

Syracuse City Redevelopment Agency

DRAFT Syracuse WDC Gateway
Community Reinvestment Area
Project Area Plan
June 2024



ZIONS PUBLIC FINANCE, INC.

TABLE OF CONTENTS

Background and Overview	2
1. Recitals of Prerequisites for Adopting a Community Development Project Area Plan	3
2. Definitions	3
3. Project Area Boundaries and Map [17C-5-105(1)]	5
4. General Statement of Existing Land Uses, Layout of Principal Streets, Population Densities, Building Intensities and How They will be Affected by the Project Area Development [17C-5-105(2)]	5
A. Existing Land Uses in the Project Area	5
B. Layout of Principal Streets in the Project Area.....	5
C. Population Densities in the Project Area.....	5
D. Building Intensities in the Project Area.....	5
5. Standards That Will Guide the Project Area Development [17C-5-105(3)]	6
A. General Design Objectives	6
6. How the Project Area Development will Further the Purposes of the Act [17C-5-105(4)]	7
A. Establishment of New Business and Increased Tax Base	7
B. Public Infrastructure Improvements	7
C. Job creation.....	8
D. Provision of Essential Services	8
7. The Plan is Consistent with and will Conform to the Community’s General Plan [17C-5-105(5)]	8
8. If Applicable, How Project Area Development will Eliminate or Reduce a Development Impediment in the Community Reinvestment Project Area [17C-5-105(6)].....	8
9. Description of Any Specific Project or Projects That are the Object of the Proposed Project Area Development [17C-5-105(7)].....	8
10. How Participants Will Be Selected Within the Project Area [17C-5-105(8)].....	8
A. Selection of Private Developers	9
B. Identification of Developers Who are Currently Involved in the Proposed Project Area	9
11. Reasons for the Selection of the Project Area [17C-5-105(9)].....	9
12. Description of the Physical, Social and Economic Conditions Existing in the Project Area [17C-5-105(10)]... 9	9
A. Physical Conditions	9
B. Social Conditions.....	9
C. Economic Conditions.....	9
13. Financial Assistance to Participants within the Project Area [17C-5-105(11)].....	10
14. Analysis or Description of the Anticipated Public Benefit Resulting from Project Area Development [17C-5-105(12)].....	10
B. Associated Business and Economic Activity Likely to be Stimulated	10
1. Business and Employee Expenditures.....	11
2. Construction Expenditures.....	11
C. Adoption of the Plan is Necessary and Appropriate to Undertake the Project Area Plan	11
15. If Applicable, States that the Agency Shall Comply with Section 9-8-404 as Required under Section 17C-5-106 [17C-5-105(13)].....	12
Appendix A: Project Area Map	13
Appendix B: Legal Description.....	14

BACKGROUND AND OVERVIEW

The Syracuse City Redevelopment Agency (the “Agency”), following thorough consideration of the needs and desires of Syracuse City (the “City”) and its residents, as well as the need of and capacity for new development, has prepared this Community Reinvestment Project Area Plan (the “Plan”) for the WDC Gateway Project Area (the “Project Area”) described in more detail below.

In accordance with the terms of this Plan, the Agency will encourage, promote and provide for the development of mixed-use development including commercial and residential development. The Project Area includes 18 parcels totaling 168.89 acres and is in a prime location for commercial and residential development. The site has good access to SR 127 (Antelope Drive) and SR 177 (West Davis Corridor) and is adjacent to Exit 13 on the West Davis Corridor.

While the location is good, due to atypical infrastructure and geographical features of the site, it has become apparent that development of the area will be delayed or struggle to occur without economic development intervention. The adjacent storm and sanitary sewer line capacities are insufficient for the scale of anticipated development. Nearly one mile of new, larger capacity lines are required. Also, the site lacks sufficient transportation infrastructure. A new roundabout and two new public roadways are needed. The bordering existing roadway lacks sidewalk and turn lanes will need to be added. Possibly most significantly, the site is in need of wetland mitigation, which is a significant hurdle to development. These infrastructure improvements are needed to open up the area. In addition, the City has xeriscaping landscaping plans that will use waterwise plants and limit nonfunctional turf.

