

DRAFT PROJECT AREA PLAN

Wasatch Community Reinvestment Area (CRA)

MILLCREEK COMMUNITY REINVESTMENT AGENCY



DRAFT

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Definitions

As used in this Community Reinvestment Project Area Plan, the term:

"Act" shall mean and include the Limited Purpose Local Government Entities – Community Reinvestment Agency Act in Title 17C, Chapters 1 through 5, Utah Code Annotated 1953, as amended, or such other amendments as shall from time to time be enacted or any successor or replacement law or act.

"Agency" shall mean the Millcreek Community Reinvestment Agency, which is a separate body corporate and politic created by Millcreek City pursuant to the Act.

"Base taxable value" shall mean the agreed value specified in a resolution or interlocal agreement under Subsection 17C-1-102(8) from which tax increment will be collected.

"Base year" shall mean the agreed upon year for which the base taxable value is established and shall be incorporated into the interlocal agreements with participating taxing entities.

"Base taxable year" shall mean the Base Year during which the Project Area Budget is approved pursuant to Subsection 17C-1-102(9)(d).

"City" or "Community" shall mean Millcreek City.

"County" shall mean Salt Lake County

"Legislative body" shall mean the City Council of Millcreek which is the legislative body of the City.

"Plan Hearing" shall mean the public hearing on the draft Project Area Plan required under Subsection 17C-1-102 (41) and 17C-5-104(3)(e).

"Project Area" shall mean the geographic area described in the Project Area Plan or draft Project Area Plan where the community development and reinvestment is anticipated to take place, as further referenced and included by this definition in **Exhibit A** and **Exhibit B** attached hereto.

"Net Present Value (NPV)" shall mean the discounted value of a cash flow. The NPV illustrates the total value of a stream of revenue over a number of years expressed in terms of current or present-day dollars.

"Project Area Budget" shall mean (as further described under 17-C-5-303 of the Act) the multi-year projection of annual or cumulative revenues, other expenses and other fiscal matters pertaining to the Project Area that includes:

-  the base taxable value of property in the Project Area;
-  the projected tax increment expected to be generated within the Project Area;
-  the amount of tax increment expected to be shared with other taxing entities;
-  the amount of tax increment expected to be used to implement this Project Area Plan;

- ☞ if the area from which tax increment is to be collected is less than the entire Project Area:
 - the tax identification number of the parcels from which tax increment will be collected; or
 - a legal description of the portion of the Project Area from which tax increment will be collected; and
- ☞ for property that the Agency owns and expects to sell, the expected total cost of the property to the Agency and the expected selling price.

“Project Area Plan” or “Plan” shall mean the written plan (outlined by 17C-5-302 of the Act) that, after its effective date, guides and controls the community reinvestment activities within the Project Area. Project Area Plan refers to this document and all of the attachments to this document, which attachments are incorporated by this reference. It is anticipated that the WASATCH COMMUNITY REINVESTMENT PROJECT AREA PLAN will be subject to an interlocal agreement process with the taxing entities within the Project Area.

“Taxes” includes all levies on an ad valorem basis upon land, local and centrally assessed real property, personal property, or any other property, tangible or intangible.

“Taxing Entity” shall mean any public entity that levies a tax on any property within the Project Area.

“Tax Increment” shall mean the difference between the amount of property tax revenues generated each tax year by all taxing entities from the Project Area using the current assessed value of the property and the amount of property tax revenues that would be generated from the same area using the base taxable value of the property.

“Tax Increment Collection Period” shall mean the period of time in which the taxing entities from the Project Area consent to a portion of their tax increment to be remitted to the Agency from within the Project Area and used to fund the objectives outlined in this Project Area Plan.

“Tax Year” shall mean the 12-month period between sequential tax roll equalizations (November 1st - October 31st) of the following year, e.g., the November 1, 2021 - October 31, 2022 tax year.

