

DRAFT PROJECT AREA BUDGET

SOUTH POINTE

COMMUNITY REINVESTMENT AREA (CRA)

WASHINGTON TERRACE CITY REDEVELOPMENT
AGENCY

FEBRUARY 2021

PREPARED BY:
RS CONTRACT
MANAGEMENT



TABLE OF CONTENTS

SECTION 1: INTRODUCTION	3
SECTION 2: GENERAL OVERVIEW OF PROJECT AREA BUDGET	3
SECTION 3: PROPERTY TAX INCREMENT	4
APPENDIX A: MULTI-YEAR BUDGET	5

SECTION 1: INTRODUCTION

The Washington Terrace City Redevelopment Agency (the “Agency”), following thorough consideration of the needs and desires of Washington Terrace City (the “City”) and its residents, as well as understanding the City’s capacity for new development, has carefully crafted the Project Area Plan (the “Plan”) for the South Pointe Community Reinvestment Project Area (the “Project Area” or “CRA”). The Plan is the result of a comprehensive evaluation of the types of appropriate land-uses and economic development opportunities for the land encompassed by the Project Area.

The Plan is envisioned to define the method and means of development for the Project Area from its current state to a higher and better use. The City has determined that it is in the best interest of its citizens to assist in the development of the Project Area. This Project Area Budget document (the “Budget”) is predicated upon certain elements, objectives and conditions outlined in the Plan and intended to be used as a financing tool to assist the Agency in meeting Plan objectives discussed herein and more specifically referenced and identified in the Plan.

The Project is being undertaken as a community reinvestment project pursuant to certain provisions of Chapters 1 and 5 of the Utah Community Reinvestment Agencies 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.

SECTION 2: GENERAL OVERVIEW OF PROJECT AREA BUDGET

The purpose of the Project Area Budget is to provide the financial framework necessary to implement the Project Area Plan. The following information will detail the sources and uses of tax increment and other necessary details needed for public officials, interested parties, and the public in general to understand the mechanics of the Project Area Budget.

BASE YEAR VALUE

The Agency has determined that the base year property tax value for the Project Area Budget will be the total taxable value for the 2020 tax year which is estimated to be \$1,538,866. Using the 2020 tax rates established within the Project Area the property tax levied equate to \$18,474 annually.

PAYMENT TRIGGER

This Budget will have a sixteen-year (16) duration from the date of the first tax increment receipt. The collection of tax increment will be triggered at the discretion of the Agency prior to March 1 of the tax year in which they intend to begin the collection of increment. The construction date to begin the development will be early 2022, with a completion date in late 2023. The following year in which this increment will be remitted to the Agency will be Year 1. In no case will the Agency trigger increment collection after March 1, 2024.

PROJECTED TAX INCREMENT REVENUE – TOTAL GENERATION

Development within the Project Area is anticipated to commence upon favorable market conditions in 2020 and included both horizontal and vertical infrastructure and development. The contemplated development will generate significant additional property taxes above what is currently generated within the Project Area.

Property Tax Increment will begin to be generated in the tax year (ending Dec 1st) following construction completion and Tax Increment will be paid to the Agency in March or April after collection. It is projected that property Tax Increment generation within the Project Area could begin as early as 2023. It is currently estimated that during the 16-year life of the Budget, property Tax Increment could be generated within the Project Area in the approximate

amount of \$6.81 million or \$4.70 million in terms of net present value (NPV).¹ This amount is over and above the \$295,585 of base taxes that the property would generate over 16 years.

SECTION 3: PROPERTY TAX INCREMENT

PROPERTY TAX INCREMENT SHARED FOR BUDGET

While property tax increment generated within the CRA is expected to be approximately \$6.81 million over 16 years, only a portion of this increment will be shared with the Agency. It is anticipated that all taxing entities that receive property tax generated within the CRA will share at least a portion of that increment generation with the Agency. It is anticipated that all taxing entities will contribute 50% of their respective tax increment during the project life. Table 4.1 shows the projected amount of tax increment to be shared with the Agency. A multi-year projection of tax increment is included in APPENDIX A.

TABLE 4.1: SOURCES OF TAX INCREMENT FUNDS

Entity	Percentage	Length	Total	NPV at 4%
Weber County	50%	16 Years	\$742,525	\$512,327
Weber School District	50%	16 Years	\$1,665,573	\$1,149,212
Washington Terrace City	50%	16 Years	\$702,788	\$484,909
Weber Basin Water Conservancy District	50%	16 Years	\$41,441	\$28,593
Central Weber Sewer Improvement District	50%	16 Years	\$160,086	\$110,456
Weber County Mosquito Abatement District	50%	16 Years	\$26,681	\$18,409
Weber Area Dispatch 911 and Emergency Services District	50%	16 Years	\$68,405	\$47,198
Total Sources of Tax Increment Funds			\$3,407,499	\$2,351,105

USES OF TAX INCREMENT

Most of the tax increment collected by the Agency will be used to facilitate the costs of development within the CRA. 10% will go towards the CRA affordable housing requirement. Approximately 3% will be used to administer the CRA.