It is anticipated that the project will generate significant economic activity in the region through the creation of temporary construction jobs, full-time employment for ongoing jobs, the generation of additional tax revenues, and diversification through new business opportunities.

This Plan will govern development within the Project Area, including the capture and use of tax increment to construct needed infrastructure. The purpose of this Plan clearly sets forth the aims and objectives of this development, its scope, available incentives and the mechanism for funding such incentives, and the value of the Plan to the residents, businesses and property owners, and taxing entities in this area.

The Agency has determined that the area meets the criteria for creation of a Community Reinvestment Area (“CRA”). The area offers the opportunity to incentivize the operation and further development of an employment center comprised of a mix of commercial space that will attract private capital investment, contribute to the tax base, create jobs, and otherwise contribute to the economic vitality and prosperity of Syracuse, Utah.

Creation of the CRA will allow property owners and/or developers within the Project Area the opportunity to request incentives funded through participation by the various taxing entities that levy taxes on the property within the project area.

This document is prepared in good faith as a current reasonable estimate of the economic impact of this Project. Fundamental economic and other circumstances may influence the actual impact. With these

assumptions, the information contained within this report represents the reasonable expectations of the Project.

The ordering of sections of this Project Area Plan document is consistent with the presentation of requirements and other criteria for CRA development as set forth in Utah Code § 17C-5-105.

1. RECITALS OF PREREQUISITES FOR ADOPTING A COMMUNITY DEVELOPMENT PROJECT AREA PLAN

- a) Pursuant to the provisions of §17C-5-103 of the Act, the governing body of the Syracuse City Redevelopment Agency adopted a resolution on June 14, 2022, designating a survey area in which reinvestment Project Areas can be created; and
- b) Pursuant to the provisions of §17C-5-104(1)(a) and (b) of the Act, Syracuse City has a planning commission and general plan as required by law; and
- c) Pursuant to the provisions of §17C-5-104(3) of the Act, the Agency will conduct one or more public hearings for the purpose of informing the public about the Project Area and allowing public input as to whether the draft Project Area Plan should be revised, approved, or rejected. A public hearing is scheduled for August 13, 2024; and
- d) Pursuant to the provisions of §17C-5-104(3)(b) and (d) of the Act, the Agency 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, allowed public comment on the Project Area Plan and will hold a public hearing on the draft Plan on July 11, 2023.

2. DEFINITIONS

As used in this Community Reinvestment Project Area Plan:

1. The term "**Act**" shall mean and include the Limited Purpose Local Government Entities – Community Development and Renewal Agencies 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.
2. The term "**Agency**" shall mean the Syracuse City Redevelopment Agency, a separate body corporate and politic created by the City pursuant to the Act.
3. The term "**Base taxable value**" shall mean the base taxable value of the property within the Project Area from which tax increment will be collected, as shown upon the assessment roll last equalized before the date the Project Area Plan is adopted by the City legislative body; OR as provided within an interlocal agreement created under §17C-5-204 of the Act.
4. The term "**City**" shall mean Syracuse City, Utah.

