

NOTICE & AGENDA

REDEVELOPMENT AGENCY OF FARMINGTON

NOTICE IS HEREBY GIVEN that a meeting of the Governing Board of the Redevelopment Agency of Farmington City, Davis County, Utah, will be held at the second floor of **Farmington City Hall** located at 160 South Main, Farmington, Utah, on **Tuesday, June 4, 2019, at 7:50 p.m.** The agenda shall be as follows:

7:50 Roll Call

ACTION ITEMS:

7:55 Consideration of a resolution approving an amendment to Station Park Redevelopment Project Area Budget

Motion to adjourn and reconvene the City Council meeting.

DATED this 31st day of May, 2019.

REDEVELOPMENT AGENCY

By: _____


Holly Gadd, Secretary

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting, should notify Holly Gadd, City Recorder, 451-2383 x 205, at least 24 hours prior to the meeting.

Posted 05/31/2019



F A R M I N G T O N C I T Y

H. JAMES TALBOT
MAYOR

BRETT ANDERSON
DOUG ANDERSON
ALEX LEEMAN
CORY RITZ
REBECCA WAYMENT
CITY COUNCIL

DAVE MILLHEIM
CITY MANAGER

RDA Staff Report

To: Honorable Mayor and City Council

From: Brigham Mellor, Economic Development Director

Date: June 4th, 2019

SUBJECT: **Consideration of a resolution approving an amendment to the Station Park Redevelopment Project Area Budget**

RECOMMENDATION

Move to RDA approve the budget amendment resolution attached

BACKGROUND

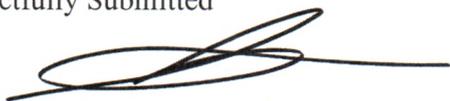
The purpose of the public hearing is to accept public comment on a draft amendment/extension to the official budget and plan for the Station Park Redevelopment Project Area (the "Project Area"). On June 1, 2005, the Board of Directors of the Agency adopted Resolution No. 2005-09 approving an official budget for the Project Area (the "Budget"). The Budget was approved by the Taxing Entity Committee on May 20, 2005. The Agency and Farmington City also approved an official plan for the Project Area, dated April 1, 2005 (the "Plan"). The Plan and Budget each provides for a 20-year tax increment collection period. The Budget also includes a maximum cap of \$18,500,000 in cumulative tax increment revenues to be collected by the Agency (the "Collection Cap").

The Agency intends to increase the Collection Cap in the Budget by \$4,060,000, so that the new Collection Cap will be up to \$22,560,000. The 20-year tax increment collection period in the Plan and Budget will remain the same. Property tax revenues resulting from an increase in valuation of property within the Project Area will be paid to the Agency for project area development rather than to the taxing entity to which the tax revenues would otherwise have been paid, if the Budget extension/amendment is approved by a taxing entity committee (TEC) representing all the taxing entities within the project area (TEC meeting 2pm May 22nd Farmington City Hall).

As noted, the Agency has requested up to an additional \$4,060,000 in property tax revenues that will be generated by development within the Project Area to fund a portion of project costs within the Project Area. These property tax revenues will be used for the following: Project Area administration costs, housing allocation, and Project Area development activities as determined by the Agency Board.

These property taxes will be taxes levied by the following governmental entities, and, assuming current tax rates, the taxes paid to the agency for this project area from each taxing entity will be as follows (estimates): Davis County - \$674,141; Davis County School District - \$2,537,418; Farmington City - \$581,553; Weber Basin Water Conservancy District - \$54,037; Davis County Mosquito Abatement District - \$39,210; Central Davis County Sewer District - \$58,650; and County Library - \$114,993.

Respectfully Submitted

A handwritten signature in black ink, appearing to read 'Brigham Mellor', with a long horizontal line extending to the right.

Brigham Mellor
Economic Development Director

Concur

A handwritten signature in blue ink, appearing to read 'Shane Pace', with a long horizontal line extending to the right.

Shane Pace
City Manager

RDA RESOLUTION NO. _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF FARMINGTON CITY APPROVING AN AMENDMENT TO THE STATION PARK REDEVELOPMENT PROJECT AREA BUDGET.

