



## KAYSVILLE CITY CENTER COMMUNITY REINVESTMENT AREA

### FREQUENTLY ASKED QUESTIONS

*Updated 2/12/2025*

#### **What is a Redevelopment Agency (RDA)?**

A redevelopment agency is an entity authorized by the State of Utah for the purposes of implementing development goals of a community. The City Council members serve as the board members for the Kaysville Redevelopment Agency (RDA) and the Mayor serves as the Executive Director. Having our elected officials serve in this capacity ensures there is accountability to voters. In Kaysville, city staff conduct work for and on behalf of the RDA.

#### **What do redevelopment agencies do?**

The RDA focuses on development, redevelopment, programs, partnerships, and other actions that encourage, enhance, and leverage private sector investment within a particular area of a community. RDAs generally focus on redevelopment and economic development. Redevelopment encourages private investment in areas that were previously developed and need enhancement. For economic development purposes, the RDA works to increase jobs within the community and to generate additional revenues for the city.

#### **What is a Community Reinvestment Area (CRA)?**

[Utah Code Annotated, Title 17C](#) grants to community reinvestment and redevelopment agencies the duty, ability and authority to use a set of tools to promote redevelopment and economic development at selected locations in a city or county. After creating project areas and adopting project area plans for these areas, the Redevelopment Agency (RDA) will utilize Tax Increment Financing (TIF), i.e., the increase in property tax revenues associated with new development in the project area, to help with extraordinary costs of bringing about the new development. Such establishment of new project areas and commitment of this future growth in tax revenues brought on by new development only occurs in cooperation with the affected taxing entities (e.g. Davis County, Davis County School District, Kaysville City, etc.), the community, and stakeholders. Reinvesting TIF funds within the project area stimulates and enables development, or improves its quality, in ways otherwise impossible.

#### **What is driving the Kaysville City Center initiative?**

The vision for the City Center CRA is to "enrich our city center and downtown," one of five guiding principles in Kaysville's 2022 General Plan and a priority identified by residents. A drive down Main Street in Kaysville reveals areas with little to no reinvestment in several decades. The CRA could help revitalize Kaysville's city center by investing into the infrastructure in this area to help stimulate economic development and reinvestment into these areas. Stimulating economic development in our downtown area also helps keep more of our sales tax dollars in Kaysville rather than our residents spending those dollars in neighboring communities. As sales tax is a major source of revenue for cities, maintaining a strong sales tax base reduces our reliance on property taxes to fund city services. The



proposed City Center Project Area Plan outlines potential projects to revitalize Main Street and the city center, such as streetscape and public parking improvements.

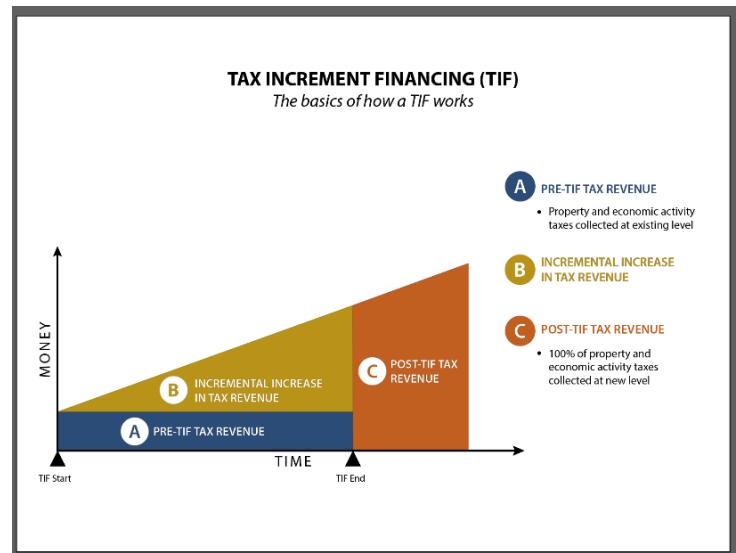
### Does a CRA project area increase my property tax rate?

No. The RDA has no power to set tax rates or levy property or sales taxes, and the creation of a project area does not impact the property tax rate. Properties inside the project area will have the same tax rate after the creation of the project area as did prior to its creation. Similarly, properties across the city will have the same tax rate after the creation of a project area that they do prior to the project area being approved. The property tax rate is set by the City Council, and any adjustments to the property tax rate requires the City Council to follow the truth in taxation process outlined in state code.

