



# Cedar City

Cedar City Redevelopment Agency  
DRAFT Downtown Community Reinvestment Area  
Project Area Budget  
August 2022



ZIONS PUBLIC FINANCE, INC.

## CEDAR CITY DOWNTOWN I CRA PROJECT AREA BUDGET

The following narrative has been prepared in accordance with Utah Code §17C-5-303 for an Agency that receives tax increment.

This Budget is prepared in good faith as a current reasonable estimate of the economic impact of projected development and redevelopment within the Project Area. Fundamental economic and other circumstances may influence the actual impact. With these assumptions, the information contained within this Budget represents the reasonable expectations of the Agency. The Agency makes no guarantee that the projections contained in this Budget of the Project Area Plan for the Project Area accurately reflect the future development and/or redevelopment within the Project Area. Further, the Agency specifically reserves all powers granted to it under the Act, now and as may be amended; this Budget shall not be interpreted to limit or restrict the powers of the Agency as granted by the Act. The actual amount of tax increment received by the Agency will be determined solely by interlocal agreement(s) between the Agency and the various taxing entities; this Budget does not control the flow of tax increment money, nor does it entitle the Agency to receive money from tax increment or any other source.

### 1(A). THE BASE TAXABLE VALUE [17C-5-303(1)(A)]

The base taxable value is the year 2021 value of \$56,988,890.

### 1(B). PROJECTED AMOUNT OF TAX INCREMENT TO BE GENERATED WITHIN THE PROJECT AREA [17C-5-303(1)(B)]

The projected amount of tax increment to be generated within the Project Area over 15 years is nearly \$5.3 million.

TABLE 1: INCREMENTAL PROPERTY TAX REVENUES FOR 20 YEARS

Taxing Entity	Tax Rate	Total	NPV*
Iron County	0.001067	\$614,059	\$440,705
Multi-County Assessing	0.000012	\$6,906	\$4,956
County Assessing	0.000355	\$204,303	\$146,626
Iron County School District	0.005035	\$2,897,643	\$2,079,616
Cedar City	0.002250	\$1,294,875	\$929,322
Central Iron County Water	0.000474	\$272,787	\$195,777
<b>Total</b>	<b>0.009193</b>	<b>\$5,290,572</b>	<b>\$3,797,003</b>

\*NPV = net present value discounted at 4 percent.

### 1(C). PROJECT AREA FUNDS COLLECTION PERIOD [17C-5-303(1)(C)]

The collection period is 15 years.

## 1(D). PROJECTED AMOUNT OF TAX INCREMENT TO BE PAID TO OTHER TAXING ENTITIES [17C-5-303(1)(D)]

The projected amount of incremental tax revenue to be paid to the taxing entities over 15 years is nearly \$1.0 million. In addition, the taxing entities will continue to receive the full amount of property tax revenues generated by the base value of nearly \$57 million.

TABLE 2: INCREMENTAL PROPERTY TAX REVENUES PAID TO TAXING ENTITIES FOR 20 YEARS

Incremental Tax Revenues to Taxing Entities	Tax Rate	Total	NPV*
Iron County	0.001067	\$92,109	\$66,106
Multi-County Assessing	0.000012	\$6,906	\$4,956
County Assessing	0.000355	\$204,303	\$146,626
Iron County School District	0.005035	\$434,646	\$311,942
Cedar City	0.002250	\$194,231	\$139,398
Central Iron County Water	0.000474	\$40,918	\$29,367
<b>Total</b>		<b>\$973,113</b>	<b>\$698,396</b>

\*NPV = net present value discounted at 4 percent.

## 1(E). IF THE AREA FROM WHICH TAX INCREMENT IS COLLECTED IS LESS THAN THE ENTIRE PROJECT AREA [17C-5-303(1)(E)]

Not applicable.

## 1(F). THE PERCENTAGE OF TAX INCREMENT THE AGENCY IS AUTHORIZED TO RECEIVE [17C-5-303(1)(F)]

The Agency is authorized to receive 85 percent of the tax increment for a period of 15 years from participating taxing entities.

## 1(G). THE MAXIMUM CUMULATIVE DOLLAR AMOUNT OF TAX INCREMENT THE AGENCY IS AUTHORIZED TO RECEIVE FROM THE PROJECT AREA [17C-5-303(1)(G)]

The maximum dollar amount the Agency is authorized to receive is roughly \$\_\_\_\_\_ million. Note that out of this amount, the Agency will have administrative expense and housing payments. A set-aside for affordable housing is only required in years when increment exceeds \$100,000.

## 2. IF THE AGENCY RECEIVES SALES AND USE TAX REVENUE [17C-5-303(2)(A) AND (B)]

Not applicable.

### 3. AMOUNT OF PROJECT AREA FUNDS THE AGENCY WILL USE TO IMPLEMENT THE PROJECT AREA [17C-5-303(3)]

The Agency estimates that its funds will be used as follows but reserves the right to maintain flexibility with the funds and not to adhere strictly to the items listed below. All Agency funds will be used for infrastructure, administrative or economic development purposes within the Project Area. Administrative funds have been calculated based on three percent of Agency tax increment receipts annually. In addition, ten percent of Agency receipts, in years where total increment exceeds \$100,000, have been set aside for housing projects. Housing funds do not need to be spent within the Project Area. The remaining funds are allocated primarily for possible improvements as follows:

- Roadway and utility infrastructure
- Incentives for business location or relocation
- Façade improvements and design standards to enhance historic downtown

### 4. THE AGENCY'S COMBINED INCREMENTAL VALUE [17C-5-303(4)]

The total incremental value in the Project Area is estimated at approximately \$27.6 million (\$2021) at buildout. In addition, the Agency has the following project areas with the incremental values shown:

TABLE 3: EXISTING PROJECT AREAS IN CEDAR CITY

Incremental Tax Revenues to Taxing Entities	2021 Taxable Value*
Port 15 EDA	\$1,591,511
Aviation Way CDA	\$2,733,311
GenPak #2	\$21,465,913
DecorWax CDA	\$1,783,880
<b>Total</b>	<b>\$27,574,615</b>

Source: Utah State Tax Commission  
<https://taxrates.utah.gov/CDRAIncrementalValue695.aspx>

### 5. THE AMOUNT OF PROJECT AREA FUNDS THAT WILL BE USED TO COVER THE COST OF ADMINISTERING THE PROJECT AREA [17C-5-303(5)]

The Agency is requesting that three percent of revenues received be set aside for administrative purposes. The projected total amount of administrative cost over the 15-year timeframe is nearly \$140,000.

### 6. FOR PROPERTY THAT THE AGENCY OWNS AND EXPECTS TO SELL, THE EXPECTED TOTAL COST OF THE PROPERTY TO THE AGENCY AND THE EXPECTED SALE PRICE [17C-5-303(6)]

The Agency does not currently own any property in the project area that it intends to sell.