


Memo

To: Millcreek CRA Board of Directors
From: Laurie Johnson – HR/Finance Director 
cc: John Geilmann – City Manager
Date: April 7, 2020
Re: FY 2020-21 DRAFT Tentative CRA Budget

Attached you will find the initial DRAFT of the FY 2020-21 Tentative CRA budget. Please note these numbers are based on current information. A full budget document will be presented at the April 27, 2020 CRA meeting.

The budget for the upcoming year includes the construction of the “City Center” area, as well as keeping up with financial commitments for the West Millcreek area.

FY 2020-21 DRAFT CRA
Tentative Revenue Budget

MILLCREEK FY 2020-21 COMMUNITY REINVESTMENT AGENCY (CRA) FUND TENTATIVE REVENUE BUDGET				
	FY 2018-19 Actuals	FY 2019-20 Estimated Actuals	FY 2020-21 Tentative Budget	% Change From Previous Year
COMMUNITY REINVESTMENT FUND (CRA) REVENUES				
201 Millcreek Center CRA				
3110 Property Tax	-	-	-	0.00%
3430 Rents & Leases	-	90,000	-	-100.00%
3610 Interest (Bond)	-	130,000	50,000	-61.54%
3620 Misc.	-	-	-	0%
3680 Loan Proceeds	-	603,505	721,800	19.60%
3690 Bond Proceeds	-	20,174,316	-	-100.00%
3820 Use of Fund Balance	-	-	6,339,423	0%
Total Millcreek Center CRA	\$ -	\$ 20,997,821	\$ 7,111,223	0%
202 West Millcreek CRA				
3110 Property Tax	977,069	982,613	950,000	-3.32%
3610 Interest	5,288	5,000	5,000	0.00%
3620 Misc.	-	-	-	
3820 Use of Fund Balance	-	28,392	174,800	515.67%
Total West Millcreek CRA	\$ 982,357	\$ 1,016,005	\$ 1,129,800	11.20%
Total CRA Revenue	\$ 982,357	\$ 22,013,826	\$ 8,241,023	-62.56%

FY 2020-21 DRAFT CRA
Tentative Expense Budget

MILLCREEK FY 2020-21 COMMUNITY REINVESTMENT AGENCY (CRA) FUND TENTATIVE EXPENSE BUDGET				
	FY 2018-19 Actuals	FY 2019-20 Estimated Actuals	FY 2020-21 Tentative Budget	% Change From Previous Year
COMMUNITY REINVESTMENT FUND (CRA) EXPENSES				
201-5310 Millcreek Center CRA				
3100 Professional Services		500,000	400,000	-20.00%
4100 Administration	-	-	-	0.00%
5100 Housing	-	-	-	0.00%
5200 Tax Increment Commitments		-	-	0.00%
5300 Debt Expense		129,893	-	-100.00%
5400 Debt Interest		603,505	721,800	19.60%
5500 Debt Principal		-	-	0.00%
6100 Miscellaneous	30,000	125,000	250,000	100.00%
7100 Reserve	-	6,339,423	-	0.00%
7110 Land	-	13,800,000	-	-100.00%
8100 City Center Construction	-	-	6,139,423	0.00%
Total Millcreek Center CRA	\$ 30,000	\$ 20,997,821	\$ 7,111,223	-66.13%
202-5310 West Millcreek CRA				
3100 Professional Services	-	-	-	0.00%
4100 Administration (4%)	19,630	39,000	38,000	0.00%
5100 Housing (20%)	98,150	196,500	190,000	-3.31%
5200 Tax Increment Commitments	164,592	177,000	180,000	1.69%
5300 Debt Expense	-	-	-	0.00%
5400 Debt Interest	-	-	-	0.00%
5500 Debt Principal	-	-	-	0.00%
5600 Loan to City Center RDA	-	603,505	721,800	19.60%
6100 Miscellaneous	-	-	-	0.00%
7100 Reserve	669,986	-	-	0.00%
7110 Land	-	-	-	0.00%
Total West Millcreek CRA	\$ 952,358	\$ 1,016,005	\$ 1,129,800	11.20%
Total CRA Expenses	\$ 982,358	\$ 22,013,826	\$ 8,241,023	-62.56%

