



FAQs

Millcreek Center Community Reinvestment Area (CRA)

Why is Millcreek creating a CRA in this area?

As Utah's newest city, our community is excited to put together a City Center. This will create community gathering spaces, plazas, and a mix of uses to promote civic pride and enhance the new city's tax base. We want to support local businesses and help them thrive. Tools already put in place to help facilitate this include the recently approved Town Center Overlay Zone, a federal Opportunity Zone, and master planning in partnership with Wasatch Front Regional Council. An important resource that the state authorizes cities to use is a Community Reinvestment Area (CRA), which would be of great benefit in helping to facilitate the new City Center.

What is a CRA?

As outlined in Utah Code 17C, a CRA allows a community to capture any new tax increment and reinvest it back into the area to help fund improvements. New sidewalk, street lights, planter boxes, park spaces, parking structures, and other uses have been funded through the CRA tool. For Millcreek Center CRA it is proposed that 80% of all new property tax revenue (above and beyond what was collected in 2018) be reinvested back into this area for the next 20 years.

So where does the new tax revenue come from? Does being in the CRA affect my taxes?

Your tax rate is the same whether you are in the CRA or not. This is not a tax increase. As new development occurs, and the new uses pay more in property taxes than the old uses, those additional revenues are used by the CRA to help improve the area. For example, a four-story office building would pay more in property taxes than a vacant parking lot, so if a building like that were built in the area, there would be new tax revenues in the pot for the CRA to use.

What is the purpose of the blight study?

One of the purposes of creating a CRA is to improve the appearance of blighted areas. State law defines blight as anything from dilapidated buildings and outdated facilities, to buildings not complying with today's building codes and property with higher than typical police calls.

The law requires that we do a blight study of the area and that 50% or more of the parcels covering 66% or more of the property show at least one factor of blight.

What does it mean if my property is “blighted”?

Nobody’s property is “blighted” by this study, even if there is evidence of blight on the property. This simply checks a box to meet the criteria mentioned above. It does not show up on your property’s title, it does not have to be disclosed when selling your property, it does not negatively affect your property values. One property showing blight in the study is not treated any differently than a property not showing blight in the study. It is simply a study and count to see if the overall area qualifies under state law. A positive finding of blight does not mean that the city will use eminent domain. A formal study like this demonstrating need is also helpful for our city to be awarded grant money to improve the area.

Does the city plan to use eminent domain in this area?

No. The city already has the authority for public good (such as streets, parks, sidewalks, etc.) State law also gives CRAs in this case eminent domain authority under very strict conditions for five years after the project plan is adopted. This is a safety valve and is only for extreme cases and would be a very last resort in any redevelopment scenario. For instance, if a development was going in and had a billboard in the middle of it, this resource could help relocate the billboard.

If eminent domain is ever used, what is the process?

Utah has some of the strictest private property rights laws in the nation. For a residential owner-occupied property, a written petition must be submitted by at least 80% of the residential owner-occupied properties in the project area to support eminent domain. At least two-thirds of the city council would have to agree to it, there must be good faith negotiations, notification of owner’s relocation rights, and payment of 100% of fair market value based on an independent appraisal. For commercial property it is similar, except it is 75% of the commercial neighbors that must petition for it.

Why would I want to be in a CRA?

Revenue generated through the CRA can only be spent within the area, so these improvements will greatly help your neighborhood. For businesses, additional residents in the area will help businesses boom. For residents, the new parks, restaurants, and shops will be wonderful. If you think there may be a chance of ever doing something different with your property in the next 20 years, this could also be a helpful financial resource for you. This will be fantastic for our neighborhood!

How can I get further information about this?

Additional plan details are at <https://millcreek.us/community-reinvestment-agency/>
You may also contact Mike Winder, Economic Development Director, 801.214.2722,
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