

# **Community Development Project Area Plan**

**North Logan City, Utah**

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**Prepared for the Redevelopment Agency of North Logan City**

**Prepared by:**

**Strategy 5 LLC**

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## **Section 1: Introduction**

The North Logan Redevelopment Agency and the City of North Logan requested that Strategy 5LLC prepare a Community Development Project Area Plan, (CDA) in conformance with the requirements of Utah Code Annotated 17C-4-101. The CDA plan is for the project area located within the outer boundaries of 2000 North 400 East, 2500 North and 100 East. The specific boundaries, reasons for selecting these boundaries, and proposed development that will occur within these boundaries, are all set forth in this Plan document.

A map of the proposed CDA project area is included as Exhibit A.

The Board of Directors of the Redevelopment Agency of North Logan City has determined that the proposed project area meets the criteria for creation of a Community Development Area. The area offers the opportunity to accommodate significant new development that will attract private capital investment, contribute to the tax base, generate spending by visitors in the local economy, create jobs, and otherwise contribute to the economic vitality and prosperity of the community. The overarching goal of contributing to the public good is met in these and other benefits that will arise from the CDA.

Creation of the CDA will allow for certain public investments in land and infrastructure that will induce of participation and investment by the private sector, while at the same time allowing for a cohesive development planning process that incorporates a physical and programmatic vision for the City's future in this central location. The proposed CDA plan is the first step in establishing this opportunity for public sector participation in the future growth of the community in this area.

The ordering of sections of this Plan document are consistent with the presentation of requirements and other criteria for CDA development as set forth in Section 17 of the Act

## **Section 2: Recitals of Preconditions for Designating a Community Development Project Area**

- Pursuant to the provisions of 17C-4-101 (1) of the Community Development and Redevelopment Agencies Act (the Act) the governing body of the Redevelopment Agency of North Logan City (“Agency”) designated, by resolution, authorization of preparation of a community development draft project area plan (CDA). A preliminary boundary of the CDA was accepted by the Redevelopment Agency on May 18, 2007. The governing body found that the project area contained primarily vacant land that could host development projects that were determined to be feasible and would otherwise contribute significantly to North Logan City’s economy. The materials accepted by the Redevelopment Agency included a description and map of the legal boundaries.
- Pursuant to the provisions of the Act, North Logan City has a planning commission and a general plan as required by law; and,
- Pursuant to the provisions of the Act, on the Agency’s own motion, the Agency selected a Project Area hereinafter described, comprising all or part of the proposed survey area; and
- Pursuant to the provisions of the Act, the Agency has conducted one or more public hearings for the purpose of informing the public about the proposed Project Area, allowing public input into the agency’s deliberations and considerations regarding the proposed Project Area. A public input hearing was held on July 19, 2007 and
- Pursuant to pertinent provisions of the Act, the Agency has requested input on the draft project area plan from the planning commission on July 19, 2007 and

- Pursuant to pertinent provisions of the Act, the Agency provided an opportunity for the State Board of Education and each taxing entity that levies a tax on property within the proposed project area to consult with the Agency regarding the draft project area, prior to the date of the public hearing; and
- Pursuant to pertinent provisions of the Act, the Agency has made a draft of the project area plan available to the public at the Agency’s offices during normal business hours, provided notice of the plan hearing and held a public hearing on the draft plan on July 19 2007.

### **Section 3: Definitions of Key Terms**

Definitions of key words and terms as used in this Community Development Project Area Plan are as follows:

“**Act**” means the Community Development and Renewal Agencies Limited Purpose Local Government Entities Act as found in Title 17C, Utah Code Annotated 1953, as amended, or such other amendments as shall from time to time be enacted or any successor law or act.

“**Agency**” means the Redevelopment Agency of North Logan City as designated by the City to act as the Community Development and Renewal Agency.

“**Base Tax Amount**” means the taxable value of the property within a project area from which tax increment will be collected, as shown upon the assessment roll last equalized before the date of the Redevelopment Agency’s approval of the first project area budget.

“**Bond**” means any bonds, notes, interim certificates, debentures, or other debt obligations issued by the Agency.

“**City**” means North Logan City.

“**Community**” means the City.

“**Legislative Body**” means the City Council of North Logan City which is the legislative body of the community.

“**Plan Hearing**” means the public hearing on a draft project area plan required under Subsection 17C-4-102 of the Act.

“**Planning Commission**” means the North Logan City Planning Commission established pursuant to law or charter.

“**Prior Act**” means the Redevelopment Agencies Act as found in Title 17B, Chapter 4, Utah Code Annotated prior to renumbering in the 2006 Legislative Session.

“**Project Area**” means the geographic area described in a project area plan or draft project area plan where the economic development projects set forth in this project area plan will take place.

“**Project Area Budget**” means a multi-year projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to the project area that includes:

- The base taxable value of property in the project area;
- The projected tax increment expected to be generated within the project area;
- The amount of tax increment expected to be shared with other taxing entities;
- The amount of tax increment expected to be used to implement the project area plan, including the estimated amount of tax increment to be used for land acquisition, public improvements, infrastructure improvements, and loans, grants, or other incentives to private and public entities; and

- The tax increment expected to be used to cover the cost of administering the project area plan.

“**Project Area Plan**” means a written plan that, after its effective date, guides and controls community development activities within the project area. In most contexts the project area plan refers to this document and all of the attachments to this document.

“**Survey Area**” means an area designated by a resolution adopted by the Agency Board for study to determine whether a project or projects within the area are feasible.

“**Taxes**” includes all levies on an ad valorem basis upon land, real property, personal property, or any other property, tangible or intangible.

“**Taxing Entity**” means a public entity that levies a tax on property within a community.

“**Taxing Entity Committee**” means a committee representing the interests of taxing entities and consists of two representatives appointed by the Cache County School District, two representatives appointed by resolution of the North Logan City Council, two representatives appointed by Cache County, one representative appointed by the State School Board and one representative of the remaining governing bodies of the other local taxing agencies.

“**Tax Increment**” means the difference between the amount of property tax revenues generated each tax year by all taxing entities from the area within a project 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.

## Section 4: Description of the Proposed Community Development Project Area Plan

A map of the Project Area is attached as Exhibit “A” and incorporated herein. The extreme outer directional boundaries of the approximately 106 acre project area are 2000 North, 400 East, 2500 North, and Main Street, although the actual boundaries follow parcel lines as appropriate to formation of the CDA and delineated on the Project Area Map.

The parcels proposed to be contained with the CDA are as follows:

<b>Parcel Number</b>	<b>Owner Name</b>	<b>Acreage</b>
04-060-0004	LSI Properties LC	7.13
04-060-0006	LSI Properties LC	5
04-060-0007	Nyman, R. Brent	11.72
04-060-0042	Vesuvius LLC	5.01
04-060-0053	WS&S Properties LLC	1
04-083-0002	Tony C. Loosle	3.62
04-083-0033	Tony C. Loosle	0.88
04-083-0043	Tony C. Loosle	0.89
04-083-0049	Fielding ENT, LLC	1.31
04-083-0003	DGMP Properties LC	10
04-083-0005	Spendlove Research	10
04-083-0009	Spendlove Research	9.06
04-083-0016	Spendlove Research	5
04-083-0017	Gnehm, Colleen	9.75
04-083-0022	Utah State University	5
04-083-0023	Kent D. Merrill	10
04-083-0036	Corp. of Presiding Bishop	5
04-083-0066	Spendlove, R & R	5
04-083-0067	Wursten Properties	0.94

#### **4.1 Conceptual Development Program**

The proposed conceptual development program for the project area, the “North Logan Village” is included as Exhibit “C” and made a part of this plan. It indicates the type and location of potential land uses and developments in the project area and the major new street, road, and parking infrastructure that is planned for the area.