WHEREAS, on May 20, 2005, the Taxing Entity Committee approved a Project Area Budget (the "Project Area Budget") for the Station Park Redevelopment Project Area (the "Project Area"), in the form attached hereto for informational purposes as **Exhibit A**;

WHEREAS, on June 1, 2005, the Governing Board of the Redevelopment Agency of Farmington City adopted the Project Area Budget as the official budget for the Project Area;

WHEREAS, growth in assessed value in the Project Area has exceeded the forecasts in the original Project Area Budget;

WHEREAS, new development opportunities within the Project Area have arisen and Agency staff and consultants have proposed an amendment to the Project Area Budget in order to provide funds to realize the development opportunity;

WHEREAS, the original Project Area Budget included a maximum tax increment collection cap of \$18,500,000.00, which the Agency has, or in the upcoming fiscal year will have, allocated and spent on approved Project Area development activities;

WHEREAS, in order to make available to the Agency sufficient funds to attract the new development opportunity in the Project Area, the Agency has proposed, under the Amendment, that the tax increment collection cap be increased by \$4,060,000.00;

WHEREAS, on May 21, 2019, the Governing Board held a public hearing regarding the proposed Amendment, and the Governing Board received and considered all public comment provided at that hearing or in any other manner to the members of the Governing Board;

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BOARD OF THE REDEVELOPMENT AGENCY OF FARMINGTON CITY:

1. The Amendment to the Project Area Budget attached hereto as **Exhibit B** and incorporated herein, is hereby approved and adopted effective immediately, subject to any amendments or modifications made a part of the motion to approve this resolution (if any), and also subject to (i) approval of the Amendment by the Taxing Entity Committee for the Redevelopment Agency of Farmington City, and (ii) any limitations or modifications that may be approved by the Taxing Entity Committee for the Redevelopment Agency of Farmington City (all such limitation or modifications, if any, are hereby accepted and approved by the Governing Board).

2. This Resolution takes effect immediately.

APPROVED THIS JUNE 4, 2019:

Chairperson

ATTEST:

Secretary

EXHIBIT A: ORIGINAL PROJECT AREA BUDGET

RESOLUTION OF THE REDEVELOPMENT AGENCY OF FARMINGTON CITY
ADOPTING THE STATION PARK REDEVELOPMENT PROJECT AREA BUDGET AS
APPROVED BY THE TAXING ENTITY COMMITTEE ON MAY 20, 2005

WHEREAS, the Redevelopment Agency of Farmington City (the "Agency") was created to transact the business and exercise the powers provided for in the former Utah Neighborhood Development Act, the Redevelopment Agencies Act and any successor law or act (the "Act"); and

WHEREAS, pursuant to Section 17B-4-501(2) of the Act, the Agency has: (a) prepared a draft of the Project Area Budget for the Station Park Redevelopment Project Area; (b) made a copy of the draft Project Area Budget available to the public at the Agency's offices during normal business hours; and (c) provided notice of the Budget hearing as required by Part 7 of the Act; and

WHEREAS, on Thursday, May 19, 2005, the Agency published in the Davis County Clipper, a newspaper of general circulation, a display advertisement, which met the requirements of Sections 17B-4-501(2)(d) and 17B-4-502 of the Act; and

WHEREAS, pursuant to the provisions of the Act, a public hearing was held on June 1, 2005 to allow public comment on the draft Project Area Budget and whether the draft Project Area Budget should be revised, adopted or rejected; and

WHEREAS, the Agency has considered comments made and information presented at the public hearing relating to the draft Project Area Budget; and

WHEREAS, pursuant to the provisions of Sections 17B-4-504 and 17B-4-1010 of the Act, the Agency has allocated 20% of the total tax increment received by the Agency from the Station Park Redevelopment Project Area to be used for housing as set forth in the Act, up to the total amount of \$3,700,000; and

WHEREAS, the Agency has selected the option of collecting 100% of the annual tax increment from the Station Park Redevelopment Project Area for twenty (20) years; and

WHEREAS, the governing body of the Agency desires to approve and adopt the Project Area Budget.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF FARMINGTON CITY:

Section 1. Station Park Redevelopment Project Area Budget. As the project area budget, the Agency hereby approves and adopts, as a multi-year cumulative budget for the Station Park

Redevelopment Project Area (the "Project Area"), the Project Area Budget entitled "Station Park Project Area, Redevelopment Agency of Farmington City, 20 Year - Multi-Year Budget - Cumulative" as approved by resolution of the Taxing Entity Committee on May 20, 2005, and as shown on the attached Exhibit "A." The boundaries of the Project Area are more fully described and shown in the Project Area Plan.