TABLE 4.2: USES OF TAX INCREMENT

Uses	Total	NPV at 4%
Redevelopment Activities (87%)	\$2,964,524	\$2,045,462
CRA Housing Requirement (10%)	\$340,750	\$235,111
Project Area Administration (3%)	\$102,225	\$70,533
Total Uses of Tax Increment Funds	\$3,407,499	\$2,351,105

PROJECTED TAX INCREMENT REMAINING WITH TAXING ENTITIES

It is anticipated that all taxing entities will receive 50% of their respective property tax increment generated within the Project Area during the duration of the Budget and all tax increment thereafter. The table below describes the forecasted property tax benefit that each taxing entity will retain during the duration of the Project Area Budget.

TABLE 4.3: TAX INCREMENT REMAINING FOR TAXING ENTITIES

Entity	Total	NPV at 4%
Weber County	\$742,525	\$512,327
Weber School District	\$1,665,573	\$1,149,212
Washington Terrace City	\$702,788	\$484,909
Weber Basin Water Conservancy District	\$41,441	\$28,593
Central Weber Sewer Improvement District	\$160,086	\$110,456
Weber County Mosquito Abatement District	\$26,681	\$18,409
Weber Area Dispatch 911 and Emergency Services District	\$68,405	\$47,198

¹ Net Present Value of future cash flows assumes a 4% discount rate. The same 4% discount rate is used in all remaining NPV calculations. This total is prior to accounting for the flow-through of tax increment to the respective taxing entities.

Entity	Total	NPV at 4%
Total Tax Increment to Taxing Entities	\$3,407,499	\$2,351,105

APPENDIX A: MULTI-YEAR BUDGET

Washington Terrace City Redevelopment Agency

South Pointe CRA Tax Increment Analysis

ASSUMPTIONS:	
Discount Rate	4.0%
Assessed Value Growth Rate	2.0%
Base Year Value	\$1,538,866