#### **4.2 Description of the Specific Projects that are proposed for the CDA**

The approximate 106 acres contained within the proposed CDA will host a variety of synergistic developments designed to create a destination for local residents and visitors alike. The anticipated mix of development is designed to include a Hilton Garden Inn Hotel, or similar quality lodging property, and Cache Valley Conference center (approximately 125 – 150 rooms and 45,000 – 65,000 GBA respectively), approximately 200,000 square feet of retail (including restaurants and entertainment), approximately 200,000 square feet of Class A and professional office space, approximately 200,000 square feet of multi-family residential, and 200,000 square feet of other types of commercial development. These GBA square footages will ultimately vary depending on individual developer strategies, changes in the market environment over time, response to catalyst projects, and other variables. The CDA could also accommodate up to 200,000 square feet of public or institutional buildings such as museums, science or art centers, educational space, etc. much of which could be developed within the planned Spendlove Research Foundation Technology Park. Incremental tax revenues are predicated on the most conservative end of any range as expressed herein. Projections contained in this Plan document suggest that all of this development would take approximately 15 years to be built and absorbed.

In the aggregate, approximately 1 million square feet of development can be comfortably accommodated on 25% of the land area contained within the CDA assuming that the buildings are at least two stories. The Conceptual Development Plan demonstrates this, as well as the fact that sufficient surface parking can be supplied, as well as a substantial

Village Green of between 5 and 15 acres. Green space, pocket parks, art and sculpture performance areas, and other public amenities are, in fact, conceptually distributed throughout the CDA. The ultimate size, configuration, and content of the Village Green will be determined as the development planning process continues. Approximately 5 acres will likely be contributed by the Redevelopment Agency, with additional land potentially being contributed by developers/property owners in return for the added value the Village Green will provide for their projects.

The hotel and conference center can be the centerpiece of the overall development plan, and is programmed to allow for expansion into an additional one acre+ of space in the future, should the market response and other factors warrant it. Other key development components will also be organized around the Village Green which will serve as a “town square” and create opportunities for ground floor shopping, dining, and other active uses. The buildings are envisioned as a combination of two and three story structures, with the upper floors hosting offices and some residential units.

In the northern portions of the CDA, multi-family residential (condominiums) are envisioned as a transitional development type designed to blend with existing and planned senior housing. This residential development will help to create a built-in demand source for local restaurants and shops, and is conceptualized as being of a high quality likely to attract “empty nesters” and young professionals.

The Village Green, as well as pocket parks and plazas, can host physical and visual amenities for the community and visitors from distant points of origin. For example, public art could, and should be incorporated as much as possible. It is recommended that a portion of the funding emanating from the CDA and associated bond be used for this purpose. Art could include, but not be limited to, sculpture, murals, fountains, planters, decorative paving, etc.

The Village Green will be a highly desirable amenity as green space in the city center, and could further host such elements as a band-stand or band shell, ice skating rink for

winter use, splash fountains, specimen plantings and ornamental landscaping, etc. A combination of limited vehicular access and ample surface parking, coupled with extensive pedestrian linkages, pathways and walkways, will make the North Logan Village both a desirable and convenient destination. Importantly, the Village Green will create value on surrounding real estate and contribute to the economic viability of projects located within the Village.

## **Section 5: Summary of Existing Land Use, Principal Streets, Population Densities, Building Intensities**

### **Existing Land Use Map**

A map of existing zoning in the project area is included as Exhibit “B” and made a part of this plan. It indicates the layout of principal streets serving the area. The current land use map for North Logan City is attached as Appendix B.

The principal streets are 2500 North and 400 East, although 200 East is planned for major construction as an alternative to Highway 91 and will become a principal street of the CDA development. Principal land uses in the area are commercial, with some senior housing, although all land included in the CDA boundary is currently vacant.

**5.1 Population Density** - There is currently no population within the actual CDA and the area population can be characterized as low-density, with the exception of the senior housing under development nearby which would be characterized as mid-density.

**5.2 Building Density** - Buildings in the area are generally single or two-story commercial structures. There are some semi-detached senior housing structures on the north side of 2200 North and contained within the general project area, but not the CDA specifically.

**5.3 Impact of Community Development on Land Use, Population and Building Density** - Community development will consist of master planned projects built on vacant and/or underutilized areas in the Project Area, and improvements to infrastructure on what is currently undeveloped land. This will result in significant capital investment in buildings and businesses, increased economic and community activity, increased capture of spending by visitors to the area, and attraction of residents to live in multi-family structures located in portions of the Village.

## **Section 6: Additional CDA Plan Requirements**

**6.1 Standards Guiding Development** - In order to provide maximum flexibility in the development of the Project Area, and to encourage and obtain the highest quality in development and design, specific development controls for the uses identified above are not set forth herein. Each development proposal in the Project Area will be subject to appropriate elements of North Logan City's General Plan; the Zoning Ordinance of the City; deed restrictions if the property is acquired and resold by the Redevelopment Agency, other applicable building codes and ordinances of the City; and, as required by ordinance or agreement, review and recommendation of the North Logan City Planning and Zoning Commission and approval by the Agency. Development proposals shall be accompanied by site plans, development data and other appropriate material that clearly describe the extent of development proposed, and any other data determined necessary or requested.

**6.2 How the Purposes of this Title will be Attained by the Community Development Area Plan / Public Benefits Analysis** - The Purposes of the Title will be attained as a result of the proposed community development by accomplishing the following items:

- **The Provision of Development That Enhances Economic and Quality of Life Basis** -The proposed community development project is a mixed-use development containing hotel and conference facilities, office, retail, restaurants, and other

commercial space. Multi-family residential components will be included to afford an urban lifestyle that encourages pedestrian activity and patronage of nearby shops, restaurants and other businesses. The CDA will also include public open space (the Village Green) which can serve as a central gathering place for community events such as band concerts, art shows, festivals, and holiday special events. An emphasis of the development program will be to attract spending by visitors from outside the local economy (conference delegates, tourists, lodgers, etc.) as well as to provide a critical mass of shopping, dining, entertainment and other uses for the local community to enjoy. The CDA will allow for the creation of the North Logan Village, which is considered an implementation of the North Logan City Center Plan. The focus on creating a sense of place, or downtown, for North Logan is maintained by the CDA plan and builds on prior analysis and visioning done by the community.

- **Provision of Public Infrastructure** - The proposed community development project will provide infrastructure into an area that currently has inadequate roads or other public infrastructure that will support future development. This infrastructure could also include, but not be limited to, sidewalks, street lighting and street furniture, water and sewer, gray water irrigation systems, fiber optic cable, underground utilities, etc.
- **Associated business and economic activity stimulated by the development** – The implementation of the CDA and the associated Conceptual Development Program will create a downtown type of environment in North Logan that will serve as a destination for residents of the entire Cache Valley, as well as for tourists, conference delegates and other visitors. It is anticipated that a significant amount of new office space will be built within the CDA over time, and that companies and businesses seeking to locate in the area will be attracted to this location given the amenities it will afford workers. A combination of these factors means that North Logan City itself will benefit, not only from the CDA projects themselves, but spin-off activity and growth which will be fostered.

