

North Logan Community Development Proposal

Once in a while circumstances become such that unique windows of opportunity are available. Usually the time period for action is tight and vision is required to gain the dream. We have such an opportunity in North Logan City to create and organize a vibrant village center. In order to be successful, however, we need the partnership of the county school district and Cache County government.

Current law in the State of Utah has been crafted for just such an opportunity. It allows for the development of Community Development Areas (CDA's) which enable communities to guide desirable development where it otherwise might not occur. By law, those existing property taxes currently being generated from the land within the CDA are left untouched. The CDA is **new** money that is created with the creation of new businesses. So a CDA allows for organized development that in all probability would otherwise never be developed. *No current taxes are to be used for the CDA.*

The corner stone in North Logan's CDA is that of a new hotel and conference center. A space within the CDA is currently under consideration for such a property. Conservative estimates are that construction costs will generate over \$300,000 in new property taxes annually at the normal tax rate. In order for this to happen tax incentives are necessary. Therefore, North Logan City is asking Cache School District, and the Cache County Government to invest in this new development by deferring a **portion** of the **new** property taxes that would be generated. This deferral is structured in three, five year blocks with 30% of new taxes coming to the County and School district in the first five year block, then 40% in the second five year block and 50% in the third five year block, with the remainder going to the CDA to pay for infrastructure and some lands within the CDA itself.

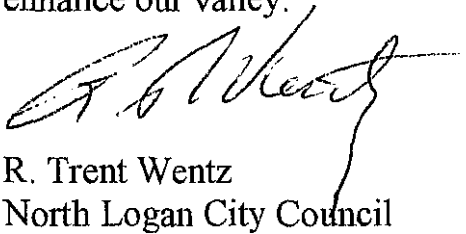
So there is no confusion this property tax deferral would mean the following: Property tax is broken down as follows; for every dollar, 60% goes to the Cache School District, 23% to County Government, 16% to North Logan City, and 1% to mosquito abatement.

At this time the land within the CDA, generates the following tax revenues: County Schools \$21,799; County Government \$8,441. These revenues would remain untouched and new property taxes coming from the CDA, even at 30%, the first five years, would bring significant new revenues. Specifically the County School would receive \$54,000 and Cache County \$20,700 of new money annually.

Formula School District 60% of \$300,000 = \$180,000 times 30% = \$54,000.00
Cache County 23% of \$300,000 = \$69,000 times 30% = \$20,700.00

What we are proposing then, is a short term investment, lasting fifteen years, that defers a portion (70% the first five years, then 60% the next five years, then 50% the final five years) of new property taxes to the CDA and yet still significantly increases Cache County School and County Government revenues, a win-win situation all the way around. We will have ordered growth, new infrastructure and increased property tax revenues. The whole County benefits from the Hotel and Conference Center, Utah State University benefits, the airport benefits, downtown retailers, hotels and eateries benefit and the purpose of a CDA is met.

Conversely it should also be clearly understood that without the tax incentives being approved by the County and School District that in all probability the dream of a new village center will be left to go elsewhere, tax revenues will be diminished and development will continue slowly and haphazardly. I urge swift approval and participation in a partnership that will enhance our valley.



R. Trent Wentz
North Logan City Council

Further information may be obtained at: www.ci.north-logan.ut.us