



City of Washington Terrace

DRAFT RESTATEMENT - Southeast Urban Renewal Area Project Area

June 2015

BACKGROUND AND OVERVIEW

On November 18, 1987, the City of Washington Terrace adopted, by Ordinance 6-87, the Southeast Redevelopment Plan. The Plan, dated September 21, 1987, has been the official redevelopment plan for the project area. However, the Project Area Plan is due to expire in 2015 and the Agency now desires to extend its timeframe for by ten years.

The purpose of original plan stated the following primary redevelopment objectives within the project area:

- Removal of structurally substandard buildings to permit the return of the project area land to economic use and new construction.
- Removal of impediments to land disposition and development through assembly of land into reasonably sized and shaped parcels served by improved public utilities and new community facilities.
- Rehabilitation of buildings to assure sound long term economic activity in the core area of Washington Terrace City.
- The elimination of environmental deficiencies, including, among others, small and irregular lot subdivision, overcrowding of the land and inadequate off-street parking.
- Achievement of an environment reflecting a high level of concern for architectural and urban design principles developed through encouragement, guidance, appropriate controls and professional assistance to owner participants and redevelopers.
- Implement the tax increment financing provisions of the Utah Neighborhood Development Act.

- The strengthening of the tax base and economic health of the entire community and of the State of Utah.
- Provisions for improvements to public streets, curbs and sidewalks, other public rights-of-way, street lights, landscape area, public parking and other public improvements.

The Community Development and Renewal Agency of Washington Terrace now finds it necessary to extend the collection of tax increment from the Southeast Urban Renewal Area for a period of ten years for the following reasons:

- The project area has seen significant redevelopment, with taxable value increasing from \$1,261,203 in 1987 to \$67,237,266 in 2014. However, there are still significant portions of the project area where redevelopment has not occurred and the City desires to use the additional funds to prepare infrastructure that will allow for and encourage development in the portions of the project area where redevelopment has not occurred;
- There are still extraordinary infrastructure improvements that are needed at the northern end of the project area which has a steep grade off of Highway 89; this area also needs a road reconfiguration and better access if development is to occur; and
- The southern portion of the project area has scenic views that could attract good development but increment may be needed for developer incentives to accelerate the development of this area.

1. URBAN RENEWAL PROJECT AREA PLAN AND BUDGET EXTENSION REQUIREMENTS §17C-2-110 AND §17C-2-206

§17C-2-110 (3) – If a proposed amendment does not propose to enlarge an urban renewal project area, an agency board may adopt a resolution approving an amendment to an adopted project area plan after:

- (a) the agency gives notice, as provided in Section 17C-2-502, of the proposed amendment and of the public hearing required by Subsection (3)(b);
- (b) the agency board holds a public hearing on the proposed amendment that meets the requirements of a plan hearing;
- (c) the agency obtains the taxing entity committee's consent to the amendment, if the amendment proposes:
 - (i) to enlarge the area within the project area from which tax increment is collected;
 - (ii) to permit the agency to receive a greater percentage of tax increment or to receive tax increment for a longer period of time, or both, than allowed under the adopted project area plan; or
 - (iii) for an amendment to a project area plan that was adopted before April 1, 1983, to expand the area from which tax increment is collected to exceed 100 acres of private property; and
- (d) the agency obtains the consent of the legislative body or governing board of each taxing entity affected, if the amendment proposes to permit the agency to receive, from less than all taxing entities, a greater percentage of tax

increment or to receive tax increment for a longer period of time, or both, than allowed under the adopted project area plan.

The requirements for amending the budget are included in Section 17C-2-206:

- (1) An agency may by resolution amend an urban renewal project area budget as provided in this section.
- (2) To amend an adopted urban renewal project area budget, the agency shall:
 - (a) advertise and hold one public hearing on the proposed amendment as provided in Subsection (3);
 - (b) if approval of the taxing entity committee was required for adoption of the original project area budget, obtain the approval of the taxing entity committee to the same extent that the agency was required to obtain the consent of the taxing entity committee for the project area budget as originally adopted;
 - (c) if approval of the taxing entity committee is required under Subsection (2)(b), obtain a written certification, signed by an attorney licensed to practice law in this state, stating that the taxing entity committee followed the appropriate procedures to approve the project area budget; and
 - (d) adopt a resolution amending the project area budget.