## **Section 7: Conformance of the CDA to the Community's General Plan**

Proposed projects shall conform to the general pan of the City in the following respects:

**Zoning Ordinances** - The Property is currently/primarily zoned residential and professional, but is the subject of a pending ordinance that would rezone the area to mixed-use and multi-family development. The rezoning would be required to place the CDA development plan into concert with the City's General Plan. As the zoning regulations are reviewed in the context of the North Logan Village development as conceptualized, additional considerations should include possible restrictions on potentially incompatible uses such as drive-through fast food restaurants, big-box retailers, etc., while at the same time encouraging desirable projects such as smaller specialty grocers, restaurants that will benefit from sale of beer, wine or spirits, etc.

**Building Code** - The proposed project will be constructed in accordance with the building codes of North Logan City.

**Method of Selection of Private Developers for CDA Projects** - In accordance with provisions of the Prior Act, the Agency adopted "*Rules Governing Participation and Preferences by Owners, Operators of Businesses, and Tenants*" on September 2, 2004. These rules will be followed by the Agency in selecting private developers to undertake urban development within the Project Area according to terms and conditions established by the Agency. A summary is as follows:

**Qualified Owners** - The CDA plan provides numerous opportunities for owners of property in the project area to participate in the development of property area if they enter into a participation agreement with the Agency. The *Rules Governing Participation and Preferences by Owners, Operators of Businesses and Tenants* provides that:

- Owners may retain, maintain, and if necessary rehabilitate, all or portions of their properties
- Owners may acquire adjacent or other properties in the project area
- Owners may sell all or portions of their improvements to the Agency, but retain the land, and develop their properties
- Owners may sell all or portions of their properties to the Agency and purchase other properties in the project area
- Owners may sell all or portions of their properties to the Agency and obtain preferences to re-enter the project area
- Tenants may have opportunities to become owners of property in the project area, subject to the opportunities of owners of property in the project area
- Other methods as may be approved by the Agency.
- The Agency may extend reasonable preferential opportunities to owners and tenants in the project area ahead of persons and entities from outside the project area, to be owners and tenants in the project area during and after the implementation of the CDA development program.

**Other Parties** - If no owner in the Project Area, as described above, who possesses the skill, experience and financial resources necessary to become a developer in the project area is willing to become a developer, the Agency may identify other persons who may be interested in developing all or part of the Project Area. Potential developers will be identified by one or more of the following processes: public solicitation, requests for proposal (RFP), private negotiation, or some other method of identification approved by the Agency.

## **Section 8: Reasons for Selection of Project Area**

The Project Area in general has been the subject of community planning initiatives for a number of years and largely constitutes the land included in the North Logan City Center Plan, a vision for creating a central location for business, commercial, and institutional

uses. In essence there has been a desire to create a more dense downtown area in North Logan for some time. The CDA and the associated conceptual development program will fulfill that vision.

The land inside the proposed CDA boundary is almost completely vacant. Therefore, the base taxable value is essentially at a minimum, with the opportunity to gain the maximum amount of tax increment through judicious, master planned development of lodging and group business facilities, mixed-use projects, retail, office and residential projects – all of which will increase the base taxable value of the area captured by the CDA boundary.

The Project Area includes enough contiguous vacant land to allow for a significant development project(s) and it serves to connect important streets and roads in the community including 2500 North, 400 East, and the planned improvement of 200 East. The Project Area was thus chosen for its suitability for new development, size, location, and ability to unite the community in a way envisioned by the original City Center Plan

The project area is close to Main Street, but more importantly in terms of transportation and access, it is bisected by a road (200 East) that is planned as a minor limited access arterial that will also be a primary regional bus transportation route; as a major alternative route to U.S. Highway 91 (Main St.). The siting of the CDA is therefore anticipating future changes to the North Logan City transportation network, and in fact takes advantage of these changes.

The Project Area is also more or less on an axis with the Logan Cache Airport which is to host commercial passenger traffic, is in close proximity to the Innovation Campus, IHC Hospital, and the Utah State University Campus – all drivers of economic activity in the immediate area.

## **Section 9: Description of Physical, Social/Economic Conditions Existing in the Project Area**

As referenced above, the Project Area is currently vacant, with flat land representing a ready canvass for development. To the north a combination of commercial uses exist. To the east open land is still farmed and/or put to agricultural study by USU. Further to the east, development transitions into single family homes. Immediately to the south is a large (40 acre) parcel that is held by an institutional user with no plans to develop at this time. To the west lies a mix of commercial buildings, back-of-the-house and service operations for retail stores facing Main Street (U.S. Highway 91), some warehouses, and light industrial uses.

The socio-economic conditions can best be characterized by the word growth. There is growth along Main Street; there is growth in the mid-section of the CDA (not included in the boundary) in the form of new senior housing, and growth to the north in the form of new businesses as well as multi-family housing. Indeed, North Logan City can be characterized by the word growth, and the CDA is ideally located and delineated to both capture and accommodate a significant amount of future growth in the City. This approach and the CDA plan itself are in keeping with national best practices in Smart Growth planning, land use, economic development, and community development.

It is important to state the forecast impact that creation of the CDA, development of the associated North Logan Village, and other projects will have on the physical environment, as well as the socio-economic characteristics of the City. As an implementation of the City Center Plan, the CDA recognizes the community's desire to create a sense of place, and a central concentration of economic and cultural activity. The North Logan Village project will enhance the physical environment by virtue of a cohesive design approach; civic amenities such as the Village Green, and other improvements. The economic environment will be enhanced through significant capital investment and recurring economic and fiscal benefits.

## **Section 10: Description of Tax Incentives Offered (Tax Increment Finance Discussion)**

The North Logan Redevelopment Agency proposes to offer property owners and developers reimbursement of costs associated with installation of necessary public infrastructure including streets, parking, utilities, street lighting, fiber optics, etc. The source of funds for reimbursement will be tax increment revenues generated through investment and new development in the project area. The projections for net new tax revenue generation within the CDA, and the associated tax increment projections, involve certain development assumptions, forecasting techniques, and other factors. Key among them are the following:

**Building Development and Massing** – The Conceptual Development Plan demonstrates how approximately 1 million square feet of commercial space (housing separate) can be accommodated on the 106 acres of the CDA. There is a working assumption that buildings would generally be two or three stories, although in some cases such as the proposed hotel, buildings might be as high as five or six stories. The Conceptual Development Plan shows that this amount of development can be accommodated on approximately 25% of the total land area contained within the CDA, leaving ample room for surface and street parking, a substantial Village Green, smaller parks and open space, high-quality landscaping, and space for streets and circulation that ensure good access.

The population growth rate in Cache County of approximately 2% per year, and that in North Logan of nearly 4%, coupled with continued attraction of new business and companies, the eventual expansion of the Logan Cache Airport, and other market dynamics, indicate that a significant amount of new development will both accrue to North Logan City, and be able to be captured within the confines of the CDA. This approach to concentrating development is, in fact, in keeping with Best Practices in urban planning and smart growth. The effect, in part, will be to preserve North Logan and Cache Valley open space, a characteristic of the area which contributes to its desirability as a place to live and work and to the overall quality of life for the community.