Introduction

Millcreek Community Reinvestment Agency ("Agency"), has the opportunity to enable development to be realized within the vicinity of Millcreek City (the "City") along and near the I-215 Interchange and Wasatch Blvd in the City and is shown on the attached map is **Exhibit B**. In consideration of the City's residents, as well as the City's capacity for new development, the Agency has carefully crafted this *draft* Project Area Plan (the "Plan") for the WASATCH COMMUNITY REINVESTMENT PROJECT AREA (the "Project Area"). The purpose of the Project Area is to enable the development of a luxury auto dealership and influence the redevelopment of commercial and office space in the Project Area and surrounding areas in the City. Without the assistance of the Project Area Plan, specific financial hurdles would not be overcome, and the project would not be developed in the foreseeable future.

The City and Agency have undergone a comprehensive evaluation of the types of appropriate land-uses and economic development for the land encompassed by the Project Area. The Plan is intended to define the method and means of supporting the property owners and or developers in overcoming the development shortfalls which will improve the Project Area from its current state to a higher and better use. The Project Area Plan is consistent with the General Plan of the City and is believed to facilitate the desired land-uses for the Project Area.

The City has determined it is in the best interest of its residents to assist in the development of the Project Area. It is the purpose of this Plan to clearly set forth the aims and objectives of development, scope, potential financing mechanism, and value to the residents of the City and other taxing entities within the Project Area.

The Project Area is being undertaken as a community reinvestment project area ("CRA") pursuant to certain provisions of Chapters 1 and 5 of the Utah Limited Purpose Local Governmental Entities -- Community Reinvestment Agency Act (the "Act", Utah Code Annotated ("UCA") Title 17C). The requirements of the Act, including notice and hearing obligations, have been observed at all times throughout the establishment of the Project Area. The realization of the Plan is subject to interlocal cooperation agreements between the taxing entities and the Agency.

Resolution Authorizing the Preparation of a Draft Community Reinvestment Project Area Plan

Pursuant to the provisions of §17C-5-103 of the Act, the governing body of the Agency adopted a resolution authorizing the preparation of a draft Community Reinvestment Project Area Plan on March 28, 2022.

Utah Code
§17C-5-104

Recitals of Prerequisites for Adopting a Community Reinvestment Project Area Plan

In order to adopt a community reinvestment project area plan, the Agency shall;

-  Pursuant to the provisions of §17C-5-104(1)(a) and (b) of the Act, the City has a planning commission and General Plan as required by law; and
-  Pursuant to the provisions of §17C-5-104 of the Act, the Agency has conducted or will conduct one or more public hearings for the purpose of informing the public about the Project Area, and

allowing public input into the Agency's deliberations and considerations regarding the Project Area; and

- Pursuant to the provisions of §17C-5-104 of the Act, the Agency has allowed opportunity for input on the *draft* Project Area Plan and has made a *draft* Project Area Plan available to the public at the Agency's offices during normal business hours, provided notice of the plan hearing, sent copies of the *draft* Project Area Plan to all required entities prior to the hearing, and provided opportunities for affected entities to provide feedback.

UTAH CODE
§17C-5-105(1)

Description of the Boundaries of the Proposed Project Area

A legal description of the Project Area along with a detailed map of the Project Area is attached respectively as **Exhibit A** and **Exhibit B** and incorporated herein. The Plan focuses on property that lies just east of I-215 along the western side of Wasatch Blvd. The current land use in the Project Area is vacant land. The Project Area is comprised of 6 parcels and approximately 23 acres of land..

As delineated in the office of the County Recorder, the Project Area encompasses all the parcels detailed in **Table 1**.

TABLE 1: PARCEL LIST

Parcel ID	Parcel Owner	Acres
16-35-481-011	BAM 4074, LLC	0.48
16-35-481-010	Utah Department of Transportation	015
16-35-481-007	Utah Department of Transportation	2.20
16-35-481-008	BAM 4074, LLC	4.93
16-35-481-009	Utah Department of Transportation	0.18
16-35-481-006	Metropolitan Water District of Salt Lake	0.63
Non-Parcel Acreage		14.58
Total		23.15

UTAH CODE
§17C-5-105(1)

General Statement of Land Uses, Layout of Principal Streets, Population Densities, Building Densities and How They Will be Affected by the Project Area

General Land Uses

The Project Area's land is currently zoned for residential use. The City is in the process of creating a Village Center Special District designation for the Project Area that will allow for the contemplated uses.

