

**NOTICE OF JOINT WORK MEETING OF THE CITY COUNCIL
AND THE NEIGHBORHOOD REDEVELOPMENT AGENCY
OF THE CITY OF ST. GEORGE,
WASHINGTON COUNTY, UTAH**

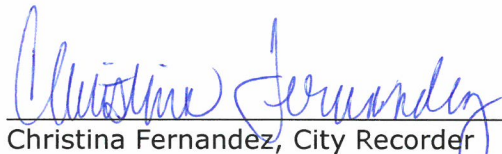
Public Notice

Public notice is hereby given that the City Council and the Neighborhood Redevelopment Agency of the City of St. George, Washington County, Utah, will hold a work meeting in the Administrative Conference Room at the St. George City Offices located at 175 East 200 North, St. George, Utah, on Thursday, March 10, 2022 commencing at 4:00 p.m.

The agenda for the meeting is as follows:

Call to Order
Invocation
Flag Salute

1. Discussion regarding the Tech Ridge Community Development Area (CDA).


Christina Fernandez, City Recorder


Date

REASONABLE ACCOMMODATION: The City of St. George will make efforts to provide reasonable accommodations to disabled members of the public in accessing City programs. Please contact the Human Resources office at 627-4674, at least 24 hours in advance if you have special needs.

REDEVELOPMENT AGENCY OF THE CITY OF ST. GEORGE TECH RIDGE COMMUNITY DEVELOPMENT AREA (CDA)

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.

MARCH 2022



St.George

THE BRIGHTER SIDE



**LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.**

AN INDEPENDENT MUNICIPAL FINANCIAL ADVISORY
AND CONSULTING FIRM

PRESENTATION OVERVIEW

- Community Development Area (CDA)/Tax Increment Financing Introduction
 - St. George Airport CDA
- Amending the CDA
 - Reasons for Amending the Project
 - Project Area Boundary Change
 - Development Plan Assumptions
 - Participation from Taxing Entities
 - Uses of Tax Increment
 - Base Year Taxes vs. Taxes After Project Completion
 - Pass-Through Increment During the Project
 - Cost Benefit Analysis
 - Next Steps



COMMUNITY DEVELOPMENT AREA (CDA)/TAX INCREMENT FINANCING



- Utah Code 17C: Utah's local governments have the authority to conduct economic development activities within their communities through their Community Reinvestment Agencies
- Tax Increment financing has been called by different names over the past several decades:
 - CDA, EDA, URA, CRA
- Tax Increment funds become available for a specific period of time to provide assistance for:
 - New Development
 - Infrastructure Improvements
 - Existing Businesses
 - Affordable Housing
 - Other Community Concerns/Priorities

ST. GEORGE AIRPORT CDA (EXISTING)

- Project Area was created in 2008
- Development Agreement with SGMA Acquisition LLC
- Assessed (Taxable) Value was predicted to be **\$451M** at build-out
- Covered 355 Acres of land on the mesa top and below the mesa to the west and south
- CDA created but Tax Increment financing has yet to be “triggered”
- Tax Increment ‘Cap’ of **\$25 million** (In Present Value Dollars)

