

DRAFT PROJECT AREA PLAN

MILLCREEK CENTER COMMUNITY REINVESTMENT AREA (CRA)

MILLCREEK COMMUNITY REINVESTMENT AGENCY, UTAH



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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 the 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.

"Blight" shall mean the condition of an area that meets the requirements described in Subsection 17C-5-405.

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






"Legislative body" shall mean the City Council of Millcreek City, 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 reinvestment set forth in this Project Area Plan or draft Project Area Plan takes place or is proposed to take place (**Exhibit A & Exhibit B**).

"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 several years in today's 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 the 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-5-105 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 the attachments to this document, which attachments are incorporated by this reference. It is anticipated that the collection of tax increment to fund the MILLCREEK CENTER PLAN will be subject to a taxing entity committee 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” is as defined by the Act, but in general 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 Period” shall mean the period in which the taxing entities from the Project Area consent that a portion of their tax increment from the Project Area be used to fund the objectives outlined in the 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, 2017 - October 31, 2018 tax year.

To the extent of the foregoing terms are defined by the Act or other applicable statutory law, the definitions set forth in this document are supplemental to those statutory definitions and are intended as clarifications only.

Introduction

The Millcreek Community Reinvestment Agency (the “Agency”), following thorough consideration of the needs and desires of Millcreek City (the “City”) and its residents, as well as the City’s capacity for new development, has carefully crafted this draft Project Area Plan (the “Plan”) for the Millcreek Center Community Reinvestment Project Area (the “Project Area”). This Plan is the result of a comprehensive evaluation of the types of appropriate land-uses and economic development for the land encompassed by the Project Area which includes land along both sides of 3300 South, between 900 East to the west and Highland Drive to the east. The Plan is intended to define the method and means of the Project Area from its current state to a higher and better use.

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

The Project Area is being created to assist with the creation of a downtown within the City. The Millcreek City Center is envisioned as a remarkable and unique walkable mixed-use lifestyle center that serves as an amenity and central gathering place for the City and its residents.

The Project Area is being undertaken as a community reinvestment project area 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 always been observed throughout the establishment of the Project Area. The realization of the Plan through tax increment funding is subject to a taxing entity committee.

Development within the Project Area will help eliminate or reduce blight by providing needed public improvements, encouraging rehabilitation and repair of deteriorated structures, facilitating land assembly and redevelopment which will result in employment opportunities and an expanded tax base; and by promoting redevelopment in accordance with applicable land use controls. This plan will guide and control the community reinvestment undertakings of the Project Area.

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 survey resolution authorizing the preparation of a draft Community Reinvestment Project Area Plan on **May 14, 2018**.

Utah Code
§17C-5-104

Recitals of Prerequisites for Adopting a Community Reinvestment Project Area Plan

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;

-  Pursuant to the provisions of §17C-5-104 of the Act, the Agency has conducted or will conduct one or more public hearings for 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 Project Area includes parcels along both sides of 3300 South, between 900 East to the west and Highland Drive to the east.

As delineated in the office of the Salt Lake County Recorder, the Project Area encompasses all the parcels detailed in **Exhibit C**.

UTAH CODE
§17C-5-105(2)

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 property within the Project Area is currently zoned for commercial and residential uses. This Project Area Plan is consistent with the General Plan of the City. 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

There are numerous public streets within the Project Area. These streets are outlined in the attached map in **Exhibit A**.

Population Densities

There are 268 residences within the Project Area, including multiple apartments, duplexes & other multi-family housing complexes. The average household size within Salt Lake County is 2.97. Therefore, it is estimated that there is a population of approximately 795 within the Project Area, or 4.85 persons per acre. It is anticipated that the Project Area development will increase the population size within the Project Area.

Building Densities

There are currently 442 buildings within the Project Area. It is anticipated that the redevelopment of the Project Area will result in additional buildings and increased density within the City Center.

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

Community reinvestment activities within the Project Area will mostly consist of redevelopment of underutilized areas.

Land Use – It is anticipated that future development within the Project Area will include: residential, commercial, office and public gathering space

Layout of Principal Streets – It is anticipated that the community reinvestment of the Project Area will not alter the layout of the principal streets in the area. Future Development may include altering secondary streets and constructing new streets.

Population Densities –The Project Area will include residential development; therefore, the population density will increase within the Project Area.

UTAH CODE
§17C-5-105(3)

Standards Guiding the Community Reinvestment

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 proposed General Plan; the Zoning Ordinance of the City, including adopted 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 and agreement, review and recommendations of the Planning Commission and approval by the Agency.

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, including land coverage, setbacks, height and massing of buildings, off-street parking and loading, use of public transportation, and any other data determined to be necessary or requested by the Agency or the City.