### What is Tax Increment Financing (TIF)?

Property tax increment is the increase in the property taxes generated in a project area above the property taxes generated in the base year defined in the project area plan. For a defined period of time, taxing entities agree to allocate a portion of the new growth of property tax revenues to the RDA. The new growth is called the “incremental increase.” The chart to the right is a good visual representation on how that works.

In very simple terms, if a property owner currently pays \$1,000 on property assessed at \$100,000 this year and the property is developed or redeveloped, those improvements will increase the property value. If the property has a new valuation of \$500,000, the property owner would then pay \$5,000 in property taxes. The \$4,000 in tax increase is called tax increment.



### What is a project area?

A project area is an officially adopted area of the city that has been identified as needing RDA assistance. Project areas are based on the needs of a particular area as well as best guesses on where development will occur. A project area may include undeveloped ground or areas of the City that are blighted, aged or in need of an update.

### How are project areas created?

RDAs create a project area by adopting a plan and a budget through a multi-stepped process outlined in [Utah State Code 17C Limited Purpose Local Government Entities - Community Reinvestment Agency Act](#). A project area must first go to public hearing to give the public an opportunity to express views on



the proposed plan. State law requires that all properties included in the proposed project area boundary be mailed a public hearing notice at least 30 days prior to the hearing date. After the public hearing concludes, the RDA is free to act on the adoption of the project area. If the project area is adopted, the RDA will become primarily responsible for future projects in the project area.

#### **What is the benefit of creating a project area?**

The project area creates property tax increment which can help fund improvements within the project area boundary. Typically, these improvements are also funded through the use of private investment such as developers.

#### **What are the quick facts on the proposed [Kaysville City Center Community Reinvestment](#)?**

The project area includes property on Main Street and 200 North, which is the existing commercial core of the City and is 261.5 acres in size. The project area would begin collecting increment in 2025 and continue collecting increment for 15 years. The City would defer 80% of the property tax revenues to the RDA, and the RDA is asking participating taxing entities to defer 60%. During the 15 years the taxing entities continue to receive the same amount of property tax revenues as they did prior to the CRA being established. They would also receive 40% of the increase in property tax revenues and the City would receive 20%.

#### **What happens after a redevelopment plan and budget are adopted?**

After plan and budget adoption, the RDA implements the plan as funds become available and as interested developers or property owners come forward. The RDA is required to adopt an annual implementation budget for each project area, which is done at the same time as the City adopts their budget. The RDA is also required to comply with annual audit laws and submit annual reports to the Governor's Office of Economic Opportunity.

#### **Does the CRA affect zoning?**

No, the RDA has no authority over zoning and the CRA does not change zoning. The only way zoning can be changed is through a process which includes mailing public notices and then holding a public hearing with the Planning Commission. The Planning Commission makes a recommendation on the requested zone change and sends that recommendation to the City Council. The City Council then makes a decision on approving or denying the request at a City Council meeting.

#### **My property is in the project area, should I be worried?**

The inclusion of property inside an RDA project area shouldn't cause concern. The RDA will not condemn your property. Selling your property is voluntary. If you are approached by a developer, realtor or anyone who wants to purchase your property, you are under no obligation to sell to them.

#### **Will eminent domain be used to acquire property?**

The use of eminent domain is regulated by state code and will not be used by the RDA. The Kaysville City Center Community Reinvestment Project Area Plan states: The Agency may acquire property by



negotiation, gift, devise, exchange, purchase, or other lawful method, but not by eminent domain (condemnation) unless from an Agency board member or officer with their consent. This means the only way eminent domain could be used is if the property were owned by the Mayor or a City Council Member, and only if they agreed to the RDA using eminent domain.

#### **What happens after a project area plan and budget are adopted?**

After plan and budget adoption, the RDA may negotiate participation agreements with a developer, business or property owner on a case by case basis. Participation agreements may assist with removal of development impediments like cleaning up contaminated property, demolition costs, construction of utilities or other items.