This Project Area Plan is consistent with the General Plan of the City and promotes economic activity by virtue of the land uses contemplated. Any zoning change, amendment or conditional use permit necessary to the successful development contemplated by this Project Area Plan shall be undertaken in accordance with the requirements of the City's Code and all other applicable laws including all goals and objectives in the City's General Plan.

Layout of Principal Streets

The principal street within the Project Area focuses on the corridor between I-215 and Wasatch Blvd, with 3900 South acting as the major east-west road. The Project Area map, provided in **Exhibit B**, shows the principal streets located within the Project Area.

Population Densities

The estimated population density of the Project Area is 0.0 residents per acre. There are no residential buildings within the Project Area.

Building Densities

Currently, there are no buildings within the Project Area, as it is made up entirely of vacant land. Building densities will increase as development occurs. The intent of this Plan is to assist the development of a new luxury auto dealership, promote greater economic utilization of the land area, and increase overall density.

Impact of Community Development and or Reinvestment on Land Use, Layout of Principal Streets, and Population Densities

Community reinvestment activities within the Project Area will mostly consist of development and economic enhancement of underutilized areas. To promote the development of the Project Area, the Agency, along with property owners, developers, and/or businesses will need to construct infrastructure improvements and create better utilization of land.

Land Use – It is anticipated that future development will include a luxury auto dealership and additional mixed-use development.

Layout of Principal Streets – The proposed projects will not alter the configuration of principal streets. The roads will simply tie into the principal streets and enhance the overall accessibility of transportation connectivity.

Population Densities – There are currently no residential developments in the Project Area. Additional residential units may be constructed within the Project Area during its tax increment financing life. If development, the population density within the Project Area will increase accordingly.

UTAH CODE
§17C-5-105(c)

Standards Guiding the Community Reinvestment

In order to provide maximum flexibility in the development and economic promotion of the Project Area, and to encourage and obtain the highest quality in development and design, specific development controls for the uses identified above are not set forth herein. Each development proposal in the Project Area will be subject to appropriate elements of the City's General Plan; the Zoning Ordinance of the City, including adopted Architectural Design Guidelines pertaining to the area; institutional controls, deed restrictions if the property is acquired and resold by the Agency, other applicable building codes and ordinances of the City; and, as required by ordinance or agreement, review and recommendation of the Planning Commission, approval by the Agency and City Council.

Each development proposal by an owner, tenant, participant or a developer shall be accompanied by site plans, development data and other appropriate material that clearly describes the extent of proposed development and any other data determined to be necessary or requested by the Agency or the City.

UTAH CODE
§17C-5-105(D)

How the Purposes of this Title Will Be Attained By Community Reinvestment

It is the intent of the Agency, with the assistance and participation of private developers and property owners, to assist with the development of a luxury auto dealership in an underutilized, yet highly visible portion of the City,

UTAH CODE
§17C-5-105(E)

Conformance of the Proposed Development to the Community's General Plan

The proposed Community Reinvestment Project Area Plan and the development contemplated are consistent with the City's General Plan and land use regulations.

UTAH CODE
§17C-5-105(G)

Describe any Specific Project or Projects that are the object of the Proposed Community Reinvestment

Currently, the Project Area will include the construction of a luxury auto dealership. Other development and redevelopment will likely occur because of the Project Area. It is currently anticipated that this other development will likely be residential and commercial mixed-use.

UTAH CODE
§17C-5-105(H)

Method of Selection of Private Developers to undertake the Community Reinvestment and Identification of Developers Currently Involved in the Process

The City and Agency will partner with developers to create development as solicited or presented to the Agency and City that meets the development objectives set forth in this plan. The City and Agency retain the right to approve or reject any such development plan(s) that in their judgment do not meet the development intent for the Project Area. To the extent the RDA owns, controls, or partners on the land, the City and Agency may choose to solicit development through an RFP or RFQ process, through targeted solicitation to specific industries, from inquiries to the City and or Agency.

