AMERICAN FORK

TOWN HALL MEETING

January 7, 2020
Agenda

• Transit Oriented Development (TOD)
• Community Reinvestment Agency (CRA)
• Property Taxes
TRANSIT ORIENTED DEVELOPMENT (TOD)
What is a **TOD**?

“The TOD zone is intended to develop higher density uses immediately around the American Fork Front Runner Station while transitioning to match lower density residential development. This permits a range of building types and mixed uses served by one or more modes of transit and focused on residential and commercial uses.”

-TOD Code Book
What is a TOD?

American Fork’s TOD is zoning specific to 500 acres around the Front Runner Station that allows for:

1. higher density
2. more mixed use
3. more transportation options
What is a TOD?

The TOD area makes up a small portion of American Fork City.

Edges of TOD will lower in density and uses to better match surrounding development.

Most of the south side of I-15 will be standard residential and commercial zoning.
### TOD Density

- **Office District**
  High intensity, mixed-uses. Focused on business, retail, office space

- **Mixed Use Core**
  Walkable village-like setting comprised of High intensity mixed-use. Focus around station area. Place of business residential, and main street environments

- **General Mixed Use**
  Moderate to low intensity. Focus on residential uses with some mixed-use nodes along transit areas.

- **Neighborhood Edge**
  Low intensity, primarily residential transitioning to standard development
TOD Purpose and Goals

- Reduce overall road congestion
- Provide affordable housing
- Reduce demand on Infrastructure
- Increase green building and walkable neighborhoods
- Raise the bar on quality of development using form-based code
- Enhance economic benefits to the community
TOD Impact to Local Residents

- Current owners do not need to sell or develop their land.
- The TOD, including infrastructure, is not funded by the property taxes of the current property owners.
- The CRA is a mechanism to make sure the infrastructure is funded through new growth.
COMMUNITY REINVESTMENT AGENCY (CRA)
What Does a Community Reinvestment Agency Do?

An Agency creates project areas:
- The Agency, which is governed by the local government’s governing body, designates specific areas as community reinvestment areas. The Agency decides how money generated within the areas is spent. Revenues must be spent to directly benefit the specific areas.

An Agency forms interlocal agreements:
- The Agency’s sole means by which it can raise revenues is through interlocal agreements with taxing entities (County, City, School District, etc.).
- The taxing entities volunteer to redirect a portion of their future property tax revenues (generated through new growth) to the Agency.
What Does a Community Reinvestment Agency Not Do?

An Agency does not determine property valuations:
• The County has the legal responsibility and obligation to assess and valuate property. The County assessor’s office does this. An Agency has no impact on how the County valuates properties. A property being in or out of a project area has no baring on the County’s assessment of the property’s value.

An Agency does not impact property tax rates:
• The Agency has no legal ability or means whereby it can influence property tax rates.

An Agency does not impact zoning regulations:
• The Agency has no legal ability or means whereby it can alter zoning laws.
The Impact of Not Being in a Project Area

If you are NOT in a project area:

• The County will continue to assess your property, collect your property taxes, and distribute the property tax revenues as it has in the past.
The Impact of Being in a Project Area

If you are in a project area:

• And you never remodel, develop, or sell your property to developers, nothing changes for you. Your property will not create tax increment revenue.

• Although development within your area is more likely to happen in a project area, there is nothing to make you develop or sell your property.
The Impact of Being in a Project Area

If you are in a project area and develop your property:

• The County will continue to assess your property and collect your property taxes as it has in the past.
• The only change is how the County distributes the property tax dollars you pay.
• The “Base Year” revenues continue to flow to the taxing entities as normal. Incremental property tax revenues are distributed to the taxing entities and the Agency based on conditions outlined in interlocal agreements.
The Impact of Being in a Project Area

If you are in a project area:

• The Agency uses tax increment revenues to directly benefit the area wherein tax revenues were raised.

• Tax increment funds become available for a specified period to provide assistance for:
  • Existing businesses
  • New development
  • Infrastructure improvements
  • Affordable housing
  • Crime reduction
  • Expanded employment opportunities
  • Other community concerns/priorities
Reasons for CRA Project Area

**Stimulates Capital Investment & Development**
- CRA will facilitate development of vacant and under-utilized property.

**Promotes Job Creation**
- CRA create additional new jobs that will benefit residents throughout the City, County, and State of Utah.