PROPERTY TAX ANALYSIS:		Payment Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	TOTALS	NPV
Cumulative Taxable Value		Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16		
Golden West Development																				
Office 1		\$18,426,383	\$18,794,911	\$19,170,809	\$19,554,225	\$19,945,310	\$20,344,216	\$20,751,100	\$21,166,122	\$21,589,445	\$22,021,234	\$22,461,658	\$22,910,891	\$23,369,109	\$23,836,492	\$24,313,221	\$24,799,486			
Office 2		-	-	-	-	-	-	\$18,426,383	\$18,794,911	\$19,170,809	\$19,554,225	\$19,945,310	\$20,344,216	\$20,751,100	\$21,166,122	\$21,589,445	\$22,021,234	\$22,461,658		
Total Assessed Value:		\$18,426,383	\$18,794,911	\$19,170,809	\$19,554,225	\$19,945,310	\$20,344,216	\$20,751,100	\$21,166,122	\$21,589,445	\$22,021,234	\$22,461,658	\$22,910,891	\$23,369,109	\$23,836,492	\$24,313,221	\$24,799,486			
TOTAL TAXABLE VALUE:		\$18,426,383	\$18,794,911	\$19,170,809	\$19,554,225	\$19,945,310	\$20,344,216	\$20,751,100	\$21,166,122	\$21,589,445	\$22,021,234	\$22,461,658	\$22,910,891	\$23,369,109	\$23,836,492	\$24,313,221	\$24,799,486			
TAX RATE & INCREMENT ANALYSIS:		2020 Rates																	Totals	NPV
Weber County	0.002616	48,203	49,167	50,151	51,154	52,177	101,424	103,452	105,521	107,632	109,784	111,980	114,220	116,504	118,834	121,211	123,635	1,485,051	1,024,655	
Weber School District	0.005868	108,126	110,289	112,494	114,744	117,039	227,506	232,056	236,697	241,431	246,260	251,185	256,209	261,333	266,559	271,891	277,328	3,331,146	2,298,423	
Washington Terrace City	0.002476	45,624	46,536	47,467	48,416	49,385	95,996	97,916	99,874	101,872	103,909	105,987	108,107	110,269	112,475	114,724	117,019	1,405,576	969,819	
Weber Basin Water Conservancy District	0.000146	2,690	2,744	2,799	2,855	2,912	5,661	5,774	5,889	6,007	6,127	6,250	6,375	6,502	6,632	6,765	6,900	82,881	57,186	
Central Weber Sewer Improvement District	0.0000564	10,392	10,600	10,812	11,029	11,249	21,867	22,304	22,750	23,205	23,669	24,143	24,625	25,118	25,620	26,133	26,655	320,172	220,912	
Weber County Mosquito Abatement District	0.000094	1,732	1,767	1,802	1,838	1,875	3,644	3,717	3,792	3,868	3,945	4,024	4,104	4,186	4,270	4,355	4,443	53,362	36,819	
Weber Area Dispatch 911 and Emergency Services District	0.000241	4,441	4,530	4,620	4,713	4,807	9,344	9,531	9,721	9,916	10,114	10,316	10,523	10,733	10,948	11,167	11,390	136,811	94,397	
TOTAL INCREMENTAL TAX REVENUE:	0.012005	\$221,209	\$225,633	\$230,146	\$234,748	\$239,443	\$465,441	\$474,750	\$484,245	\$493,930	\$503,808	\$513,885	\$524,162	\$534,645	\$545,338	\$556,245	\$567,370	\$6,814,999	\$4,702,211	
PROJECT AREA BUDGET		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	TOTALS	NPV	
Sources of Funds:		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039		
Property Tax Participation Rate for Budget																		TOTALS	NPV	
Weber County	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Weber School District	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Washington Terrace City	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Weber Basin Water Conservancy District	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Central Weber Sewer Improvement District	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Weber County Mosquito Abatement District	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Weber Area Dispatch 911 and Emergency Services District	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Property Tax Increment for Budget																		TOTALS	NPV	
Weber County		\$24,102	\$24,584	\$25,075	\$25,577	\$26,088	\$50,712	\$51,726	\$52,761	\$53,816	\$54,892	\$55,990	\$57,110	\$58,252	\$59,417	\$60,605	\$61,818	\$742,525	\$512,327	
Weber School District		\$54,063	\$55,144	\$56,247	\$57,372	\$58,520	\$113,753	\$116,028	\$118,349	\$120,716	\$123,130	\$125,592	\$128,104	\$130,666	\$133,280	\$135,945	\$138,664	\$1,665,573	\$1,149,212	
Washington Terrace City		\$22,812	\$23,268	\$23,733	\$24,208	\$24,692	\$47,998	\$48,958	\$49,937	\$50,936	\$51,955	\$52,994	\$54,054	\$55,135	\$56,237	\$57,362	\$58,509	\$702,788	\$484,909	
Weber Basin Water Conservancy District		\$1,345	\$1,372	\$1,399	\$1,427	\$1,456	\$2,830	\$2,887	\$2,945	\$3,003	\$3,064	\$3,125	\$3,187	\$3,251	\$3,316	\$3,382	\$3,450	\$41,441	\$28,593	
Central Weber Sewer Improvement District		\$5,196	\$5,300	\$5,406	\$5,514	\$5,625	\$10,933	\$11,152	\$11,375	\$11,603	\$11,835	\$12,071	\$12,313	\$12,559	\$12,810	\$13,066	\$13,328	\$160,086	\$110,456	
