	_____
Ryan Stack	_____	_____	_____	_____

**HEBER CITY COMMUNITY
REINVESTMENT AGENCY**

Kelleen Potter, Chair

ATTEST:

Trina Cooke, City Recorder

EXHIBIT B

17C-1-412 Use of housing allocation -- Separate accounting required -- Issuance of bonds for housing -- Action to compel agency to provide housing allocation.

(1)

- (a) An agency shall use the agency's housing allocation to:
 - (i) pay part or all of the cost of land or construction of income targeted housing within the boundary of the agency, if practicable in a mixed income development or area;
 - (ii) pay part or all of the cost of rehabilitation of income targeted housing within the boundary of the agency;
 - (iii) lend, grant, or contribute money to a person, public entity, housing authority, private entity or business, or nonprofit corporation for income targeted housing within the boundary of the agency;
 - (iv) plan or otherwise promote income targeted housing within the boundary of the agency;
 - (v) pay part or all of the cost of land or installation, construction, or rehabilitation of any building, facility, structure, or other housing improvement, including infrastructure improvements, related to housing located in a project area where a board has determined that a development impediment exists;
 - (vi) replace housing units lost as a result of the project area development;
 - (vii) make payments on or establish a reserve fund for bonds:
 - (A) issued by the agency, the community, or the housing authority that provides income targeted housing within the community; and
 - (B) all or part of the proceeds of which are used within the community for the purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
 - (viii) if the community's fair share ratio at the time of the first adoption of the project area budget is at least 1.1 to 1.0, make payments on bonds:
 - (A) that were previously issued by the agency, the community, or the housing authority that provides income targeted housing within the community; and
 - (B) all or part of the proceeds of which were used within the community for the purposes stated in Subsection (1)(a)(i), (ii), (iii), (iv), (v), or (vi);
 - (ix) relocate mobile home park residents displaced by project area development;
 - (x) subject to Subsection (7), transfer funds to a community that created the agency; or
 - (xi) pay for or make a contribution toward the acquisition, construction, or rehabilitation of housing that:
 - (A) is located in the same county as the agency;
 - (B) is owned in whole or in part by, or is dedicated to supporting, a public nonprofit college or university; and
 - (C) only students of the relevant college or university, including the students' immediate families, occupy.
- (b) As an alternative to the requirements of Subsection (1)(a), an agency may pay all or any portion of the agency's housing allocation to:
 - (i) the community for use as described in Subsection (1)(a);
 - (ii) a housing authority that provides income targeted housing within the community for use in providing income targeted housing within the community;
 - (iii) a housing authority established by the county in which the agency is located for providing:
 - (A) income targeted housing within the county;
 - (B) permanent housing, permanent supportive housing, or a transitional facility, as defined in Section 35A-5-302, within the county; or
 - (C) homeless assistance within the county;

(iv) the Olene Walker Housing Loan Fund, established under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund, for use in providing income targeted housing within the community; or
(v) pay for or make a contribution toward the acquisition, construction, or rehabilitation of income targeted housing that is outside of the community if the housing is located along or near a major transit investment corridor that services the community and the related project has been approved by the community in which the housing is or will be located.

(2)

(a) An agency may combine all or any portion of the agency's housing allocation with all or any portion of one or more additional agency's housing allocations if the agencies execute an interlocal agreement in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

(b) An agency that has entered into an interlocal agreement as described in Subsection (2)(a), meets the requirements of Subsection (1)(a) or (1)(b) if the use of the housing allocation meets the requirements for at least one agency that is a party to the interlocal agreement.

(3) The agency shall create a housing fund and separately account for the agency's housing allocation, together with all interest earned by the housing allocation and all payments or repayments for loans, advances, or grants from the housing allocation.

(4) An agency may:

(a) issue bonds to finance a housing-related project under this section, including the payment of principal and interest upon advances for surveys and plans or preliminary loans; and

(b) issue refunding bonds for the payment or retirement of bonds under Subsection (4)(a) previously issued by the agency.

(5)

(a) Except as provided in Subsection (5)(b), an agency shall allocate money to the housing fund each year in which the agency receives sufficient tax increment to make a housing allocation required by the project area budget.

(b) Subsection (5)(a) does not apply in a year in which tax increment is insufficient.

(6)

(a) Except as provided in Subsection (5)(b), if an agency fails to provide a housing allocation in accordance with the project area budget and the housing plan adopted under Subsection 17C-2-204(2), the loan fund board may bring legal action to compel the agency to provide the housing allocation.

(b) In an action under Subsection (6)(a), the court:

(i) shall award the loan fund board reasonable attorney fees, unless the court finds that the action was frivolous; and

(ii) may not award the agency the agency's attorney fees, unless the court finds that the action was frivolous.

(7) For the purpose of offsetting the community's annual local contribution to the Homeless Shelter Cities Mitigation Restricted Account, the total amount an agency transfers in a calendar year to a community under Subsections (1)(a)(x), 17C-1-409(1)(a)(v), and 17C-1-411(1)(d) may not exceed the community's annual local contribution as defined in Section 35A-8-606.

Amended by Chapter 241, 2020 General Session