The tax projections are predicated, in part, on the introduction of a catalyst project into the CDA – namely a hotel and conference center for which there is a Memorandum of Understanding between North Logan City and qualified developer as of Spring 2007. This facility is planned to offer approximately 125 - 150 rooms and 45,000 – 65,000 GBA of conference center space, for a total of approximately 140,000 square feet (minimum) of building area. Including personal property such as furniture and equipment, the facility is conservatively projected to be valued at approximately \$28 million. This in turn will generate a total of \$309,526 in net new tax revenues, or increment, per year.

**Unit Costs for Development** – Another key variable in the equation for projecting the tax increment is unit costs for development. These are typically expressed as dollars per square foot. In order to capture the full valuation of a finished project, both “hard” and “soft” costs must be taken into account. Building materials such as brick, concrete, steel, glass, tile, electric cable and fixtures, etc. contribute to the unit cost for development. However, labor costs, builder and contractor mark-up for profit, architectural, engineering and other professional services, must also be factored into the overall cost of development. So too must finish materials such as carpeting, paint, wallpaper, light fixtures, etc. In this analysis, Strategy 5 LLC has opted to use a unit cost for construction of \$200 per square foot. This is based on buildings of primarily masonry construction (brick, cinder block, poured concrete); of generally high quality, and two to three stories in height. All numbers are expressed in constant 2007 dollars and straight-lined over the fifteen year lifespan of the proposed tax increment district (CDA). This provides for a supportable forecast of future tax revenues, but the final design of buildings, unforeseen shifts in the cost of raw materials, and other factors will in some cases cause unit costs for development to be lower, and in other cases higher.

**Development Pace and Absorption** - The projections contained in the tax increment spreadsheet are predicated, in part, on assumptions with regard to the pace or phasing of new development, and the ability of the market to absorb space of different types and uses. The projections contained in this Plan show approximately 50,000 square feet of new development being constructed each year within the CDA over the next 15 years. They also reflect a concurrent absorption of 50,000 square feet per year. In reality, the development pace is not likely to be so smooth and/or constant, but rather illustrated by peaks and valleys although with the same outcome. Successful implementation of the CDA Plan could be accelerated if a Master Developer is found to construct large portions of the North Logan Village in concert with, or closely following, construction of the hotel conference center catalyst project. If this were to occur, it is possible that 100,000 or 200,000 square feet of mixed-use and other space could be constructed sooner rather than later in the 15 year span. Smaller developers could also begin construction of individual projects. Alternatively, development within the CDA could take the form of many individual projects that evolve in response to market conditions, and in conformance with design and other guidelines as set forth by the Redevelopment Agency and North Logan City.

**Housing** - Unlike the formation of an Urban Redevelopment Area, there is no requirement for housing as a percentage of development in a Community Development Area Plan. Nonetheless, some multi-family housing (ostensibly condominiums) is shown in the Conceptual Development Program. Urban living opportunities could enhance the overall vibrancy of the North Logan Village, and host residents which would add to the market support for nearby restaurants, cafes, shops and the like. With an average unit size of 1,500 square feet, the housing shown represents about 135 individual residences. Due to the fact that housing is taxed at 55% of value, and in order to remain conservative in the overall tax increment projections, only commercial development has been included in the calculations.

**2007 Base Year Tax Valuation** – In order to calculate the net new taxes generated by development within the CDA – or tax increment, the existing tax base within the boundary has to be taken into account and “backed out” of the equation. According to the Cache County Assessor’s Office and based on a complete listing of all parcels of land contained in the proposed CDA boundary, the base year tax valuation is \$3, 348,610. (Refer to Exhibit D – Tax Increment Projections)

### **Tax Increment Projections and Implications for the CDA**

Based on the assumptions outlined above, the CDA tax increment is expected to reach a total of \$19,642,600 over the proposed 15-year lifespan of the district. This breaks out in revenues to the individual taxing entities as follows:

North Logan City	\$2,984,609
Cache Co. General Fund	\$4,481,357
Cache Co. School District	\$11, 572,247
Cache Mosquito Abatement	\$129,766

**Tax Increment Provisions** - The Community Development Project Area Plan specifically incorporates the provision of tax increment financing permitted by the Act.

**Procedures for Collection of the Tax Increment** - Before the Agency may collect tax increment from the Project Area, it shall undertake the following in conjunction with the taxing entity committee and North Logan City:

- Prepare a Project Area budget.
- Obtain majority consent of the taxing entity committee for the Project Area budget.  
The Project Area budget may be amended at the initiative of the Agency.
- The Agency may collect tax increment for all or part of the Project Area as provided in the Act. The Agency has elected to collect a negotiated percentage of

the annual tax increment for a period of 15 years commencing from the first tax year the Agency accepts tax increment from the Project Area.

The amount of the base taxable value to be used in determining tax increment shall be altered to reflect changes as a result of any statutes enacted by the Legislature, a judicial decision, or an order from the Utah State Tax Commission to a county to adjust or factor its assessment rate pursuant to Subsection 59-704(2), UCA 1953 as amended; Changes in exemptions provided in Article XIII, 2, Utah Constitution, or 59-2-103, UCA 1953 as amended; or, any increases or decreases in the percentage of fair market value, as defined under 59-2-102, UCA 1953 as amended and 17B-4-1006 of the Act.

The amount of money allocated to, and when collected paid to the Agency each year for payment of bonds or other indebtedness may not be less than would have been allocated to and when collected paid to the Agency each year if there had been no increase or decrease.

### **Transient Room Tax**

Cache County and North Logan City will benefit from any new hotel development in the form of a Transient Room Tax (aka bed tax), equal to 3% of room revenue for the County and an available 1% for the City. The actual amount of TRT generated will be dependant on several key variables including the actual number of rooms built, the average daily rate (ADR) that is achieved, and the occupancy rate. The size, market position, and other characteristics of the Cache Valley Conference Center will influence these variables, as will such external factors as the eventual opening of the Logan Cache Valley Airport to commercial passenger traffic.

Based on a mid-point of an initial room count range (125 – 150 rooms) of 138 units; a conservatively estimated ADR of \$90; and a conservative occupancy rate of 70%, a hotel

would generate approximately \$3.2 million in room revenues. These would in turn generate \$128,000 in annual TRT for Cache County and \$32,000 annually for the City.

As an incentive for the catalyst hotel conference center element of the North Logan Village, the County and City could invest the incremental new TRT back into the project for a period of time (e.g. 15 years to match the life of the CDA/TIF). These monies could be dedicated to conference center operations associated with economic development and/or the public good, marketing to attract additional tourism to Cache County and associated spending by visitors, physical enhancements and/or future expansion plans, etc.

### **Restaurant Tax (County)**

There is a 1% tax on food and beverage sales levied by the County. Based on F&B sales from the Cache County Conference Center and headquarters hotel equal to 45% of room revenue (\$3.2 million) or \$1,462,500; and other restaurants in the CDA (approximately 50,000 NLA @ \$150 sales per square foot = \$7,500,000) could generate about \$90,000 per year in new tax revenue per year. Over the 15-year CDA, this would equate with about \$1.35 million. These projections have not been adjusted for inflation in order to keep both costs and revenues constant.

### **Local Sales Tax (County and City)**

There is a .25% County excise tax on retail sales, and a 1% excise tax levied by the City. Based on projected retail NLA of approximately 100,000 square feet and sales of \$175 per square foot, this source of revenue could generate approximately \$218,700 per year at build-out. Over a 15-year period this equates with \$3.28 million (\$656,250 for the County and \$2,625,000 for the City).