The Project Area Budget is a multi-year cumulative budget. This means that the annual amounts of projected tax increment revenue to the Agency as shown in each year of the materials submitted or presented with the Project Area Budget are not limitations but are for informational purposes only, and that the Agency is authorized to receive 100% of the tax increment each year until the cumulative total amount (\$18,500,000) has been received by the Agency. The Agency specifically approves the following maximum dollar amounts and percentages for the multi-year cumulative Project Area Budget, applying the line item descriptions and maximum dollar amounts shown in the columns of the attached Project Area Budget, entitled "Cumulative **2009-2028**" and "Allocated % of Total Tax Increment" and percentages derived therefrom (or the percentages indicated in the Budget), of the attached Project Area Budget as follows:

The maximum total of all tax increment payable pursuant to the Budget to the Agency over the twenty (20) year Project Area Budget covering the twenty (20) tax increment years beginning between 2009 and 2012 as selected by the Agency is 100% of the total tax increment but not to exceed \$18,500,000. From the total of all tax increment actually received by the Agency pursuant to this Project Area Budget, 20% thereof, using appropriate net present value calculations, if applicable, shall be allocated to housing purposes as required by the Act, and up to \$300,000 of the total tax increment received by the Agency over the entire twenty (20) year period may be used by the Agency for administration purposes.

Section 2. Housing Element. Pursuant to the provisions of Sections 17B-4-504 and 17B-4-1010 of the Act, the Agency has allocated 20% of the total tax increment received by the Agency to be used for housing as set forth in the Act, up to the total amount of \$3,700,000.

Section 3. Tax Increment Financing.

A. The Agency may collect tax increment from all or a part of the Project Area. The tax increment shall be paid to the Agency to finance or refinance, in whole or in part, the redevelopment of the project area and infrastructure and access and utilities within and outside the Project Area that benefit the Project Area, according to the amounts established by the Taxing Entity Committee as shown in the approved Project Area Budget attached as Exhibit "A" and in this Resolution.

B. Subject to any limitations required by currently existing law (unless a limitation is subsequently eliminated), for example limitations of the Project Area Budget approved by the taxing entity committee, this Resolution hereby specifically incorporates all of the provisions of the Act that authorize or permit the Agency to receive tax increment from the Project Area and

that authorize the various uses of such tax increment by the Agency, and to the extent greater authorization for receipt of tax increment by the Agency or use thereof by the Agency is provided by any amendment of the Act or by any successor provision, law or act, those are also specifically incorporated herein. It is the intent of this Resolution that the Agency shall have the broadest authorization and permission for receipt of and use of tax increment as is authorized by law, whether by existing or amended provisions of law. This Resolution also incorporates the specific provisions of tax increment financing permitted by Sections 17B-4-1001 and 1004 of the Act, which provide, in part, as follows:

1001(1) An agency may receive and use tax increment, as provided in this part.

(2) (a) The applicable length of time or number of years for which an agency is to be paid tax increment under this part shall be measured . . . for a post-June 30, 1993 project area plan, from the first tax year the agency is to receive tax increment as shown in the project area budget.

(b) Tax increment may not be paid to an agency for a tax year prior to the tax year following the effective date of the Plan.

(3) With the written consent of a taxing entity, an agency may be paid tax increment, from that taxing entity's tax revenues only, in a higher percentage or for a longer period of time, or both, than otherwise authorized under this chapter. . .