RESOLUTION NO. 20-02

A RESOLUTION OF THE MILLCREEK COMMUNITY REINVESTMENT AGENCY, DESIGNATING A SURVEY AREA AND AUTHORIZING THE PREPARATION OF A DRAFT COMMUNITY REINVESTMENT PROJECT AREA PLAN AND BUDGET FOR THE PROPOSED MEDTECH COMMUNITY REINVESTMENT PROJECT AREA

WHEREAS, the Agency was created to transact the business and exercise all of the powers provided for in the Limited Purpose Local Government Entities - Community Reinvestment Agency Act (UCA Title 17C) and any subsequent, replacement or amended law or act (the “Act”); and

WHEREAS, the Agency, having made a preliminary investigation and conducted initial studies and inquiries, desires now to conduct community reinvestment activities in approximately the area depicted on the map attached hereto as **Exhibit “A”** and incorporated herein by this reference (the “Survey Area”), pursuant to § 17C-5-103 of the Act; and

WHEREAS, pursuant to Section 17C-5-103 of the Act, the Agency board is duly empowered to authorize by resolution the preparation of a draft community reinvestment project area plan; and

WHEREAS, Millcreek elected officials and staff met in a meeting on January 21, 2020 and discussed the possibility of pursuing the creation of a community reinvestment area or MedTech, to consider among other things authorizing the preparation of a draft community reinvestment project area plan and budget for a proposed project area; and

WHEREAS, the Agency board desires to authorize the preparation of a draft community reinvestment project area plan and budget for a proposed community reinvestment project area to be known as the MedTech Community Reinvestment Project Area.

NOW, THEREFORE, BE IT RESOLVED by the governing board of the Agency as follows:

1. The Agency finds the Survey Area requires study to determine whether project area development is feasible within the survey area;
2. The Agency hereby tentatively designates the Survey Area as the MedTech Community Reinvestment Project Area, the approximate proposed boundaries of which are depicted on the map attached hereto as **Exhibit “A;”**
3. That the Agency counsel and staff, be and are hereby authorized and directed as follows:
 - a. Prepare a proposed community reinvestment project area plan and community reinvestment project area budget for the Survey Area as required by the Act.

- b. Conduct any examination, investigation, or negotiation regarding the proposed community reinvestment project area that the Agency and staff considers appropriate
 - c. Obtain whatever information is needed and hire or contract with consultants and others as necessary for the preparation of the draft community reinvestment project area plan and budget.
 - d. Take such other and additional actions necessary or prudent in considering and creating the proposed community reinvestment project area in compliance with the Act including, without limitation, the negotiation of agreements with taxing entities and participants, the preparation for all necessary hearings, and the preparation, publication, and/or mailing of all required notices.
4. This resolution shall take effect upon adoption.

ADOPTED by the Governing Board of the Millcreek Community Reinvestment Agency this 13th day of April 2020.