### **Other Incentives**

**Financial** - The public sector may choose to provide additional incentives that could include, but not be limited to, waiver of municipal fees such as building permit fees, plan check fees, water impact fee, sewer impact fee, and road impact fees.

**Programmatic** – The public sector may wish to assist in establishing a Business Improvement District that would be an overlay of the CDA. BIDs are funded through a voluntary tax voted on and paid for by property and building owners. The function of a BID is typically to provide first for clean and safe programs, but often extend to marketing, promotion, business recruitment and retention efforts, ongoing-beautification and upgrading, etc.

The public sector may further incentivize business development by fostering special event programs, cultural arts and music programs, parades, festivals and the like within the North Logan Village area. These programs would add to the purpose of the CDA in terms of benefiting the public good and enhancing the quality of life in the CDA, while at the same time energizing the business and market environment by exposing the Village to locals and visitors alike. A Plan Area Budget item has been included to reflect this proposed element of the Plan.

## **Section 11: Project Area Budget**

### **Overview**

The formation and implementation of a Community Development Project Area Plan requires that a Project Area Budget be created. This involves the utilization of projected ad valorem tax increment revenues, captured special use taxes such as transient room taxes (TRT), food and beverage taxes, sales tax, etc., and their allocation to public infrastructure or other uses as may be permitted by applicable statutes. A description of the Project Plan Budget is shown in Attachment Set No. 2 which includes a budget summary in Table “1” and a more detailed budget in Table “2”.

Strategy 5 has conservatively estimated that the total tax increment revenue generated over the proposed 15-year lifespan of the CDA (12 years for the Cache County School District and Cache County Corporation) will equal approximately \$20.5 million. In addition to property taxes developed within the project area, other taxes will be generated such as transient room taxes (TRT) and sales tax. Application of these additional captured revenues would push the aggregate revenue base potential over the \$27 million mark.

In this section costs for land acquisition, street and utility infrastructure, green infrastructure (the Village Green, parks and open space, landscaping etc.), public parking, etc. are estimated. These costs comprise the expense side of the Project Area Budget. The North Logan Village sketch study attached as Map 2 has been used as the guide for estimating these costs. Certain development assumptions have been employed in this section of the analysis which include the following:

**North Logan Village Focal Area** – While the CDA encompasses approximately 106 acres of land, it is the 40 acres of land which was central to the original City Center Plan, and now comprises the focal area for catalyst development and public investment which should receive a concentration of available funds. This area is bounded by 2200 North, 400 east, 2000 North, and 200 East. It includes land that is now controlled by the City, institutional entities and private property owners. It will host the catalyst hotel and conference center project, the Village Green, and important mixed-use development that will combine to create the sense of place and identity intended by the City Center Plan.

**Leveraging of Public Monies to Leverage Public Investment** – The essential purpose behind Community Development Area Project Plans and similar statutory vehicles for employing tax increment financing and other public involvement is to leverage and attract significant levels of private capital investment. The inherent goal is to induce such investment either in areas where the public planning and policy process has determined growth should occur (as in the case of the North Logan City Center Plan

and now its implementation form – the North Logan Village and associated CDA) and/or in conjunction with accelerating development in terms of time and implementation.

Taking the conservative CDA projections at face value it can be shown that \$8.9 million in public investment (the 15-year increment, assuming it is all utilized within the CDA) will yield approximately \$227 million in new building value (including personal property value) within this area. Based on capital project investment alone this represents a return of more than \$25 for every \$1 invested by the public sector. Recurring economic and fiscal impacts will include significant ad valorem and personal property taxes accruing to the taxing entities after the CDA is dissolved, ongoing revenues from room taxes, food and beverage taxes, and sales taxes. In addition, net new spending by visitors in the local economy, spending by operations (purchases of goods and services by businesses), and other benefits will continue to flow into the future. Conservative estimates prepared for the Cache Valley Conference Center alone indicate that more than \$17 million in spending by delegates and other visitors to the facility will accrue annually from this source.

### **Capital Cost Estimates**

**Methodology** – Capital cost estimation for buildings, street road and utility infrastructure, green infrastructure, etc. is subject to a wide range of variables whose impact can only be generally forecast at the conceptual stage of development in which the CDA Plan is being created. These variables include:

- The final development and building program for various Project Area Components
- Development decisions with regard to materials, design, and construction method
- Cost of materials including concrete, asphalt, conduits and pipes, electrical and fiber optic wiring, landscaping materials, etc.
- Cost of labor and profit margin for contractors

Strategy 5 has utilized a combination of sources to arrive at order-of-magnitude unit costs for various infrastructure components, and real costs as may be available concerning land to be purchased by the City/Redevelopment Agency. Sources for costing estimates included the transportation and environmental engineering firm of Parsons Brinckerhoff Quade and Douglas, Carl Walker Parking Consultants, Kalback and Associates professional planners, local builders and developers, and various public information data sources.

**Land** – There is a working assumption that the public sector will provide a certain amount of land for the development of the Cache Valley Conference Center and associated headquarters hotel. As of June 2007, the City (on behalf of the Redevelopment Agency) has negotiated favorable option terms on a total of 20 acres (two 10 acres parcels) located within the 40 acre focal area described above. Together, the purchase price for these properties is \$4,306,000. Of this 20 acre aggregate area and other properties, it is anticipated that the public sector will provide approximately twelve (12) acres for the Cache Valley Conference Center and hotel, with its associated surface parking areas (6 acres), public access and event space including the Village Green (5 acres), and one acre of land to provide for future expansion of the Cache Valley Conference Center. The estimated cost of these twelve (12) acres is \$2,640,000. Any land acquired by the City or Agency may be able to be sold for other associated facilities that may be warranted as market demand and other development/operational opportunities and factors evolve. It is recommended that the public sector obtain five (5) acres of land to be contributed to the Village Green and/or other green infrastructure.

Other land in the North Logan Village focal area could be acquired by the public sector as part of an overall effective development strategy. Approximately five (5) acres is currently owned by USU which could be incorporated into the overall Master Plan for development. It is estimated that this land could be acquired for approximately \$1 million.

In order to establish the interior street system, as well as the improvements to 200 East, certain rights of way and easements will have to be purchased or otherwise obtained through development agreements. Based on a total of 9,200 linear feet of streets and roads within the total project area (including an extension of 200 East between 1800 and 2500 North); this element of infrastructure would cost approximately \$2.65 million. About \$1.85 million of these costs are associated with the construction of 200 East.

It is undetermined at this time whether and/or how surface parking would be provided or paid for by the public sector. There are numerous scenarios that could evolve, including but not limited to the following:

- Public sector purchases land and provides to the Project Area free of charge, with no parking fees charged.
- Public sector purchases land and provides to the Project Area free of charge, but recoups investment through parking fees.
- Public sector purchases land and sells it to developers predicated on parking requirements per ordinance for a specific project component.
- Private sector is allowed to purchase and plan required land for surface parking without public sector involvement except for enforcement of zoning regulations, applicable codes and design and development guidelines.

For purposes of the Project Area Budget, the only free public parking planned for will be part of the Village Green area.