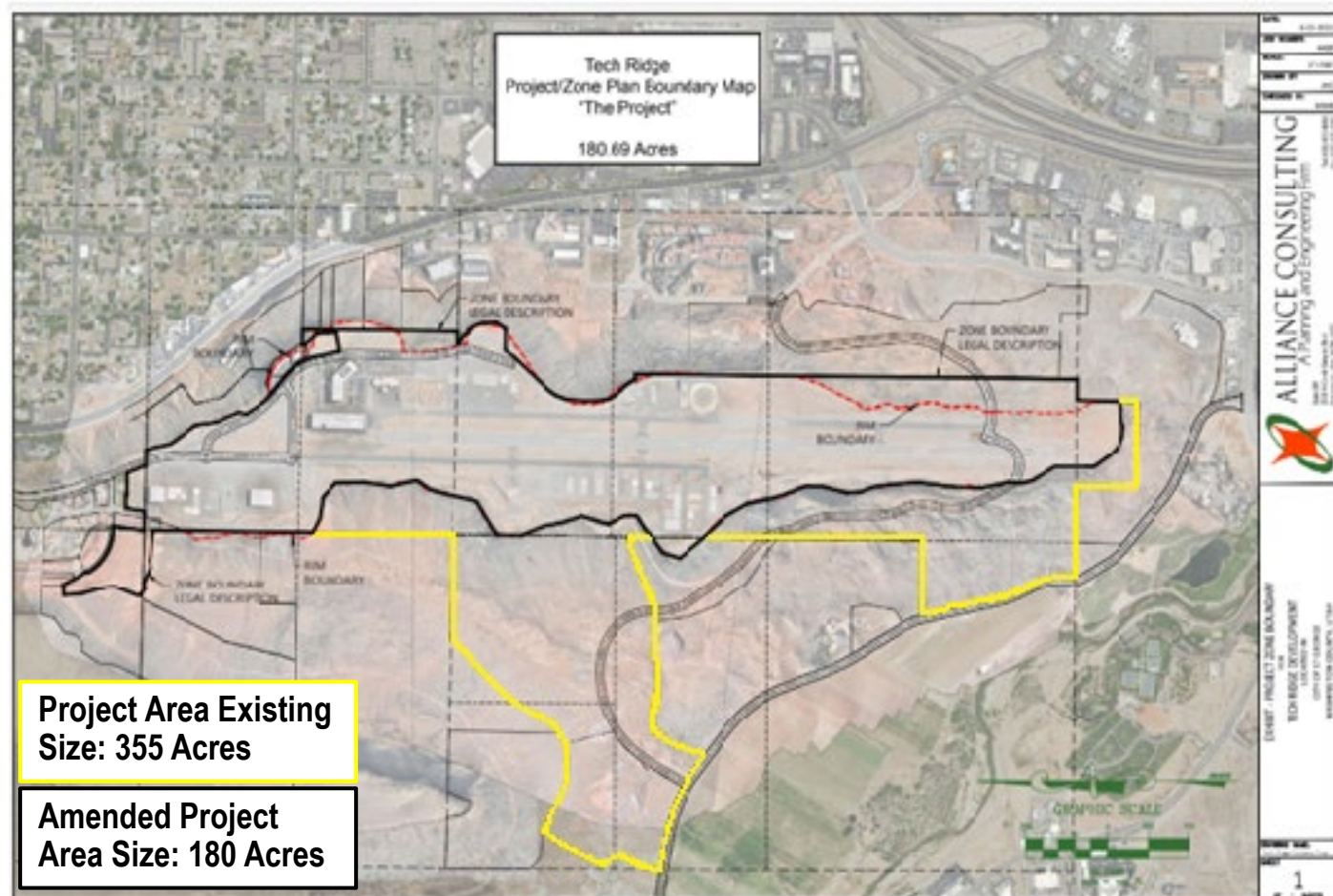


REASONS FOR AMENDING THE PROJECT

- New PD-MU Zone Plan in 2021
 - Change the name of the CDA to Tech Ridge CDA to coincide with the Zone Plan
- Overall size of the CDA will be contracted
 - New Zone Plan incentivizes greater development possibilities within a smaller Project Area
- Amending the CDA will allow for more effective generation of Tax Increment dollars
 - Phases of the CDA will be invoked as development occurs
- Increase the Current 'Cap' on Tax Increment to allow for more infrastructure improvements
 - New 'Cap' of **\$40 million** (In Present Value Dollars)



PROJECT AREA BOUNDARY CHANGE



DEVELOPMENT PLAN ASSUMPTIONS (UPDATED)