Weber County Mosquito Abatement District		\$866	\$883	\$901	\$919	\$937	\$1,822	\$1,859	\$1,896	\$1,934	\$1,972	\$2,012	\$2,052	\$2,093	\$2,135	\$2,178	\$2,221	\$26,681	\$18,409	
Weber Area Dispatch 911 and Emergency Services District		\$2,220	\$2,265	\$2,310	\$2,356	\$2,403	\$4,672	\$4,765	\$4,861	\$4,958	\$5,057	\$5,158	\$5,261	\$5,366	\$5,474	\$5,583	\$5,695	\$68,405	\$47,198	
Total Property Tax Increment for Budget:		\$110,604	\$112,816	\$115,073	\$117,374	\$119,722	\$322,721	\$327,375	\$332,122	\$336,965	\$341,904	\$346,942	\$352,081	\$357,323	\$362,669	\$368,118	\$373,677	\$4,499,499	\$2,931,105	
Uses of Tax Increment Funds:		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	TOTALS	NPV	
Agency Administration and Operations	3.0%	\$13,318	\$13,384	\$13,452	\$13,521	\$13,592	\$6,982	\$7,121	\$7,264	\$7,409	\$7,557	\$7,708	\$7,862	\$8,020	\$8,180	\$8,344	\$8,511	\$102,225	\$70,533	
CRA Housing	10.0%	\$11,060	\$11,282	\$11,507	\$11,737	\$11,972	\$23,272	\$23,516	\$23,764	\$24,016	\$24,272	\$24,530	\$24,791	\$25,054	\$25,320	\$25,587	\$25,856	\$340,750	\$235,111	
Redevelopment Activities	87.0%	\$96,226	\$98,150	\$100,113	\$102,116	\$104,158	\$202,467	\$206,537	\$210,647	\$214,795	\$218,972	\$223,187	\$227,440	\$231,731	\$236,060	\$240,428	\$244,835	\$2,964,524	\$2,045,462	
Total Uses		\$110,604	\$112,816	\$115,073	\$117,374	\$119,722	\$322,721	\$327,375	\$332,122	\$336,965	\$341,904	\$346,942	\$352,081	\$357,323	\$362,669	\$368,118	\$373,677	\$4,499,499	\$2,931,105	
REMAINING TAX REVENUES FOR TAXING ENTITIES		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	TOTALS	NPV	
Weber County		\$24,102	\$24,584	\$25,075	\$25,577	\$26,088	\$50,712	\$51,726	\$52,761	\$53,816	\$54,892	\$55,990	\$57,110	\$58,252	\$59,417	\$60,605	\$61,818	\$742,525	\$512,327	
Weber School District		\$54,063	\$55,144	\$56,247	\$57,372	\$58,520	\$113,753	\$116,028	\$118,349	\$120,716	\$123,130	\$125,592	\$128,104	\$130,666	\$133,280	\$135,945	\$138,664	\$1,665,573	\$1,149,212	
Washington Terrace City		\$22,812	\$23,268	\$23,733	\$24,208	\$24,692	\$47,998	\$48,958	\$49,937	\$50,936	\$51,955	\$52,994	\$54,054	\$55,135	\$56,237	\$57,362	\$58,509	\$702,788	\$484,909	
Weber Basin Water Conservancy District		\$1,345	\$1,372	\$1,399	\$1,427	\$1,456	\$2,830	\$2,887	\$2,945	\$3,003	\$3,064	\$3,125	\$3,187	\$3,251	\$3,316	\$3,382	\$3,450	\$41,441	\$28,593	
Central Weber Sewer Improvement District		\$5,196	\$5,300	\$5,406	\$5,514	\$5,625	\$10,933	\$11,152	\$11,375	\$11,603	\$11,835	\$12,071	\$12,313	\$12,559	\$12,810	\$13,066	\$13,328	\$160,086	\$110,456	
Weber County Mosquito Abatement District		\$866	\$883	\$901	\$919	\$937	\$1,822	\$1,859	\$1,896	\$1,934	\$1,972	\$2,012	\$2,052	\$2,093	\$2,135	\$2,178	\$2,221	\$26,681	\$18,409	
Weber Area Dispatch 911 and Emergency Services District		\$2,220	\$2,265	\$2,310	\$2,356	\$2,403	\$4,672	\$4,765	\$4,861	\$4,958	\$5,057	\$5,158	\$5,261	\$5,366	\$5,474	\$5,583	\$5,695	\$68,405	\$47,198	
Total		\$110,604	\$112,816	\$115,073	\$117,374	\$119,722	\$322,721	\$327,375	\$332,122	\$336,965	\$341,904	\$346,942	\$352,081	\$357,323	\$362,669	\$368,118	\$373,677	\$4,499,499	\$2,931,105	
BASE YEAR TAXES		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	TOTALS	NPV	
Weber County		\$4,026	\$4,026	\$4,026	\$4,026	\$4,026	\$4,026	\$4,026	\$4,026	\$4,026	\$4,026	\$4,026	\$4,026	\$4,026	\$4,026	\$4,026	\$4,026	\$64,411	\$46,908	
Weber School District		\$9,030	\$9,030	\$9,030	\$9,030	\$9,030	\$9,030	\$9,030	\$9,030	\$9,030	\$9,030	\$9,030	\$9,030	\$9,030	\$9,030	\$9,030	\$9,030	\$144,481	\$105,221	
Washington Terrace City		\$3,810	\$3,810	\$3,810	\$3,810	\$3,810	\$3,810	\$3,810	\$3,810	\$3,810	\$3,810	\$3,810	\$3,810	\$3,810	\$3,810	\$3,810	\$3,810	\$60,964	\$44,398	
Weber Basin Water Conservancy District		\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$225	\$3,595	\$2,618	
Central Weber Sewer Improvement District		\$868	\$868	\$868	\$868	\$868	\$868	\$868	\$868	\$868	\$868	\$868	\$868	\$868	\$868	\$868	\$868	\$13,887	\$10,113	
Weber County Mosquito Abatement District		\$145	\$145	\$145	\$145	\$145	\$145	\$145	\$145	\$145	\$145	\$145	\$145	\$145	\$145	\$145	\$145	\$2,314	\$1,686	
Weber Area Dispatch 911 and Emergency Services District		\$371	\$371	\$371	\$371	\$371	\$371	\$371	\$371	\$371	\$371	\$371	\$371	\$371	\$371	\$371	\$371	\$5,934	\$4,321	
Total		\$18,474	\$18,474	\$18,474	\$18,474	\$18,474	\$18,474	\$18,474	\$18,474	\$18,474	\$18,474	\$18,474	\$18,474	\$18,474	\$18,474	\$18,474	\$18,474	\$295,585	\$215,266	