2. DESCRIPTION OF PROJECT AREA BOUNDARIES (17C-2-103(1)(A))

No boundaries are changed as part of the extension of this project area. A map is included as Appendix A. The boundaries are generally described as follows:

- Northern Boundary: The northern boundary is 5000 South.
- Eastern Boundary: The eastern boundary begins at Adams Avenue and extends eastward to approximately 600 East at approximately 5250 South. The boundary then goes westward at about 5550 South, and returns back to Adams Avenue at 5600 South.
- Southern Boundary: The southern boundary is generally 5600 South, with a portion extending along Adams Avenue to approximately 5700 South.
- Western Boundary: The western boundary generally follows 150 East to Ridgeline Drive (5500 South). The boundary then follows Ridgeline Drive north to South Pointe Drive and continues to 5000 South, with portions west of Ridgeline Drive and South Pointe Drive included in the Project Area Boundaries.

3. GENERAL STATEMENT OF LAND USES, LAYOUT OF PRINCIPAL STREETS, POPULATION DENSITIES AND BUILDING INTENSITIES AND HOW THEY WILL BE AFFECTED BY THE URBAN RENEWAL (17C-2-103(1)(B))

Land Uses

The primary land use in the Project Area is commercial. The existing commercial development varies from small manufacturing and light industrial to medical office to storage units and RV storage space. Ogden Regional Medical Center is in the Project Area and is accompanied by several medical office complexes, as well as other small office space. Public property includes the Washington Terrace City Hall, a Weber County Library, the Weber County School District Education Center. The Project Area also has residential uses, including single family detached and attached dwellings, condos, and apartments. Furthermore, the project area includes approximately 24 acres of vacant land. The Project Area is primarily zoned Commercial, with smaller areas zoned Hospital/Institution, Residential, Public Building, or Special Area Plan.

TABLE 1: ACREAGE AND TAXABLE VALUE BY PROPERTY TYPE

Property Type	Total Acres
Residential	37.45
Commercial/Industrial	67.66
Vacant	23.54
Public/Exempt	19.20
Total Based on Parcels	147.85
Total Acres in Project Area (including roads)	172.34

Principal Streets

5000 South partially borders but is not included in the Project Area. South Pointe Drive/Ridgeline Drive partially borders and is partially included in the Project Area. Adams Avenue partially borders and is included in the Project Area

Population Densities

Development within the Project Area is a mixture of commercial, public, and residential, with some vacant land. There are 211 residential parcels, for an estimated 271 dwellings. Based on an average household size of 2.52,¹ the estimated population for the Project Area is 683. With 172.3 acres in the Project Area, the project area is 0.269 square miles. Dividing the population by the square miles gives an existing population density of 2,536 people per square mile. The Plan does not currently propose any additional residential development. Proposed residential densities within the Project Area will therefore remain at 2,536 persons per square miles.

Building Intensities

The project area currently has 995,371 square feet of building space, resulting in an average density of 5,777 square feet per acre,² or a floor area ratio (FAR)³ of 0.13.⁴

¹ 2013 ACS 5-year estimate for Washington Terrace.

² Calculated by dividing the 995,371 existing building square feet by the total acres for the area (172.3).

³ Floor Area Ratio (FAR) is defined as the ratio of building square feet to total land area.

4. STATE THE STANDARDS THAT WILL GUIDE THE URBAN RENEWAL (17C-2-103(1)(c))

Development within the Project Area will be held to high quality design and construction standards 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; and (4) the City's land use code.

Owners and developers will be allowed flexibility in the development of land located within the Project Area and are expected to obtain quality design and development. The development contemplated herein shall be of a design and shall use materials that are in harmony with adjoining areas and subject to design review and approval by the City. It is contemplated that these design objectives will be addressed in a development agreement with the Developer specifically addressing these points.

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, be easily maintained, and indicative of their purpose.

Parking areas shall be designed with careful regard to orderly arrangement, topography, relationship to view, ease of access, and as an integral part of the overall site design.

All development will be accompanied by site plans, development data, and other appropriate material clearly describing the development, including land coverage, setbacks, heights, and any other data required by the City's land use code, the applicable zoning designations, or as requested by the City or the Agency.

⁴ Calculated by dividing the 995,371 building square feet by the number of square feet in one acre (43,560).

The general standards that will guide the urban renewal are as follows:

1. Encourage and assist urban renewal with the creation of a well-planned, vibrant business and educational center which will include space for retail, office, residential and educational uses.
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.
4. Encourage economic use of and new construction upon the real property located within the Project Area.
5. Promote and market the Project Area for urban renewal that would be complementary to existing businesses and industries or 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 community 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 and 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 owner participants and developers.