MILLCREEK COMMUNITY
REINVESTMENT AGENCY

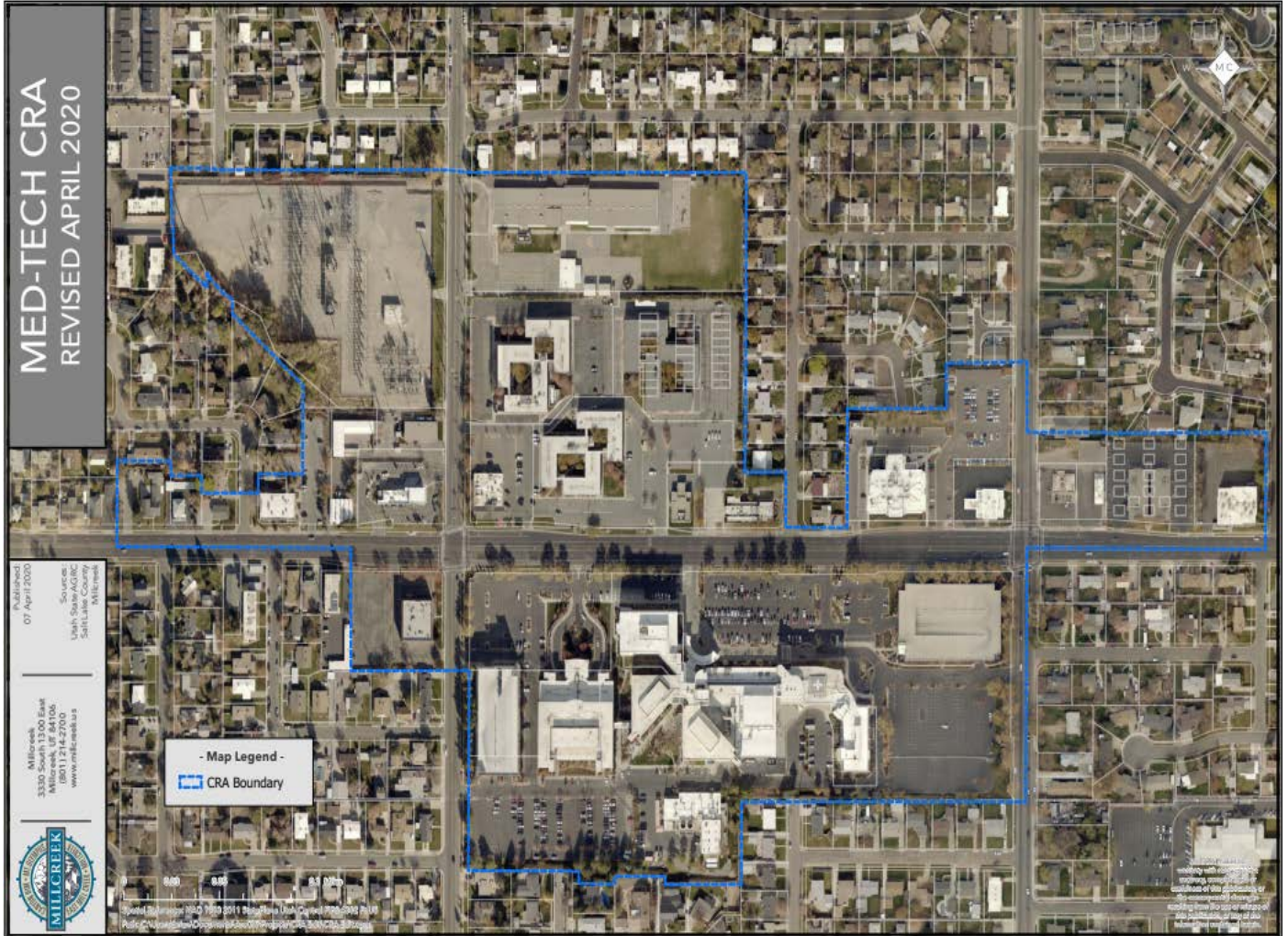
By: _____
Jeff Silvestrini, Chair

ATTEST:

Elyse Sullivan, Agency Recorder

Roll Call Vote:		
Silvestrini	Yes	No
Marchant	Yes	No
Jackson	Yes	No
Catten	Yes	No
Uipi	Yes	No

Exhibit A
Map of Survey Area





**Minutes of the
Millcreek Community Reinvestment Agency
January 13, 2020
7:00 p.m.
Regular Meeting**

The Community Reinvestment Agency of Millcreek, Utah, met in a regular public meeting on January 13, 2020 at City Hall, located at 3330 S. 1300 E., Millcreek, UT 84106.

PRESENT:

Board Members

Jeff Silvestrini, Chair
Silvia Catten
Dwight Marchant
Cheri Jackson
Bev Uipi

City Staff

John Brems, City Attorney
John Geilmann, City Manager
Elyse Sullivan, Agency Recorder
Laurie Johnson, HR-Finance Director
Kurt Hansen, Legislative Policy Director
Francis Lilly, Planning and Zoning Director
Rita Lund, Communications Director
Jared Bowling, IT and Facilities Manager

Attendees: Leslie Silvestrini, Gary Hanneman, and Chief Steve DeBry.

REGULAR MEETING – 7:00 p.m.

TIME COMMENCED: 8:27 p.m.

Chair Silvestrini called the meeting to order. He asked for public comment. There was none.

1. Public Hearing on Opening and Amending the Fiscal Year 2019-20 Community Reinvestment Agency Budget

Laurie Johnson said amendment #1 showed an increase to the Community Reinvestment Agency Fund budget in the amount of \$21,412,650 (updated). The revenues were divided into two funds, Millcreek Center Community Reinvestment Area (CRA) and West Millcreek CRA. The Millcreek Center CRA revenue increased by \$90,000 on “rent and leases” from rent received on purchased buildings in the City Center, \$130,000 in “interest” on the bond, \$603,505 on “loan proceeds,” and \$20,174,316 on “bond proceeds.” The West Millcreek CRA received \$88,852 more than projected on property tax collection and \$325,997 in fund balance to be used for the Millcreek Center CRA.