5. The term "**Community**" shall mean Syracuse City, Utah.
6. The term "**Community development**" shall mean development activities within the community, including the encouragement, promotion, or provision of development.
7. The term "**Developer**" shall mean the entities investing in the development in the area.
8. The term "**Effective date**" shall have the same meaning as established under §17C-5-110 of the Act.
9. The term "**Legislative body**" shall mean the City Council of Syracuse City which is the legislative body of the Community.
10. The term "**Plan Hearing**" means the public hearing on the draft Project Area Plan required under Subsection 17C-5-104(e) of the Act.
11. The term "**Project Area**" shall mean the geographic area described in the Project Area Plan or draft Project Area Plan where the community development set forth in this Project Area Plan or draft Project Area Plan takes place or is proposed to take place (Exhibit A).
12. The term "**Project Area Budget**" shall mean the multi-year projection of annual or cumulative revenues, other expenses and other fiscal matters pertaining to the Project Area prepared in accordance with Part 3 of §17C-5 of the Act.
13. The term "**Project Area Plan**" or "**Plan**" shall mean the written plan that, after its effective date and adoption pursuant to the provisions of the Act, guides and controls the community development activities within the Project Area.
14. The terms "**Tax**," "**Taxes**," "**Property tax**" or "**Property taxes**" includes all levies on an ad valorem basis upon real property, personal property, or other property, tangible or intangible.
15. The term "**Taxing entity**" shall mean any public entity that levies a tax on property within the Project Area.
16. The term "**Tax increment**" shall mean the difference between the amount of property tax revenues generated each tax year by all taxing entities from the area designated in the Project Area Plan as the area from which tax increment is to be collected, using the current assessed value of the property and the amount of property tax revenues that would be generated from that same area using the base taxable value of the property.

3. PROJECT AREA BOUNDARIES AND MAP [17C-5-105(1)]

The area identified for study (see map in Appendix A and legal description in Appendix B) consists of 168.89 parcel acres. The proposed area has an irregular boundary that starts below Gleneagles Drive at the north and follows the west and south edge of the Glen Eagle Golf Course. The boundary then turns south until meeting Antelope Drive and proceeds east until it moves past residential lots lining 3300 W and generally proceeds south until reaching 2700 South. The boundary then turns west and follows 2700 South until reaching 3000 West where it turns north until reaching Antelope Drive again. The boundary then turns northwest and runs parallel to SR 177. The area is adjacent to the newly-constructed Exit 13 on SR177 (West Davis Corridor).

4. GENERAL STATEMENT OF EXISTING LAND USES, LAYOUT OF PRINCIPAL STREETS, POPULATION DENSITIES, BUILDING INTENSITIES AND HOW THEY WILL BE AFFECTED BY THE PROJECT AREA DEVELOPMENT [17C-5-105(2)]

A. EXISTING LAND USES IN THE PROJECT AREA

The majority of land in the project area is vacant. Two parcels have improvements on them. One, located at 1956 S 3000 W and comprising approximately 5 acres, is a church operated by the Church of Jesus Christ of Latter-Day Saints, and the other is an approximately 3-acre parcel owned by the Glen Eagle Golf Club and is used as a club house. UDOT owns several parcels along the right of way accounting for a further 3.3 acres. The remaining 158 acres are currently vacant.

The existing land uses will change from primarily vacant to commercial and residential.

B. LAYOUT OF PRINCIPAL STREETS IN THE PROJECT AREA

There are currently 4 major streets that are either within or make up the boundary of the study. Three of those streets, Antelope Drive, 2700 South, and 3000 West are 2-lane connectors while 3300 West is considered a local street.

The layout of principal streets will not be impacted the proposed development.

C. POPULATION DENSITIES IN THE PROJECT AREA

There are currently no residences in the project area; however, there are two neighborhoods located to the east and west of the proposed development.

With the development of 281 residential units, the population will increase to an estimated 843 persons. With 169 parcel acres, this results in population density of approximately 5 persons per acre.

D. BUILDING INTENSITIES IN THE PROJECT AREA

There are 2 improved parcels in the study area. The Davis County Assessor's Office did not publish the total square feet of the church property located in the project area, but the lone commercial building in the area

is approximately 4,808 square feet. Taking the 4,808 square building square feet and dividing by 7,376,850 square feet of developable area (169 acres x 43,650) results in a negligible floor to area ratio.

The Plan contemplates the addition of approximately 505,000 square feet of commercial space and 281 residential units. Based on the acreage, this would increase the building density floor area ratio to about 14.5 percent – a relatively low ratio.¹

5. STANDARDS THAT WILL GUIDE THE PROJECT AREA DEVELOPMENT [17C-5-105(3)]

The general standards that will guide the economic development are as follows:

A. GENERAL DESIGN OBJECTIVES

Development within the Project Area will be held to quality design and construction standards, suitable for commercial, business and residential development and will be subject to: (1) appropriate elements of the City's General Plan; (2) applicable City building codes and ordinances; (3) Planning Commission review and recommendation; (4) the City's land use code; and (5) development agreements that include design guidelines.