9. Provide for construction of public streets, utilities, curbs and sidewalks, other public rights-of-way, street lights, landscaped areas, public parking, water utilities, sewer utilities, storm drainage, open space, and other public improvements.
10. Provide improved public streets and road access to the area to facilitate better traffic circulation and reduce traffic hazards by assisting in the street alignments.

5. SHOW HOW THE PURPOSES OF THIS TITLE WILL BE ATTAINED BY THE URBAN RENEWAL (17C-2-103(1)(D))

- (a) "Urban renewal" as defined under 17C-1-102(51) means the development activities under a project area plan within an urban renewal project area, including:
 - (i) planning, design, development, demolition, clearance, construction, rehabilitation, environmental remediation, or any combination of these, of part or all of a project area;
 - (ii) the provision of residential, commercial, industrial, public, or other structures or spaces, including recreational and other facilities incidental or appurtenant to them;
 - (iii) altering, improving, modernizing, demolishing, reconstructing, or rehabilitating, or any combination of these, existing structures in a project area;
 - (iv) providing open space, including streets and other public grounds and space around buildings;

- (v) providing public or private buildings, infrastructure, structures and improvements; and
- (vi) providing improvements of public or private recreation areas and other public grounds.

The timeframe extension of the project area will meet the purposes of this title through redevelopment of blighted properties and through the reconfiguration of infrastructure that is insufficient to serve the demands of commercial growth.

6. BE CONSISTENT WITH THE GENERAL PLAN OF THE COMMUNITY (17C-2-103(1)(E))

The General Plan Land Use map shows commercial development throughout the project area. The City desires to attract good commercial development that will strengthen the tax base. The City has limited properties that could be developed commercially and therefore feels it needs to maximize its opportunities along Washington Blvd. in order to ensure economic sustainability. The City's desires for this Project Area are consistent with the General Plan.

7. DESCRIBE HOW THE URBAN RENEWAL WILL REDUCE OR ELIMINATE BLIGHT IN THE PROJECT AREA (17C-2-103(1)(F))

The reconfiguration of roads near Washington Blvd. will provide greater access and visibility to these key commercial sites in the City. Blight will be eliminated through redevelopment of these parcels along Washington Blvd, facilitated by the road reconfiguration, that currently are partially vacant, are not maintained, house temporary inventory of storage sheds and trailers, and that give a poor appearance to this gateway into the City.

8. DESCRIBE ANY SPECIFIC PROJECT OR PROJECTS THAT ARE THE OBJECT OF THE PROPOSED URBAN RENEWAL (17C-2-103(1)(G))

The Agency intends to reconfigure road access at the northern end of the project area, specifically at Washington Blvd. and 5000 South and the South Pointe Drive corridor. There are also significant infrastructure improvements on the south end of Adams Avenue that would benefit from the extension of the RDA.

Both areas would receive significant utility improvements and transportation realignments that have the potential of promoting additional economic development activity. Below is a breakdown of the projects.

NORTHERN PROJECTS

South Pointe Drive Roadway Realignment & Re-signaling	\$1,700,000
South Pointe Drive Pedestrian Access Improvements	\$300,000
South Pointe Drive Water System Service Improvements	\$80,000
South Pointe Drive Storm Drainage Improvements	\$450,000
South Pointe Drive Landscaping Improvements	\$100,000
Property Acquisition	\$250,000
TOTAL ESTIMATED BUDGET (NORTHERN) =	\$2,880,000

SOUTHERN PROJECTS

7	Adams Avenue Roundabout / City Gateway	\$1,100,000
8	Roundabout Intersection Stub for Adjacent Development	\$250,000
9	Culinary Water Improvements (PRV, Loops, Fire Service)	\$480,000
10	Sewer Service Improvements	\$220,000
11	Storm Drainage Improvements	\$300,000
12	Landscaping Improvements	\$100,000
13	Property Acquisition	\$450,000
TOTAL ESTIMATED BUDGET (SOUTHERN) =		\$2,900,000
TOTAL BUDGET (ALL PROJECTS) =		\$5,780,000

9. IDENTIFY HOW PRIVATE DEVELOPERS, IF ANY, WILL BE SELECTED TO UNDERTAKE THE URBAN RENEWAL AND IDENTIFY EACH PRIVATE DEVELOPER CURRENTLY INVOLVED IN THE URBAN RENEWAL PROCESS (17C-2-103(1)(H))

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 urban renewal in compliance with the Plan, or in a manner acceptable to the Agency, or are unable or unwilling to appropriately participate, the Agency reserves the right pursuant to the provisions of the Act to acquire parcels, to encourage other owners to acquire other 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.