UTAH CODE
§17C-5-105(4)

How the Purposes of this Title Will Be Attained By Project Area Development

It is the intent of the Agency, with the assistance and participation of private developers and property owners, to facilitate the development within the Project Area

UTAH CODE
§17C-5-105(5)

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 proposed General Plan and land use regulations.

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

UTAH CODE
§17C-5-105(7)

The Project Area is being created to assist with the creation of a downtown within the City. The Millcreek City Center is envisioned as a remarkable and unique walkable mixed-use lifestyle center that serves as an amenity and central gathering place for the City and its residents. The Project Area will include residential, office, commercial & public gathering spaces. The city center area is envisioned as a place where mixed use buildings will rise between four and seven stories, with the potential for a flagship mixed use building rising 15 stories.

UTAH CODE
§17C-5-105(8)

How the Agency Plans to Select a Participant

The City and Agency will select or approve such 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. 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, EDC Utah, and/or from other such references.

The City and Agency will ensure that all development conforms to this plan and is approved by the City. 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 developer. Such a review may include a series of studies and reviews including reviews of the Developers financial statements, third-party verification of benefit of the development to the City, appraisal reports, etc.

Any participation between the Agency and developers and property owners shall be by an approved agreement.

UTAH CODE
§17C-5-105(9)

Reason for Selection of the Project Area

As Utah's newest city, Millcreek currently lacks a central downtown area. City residents, leaders & other key stakeholders have identified the Project Area as the future site of the City's downtown center. Much of the Project Area is currently underutilized and has suffered from a lack of investment over the last few decades. With tax increment, the City and Agency believe the Project Area will serve as an amenity and central gathering space for the whole City and will serve as an engine of population and tax base for the City.

UTAH CODE
§17C-5-105(10)

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

Physical Conditions

The Project Area consists of approximately 164 acres of relatively flat, privately and publicly owned land as shown on the Project Area map.

Social Conditions

There are currently 268 residential units within the Project Area. There are currently no parks or other social gathering spaces within the Project Area

Economic Conditions







The Agency wants to encourage upgrades and improvements within the Project Area that will directly benefit the existing economic base of the City.

UTAH CODE
§17C-5-105(11)

Description of any Financial Assistance that the Agency Anticipates Offering a Participant

Tax increment arising from the development within the Project Area shall be used for public infrastructure improvements, Agency requested improvements and upgrades, on-site improvements, desirable Project Area improvements, land assemblage, and other items as 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 period which the Agency deems to be appropriate under the circumstances.

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

-  Foster and accelerate economic development;
-  Stimulate job development;
-  Promote the use of transit and the walkability of the area;
-  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; and
-  Provide attractive development for high-quality tenants.

The Project Area Budget will include specific participation percentages and timeframes for each taxing entity.

UTAH CODE
§17C-5-105(12)

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, job growth, and affordable housing opportunities in the community. The increased revenues will come from the property values associated with new construction in the area.

Job growth in the Project Area will result in increased wages, increasing local purchases and benefiting existing businesses in the area. Job growth will also result in increased income taxes paid. Additionally, business growth will generate corporate income taxes.

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.

“But For” Analysis

“But-for” the creation of the CRA and public participation, the costs associated with creating a city center, including: land assemblage, parking structures, site improvements, etc. will be too high and the land within the Project Area will remain in its current state.

Cost/Benefit Analysis

Based on the land use assumptions and tax increment participation levels, the following tables outline the benefits anticipated in the Project Area. As shown below, the proposed community reinvestment will create a net benefit to the City and the other taxing entities that participate in the Project Area.

TABLE 1: PROJECT AREA REVENUES

Entity	Property Tax	Sales Tax	Total Revenues
Salt Lake County	\$5,666,993	\$4,298,657	9,965,650
Salt Lake County Library	1,564,370	-	1,564,370
Granite School District	21,889,987	-	21,889,987
Millcreek City	5,630,613	2,456,375	8,086,988
South Salt Lake Valley Mosquito Abatement District	41,978	-	41,978
Mt. Olympus Improvement District	780,786	-	780,786
Central Utah Water Conservancy District	1,119,406	-	1,119,406
Unified Fire Service Area	5,199,641	-	5,199,641
Total Revenues	\$41,893,774	\$6,755,032	\$48,648,806

TABLE 2: PROJECT AREA EXPENDITURES

Entity	CRA Budget	General Government	Public Works	Public Safety	Total Expenditures
Salt Lake County	\$4,250,245	\$154,190	-	-	\$4,404,435
Salt Lake County Library	1,173,278	¹	-	-	1,173,278
Granite School District	17,511,989	504,677	-	-	18,016,666
Millcreek City	4,504,490	872,389	734,575	1,323,793	7,435,246
South Salt Lake Valley Mosquito Abatement District	33,582	2,134	-	-	35,716
Mt. Olympus Improvement District	624,629	101,258	-	-	725,887
Central Utah Water Conservancy District	895,525	62,869	-	-	958,394
Unified Fire Service Area	4,159,713	253,095	-	-	4,412,808
Total Expenditures	\$33,153,451	\$1,950,612	\$734,575	\$1,323,793	\$37,162,430

The total net benefit to the taxing entities of participating in the Project Area is \$11,486,376, with the City’s net benefit being \$651,742.