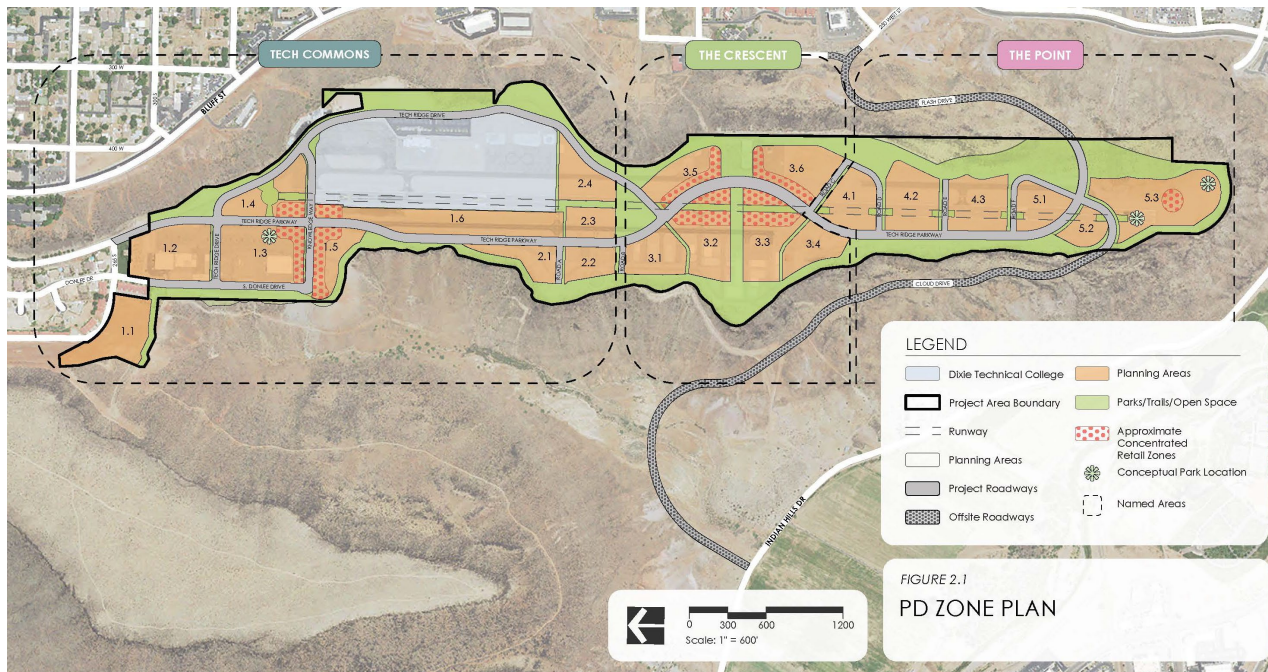


Type of Development	Square Feet/Units	Incremental Assessed Value
Office	1,000,000 SF	\$301,672,176
Retail	260,000 SF	52,608,335
Hotel	252,000 SF	33,939,959
Residential	2,400 Units	403,572,739
Total		\$791,793,209

- Predicted Incremental Assessed Value at Tech Ridge development build-out: **\$791,793,209**
- Calculations throughout the following slides are estimates based on these Development Plan Assumptions.

DEVELOPMENT PLAN ASSUMPTIONS (UPDATED)

- Project Timeframe:
 - 3 Phases or “Tranches” to coincide with named areas in the Tech Ridge Zone Plan
 - 20 year overlapping Tranches dependent on Project Area development progress
 - Maximum 35-year tax increment collection timeframe
 - Trigger year assumed to be 2023 for first Tranche, first tax increment to be received in 2024



PARTICIPATION FROM TAXING ENTITIES (PROPOSED)

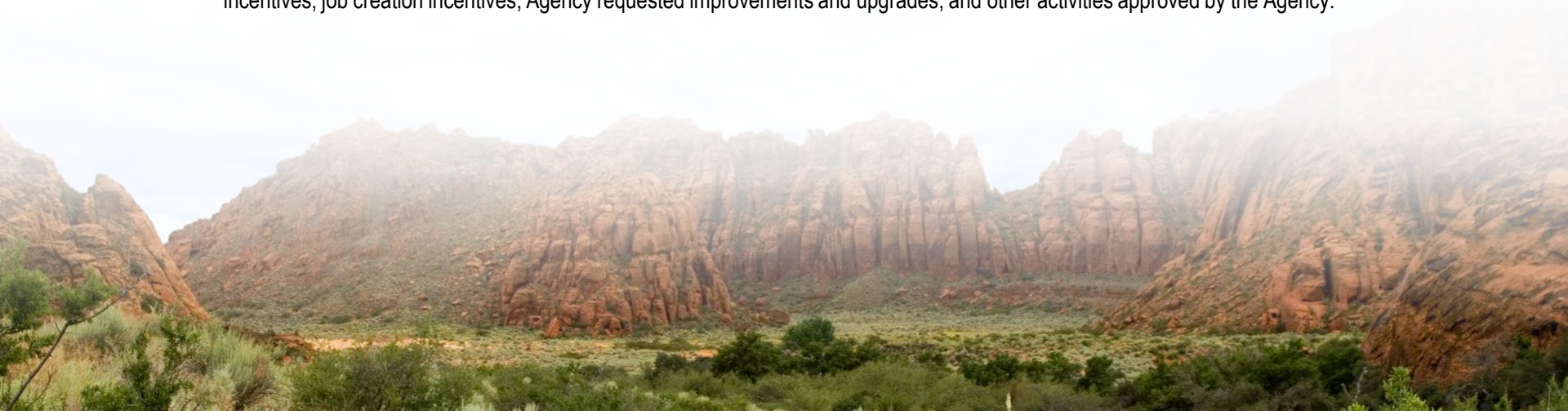
ENTITY	PERCENTAGE	LENGTH PER TRANCHE*	TOTAL INCREMENT AMOUNT OVER LIFE OF PROJECT AREA	NPV @ 4%
Washington County	75%	20 Years	\$6,678,757	\$3,716,697
Washington County School District	75%	20 Years	40,628,333	22,609,480
St. George City	75%	20 Years	9,448,449	5,258,019
Washington County Water Conservancy District	75%	20 Years	5,048,436	2,809,431
Southwest Mosquito Abatement and Control District	75%	20 Years	277,896	154,648
Total			\$62,081,871	\$34,548,275