10. STATE THE REASONS FOR THE SELECTION OF THE PROJECT AREA (17C-2-103(1)(I))

The Project Area was selected as that area in Washington Terrace having the most infrastructure needs as well as the most potential to generate tax increment. The Agency has had good success in this area in the past, with the base taxable value increasing from \$1,261,203 in 1987 to \$67,237,266 in 2014. The hospital provides opportunities for additional medically-related businesses to locate in the area, the toll road (if tolls are eliminated) could substantially increase in traffic in the future, and the properties along Washington Terrace are prime commercial sites with significant infrastructure needs. The Agency desires ten additional years in order to complete what it has so successfully accomplished to date in this area.

11. STATE THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS EXISTING IN THE PROJECT (17C-2-103(1)(J))

Physical Conditions

The proposed Project Area consists of approximately 172.3 acres within the total boundaries, with 147.85 acres attributable to non-street parcels. The Project Area, while mostly developed, has approximately 24 acres of vacant land, with additional underdeveloped storage lots. Developed property has primarily commercial, residential, and public uses.

Social Conditions

There are 211 residential parcels, for an estimated 271 dwellings. The Project Area has workers coming from other areas to work in already-existing commercial businesses. The Project Area Plan will increase the number of workers traveling to the Project Area. It is anticipated, therefore, that the proposed Project Area will grow the community's economy, quality of life, and reputation.

Economic Conditions

The project area is mostly developed with offices, with some commercial businesses and public buildings. Tenants include Ogden Regional Medical Center, numerous medical offices, the City of Washington Terrace, Weber School District, Weber County Library, and Maverick. The average improvement value per acre (for improved acres only) in the Project Area is \$1,041,747 per acre.⁵ In comparison, land values in the area average \$181,335 per acre.⁶ Land values per acre are as low as \$1,904, indicating additional opportunity for development in the area.

12. DESCRIBE ANY TAX INCENTIVES OFFERED PRIVATE ENTITIES FOR FACILITIES LOCATED IN THE PROJECT AREA (17C-2-103(1)(K))

The Agency is requesting 50 percent of the tax increment for a period of ten years extending from 2016 through 2025. There are no specific incentives being considered at this point in time. However, there are several disproportionate costs associated with developing the existing land thus RDA funding would be a significant help in making the properties more marketable. The total amount of increment expected to be received by the Agency is \$5,789,130 over the ten years, with four percent of that amount (approximately \$231,565) allocated to administrative costs.

13. BENEFITS ANALYSIS (17C-2-103(1)(L))

⁵ Calculated by taking the total improvement values in the project area (\$98,766,416) and dividing by the 94.81 acres that show improvement values.

⁶ Calculated by taking the total land values in the project area (\$26,810,416) and dividing by the 147.85 total acres (not including acreage for roads).

This section describes the benefit of any financial assistance or other public subsidy proposed to be provided by the agency, including:

a. An Evaluation of the Reasonableness of the Costs of the Urban Renewal [17C-2-103(2)(a)(i)]

- i. Assistance is needed in order to compensate for the poor configuration, grading and access at the northern end of the project area. This assistance is necessary in order to “level the playing field” and to make the area competitive with other development locations.
- ii. The Agency believes that the additional development will result in increased revenues to the City and other taxing entities through: 1) additional property tax valuation and revenue; and 2) through additional business growth and job creation that will generate increased income tax, corporate franchise tax and sales tax revenues to the State and local government.
- iii. The cost of the public improvements to be constructed in the Project Area may need to be borne by developers, repayable in whole or in part with a portion of the Agency’s share of the tax increment generated in the Project Area.
- iv. The Agency believes that the cost estimates shown in the Project Area Budget are reasonable and provide the basis for the Agency to proceed with the proposed development as part of its Urban Renewal activities in the Project Area. The cost estimates reflect the Agency’s current best estimates of current and future costs and revenues based upon estimates and projections that may change during the life of the Project Area Budget.

