

BACKGROUND INFO RE Bluffdale Fire House Vote

Council Action: Direct TEC vote on whether to allow EDA tax increment to finance construction of a new Bluffdale fire station.

- Estimated cost: NTE \$3.2 Million with a \$200k contingency
- \$10.5 M tax increment generated thru 2016
 - ~ \$1.8 M received in 2016
 - ~ \$2.4 M anticipated for 2017; 2023 final year of EDA
- ~ \$15 M collected during remaining 7 years (2017-2023)

Issue: Train trestle in Bluffdale (14600 South) creates traffic choke point that is a public safety problem —especially at beginning or ending of school day.

Bluffdale is requesting state funds to address choke point; however, state funding is unlikely for next 5 years due to prior transportation commitments.

Justification to vote Yes:

1. Other Bluffdale fire station financed by impact fees. Now fees are higher than surrounding jurisdictions and that hurts economic development.
2. City has already purchased land and will cover any costs that exceed the \$3.2 M estimate.
3. Under Title 17C of the Utah Code, this is an allowable use of EDA funds if the Tax Entity Committee (TEC) members agree by a two-thirds vote of all TEC members present.

CONS:

1. Bad precedent, given very low property tax rates in Bluffdale.
2. The increase in annual tax increment reflects higher market prices for land rather than infrastructure improvements.
3. SLCO Mayor's representative is voting NO.



Memorandum

To: Mayor Ben McAdams and Salt Lake County Council Members:
From: The City of Bluffdale and Bluffdale City Redevelopment Agency
Date: February 1, 2017

We previously provided an executive summary of the City's request to use Eastern Bluffdale EDA funds to build a fire station in the project area. In anticipation of our presentation to the Council on Tuesday February 7th, Dave Delquadro requested that we provide the following additional information.

Tax increment generated through 6/30/2016 (our fiscal year end) was \$10,540,410.

The EDA was originally created to pay for infrastructure and provide incentives to entice businesses to come into the area. We are currently evaluating different potential uses for existing unallocated funds as well as future tax increment collections.

These potential uses include, but are not limited to:

- Transportation infrastructure
- Water delivery infrastructure
- Strategic land acquisition
- Incentives for a proposed hotel complex
- Marketing and promotional consulting and materials
- Storm water handling infrastructure
- Low income housing incentives and enhancements

Since 146th South has been a state road until it was recently transferred to the city, we are working through appropriate channels to seek funding from the state to reconstruct the trestle to improve the constriction point in that road. However, we believe that the funding, if provided, will not be available in the near future (less than 5 years) since state programming of highway monies for the next 5 years has already been determined. The need for the new fire station is more immediate than state highway funding to fix the constriction would likely be available.

The City has already acquired the land for the proposed fire station and the value of that land will not be paid by the EDA. We have put the design project out for bid and we will be hiring and moving forward with design and construction within the next month. We have not yet hired a firm to design the fire

station so we do not have solid cost estimates. We have reviewed what some other fire agencies have paid for recent fire stations and believe that we can build one for less. We have estimated the cost of constructing the fire station to be about \$3,000,000 with a contingency of \$200,000. We view this as a "not-to-exceed" and the City Council has committed to pay any costs above \$3,200,000 out of City operating and/or impact fee funds.



February 1, 2017

Mayor Ben McAdams
2001 South State Street
N2-100
Salt Lake City, UT 84114-4575

Salt Lake County Council
Attn: Dave Delquadro
2001 South State Street
N2-200
Salt Lake City, UT 84114

Re: Bluffdale Redevelopment Agency's Request for County leadership to authorize its Taxing Entity Committee members to vote in support of the Use of Eastern Bluffdale EDA Project Area Funds to build a fire station

Dear Mayor McAdams and County Council Members:

The County's Taxing Entity Committee ("TEC") members requested that we provide a one page executive summary of the request to authorize the use of Eastern Bluffdale EDA Project Area funds to build a fire station. The attached summary outlines the key points of the Redevelopment Agency's request.

We have also included a map to help clarify the situation.

Sincerely,
Bluffdale Redevelopment Agency

Mark Reid

Mark Reid
Executive Director

Enclosures

Bluffdale Redevelopment Agency's Request for County leadership to authorize its Taxing Entity Committee members to vote in support of the Use of Eastern Bluffdale EDA Project Area Funds to build a fire station

Executive Summary

- Eastern Bluffdale EDA project area ("**Project Area**") needs improvements to infrastructure to provide better, more timely fire and emergency medical services.
- Project Area was originally created to facilitate construction of infrastructure.
- The primary issue is single-lane rail underpass between our current fire station and the Project Area which is frequently congested. (50+ cars backed up at the stop sign).
- Roadway on the on the fire station side of the underpass is two lanes with no shoulder available that will allow emergency vehicles to pass stopped traffic if there is any oncoming traffic.
- The Redevelopment Agency ("**RDA**" or "**Agency**") could use Project Area funds to widen the rail underpass without TEC approval, but the cost will be \$4.5M or more, and will take upwards of 8 years to complete because of the significant bureaucratic challenges working with the railroad company, the canal company, and various regulatory agencies.
- The RDA proposes improving Project Area infrastructure by funding a new fire station with ~\$3.5 million of Project Area Funds.
- The City of Bluffdale ("**The City**") has already acquired land in the Project Area which can be used for the fire station so the new station can be built immediately.
- The City will provide the funds for equipment and ongoing operations. No Project Area funds will be used for operations.
- Building the fire station is a less expensive and more timely improvement to the Project Area infrastructure than widening the rail underpass.
- Funds already collected under the current budget will be used.
- This is not a request to increase the amount or percentage of Tax Increment collected nor is it a request to extend the term of Tax Increment collection.
- State statute allows for Project Area funds to be used for construction of public buildings, such as a fire station, but does require Taxing Entity Committee ("**TEC**") approval for funds to be used for this type of infrastructure.
- Agency respectfully requests that County leadership authorize Salt Lake County TEC representatives to vote in support of the use of Eastern Bluffdale EDA Project Area funds to build a fire station.

Eastern Bluffdale EDA