#### **Do project areas or TIF take away money from other taxing entities?**

If a taxing entity (Davis County, Davis School District, Mosquito Abatement District, Weber Basin Water Conservancy District, etc.) chooses to participate, they enter into an interlocal agreement with the RDA. The taxing entity is held harmless and receives the same amount of property tax revenues after the project area is created as they do before it was created. Taxing entities generally choose to participate because when a project area expires, the reinvestment made within a project area brings additional property tax revenues with new construction or buildings that are renovated. This causes the property valuation to increase and in turn, property tax revenues increase.

#### **What is the City's vision with the CRA? What is driving this initiative?**

Public input for the 2022 General Plan resulted in five guiding principles, one of which is to enrich our city center and downtown. When driving on Main Street or 200 North, it's clear that certain areas have seen little to no reinvestment in several decades. The CRA could help revitalize Kaysville's city center by investing in infrastructure to stimulate economic development and reinvestment. Stimulating economic development in our downtown area helps keep sales tax dollars in Kaysville rather than our residents spending those dollars in neighboring communities. Sales tax is a major source of revenue for cities, and maintaining a strong sales tax base helps us be less dependent on property taxes to fund city services. The proposed City Center Project Area Plan outlines some of the types of projects that could potentially be undertaken to help stimulate revitalization of the Main Street and city center area (e.g., potential streetscape or public parking improvements, etc.).

#### **I've never heard of Community Reinvestment Area (CRA) or Tax Increment Financing (TIF). Has this been done before in Kaysville or neighboring cities?**

TIF/CRAs have been used as a tool to stimulate economic development among cities throughout Utah since the 1970s. Most every city in Davis County has at least one CRA project area, including Bountiful, Centerville, Clearfield, Farmington, Fruit Heights, [Kaysville](#), Layton, North Salt Lake, Woods Cross, Syracuse, West Bountiful, and West Point. The Governor's Office of Economic Opportunity houses all the annual reporting required for RDAs, and as current shows [635 reports](#).



Kaysville established its first CRA project in 2013 (Flint Street Community Development Project), which helped construct infrastructure improvements on Flint Street and around what is now the Smith's Marketplace. Smith's is not only a convenient place for many Kaysville residents to shop but is also the highest paying sales tax provider in Kaysville.

**Where does the money come from with a TIF/CRA?**

A TIF/CRA does not raise property taxes. It simply allows taxing entities to voluntarily redirect *new* property tax revenues to be reinvested in CRA projects. For example, the Kaysville City Flint Street Community Development Project was established in 2013 for the property at the northwest corner of 200 North and Flint Street (now Smith's Marketplace). The property was an undeveloped field in 2013 and was paying approximately \$37,000 per year in property tax. After the Smith's Marketplace development was complete, the property value and tax assessment of that property increased significantly. The property owner/developer went from paying \$37,000 per year when the property was a field to approximately \$137,000 per year in property tax *only* because the property was developed. The RDA captured this tax increment of approximately \$100,000 which was used for infrastructure improvements, including widening Flint Street, installing sidewalks, streetlights, etc. The reinvestment of these TIF dollars into infrastructure enabled the development to occur and/or improved the quality of the development in ways that likely would not have been possible without the infusion of TIF.

**I heard funding comes from risky loans lending institutions are required to issue. Is this true?**

No, this is not true. TIF funds come from future growth of property taxes. Unfortunately, misinformation has been distributed in the community referencing a federal banking regulation from the 1970's titled "Community Reinvestment Act." This federal banking regulation has absolutely no relationship with State's statute titled "[Community Reinvestment Agency Act](#)," which is an economic development tool granted to local governments by the Utah State Legislature. If there was any relationship or requirement for lending institutions to participate in the State's tool for CRAs, that requirement would be included in the state statute governing CRAs, which it is not.

**I heard the RDA/City would be held liable for loans that default. Is this true?**

No, this is not true. A lending institution cannot hold a party responsible for loan payments or default unless they are a signatory party to that loan, a cosigner or a guarantor.

**What happens when the project area expires?**

When a project area expires, all the additional taxes created by the redevelopment revert to the taxing entities. The community benefits from the creation of revitalized, productive properties and the taxing entities get additional revenues that likely would not be as substantial without the creation of the project area and the investments made from the tax increment.