The City and Agency will ensure that all development conforms to this Plan and is approved by the City. If seeking CRA funds all potential developers may need to provide a detailed development plan including sufficient financial information to provide the City and Agency with confidence in the sustainability of the development and the wherewithal of the developer to successfully finance said development. Such a review may include a series of studies and reviews including reviews of the developer's financial statements, third-party verification of benefit of the development to the City, appraisal reports, etc.

Any participation between the Agency and developers and or property owners shall be governed by a Participation/Development Agreement or similar agreement as approved by the Agency.

UTAH CODE
§17C-5-105(i)

Reason for Selection of the Project Area

The Project Area is a highly visible and important section of the City. It is currently underutilized and vacant. The Project Area provides an opportunity to reinvest and revitalize this area. Additionally, the Project Area will create a large increase to the community's tax base and spur additionally community development in the area.

UTAH CODE
§17C-5-105(j)

Description of Physical, Social and Economic Conditions Existing in the Project Area

Physical Conditions

The Project Area consists of approximately 23 acres of relatively flat, privately and publicly owned land as shown in the Project Area map.

Social Conditions

The Project Area experiences a lack of connectivity and vitality. There are no residential units and no parks, libraries, or other social gathering places in the Project Area.

Economic Conditions

The Project Area is currently vacant and underutilized. The Agency desires to encourage development within the Project Area that will directly benefit the existing economic base of the City, the County, and other taxing entities.

UTAH CODE
§17C-5-105(k)

Description of any Tax Incentives Offered Private Entities for Facilities Located in the Project Area

Tax increment arising from the development within the Project Area shall be used for public infrastructure improvements, Agency requested improvements and upgrades, both off-site and on-site improvements, land and development incentives, desirable Project Area improvements, and other items approved by the Agency. Subject to provisions of the Act, the Agency may agree to pay for eligible costs and other items from taxes during the Tax Increment Collection Period which the Agency deems to be appropriate under the circumstances. The Agency will consider each request for support individually, paying close attention to the potential costs and benefits.

In general, tax incentives may be offered to achieve the community reinvestment goals and objectives of this Plan, specifically to:

- Enable and accelerate economic development;
- Stimulate job development;
- Make needed infrastructure improvements to roads, street lighting, water, storm water, sewer, and parks and open space;
- Assist with property acquisition and/or land assembly;
- Provide attractive development for high-quality commercial/office tenants;
- Engineering mitigation and reclamation.

The Project Area Budget will include specific participation percentages and timeframes for each taxing entity. Furthermore, a resolution and interlocal agreement will formally establish the participation percentage and Tax Increment Collection Period for each taxing entity.

UTAH CODE
§17C-5-105(2)

Anticipated Public Benefit to be Derived from the Community Development

The Beneficial Influences upon the Tax Base of the Community

The beneficial influences upon the tax base of the City and the other taxing entities will include increased property tax revenues, increased sales and use tax revenues, and job creation. The increased revenues will come from the property values associated with new construction in the Project Area, as well as increased spending at new commercial properties and spending by the commercial and office space employees.

Job growth in the Project Area will result in increased wages, increasing local purchases and benefiting existing businesses in the Project Area. Job growth will also result in increased income taxes paid, which will be beneficial to the school district and the State of Utah. Additionally, business growth will generate corporate income taxes, also a benefit to the school district and State of Utah.

There will also be a beneficial impact on the community through increased construction activity within the Project Area. Positive impacts will be felt through construction wages paid, as well as construction supplies purchased locally. The nature of the development will attract visitors from outside the City and County who may make additional purchases that benefit the existing businesses in the area.

UTAH CODE
§17C-5-105(2)(ii)(B)

The Associated Business and Economic Activity Likely to be Stimulated

Other business and economic activity likely to be stimulated includes increased spending by new employees in the Project Area and in surrounding areas. This includes both direct and indirect purchases that are stimulated by the spending of the additional employees in the area.

Employees may make some purchases in the local area, such as convenience shopping for personal services (haircuts, banking, dry cleaning, etc.). The employees will not make all of their convenience or personal services purchases near their workplace and each employee's purchasing patterns will be different. However, it is reasonable to assume that a percentage of these annual purchases will occur within close proximity of the workplace (assuming the services are available).