b. Efforts the Agency or Developer Has Made or Will Make to Maximize Private Investment [17C-2-103(2)(a)(ii)]

The Agency proposes to use tax increment as an incentive to private developers, to encourage and maximize private investment in the development of the Project Area. It is expected that through the use of tax increment in this manner, and through agreements with developers setting the developers' expected performance, private investment will be maximized to the extent reasonably possible. The Agency may request competitive bids for development of key sites with the Project Area. The competitive bid process itself will encourage private investment.

c. Rationale for Use of Tax Increment including Whether the Proposed Development Might Reasonably be Expected to Occur in the Foreseeable Future [17C-2-103(2)(a)(iii)]

Tax increment financing is a tool used for financing and stimulating urban economic development in areas where economic activity is stagnant or declining. In the Economic Strategic Plan completed by the City in December 2013, the report found that "given the potential for redevelopment in this area, the City should consider extending the timeframe of this RDA." While much has been accomplished in the past in this area, much more remains to be accomplished.

d. Estimate of the Total Amount of Tax Increment that will be Expended in Undertaking Urban Renewal and the Length of Time for which it will be Expended [17C-2-103(2)(a)(iv)]

Because no developers have currently stepped forward with plans for the Project Area, it is difficult to estimate the amount of tax increment that could be generated over a 10-year period. Project Area costs are estimated to reach roughly \$5,780,000 for transportation, infrastructure improvements and economic incentives (including land write-downs) that will benefit the area.

Since the project area was formed and the base year established in 1987 with a taxable value of \$1,261,203, the taxable value has increased to \$67,237,266 in 2014. This amended project area plan and budget seek to keep the base year value of \$1,261,203 in 1987 and extend the collection period for ten years. The Agency intends to reduce its share of tax increment received to 50 percent over the 10-year period resulting in total Agency revenues of \$5,789,130 over the 10-year period, with a net present value of an estimated \$4,650,137.⁷

The following section describes the anticipated public benefit to be derived from the urban renewal, including:

a. The Beneficial Influences Upon the Tax Base of the Community 17C-2-103(2)(b)(i)]

The beneficial influences upon the tax base of the other taxing entities will include increased property tax revenues. This will occur due to the redevelopment of underutilized properties that can be converted to higher and better uses. These increased revenues will come from the property values associated with new construction in the area, as well as increased land values that may occur, over time, in the area generally. Property values include land, buildings and personal property (machines, equipment, etc.).

Retail development in the area will increase sales tax revenues to the County and the City from the local option point of sale tax revenues. Job growth in the Project Area will result in increased wages which will result in more local purchases which will benefit existing businesses in the area. Job growth will also result in increased income taxes paid. Business growth will generate corporate income taxes.

⁷ Discount rate of four percent.

There will also be a beneficial impact on the community through increased construction activity in the area. Positive impacts will be felt through construction wages paid, as well as construction supplies purchased locally.

b. The Associated Business and Economic Activity Likely to be Stimulated [17C-2-103(2)(b)(ii)]

Other business and economic activity likely to be stimulated includes increased spending by residents and employees of the Project Area in the immediate Project Area and in surrounding areas. This includes both direct and indirect purchases that are stimulated by the direct spending of the additional residents and employees in the area.

Businesses will likely make purchases that may eventually result in increased employment opportunities in areas such as the following: office equipment, furniture and furnishings, office supplies, computer equipment, communication, security, transportation and delivery services, maintenance, repair and janitorial services, packaging supplies, and office and printing services.

Employees may make some purchases in the local area, such as convenience shopping for personal services (haircuts, banking, dry cleaning, etc.) and for eating away from home such as fast food. 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).

Residents will likely make convenience purchases close to home, again assuming that desired goods and services are available. These purchases include items such as: food, convenience foods, personal services, etc.

- c. Whether the Adoption of the Project Area Plan is Necessary and Appropriate to Reduce or Eliminate Blight [17C-2-103(2)(b)(iii)]

The area has generated significant development interest along Adams Avenue due to the redevelopment assistance offered in the area. However, the past few years of the URA have felt the effects of the nationwide economic recession and an extended timeframe is necessary in order add the infrastructure necessary to redevelop key sites in the project area – especially those properties along Washington Blvd. This extended plan is necessary in order to remove blighted properties and to improve infrastructure in the area in order to make it a competitive development site at a key location and to complete the very successful redevelopment process already in place in the area.