1004(2) An agency board may provide in the project area budget for the agency to be paid:

(a) if 20% of the Project Area Budget is allocated for housing as provided for in Subsection 17B-4-504:

(i) 100% of annual tax increment for 15 years;

(ii) 75% of annual tax increment for 24 years; or

(iii) if approved by the taxing entity committee, any percentage of tax increment up to 100%, or any specified dollar amount, for any period of time; or

(b) if 20% of the project area budget is not allocated for housing under Section 17B-4-504:

(i) 100% of annual tax increment for 12 years;

(ii) 75% of annual tax increment for 20 years; or

(iii) if approved by the taxing entity committee, any percentage of tax increment up to 100%, or any specified dollar amount, for any period of time.

C. Subject to modifications of the Act by amendments or by any successor act or law, the Project Area Plan incorporates the provisions of Section 17B-4-1006(2)(a) of the Act, which states:

(a) The amount of the base taxable value to be used in determining tax increment shall be:

(i) increased or decreased by the amount of an increase or decrease that results from:

(A) a statute enacted by the Utah State Legislature or by the people through an initiative;

(B) a judicial decision;

- (C) an order from the Utah State Tax Commission to a County to adjust or factor its assessment rate under Subsection 59-2-704(2);
- (D) a change in exemption provided in Utah Constitution, Article XIII, Section 2, or Section 59-2-103; or
- (E) an increase or decrease in the percentage of fair market value, as defined under Section 59-2-102; and
- (ii) reduced for any year to the extent necessary, even if below zero, to provide an agency with approximately the same amount of money the agency would have received without a reduction in the county's certified tax rate if:
 - (A) in that year there is a decrease in the county's certified tax rate under Subsection 59-2-924(2)(c) or (d)(i);
 - (B) the amount of the decrease is more than 20% of the county's certified tax rate of the previous year; and
 - (C) the decrease would result in a reduction of the amount of tax increment to be paid to the agency.
- (b) Notwithstanding an increase or decrease under Subsection (a), the amount of tax increment paid to an agency each year for payment of bonds or other indebtedness may not be less than would have been paid to the agency each year if there had been no increase or decrease under Subsection (a).

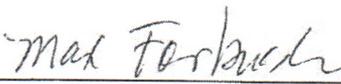
D. As shown in the Project Area Budget, the Agency has elected to receive 100% of the tax increment monies from the Project Area for a period not to exceed twenty (20) years.

IN WITNESS WHEREOF, the Redevelopment Agency of Farmington City has approved, passed and adopted this Resolution this 1st day of June 2005.

ATTEST:



Chairperson



Executive Director

EXHIBIT A

STATION PARK REDEVELOPMENT PROJECT AREA REDEVELOPMENT AGENCY OF FARMINGTON CITY 20 YEAR - MULTI-YEAR BUDGET - CUMULATIVE		DRAFT 4/21/2005	
	BASE YEAR 2004	CUMULATIVE **2009-2028**	ALLOCATED % OF TOTAL TAX INCREMENT
PROJECT REVENUES			
Property Tax (Base Year Taxable Value)	\$34,349 \$2,655,327	\$686,986	
Projected Tax Increment RDA TOTAL -20 YEARS Agency			
Eligible Project Area Expenditures	\$0	\$14,500,000	78.38%
Housing	\$0	\$3,700,000	20.00%
RDA Administration	\$0	\$300,000	1.62%
Total Tax Increment	\$0	\$18,500,000	100.00%
TOTAL PROJECT REVENUES	\$0	\$18,500,000	
Taxing Entity Flow-thru Other Taxing Entities	\$0	\$0	
PROJECT EXPENDITURES			
CAPITAL COSTS & RELATED EXPENSES			
PUBLIC USES AND INFRASTRUCTURE COSTS			
Total - Project area improvements and infrastructure benefiting the project area in & outside the project area.	\$0	\$10,500,000	
PRIVATE DEVELOPMENT COSTS			
PROJECTED BUILDING & CAPITAL EQUIPMENT EXPENSE/COSTS			
Total Building Costs	\$0	\$73,866,725	
Total Capital Equipment Expense	\$0	\$5,367,750	
TOTAL CAPITAL AND RELATED COSTS/EXPENSES	\$0	\$79,234,474	
EXPENDITURES REIMBURSABLE FROM TAX INCREMENT			
Redevelopment Agency Operating Expenses Administration	\$0	\$300,000	1.62%
Housing (20% Annually)	\$0	\$3,700,000	20.00%
Total Tax increment for project area improvements and infrastructure benefiting the project area in & outside the project area & other eligible expenditures, including but not limited to, cost of financing such as interest/issuance costs & reserves.	\$0	\$14,500,000	78.38%
TOTAL EXPENDITURES REIMBURSABLE FROM TAX INCREMENT	\$0	\$18,500,000	100.00%
TOTAL PROJECT EXPENDITURES	\$0	\$97,734,475	
** TAX INCREMENT YEAR ONE MAY OCCUR ANYTIME FROM 2009 TO 2012 DEPENDING ON THE DETERMINATION OF THE REDEVELOPMENT AGENCY TO MAXIMIZE THE AMOUNT OF AVAILABLE ANNUAL TAX INCREMENT. IT IS ANTICIPATED THAT TAX INCREMENT WILL BE COLLECTED FOR 20 YEARS FROM THE FIRST YEAR IN WHICH TAX INCREMENT IS RECEIVED.**			