Developers will be allowed flexibility of design in developing land located within the Project Area. The development shall be of a design and shall use materials that are subject to design review and approval by the City pursuant to a development agreement with the Developer/Owner specifically addressing design issues.

Coordinated and attractive landscaping shall also be provided as appropriate for the character of the Project Area. Materials and design paving, retaining walls, fences, curbs, benches, and other items shall have an attractive appearance and be easily maintained.

All development will be based on site plans, development data, and other appropriate submittals and materials clearly describing the development, including land coverage, setbacks, heights, and any other data dictated by the City's land use code, and applicable City practice or procedure.

The general principles guiding development within the Project Area are as follows:

1. Encourage and assist economic development with the creation of a well-planned development that will increase job opportunities in the local area.
2. Provide for the strengthening of the tax base and economic health of the entire community and the State of Utah.
3. Implement the tax increment financing provisions of the Act which are incorporated herein by reference and made a part of this Plan.

¹ Assumes 281 residential units of an average size of 2,000 square feet each and 505,000 commercial square feet. This results in a total of 1,067,000 square feet on 168.89 acres. 1,067,000 divided by (168.89 acres x 43,560 sf) = 14.5 percent.

4. Encourage economic use of and new construction or redevelopment upon the real property located within the Project Area.
5. Promote and market the Project Area for economic development that would enhance the economic base of the City through diversification.
6. Provide for compatible relationships among land uses and quality standards for development, such that the area functions as a unified and viable center of economic activity for the City.
7. Remove any impediments to land disposition and development through assembly of land into reasonably sized and shaped parcels served by adequate public utilities, streets and other infrastructure improvements.
8. Achieve an environment that reflects an appropriate level of concern for architectural, landscape and design principles, developed through encouragement, guidance, appropriate controls, and financial and professional assistance to the Developers.
9. Design parking areas with regard to orderly arrangement, topography and ease of use and access.
10. Comply with City lighting standards and signs for a safe and pleasant appearance following modern illumination standards.

6. HOW THE PROJECT AREA DEVELOPMENT WILL FURTHER THE PURPOSES OF THE ACT [17C-5-105(4)]

It is the intent of the Agency, with the assistance and participation of various Developers, to facilitate and promote the development of a mixed-use development that includes commercial and residential uses and that will result in the creation of jobs in the Project Area. Further, the project will strengthen the tax base of the community, which will also serve to accomplish economic development objectives and create a well-planned employment center.

The purposes of the Act will be achieved by the following:

A. ESTABLISHMENT OF NEW BUSINESS AND INCREASED TAX BASE

The proposed Project envisions a mix of businesses and residential development that will benefit the State and local taxing entities through increased job creation, increased property tax base, increased income taxes paid (both corporate and individual) and increased energy usage (and the accompanying municipal energy “franchise” tax). Multiplier (indirect and induced) impacts will result from the job creation and expenditures for construction and supplies.

B. PUBLIC INFRASTRUCTURE IMPROVEMENTS

The construction of the public infrastructure improvements as provided by this Plan will support the development contemplated herein and will encourage future development in surrounding areas. The

associated public infrastructure improvements will make the land within the Project Area more accessible to and from other parts of the City. Thus, the components of the Project provided in this Plan will encourage, promote and provide for economic development within the Project Area and the City generally for years to come.

C. JOB CREATION

The project area includes the potential for new businesses and related jobs.

D. PROVISION OF ESSENTIAL SERVICES

Potential development will most likely provide essential services for the regional area.