Johnson reviewed the two expense funds that were categorized and based on the Economic Development Director’s projections. The Millcreek Center CRA budget had a \$850,000 increase in the “professional services” line item for studies. The “debt expense” increase of \$129,893 was part of the bond funding to professionals for getting the bond funding through. The “debt interest” had a \$603,505 increase. The “miscellaneous”

expenses increased by \$584,423 for utilities and other expenses for the rental properties before demolition. The “land” line item increased \$13,800,000 for property acquisition in the City Center and \$5 million was added to “city center construction.” The West Millcreek CRA had an overall decrease of \$158,676 in expenses. Johnson said 4% of revenue must go towards administration (\$3,554 increase) and 20% must go towards housing (\$17,770 increase) in the West Millcreek CRA. The “loan to City Center CRA” was \$603,505 and it would be paid back when the Millcreek Center CRA has its own revenue stream.

Board Member Uipi asked about the “administration” line item 4100. Johnson said the County took care of administration of the West Millcreek CRA and 4% of revenue was paid to them in the past, however the City will retain these funds from now on. The law established how much could be used and the taxing entity committee made the rules for the CRA, so the maximum of 4% was set for administration and minimum of 20% for housing. Chair Silvestrini said he asked for justification from the County Economic Development team for the administration fee. He said it was lawful for one CRA to borrow from another and the Millcreek Center CRA would eventually pay the West Millcreek CRA back with increment taxes generated in the City Center. He said two significant projects were being developed the West Millcreek CRA, so increment would rise.

Johnson complimented city staff on being ready to spend the bond funds to be able to start getting the increment back. Chair Silvestrini said property acquisition had not required eminent domain and staff had been able to meet projections in executing the open space. Johnson said at that point, \$11.5 million had been spent on the \$20 million bond; \$11,486,673 on property acquisition, \$79,861 on professional services, \$39,353 on miscellaneous expenses for additional County property tax, and \$46,576 on miscellaneous reimbursements. The projected fund balance for the end of FY 2020 was \$375,041. Board Member Jackson asked about the upcoming bike lane and improvement funding on Main Street. Chair Silvestrini said that funding came from a federal TIGER (Transportation Investment Generating Economic Recovery) grant. Johnson said she gave the Council strategic planning documents. She said she would come up with a comprehensive tracking list on capital improvement projects.

Board Member Uipi moved to open the public hearing. Board Member Jackson seconded. Chair Silvestrini called for the vote. All Board Members voted yes. The motion passed unanimously.

There were no comments.

Board Member Uipi moved to close the public hearing. Board Member Catten seconded. Chair Silvestrini called for the vote. All Board Members voted yes. The motion passed unanimously.

2. Discussion and Consideration of Resolution 20-01, Amending the Community Reinvestment Agency Budget for the Fiscal Year Beginning July 1, 2019 and Ending June 30, 2020

Board Member Uipi moved to adopt Resolution 20-01, Amending the Community Reinvestment Agency Budget for the Fiscal Year Beginning July 1, 2019 and Ending June 30, 2020. Board Member Catten seconded. The Recorder called for the vote. All Board Members voted yes. The motion passed unanimously.

3. Approval of October 14, 2019 Meeting Minutes

Board Member Jackson moved to approve the minutes from the October 14, 2019 meeting. Board Member Uipi seconded. Chair Silvestrini called for the vote. All Board Members voted yes. The motion passed unanimously.

Chair Silvestrini said he attended a City Department Director planning retreat based on the book, "Our Iceberg is Melting," in November put on by John Geilmann. He said the book was about a colony of penguins meeting a challenge, a parable about their home melting. It was about surviving challenges to the organization that could become critical. He voiced wanting to have a similar retreat for the Council and to focus on strategic planning. The Council agreed to do a retreat in the coming months.

ADJOURNED: Board Member Uipi moved to adjourn the meeting at 8:51 p.m. Board Member Jackson seconded. Chair Silvestrini called for the vote. All Board Members voted yes. The motion passed unanimously.

APPROVED: _____ **Date**
Jeff Silvestrini, Chair

Attest: _____
Elyse Sullivan, Agency Recorder