**Streets and Roads** - Various development assumptions have been employed in estimating this element of the Project Area budget. There is a total of approximately 5,200 feet of street and road infrastructure associated with the North Logan Village focal area in addition to the construction of 200 East reaching to 1800 North. Unit cost per linear foot will vary depending on whether the entire width of the street needs to be built or only half of the street, plus parking and/or bike lane widths, etc. Based on 5,200 linear feet of two-lane “Village Streets” (2200 and 2000 North plus streets within the City Center) this element of Project Area infrastructure would cost approximately \$803,000 (excluding the cost of 200 East).

200 East – a five lane urban section including a center divider – would represent approximately 3,960 linear feet of roads (1800 to 2500 North). At a unit cost of \$600 per linear foot including curb and gutter, cut and fill, and sidewalks (\$200 per foot for 1800 to 2000 North where only the center portion of the road would be built), this element of Project Area infrastructure would cost approximately \$2.49 million. The construction of 200 East has been planned as a Federally Funded project in cooperation with the UDOT, State of Utah. It may be possible for the Agency and thereafter the Taxing Entities, to be reimbursed 93% of these costs. This budget, however, assumes no such reimbursement. The budget within this plan includes \$1.85 million construction funds, plus about \$130K for engineering, of the \$2.49 million required for 200 East. The budget includes, for the construction of 200 East, approximately \$1.60 million from Cache County's Tax Increment and \$0.38 million from the combined input from North Logan City's and the Cache County School District's tax increment. The remaining approximate \$650,000 will need to come from other sources (i.e. North Logan General Fund, Cache County General Fund, Highways Systems Tax, and/or state/federal funds)

Therefore, the total actual cost for street and road infrastructure (not counting federal government rebate) in the North Logan Village focal area and funded by tax increment funding would be approximately \$2,835,500 including engineering costs.

**Utilities** – Infrastructure including 8” ductile iron water line with valves and hydrants; plus 8” sanitary sewer with manholes equals approximately \$760,000 of which about half will be paid for with Impact Fees. The net cost to the CDA Project Budget is planned to be about \$380,000. The cost of storm sewer; power and gas lines, phone, and fiber optic cable is not included in this project plan. The installation of these infrastructure elements would be done by the developers.

**Water Reclamation and Reuse System** – In keeping with the green building theme recommended for the project, Strategy 5 suggests that a water reclamation and reuse system be incorporated into the infrastructure planning process. The purpose would

be to utilize reclaimed water to irrigate and maintain the Village Green and other landscaping within the Project Area. Cache Valley's dry climate and the preciousness of water resources seem to warrant special attention to this element of the Plan. A state-of-the-art water resource infrastructure plan could add to the environmentally friendly profile and image of the North Logan Village Project, while at the same time ensuring the maintenance of extensive green infrastructure throughout. This system could be run in parallel development with the storm water and wastewater infrastructure.

**Landscaping and Hardscape** – The cost of landscaping and hardscape (street furniture, trash receptacles, street lighting, etc. can and will vary widely depending on design factors, materials, and other variables. For purposes of the Project Budget, a conservative estimate of \$500,000 is made, representing an investment of approximately \$5,000 per acre in these improvements if taken over the entire project, but most of these types of improvements will be concentrated within the forty acres of the City Center. The cost of landscaping and hardscape could be shared with developers, and/or contributed to over time by the to-be-formed Business Improvement District or other means.

**Programmatic Incentives** – Using cultural arts programs, special events, festivals and other civic activities to promote use and exposure of the North Logan Village while contributing to the public good is a potentially important aspect of the overall implantation plan and strategy for a sustainable development project. It is recommended that a budget of \$100,000 per year be allocated to management and promotional activities – including public arts programs. This allocation is not included in the budget plan submitted herewith.

**Reserve Funds** – The Project Area Budget includes a \$1,340,000 fund allocation to cover unforeseen contingencies, changes required to maximize private investment, and other variables.

**Professional Fees and Financing Costs** – There will be an ongoing need for professional services from engineers, landscape architects, planners, economists, designers, and others in order to implement the Plan. We have estimated these costs at approximately \$247,000. It is also anticipated that some of the infrastructure to be developed may need to be done through some kind of financing such as bonds. We have estimated these costs at approximately \$1,000,000.

<b>CDA Project Area Budget Summary</b>						
<b>NORTH LOGAN &amp; CACHE COUNTY SCHOOL DISTRICT</b>						
<b>Incremental Revenues over 15 years</b>				<b>Project Area Budget</b>		
	Total Generated	Invested in the CDA	Stays with Taxing Entity	Land Purchases		\$2,640,000
<b>North Logan</b>				Dev. of the Village Green Area		\$499,000
Property Tax	\$3,204,008	\$3,204,008	\$0	Streets and Roads		\$1,184,770
Local Sales Tax (City)	\$2,625,000	\$0	\$2,625,000	Water Mains		\$148,500
TRT (City)	\$480,000	\$0	\$480,000	Sewer Mains		\$231,375
				7% Eng. & Planning		\$144,455
<b>NL Sub-Total</b>	<b>\$6,309,008</b>	<b>\$3,204,008</b>	<b>\$3,105,000</b>	<b>Total</b>		<b>\$4,848,100</b>
<b>Cache County School District</b>				Cont./Future Projects		\$1,340,000
Property Tax	\$12,422,925	\$4,135,395	\$8,287,530	Bonding/Financing		\$1,000,000
				2% Administration		\$146,788
<b>Total - NLC and School District</b>	<b>\$18,731,932</b>	<b>\$7,339,402</b>	<b>\$11,392,530</b>	<b>Total Costs</b>		<b>\$7,334,888</b>
<b>Cache County for 200 East</b>						
Property Tax	\$4,810,782	\$1,601,433	\$3,209,349	200 East (Part)		\$1,466,730
TRT (County)	\$1,920,000	\$0	\$1,920,000	7% Eng. & Planning		\$102,671
Restaurant Tax (County)	\$1,350,000	\$0	\$1,350,000	2% Administration		\$32,029
Local Sales Tax (County)	\$656,250	\$0	\$656,250			
<b>Total</b>	<b>\$8,737,032</b>	<b>\$1,601,433</b>	<b>\$7,135,599</b>	<b>Total Costs</b>		<b>\$1,601,430</b>
<b>Total Incremental Revenues From All Tax Sources</b>	<b>\$27,468,965</b>	<b>\$8,940,836</b>	<b>\$18,528,129</b>	<b>Total Costs</b>		<b>\$8,936,318</b>
				Amount Total CDA Tax Increment Exceeds Costs		<b>\$4,518</b>
				Amount Total Taxes Generated Exceeds Costs		<b>\$18,532,647</b>

## Section 12: Implementing the Plan

This Community Development Area Plan shall be implemented as approved by the Agency. Techniques to implement the plan may include property acquisition, disposition, and development. They are to be accomplished by:

- **Acquisition of Real Property** - The Agency may acquire, but is not required to acquire, any real property located in the Project Area, by gift, devise, exchange, contract, purchase, or any lawful method including eminent domain.
- **Acquisition of Personal Property** - Generally, personal property shall not be acquired. However, where necessary in the execution of this plan, the Agency is authorized to acquire personal property in the Project Area by any lawful means.
- **Cooperation with Public Bodies** - Certain public bodies are authorized by state law to aid and cooperate, with or without consideration, in the planning, undertaking, financing, construction, or operation of this project. The Agency shall seek the aid and cooperation of such public bodies in order to accomplish the purposes of community development and the highest public good. The Agency, by law, is not authorized to acquire real property owned by public bodies without the consent of such public bodies. The Agency, however, will seek the cooperation of all public bodies which own or intend to acquire property in the Project Area. The Agency shall impose on all public bodies the planning and design controls contained in the plan to insure that present uses and any future development by public bodies will conform to the requirements of this plan.
- **Property Management** - During such time that property, if any, in the Project Area is owned by the Agency, such property shall be under the management and control of the Agency. Such property may be rented or leased by the Agency pending its disposition for development.