7. THE PLAN IS CONSISTENT WITH AND WILL CONFORM TO THE COMMUNITY'S GENERAL PLAN [17C-5-105(5)]

This Plan is consistent with the City's General Plan that was approved in 2019. The City's Statement, as contained in the General Plan is as follows (p. 5):

"Syracuse is a suburban community with a limited selection of local jobs and shopping destinations. While some goods and services are available locally, there are far fewer local jobs than working-age adults. According to the Utah Department of Workforce Services, approximately 93% of our residents commute out of the city for work. There should be a focus on attracting employment opportunities for residents. This would increase the daytime population which benefits local businesses who will be patronized by local workers. Residents have expressed interest in big box retail uses, restaurants, and shopping that may draw customers from neighboring communities. A balance of industries will diversity the City's tax base, providing economic resiliency."

The addition of commercial development meets these goals by providing local employment opportunities, reducing commute and travel times and strengthening existing businesses.

8. IF APPLICABLE, HOW PROJECT AREA DEVELOPMENT WILL ELIMINATE OR REDUCE A DEVELOPMENT IMPEDIMENT IN THE COMMUNITY REINVESTMENT PROJECT AREA [17C-5-105(6)]

Not applicable. The Agency is not making any findings of development impediments for this Project Area.

9. DESCRIPTION OF ANY SPECIFIC PROJECT OR PROJECTS THAT ARE THE OBJECT OF THE PROPOSED PROJECT AREA DEVELOPMENT [17C-5-105(7)]

The project area contemplates the addition of big box retail, smaller retail, business office and residential development.

10. HOW PARTICIPANTS WILL BE SELECTED WITHIN THE PROJECT AREA [17C-5-105(8)]

A. SELECTION OF PRIVATE DEVELOPERS

The Agency contemplates that owners of real property within the Project Area will take advantage of the opportunity to develop their property or sell their property to developers for the development of facilities within the Project Area. In the event that owners do not wish to participate in the community development in compliance with the Plan, or in a manner acceptable to the Agency, or are unable or unwilling to appropriately participate, the Agency may, consistent with the Act, encourage other owners to acquire property within the Project Area, or to select non-owner developers by private negotiation, public advertisement, bidding or the solicitation of written proposals, or a combination of one or more of the above methods.

B. IDENTIFICATION OF DEVELOPERS WHO ARE CURRENTLY INVOLVED IN THE PROPOSED PROJECT AREA

A big box warehouse retailer would act as the initial developer. They would pioneer the installation of needed infrastructure that will open up the site for them, as well as development on the remaining acreage.

11. REASONS FOR THE SELECTION OF THE PROJECT AREA [17C-5-105(9)]

The Project Area was selected by the Agency as that area within the City having an immediate opportunity to strengthen the community through development of vacant tax-exempt properties, create jobs, capitalize on the rapid growth occurring in Davis County and maximize the site's strategic proximity to the West Davis Corridor and labor markets. It is also one of the few larger-sized parcels in the regional area suitable to become an employment center.

12. DESCRIPTION OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS EXISTING IN THE PROJECT AREA [17C-5-105(10)]

A. PHYSICAL CONDITIONS

The proposed Project Area consists of approximately 168.89 acres, as shown on the Project Area map in Appendix A. The Project Area is mostly undeveloped, with 5 acres of land currently in use as a church, and a further 3 acres used as a commercial club house for the nearby golf course.

B. SOCIAL CONDITIONS

There are currently no residential homes within the area. However, there are neighborhoods on either side of the development with a significant number of homes.

C. ECONOMIC CONDITIONS

There is currently no commercial development in the Project Area and little economic activity besides the club house that is located at the north edge of the property. The Project Area currently has 8 acres that are tax exempt and 158 acres of undeveloped land.

13. FINANCIAL ASSISTANCE TO PARTICIPANTS WITHIN THE PROJECT AREA [17C-5-105(11)]

The Agency intends to negotiate and enter into one or more inter-local agreements with some or all of the taxing entities to secure receipt of a portion of the property tax increment generated within the Project Area that would otherwise be paid to those taxing entities. Collectively, those tax revenues may be used for the reasons already outlined. Subject to the provisions of the Act, the Agency may agree to pay for eligible development costs and other items from such tax revenues for any period of time the Agency and the taxing entities may deem appropriate under the circumstances.