**Expands Tax Base**
- CRA will increase the tax base for all taxing entities.
TOD CRA
Outcomes: Development

Development Highlights
Expected to increase incremental property value by $378 million

• Developments Include:
  o Mixed Use (1,430,556 Square Feet);
  o Office (411,508 Square Feet);
  o High to Medium Density Residential (1,800 units); and
  o Hotel (350 Keys)

• Public Amenities Include:
  o Train Station;
  o Public Town Square; and
  o Theatre;
## TOD CRA: Budget

<table>
<thead>
<tr>
<th>Project</th>
<th>CRA Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>200 South Improvements</td>
<td>$17.8M</td>
</tr>
<tr>
<td>Other Improvements</td>
<td>15.5M</td>
</tr>
<tr>
<td>Redevelopment Costs</td>
<td>$33.3M</td>
</tr>
<tr>
<td>Affordable Housing</td>
<td>$3.9M</td>
</tr>
<tr>
<td>Administrative Costs</td>
<td>1.9M</td>
</tr>
<tr>
<td><strong>Total CRA Budget over 20 Years</strong></td>
<td><strong>$39.2M</strong></td>
</tr>
</tbody>
</table>
TOD CRA Outcomes: Transportation
TOD CRA Outcomes: Transportation
CRA Project Area Boundaries
PROPERTY TAXES & THE CERTIFIED TAX RATE
Property Tax Summary

• Property taxes are paid to multiple entities, not just the city
• You are only taxed on approximately half your home value (55%)
• The tax rate is calculated on the sum total amount of value within the tax area with several adjustments factored in
• Certified Tax Rate locks in the revenue a taxing entity collects by adjusting the floating rate
  – If home values go up, rates go down. If values go down, rates go up
  – Additional revenue comes from new growth
• The tax rate alone is not an indicator of how much revenue a taxing entity will receive
## Property Taxes Paid by Taxing Entity

<table>
<thead>
<tr>
<th>Entity</th>
<th>Tax Rate</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpine School District</td>
<td>0.006699</td>
<td>67.1%</td>
</tr>
<tr>
<td>AF City</td>
<td>0.002027</td>
<td>20.3%</td>
</tr>
<tr>
<td>UT County</td>
<td>0.000839</td>
<td>8.4%</td>
</tr>
<tr>
<td>Central Utah Water*</td>
<td>0.000400</td>
<td>4.0%</td>
</tr>
<tr>
<td>North Utah County Water*</td>
<td>0.000017</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>0.009982</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*CUWCD: Central Utah Water Conservancy District
NUCWCD: North Utah County Water Conservancy District
$310,000 – Median Home Value in AF

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<th>Entity</th>
<th>Tax Rate</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpine School District</td>
<td>$1,142</td>
<td>67.1%</td>
</tr>
<tr>
<td>AF City</td>
<td>$346</td>
<td>20.3%</td>
</tr>
<tr>
<td>UT County</td>
<td>$143</td>
<td>8.4%</td>
</tr>
<tr>
<td>Central Utah Water*</td>
<td>$68</td>
<td>4.0%</td>
</tr>
<tr>
<td>North Utah County Water*</td>
<td>$3</td>
<td>0.2%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1,702</td>
<td>100%</td>
</tr>
</tbody>
</table>

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How Much of my Home is Taxed?

Home Value: $310,000
Taxable Value: $170,500

55%
What is The “Certified Tax Rate?”

A calculation made by the County Assessor to ensure the property tax revenue an entity collects remains the same unless adjusted through a public process.

Defined by the State, calculated by the County
**What is The “Certified Tax Rate?”**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Property Values*</th>
<th>Certified Tax Rate</th>
<th>AF City Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$1,910,087,016</td>
<td>.002082</td>
<td>$3,976,801</td>
</tr>
<tr>
<td>2018</td>
<td>$1,914,685,203</td>
<td>.002077</td>
<td>$3,976,801</td>
</tr>
</tbody>
</table>

* Does not include new growth, actual calculations contain many factors and inputs that adjust the final dollars.

**AF City Property Tax Rate**

- 2008: 0.002426
- 2009: 0.002426
- 2010: 0.002426
- 2011: 0.002426
- 2012: 0.002426
- 2013: 0.002426
- 2014: 0.002426
- 2015: 0.002426
- 2016: 0.002426
- 2017: 0.002426
- 2018: 0.002426
- 2019: 0.002426

*GOES DOWN*

**LOCKED**
Property Tax Vs. Inflation

The same services that cost us $100 in 2008 to provide now cost us $119 to provide today.

While costs of providing services has gone up, our revenue to provide those services has not increased. Doing more with less.

Source: BLS
Based on $100
Property tax rate alone is not an indicator of which city’s residents pay more. Even though AF has a high tax rate, because our median home value is one of the lowest the average resident pays less in taxes than other neighboring cities. Plus we offer more services than many neighboring cities.
Why do my taxes increase?

1. If a taxing entity increases their tax rate
   a. Truth in Taxation
   b. NUWCD raised (held) rates for the last four years
   c. County recently approved an increased tax rate
   d. School district raised rate in 2013
   e. American Fork hasn’t increased taxes since 2008

2. If your home value increases more than the certified tax rate changes.
   a. In 2019, if the median home value increased by more than $6,850 according to the county assessor then they would have paid more in taxes to AF City, even though the tax rate went down.
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QUESTIONS