EXHIBIT B: AMENDMENT TO PROJECT AREA BUDGET

**FIRST AMENDMENT TO THE
STATION PARK URBAN RENEWAL PROJECT AREA BUDGET**

The Station Park Urban Renewal Project Area Budget dated April 21, 2005 (the “Original Budget”), adopted by the governing board of the Redevelopment Agency of Farmington City (the “Agency”) on June 1, 2005, as approved and consented to by the Taxing Entity Committee for the Redevelopment Agency of Farmington City on May 20, 2005 (the “TEC”), as the official budget for the Station Park Urban Renewal Project Area (the “Project Area”), is amended as follows:

1. The Original Budget as approved by the TEC included a maximum tax increment collection cap of \$18,500,000.00 (the “Collection Cap”). The Collection Cap is by this amendment increased to \$22,560,00.00 (the “Amended Collection Cap”), which is a \$4,060,000 increase above the original Collection Cap. To be clear, the Agency is entitled to continue to receive 100% of all tax increment from the Project Area, as provided in the Original Budget, until the Agency has collected an amount equal to the Amended Collection Cap. Once the Agency has received the full amount of the Amended Collection Cap, the Agency will stop collecting tax increment from the Project Area. The Agency’s collection of tax increment, beyond the original Collection Cap amount, is subject to the limitations and conditions set forth in the resolution of the Taxing Entity Committee approving this amendment.
2. The Agency will use all additional tax increment (in excess of the original Collection Cap) collected from the Project Area for the following purposes:

<u>Amount</u>	<u>Use</u>
\$60,000	Project Area Administration
\$4,000,000	Project Area Development as defined by Section 17C-1-102(47) of the Utah Code Ann. (2018) (generally, “activity within a project area that, as determined by the board, encourages, promotes, or provides development or redevelopment for the purpose of implementing a project area plan”), and as permitted by the approval of the Taxing Entity Committee

[End of amendment]

Exhibit B

Station Park RDA Budget Amendment 2019		Totals
Amended Expenditures Reimbursable from Tax Increment		
1		
2	(2019 Amended) RDA Admin Allocation	\$44,000
3	(2019 Amended) County Admin Allocation	\$16,000
4	(2019 Amended) RDA Operating Expenses Administration [1+2]	\$60,000
5	(2005) RDA Operating Expenses Administration	\$300,000
6	RDA Operating Expenses Administration [4+5]	\$360,000
7	(2019 Amended) Tax increment for project area Improvements	\$4,000,000
8	(2005) Tax increment for project area Improvements	\$14,500,000
9	Total Tax increment for project area Improvements [7+8]	\$18,500,000
10	(2019 Amended) Housing allocation	\$0
11	(2005) Housing allocation	\$3,700,000
12	Total Housing Allocation [10+11]	\$3,700,000
Total Expenditures Reimbursable from Tax Increment [6+9+12]		\$22,560,000
2003 Base Value		\$2,655,327
2005 Projected PP&E and Building Value in 2028		\$79,234,474
2018 Final Taxable Value		\$331,398,335
2022 Projected Taxable Value		\$356,398,335

See RDA Report

See Exhibit A

See Exhibit A