¹ The Library’s General Government expenditure is included in the County’s \$154,190 expense.

EXHIBIT A: Legal Description of Millcreek Center CRA

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EXHIBIT B: Project Area Map

MAP OF PROPOSED PROJECT AREA BOUNDARIES

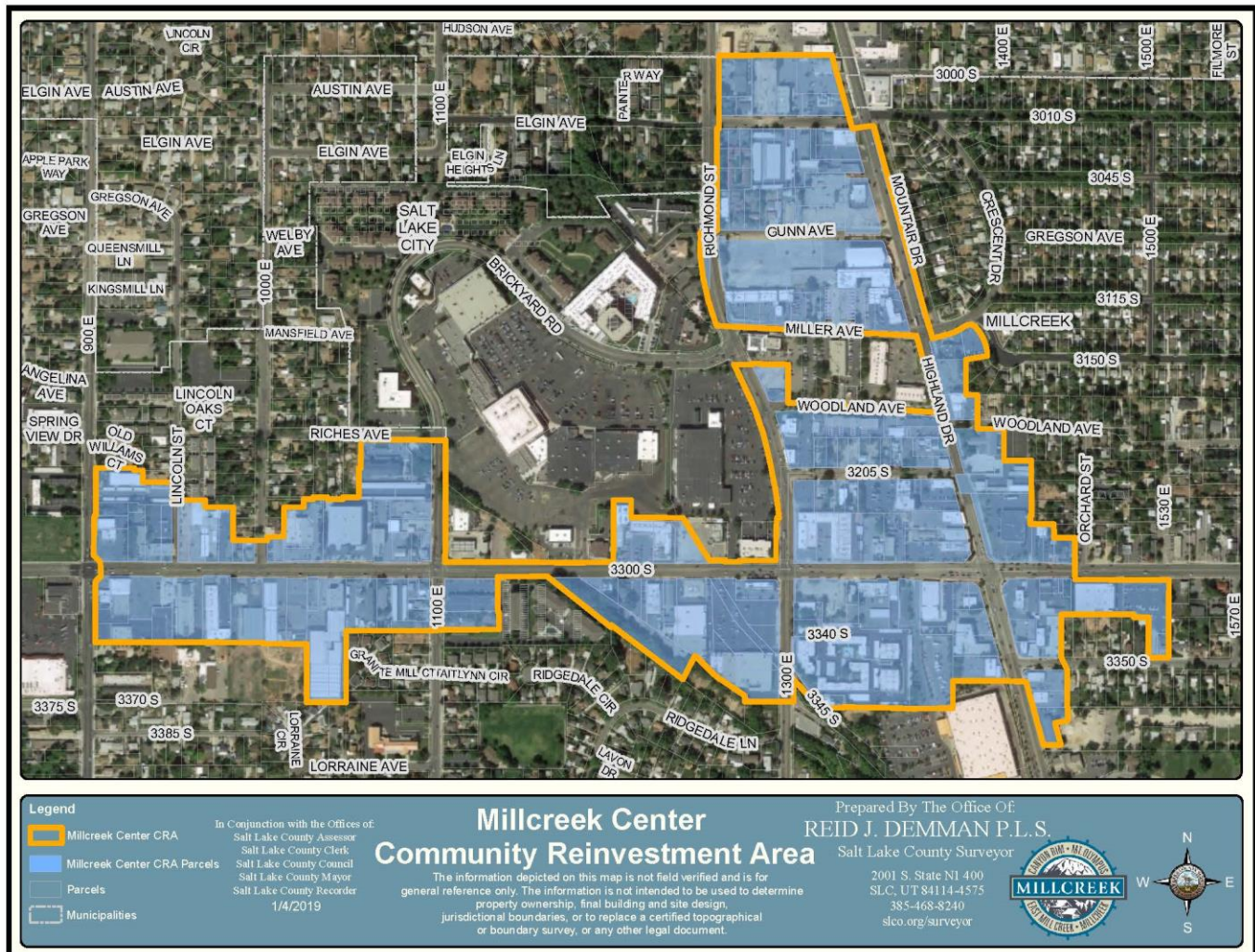


EXHIBIT C: Parcel List

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