* The project will consist of 3 tranches of 20 years to coincide with the Tech Ridge Zone Plan. These tranches will overlap. **Tax increment can only be collected for 20 years on each parcel developed in the project area.**

USES OF TAX INCREMENT (PROPOSED)

USES	TOTAL	NPV @ 4%
Redevelopment Activities, Infrastructure, Developer Incentives, Etc.*	\$60,529,824	\$33,684,568
Project Area Administration	1,552,047	863,707
Total	\$62,081,871	\$34,548,275

*Redevelopment Activities may include offsetting certain on-site public infrastructure costs, land assemblage, development incentives, job creation incentives, Agency requested improvements and upgrades, and other activities approved by the Agency.



BASE YEAR TAXES VS. TAXES AFTER PROJECT COMPLETION

- Base year will not be amended and will remain **2008**, which tax value was **\$1,941,120**

ENTITY	BASE YEAR ANNUAL PROPERTY TAX*	ANNUAL PROPERTY TAX AT CONCLUSION OF PROJECT
Washington County	\$1,400	\$570,883
Washington County School District	8,514	3,472,805
St. George City	1,980	807,629
Washington County Water Conservancy District	1,058	431,527
Southwest Mosquito Abatement and Control District	85	23,754
Total Tax Increment Funding	\$13,009	\$5,306,598

*Annual property tax amounts calculated according to adopted base year figures.

PASS-THROUGH INCREMENT TO TAXING ENTITIES (PROPOSED)

- 25% of Tax Increment will go to Taxing Entities until Project Area sunset or until 'Cap' is reached.

ENTITY	25% OF AVERAGE ANNUAL TIF	TOTAL PASS-THROUGH INCREMENT OVER LIFE OF PROJECT AREA
Washington County	\$144,350	\$3,753,097
Washington County School District	878,112	22,830,909
St. George City	204,212	5,309,514
Washington County Water Conservancy District	109,113	2,836,946
Southwest Mosquito Abatement and Control District	6,006	156,162
Total Tax Increment Pass-Through Funds	\$1,341,793	\$34,886,629

COST BENEFIT ANALYSIS

- City's Net Benefit (Over Life of Project Area): **\$17,743,252**
- Net Benefit of All Taxing Entities (Over Life of Project Area): **\$68,706,865**

ENTITY	ADDITIONAL REVENUES	MINUS	ADDITIONAL COSTS	EQUALS	TOTAL NET BENEFIT
St. George City	\$37,626,700	-	\$19,883,448	=	\$17,743,252
All Taxing Entities	\$186,043,905	-	\$117,337,040	=	\$68,706,865



NEXT STEPS



- Begin Discussions with Taxing Entities
 - Discussions throughout March and April
- Adopt Amended Project Area Plan & Budget
 - Public hearing date on **April 21, 2022**
- Adopt Amended Interlocal Agreements with Taxing Entities
 - Agency board meeting to adopt ILAs on **May 26, 2022**
- Finalize Process by July 1, 2022

QUESTIONS?