- **Property Disposition and Development** - The Agency is authorized to install and construct or to cause to be installed and constructed the public improvements, public facilities, and public utilities, within the project area, not prohibited by law, which are necessary to carry out this plan. The Agency is authorized to prepare, or cause to be prepared as building sites, any real property in the Project Area. The Agency is also authorized and directed to advise, encourage, and assist in the development of property in the Project Area not owned by the Agency. For the purposes of this plan, the Agency is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property. The Agency is authorized to dispose of real property by leases or sales by negotiation with or without public bidding. All real property acquired by the Agency in the Project Area shall be sold or leased to public or private persons or entities for development as permitted in the plan. Real property may also be conveyed by the Agency to the City or any other public body without charge. The Agency shall reserve such controls in the disposition and development documents as may be necessary to prevent transfer, retention, or use of property for speculative purposes and to ensure that development is carried out pursuant to this plan. All purchasers or leasees of property shall be obligated to use the property for the purposes designated in this plan, to begin and complete development of the property within a period of time which the Agency fixes as reasonable, and to comply with other conditions which the Agency deems necessary to carry out the purposes of this plan.
- **Development** - To the maximum extent possible, objectives of the plan are to be accomplished by private enterprise with Agency assistance and review. To provide adequate safeguards to ensure that the provisions of this plan will be carried out, all real property sold, leased, or conveyed by the Agency, as well as all property subject to participation agreements shall be made subject to the provisions of this plan by leases, deeds, contracts, agreements, declarations of restrictions, provisions of the City ordinance, conditional use permits, or other means. Where appropriate, as determined by the Agency, such documents or

portions thereof shall be recorded in the Office of the County Recorder. The leases, deeds, contracts, agreements, and declarations of restrictions may contain restrictions, covenants running with the land, rights of reverter, conditions subsequent, equitable servitude, or any other provision necessary to carry out this plan.

- To the extent now or hereafter permitted by law, the Agency is authorized to pay for, develop, or construct any building, facility, structure, or other improvement either within or without the Project Area for itself or for any public body or public entity to the extent that such improvement would be of benefit to the project and is consistent with this plan. During the period of development in the Project Area, the Agency shall insure that the provisions of this plan and of other documents formulated pursuant to this plan are being observed, and that development in the Project Area is proceeding in accordance with development documents and time schedules. Development plans, both public and private, shall be submitted to the Agency for approval and architectural review. All development must conform to this plan and all applicable federal, state, and local laws. For the purposes of this plan, the Agency is authorized to sell, lease, exchange, transfer, assign, pledge, encumber, and otherwise dispose of personal property.
- **Provisions for Amending Plan** - The Community Development Area Plan may be amended or modified any time by the Agency in the same manner as if the amendment or modification constituted a Project Area Plan being originally proposed or as provided in the Act.