The Agency believes that the creation of the Project Area and the provision of the incentives described in this Plan will enable commercial, residential, and retail development as described above. Actual development is dependent on many factors, including the overall economic climate; however, the Agency hopes to encourage and accelerate such development within the Project Area.

All incentives and payments to participants will be performance-based and will be offered only according to the terms of a Participation Agreement or grant program that adequately protects the Agency and the taxing entities by ensuring performance by the participant. Subject to the provisions of the Act, the Agency may agree to pay for eligible development costs and other items from such tax revenues for the period of time appropriate under the circumstances.

14. ANALYSIS OR DESCRIPTION OF THE ANTICIPATED PUBLIC BENEFIT RESULTING FROM PROJECT AREA DEVELOPMENT [17C-5-105(12)]

The property tax base of the taxing entities should increase by approximately \$198 million from the various investments in real property (land and buildings) alone. In addition, the personal property tax base of the taxing entities will increase but will vary depending on the type of equipment located in the Project Area as well as individual depreciation schedules.

In addition to property tax revenues, the project will generate other revenues including sales tax, municipal energy taxes, Class B/C Road Funds, business license fees, charges for services, and one-time fees such as building permits and impact fees.

B. ASSOCIATED BUSINESS AND ECONOMIC ACTIVITY LIKELY TO BE STIMULATED

Jobs will be created in the project area for construction as well as for ongoing employment as new businesses locate there. Other business and economic activity likely to be stimulated includes business, employee and construction expenditures. There are significant opportunities for increased economic development and tax generating development that can occur within the immediate sphere of influence of the Project Area that otherwise may not occur in a timely basis or at the same level of increased development and private investment.

1. BUSINESS AND EMPLOYEE EXPENDITURES

It is anticipated that employees and business owners in the Project Area will directly or indirectly purchase local goods and services related to their operations from local or regional suppliers. These purchases will likely increase employment opportunities in the related areas of business equipment, furniture and furnishings, business supplies, computer equipment, communication, security, transportation and delivery services, maintenance, repair and janitorial services, packaging supplies, office and printing services, transportation and delivery services.

A summary of benefits is as follows:

- Provide an increase in direct purchases in the City.
- Provide economic diversification within the City and Davis County.
- Encourage economic development in order for public or private employers to create additional jobs in the community.
- Complement existing businesses and industries located within the City by providing new employees who may live and shop and pay taxes in the City and the region.
- Another benefit will be the expenditure of income by employees filling the new positions. The types of expenditures by employees in the area will likely include convenience shopping for personal and household goods, lunches at area restaurants, convenience purchases and personal services (haircuts, banking, gifts, gasoline, 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 to the workplace (assuming the services are available).

2. CONSTRUCTION EXPENDITURES

Economic activity associated with the development will include construction activity. Construction costs for labor and materials will likely be notable. This will create a moderate number of construction jobs. Construction supplies are also anticipated to create significant sales tax revenues for the State, County and City.

C. ADOPTION OF THE PLAN IS NECESSARY AND APPROPRIATE TO UNDERTAKE THE PROJECT AREA PLAN

Adoption of the Plan is necessary and appropriate to undertake the Project Area Plan because: 1) The Plan conforms with and furthers the City's General Plan; and 2) private investment will increase the tax base by approximately \$198 million which will provide increased tax revenues to all taxing entities.