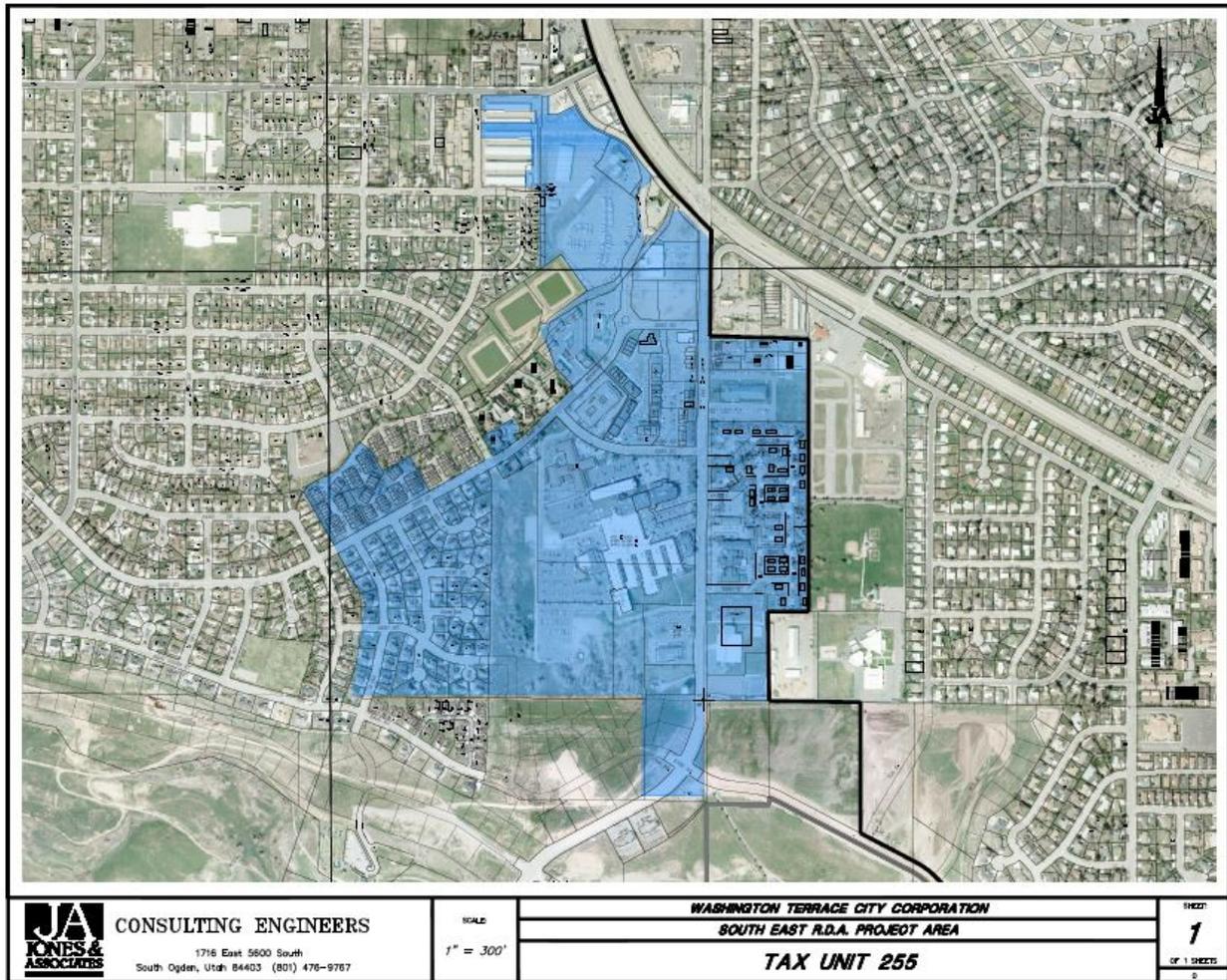
14. HISTORIC BUILDINGS IN PROJECT AREA (17C-2-103(1)(M))

The Agency has not identified any buildings in the Project Area that are included in or eligible for inclusion in the National Register of Historic Places or the State Register. If such buildings are identified in the future, the Agency shall comply with Section 9-8-404 as though the Agency were a State Agency.

15. INCLUDE OTHER INFORMATION THAT THE AGENCY DETERMINES TO BE NECESSARY OR ADVISABLE (17C-2-103(1)(M))

Not applicable.

APPENDIX A – MAP OF SOUTHEAST PROJECT AREA



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