## **Exhibits**

**Exhibit A**

**CDA Boundary Map**

**Exhibit B**

**North Logan City Land Use Map**

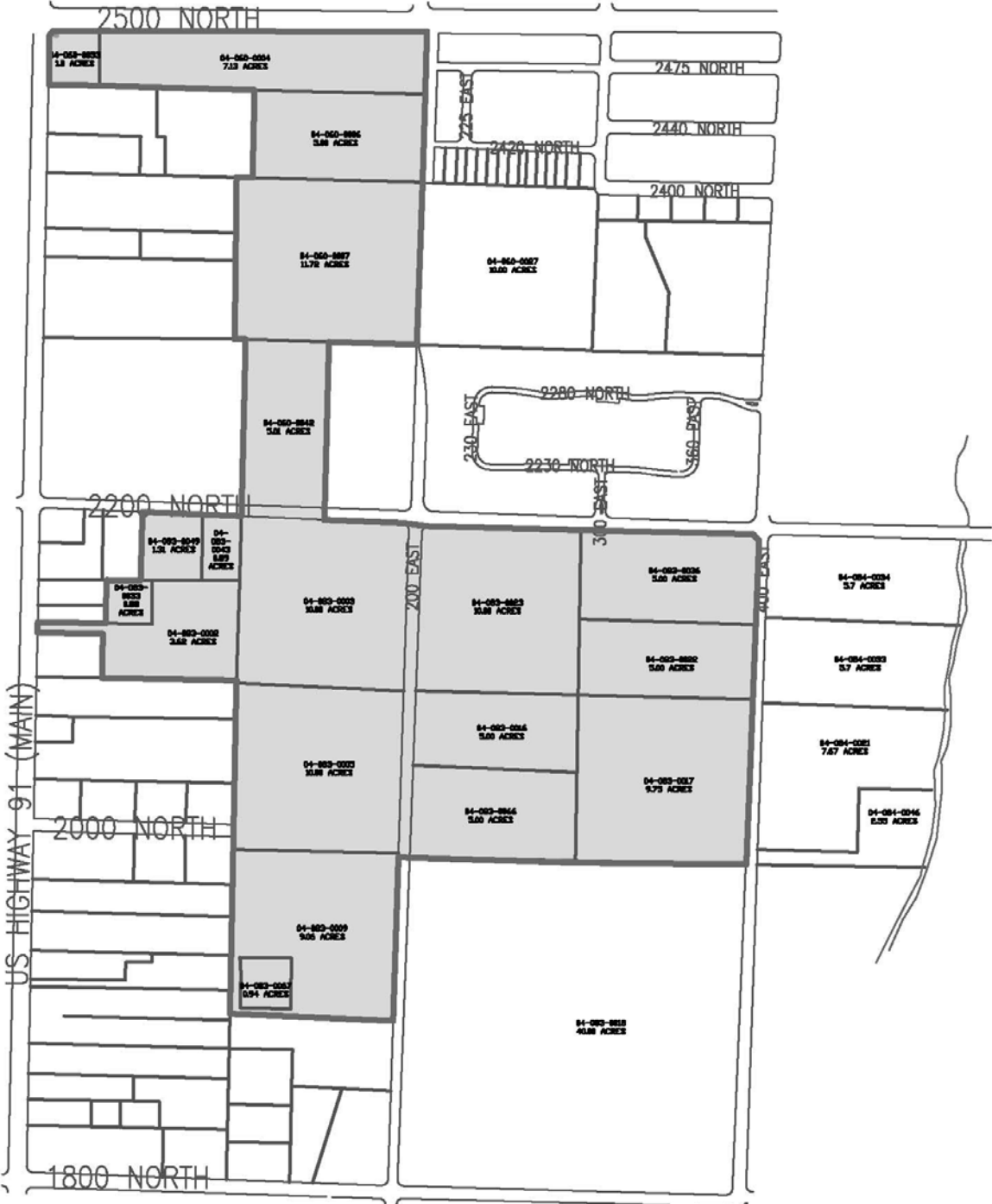
**Exhibit C**

**Conceptual Development Map**

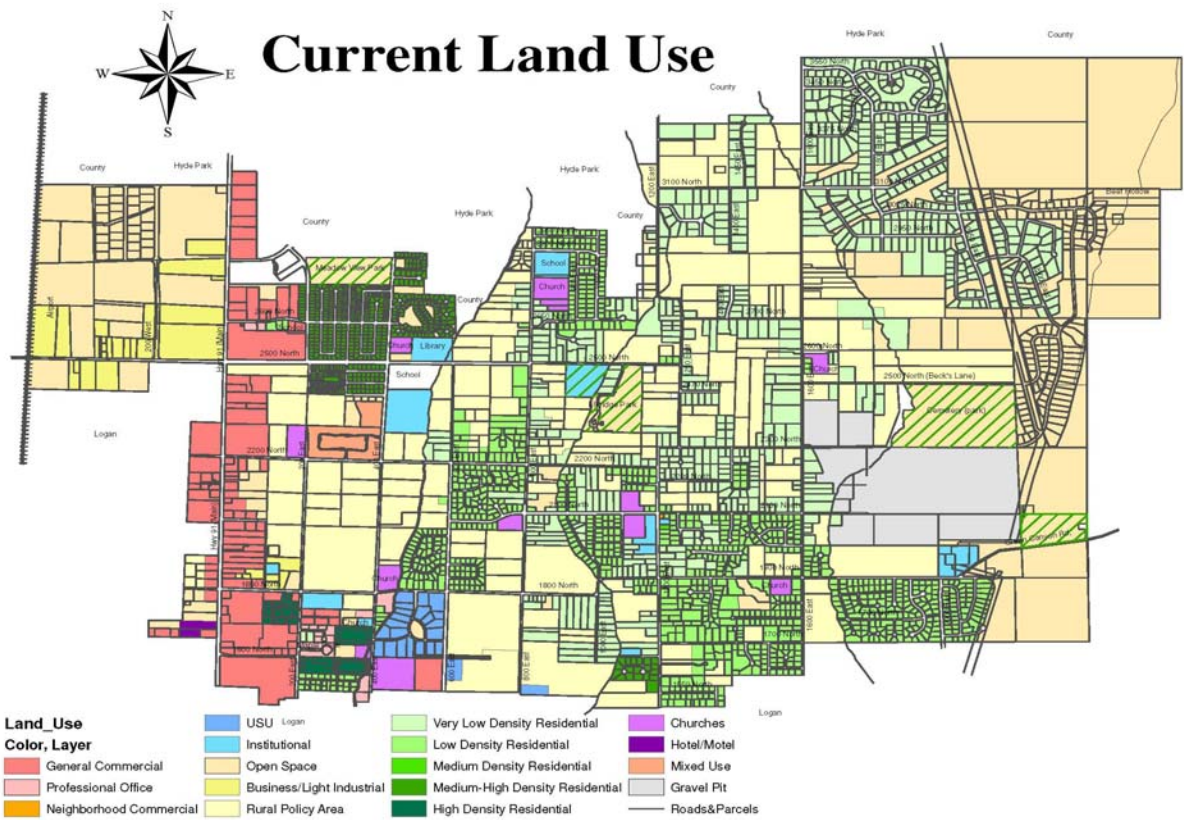
**Exhibit D**

**Tax Increment Projections**

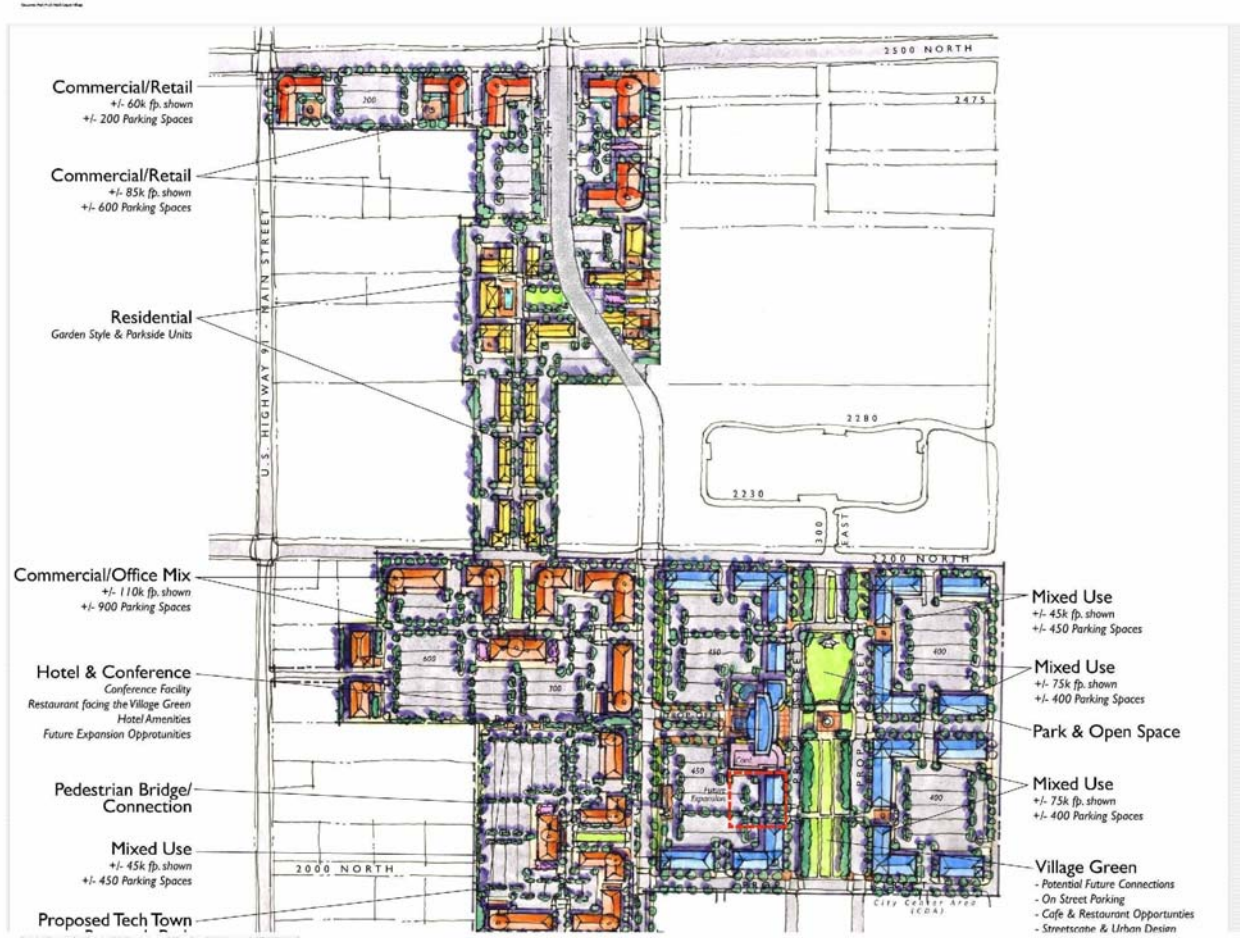
# NORTH LOGAN CITY CITY CENTER AREA



**Exhibit A – CDA Boundary Map**



**Exhibit B – North Logan City Land Use Map**



**Exhibit C – CDA Conceptual Development Map**

**Exhibit D – Tax Increment Projections**