15. IF APPLICABLE, STATES THAT THE AGENCY SHALL COMPLY WITH SECTION 9-8-404 AS REQUIRED UNDER SECTION [17C-5-105(13)]

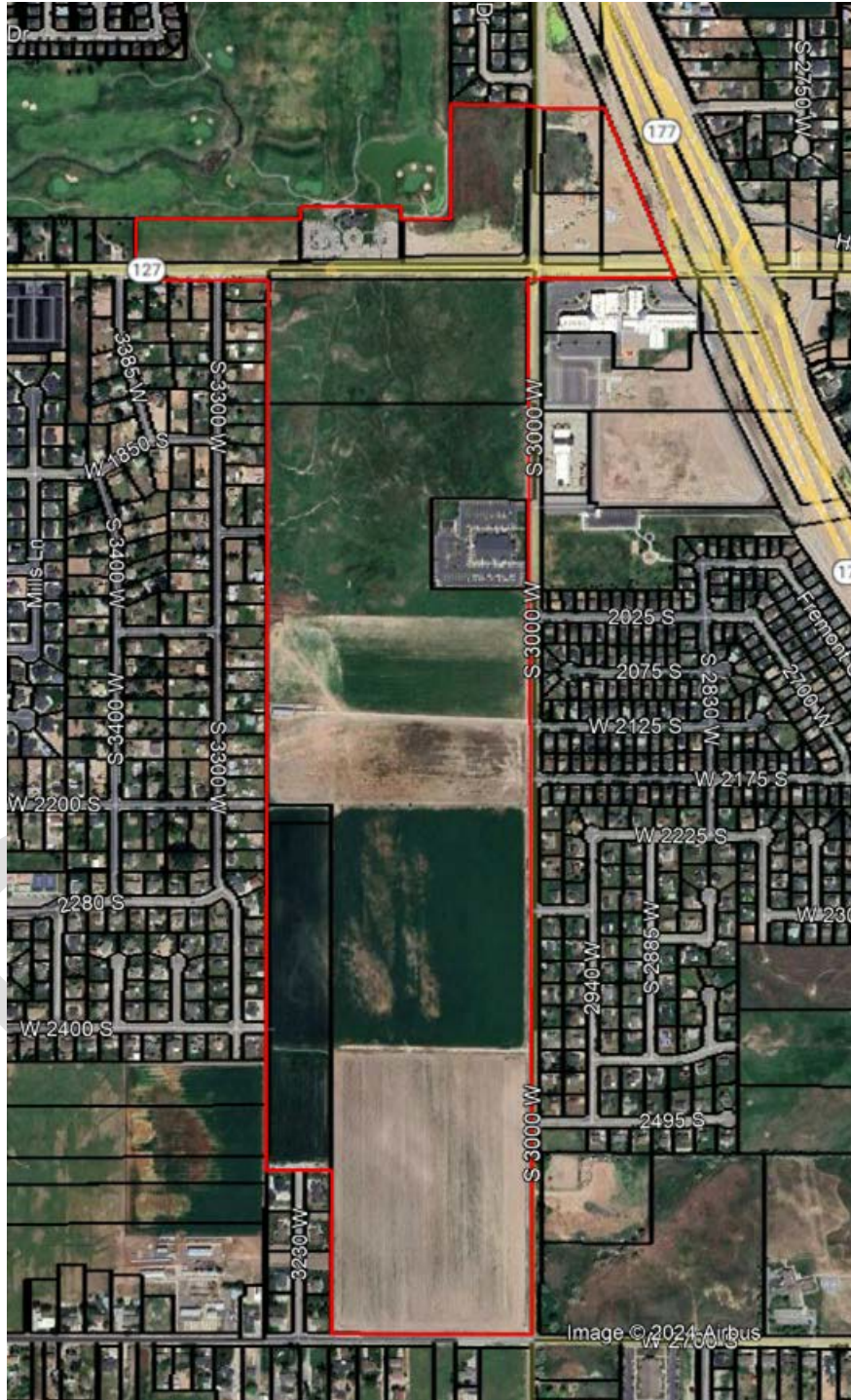
If applicable, the Agency will comply with the requirements of § 9-8-404 relating to any historic properties within the Project Area. However, there are no historic properties in the area at the present time.

16. FOR A COMMUNITY REINVESTMENT PROJECT AREA PLAN THAT AN AGENCY ADOPTED BEFORE MAY 14, 2019, STATE WHETHER IT IS SUBJECT TO INTERLOCAL OR TAXING ENTITY AGREEMENT AS REQUIRED UNDER SECTION [17C-5-105(14)]

Not applicable.

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APPENDIX A: PROJECT AREA MAP



APPENDIX B: LEGAL DESCRIPTION

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