UTAH CODE
§17C-5-105(2)(B)

Efforts to Maximize Private Investment

The Agency is in discussions with developers who are looking to develop within the Project Area. Creating a CRA will act as a catalyst to jumpstart the development of the area and guide the development to be the highest and best uses.

UTAH CODE
§17C-5-105(2)(C)

But For Analysis

The Project Area is located at a highly visible, yet narrow section of land between Wasatch Blvd and I-215. The narrowness of the "no man's land" has made it difficult to develop and it has remained undeveloped since the completion of I-215 in 1969. "But for" public participation, the land will remain undeveloped. Based on the Benefits Analysis included in the following section, public participation will bring \$11,776,552 of benefit to the taxing entities over the life of the Project Area.

Cost/Benefit Analysis

Based on the land use assumptions, current economic and market demand factors, tax increment participation levels, the following table outlines the benefits (revenues) and costs (expenditures) anticipated in the Project Area. This does not factor in the benefit of other economic multipliers such as job creation, disposable income for retail consumption, etc. The revenues calculated in this analysis are property and sales tax. The expenditures consist of general government, public safety, public works, and property tax participation. The net benefit is calculated using total revenues less total expenditures. As shown below, the proposed community reinvestment will create a net benefit to the City and the other taxing entities that levy a tax within the Project Area.

TABLE 3: PROJECT AREA REVENUES (20 YEARS)

Entity	Property Tax	Sales Tax	Total Incremental Revenues
Salt Lake County	\$948,485	\$3,338,200	\$4,286,686
Salt Lake County Library	253,001	-	253,001
Granite School District	3,792,341	-	3,792,341
Millcreek City	906,852	8,067,468	8,974,321
South SL Valley Mosquito Abatement District	6,405	-	6,405
Mt. Olympus Improvement District	122,230	-	122,230
Central Utah Water Conservancy District	213,503	-	213,503
Unified Fire Service Area	850,808	-	850,808
Total Revenue	\$7,093,625	\$11,405,669	\$18,499,294

TABLE 4: PROJECT AREA EXPENSES (20 YEARS)

Entity	CRA Budget	General Government	Public Safety	Public Works	Total Incremental Expenses
Salt Lake County	\$663,940	\$15,682	-	-	\$679,622
Salt Lake County Library	177,100	-	-	-	177,100
Granite School District	2,654,638	43,243	-	-	2,697,881
Millcreek City	1,786,551	133,603	219,705	151,588	2,291,447
South SL Valley Mosquito Abatement District	4,484	147	-	-	4,631
Mt. Olympus Improvement District	85,561	5,372	-	-	90,933
Central Utah Water Conservancy District	149,452	7,475	-	-	156,927
Unified Fire Service Area	595,566	28,635	-	-	624,201
Total Revenue	\$6,117,292	\$234,157	\$219,705	\$151,588	\$6,722,742

The total net benefit to the taxing entities of participating in the Project Area is **\$11,776,552** with the City's net benefit being **\$6,682,874¹**. The costs and benefits and other financial aspects of the Project Area are further detailed in the Project Area Budget.

¹ This does not include the \$496,554 housing portion of tax increment that will be reinvested into the City.



EXHIBIT A: Boundary Description of Wasatch CRA

The area to be known as the Wasatch Community Reinvestment Agency located within the municipal boundary of Millcreek, a municipality located in Salt Lake County Utah, said area also being in the Southeast Quarter of Section 35, Township 1 South, Range 1 East of the Salt Lake Base and Meridian and being further described as follows:

That area being bounded to the North by the centerline of 3900 South Street; being bounded to the South by the South line of said Section 35; being bounded to the West by the Holladay City boundary as established by the Olympus Hills Annexation as depicted on that Final Local Entity Plat recorded in Book 2014P, at Page 256 in the Office of the Salt Lake County Recorder, said boundary also being the West line of Interstate 215; and being bounded to the East by the centerline of Wasatch Boulevard.

The above described Community Reinvestment Agency contains 23.152 acres, or 0.036 square miles, more, or less.

EXHIBIT B: CRA Project Area Map

