

VERNAL DOWNTOWN COMMUNITY REINVESTMENT PROJECT AREA

PROJECT AREA PLAN

FINAL

ADOPTED DECEMBER 15, 2021



VERNAL DOWNTOWN COMMUNITY REINVESTMENT PROJECT AREA

The Agency, following thorough consideration of the needs and desires of Vernal and its residents, as well as the need and capacity for redevelopment and new development, has carefully crafted this Project Area Plan (“Plan”) for the Downtown, Vernal, Utah, Community Reinvestment Project Area (“Project Area”).

In accordance with the terms of this Plan, the Agency will promote and provide for a variety of use types, public improvements, infrastructure, redevelopment, and new development in an area primarily located around Main Street (Highway 189). The Project Area includes approximately 300 acres, with the majority of the area currently developed with residential, retail, commercial, or civic-related uses.

The proposed project area has been designated through careful guidance from the “Vernal Downtown Plan” work that was recently completed by the City, with assistance from MHTN Architects, Parametrix, and Zions Public Finance. The Downtown Plan process included significant public outreach and close communication with city and county officials to understand the vision of the community. In part, the proposed Community Reinvestment Area (CRA) is intended to help carry out the vision. In particular, vision for the “Vernal Downtown Plan” plan is comprised of these four guiding principles:

- Iconic and Memorable
- Place for Business
- Place for People
- Active

In addition to these central guidelines contained in the previous visioning efforts, the City desires to see investments in the downtown area in for the following purposes:

- public parking updates
- pedestrian walkways
- public gathering places
- landscaping
- road improvements
- infrastructure
- façade upgrades
- bike lanes
- potential land acquisition

Incentives, programs, and matching grants funded by the Agency will provide greater opportunities for improving local businesses and overall capacity for development.

The Agency has determined that the area meets the criteria for creation of a CRA. The area offers the opportunity to incentivize the operation and further development of the downtown area that will attract private capital investment, contribute to the tax base, create jobs, and otherwise contribute to the economic vitality and prosperity of Vernal.

Creation of the CRA will allow property owners and/or developers within the Project Area the opportunity to request incentives funded through participation by the various taxing entities that levy taxes on the property within the project area.

This document is prepared in good faith as a current reasonable estimate of the economic impact of this Project. Fundamental economic and other circumstances may influence the actual impact. With these assumptions, the information contained within this report represents the reasonable expectations of the Project.

The ordering of sections of this Project Area Plan document is consistent with the presentation of requirements and other criteria for CRA development as set forth in Utah Code § 17C-5-105.

1. PRECONDITIONS FOR DESIGNATING A COMMUNITY DEVELOPMENT PROJECT AREA

- a) Pursuant to the provisions of §17C-5-103 et seq. of the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, the governing body of the Agency authorized the preparation of a draft community reinvestment project area plan; and
- b) Pursuant to the provisions of §17C-5-104(1)(a) and (b) of the Act, the City has a planning commission and general plan as required by law; and
- c) Pursuant to the provisions of §17C-5-104(3)(e) of the Act, the Agency has conducted the required public hearing for the purpose of informing the public about the proposed Project Area, allowing public comment on the draft Project Area Plan and whether the Plan should be revised, approved or rejected; and
- d) Pursuant to the provisions of §17C-5-104(3)(b) and (d) of the Act, the Agency made the draft Project Area Plan available to the public at the Agency's offices during normal business hours, provided notice of the Plan hearing and held a public hearing on the draft Plan on December 15, 2021.

2. PROJECT AREA BOUNDARIES

The Project Area consists of approximately 300 acres located primarily along Main Street (Highway 40) through a central portion of Vernal. It begins at 500 West, which is approximately the western end of Vernal's downtown core. The project area extends two to three blocks to the north and south of Main Street, and several blocks East of 500 East, encompassing most of the commercial areas in the center of Vernal. Project area boundaries depicted on the Project Area map are included in Appendix A, with a legal description of the Project Area included in Appendix B.

3. GENERAL STATEMENT OF LAND USES, LAYOUT OF PRINCIPAL STREETS, POPULATION DENSITIES, BUILDING INTENSITIES AND HOW THEY WILL BE AFFECTED BY THE PROJECT AREA DEVELOPMENT

A. LAND USES IN THE PROJECT AREA

The existing land uses in the Project Area include primarily developed land, with residential and commercial dispersed throughout. Uses range from typical retail stores to offices, with single-family and multi-family homes, as well as hotels, entertainment, and some limited manufacturing, storage, and light industrial uses.

Land uses will be affected as currently vacant or underutilized land is developed in accordance with this Plan. This will change existing vacant land to commercial and residential uses. Other existing uses may experience use type changes as valuations and opportunities for incentives influence highest and best use considerations. A mixed-use residential zone has been added as a land use zone in Vernal City with the downtown area in mind.

B. PRINCIPAL STREETS

Main Street (Highway 40) runs east-west through the center of the Project Area. Vernal Avenue runs north-south through the middle of the Project area. The remaining streets in the Project Area are arranged mostly on a standard block grid system.

C. POPULATION DENSITIES IN THE PROJECT AREA

Although the land within the Project Area is primarily commercial, a number of residential uses of varying densities exist within the project area, including single-family homes, townhomes, and apartments. Some proposed development in the project area may increase the number of homes, although specific densities are currently not known. Additionally, redevelopment of existing parcels may result in varied densities. Overall, the Agency expects that overall population within the Project Area will not change significantly.

D. BUILDING INTENSITIES IN THE PROJECT AREA

The Project Area currently has a significant amount of commercial space located throughout the downtown. Current proposals for downtown, although still uncertain, suggest the possible addition of more retail and commercial uses. This plan ultimately believes that a moderate amount of new commercial and residential space could be introduced to the area, particularly if the downtown core becomes a focus of investment dollars.

4. STANDARDS THAT WILL GUIDE THE PROJECT AREA DEVELOPMENT

Development within the Project Area will be held to high quality design and construction standards and may be subject to: (1) appropriate elements of the City's General Plan; (2) applicable City building codes and ordinances; (3) Planning Commission review and recommendation; (4) the City's land use code; and (5) development agreements that include design guidelines.

Owners and developers will be allowed flexibility in the development of land located within the Project Area and are expected to obtain quality design and development. Development contemplated in the area shall be of a design and shall use materials that are in harmony with adjoining areas and subject to design review and approval by the City. For more-significant developments, it is contemplated that these design objectives may be addressed in development agreements with prospective.

The general standards that will guide development are those found in the Vernal Downtown Plan. Coordinated and attractive landscaping shall also be provided as appropriate for the character of the Project Area. Materials and design paving, retaining walls, fences, curbs, benches, and other items should be addressed in the design.

Parking areas will be designed with careful regard to orderly arrangement, topography, relationship to view, ease of access, and as an integral part of the overall area function. Parking, and potentially shared parking agreements or new parking alignments for portions of the downtown area, will be a key consideration for redevelopment and new development.

All development will be accompanied by site plans, and other appropriate material clearly describing the development, including land coverage, setbacks, heights, and any other data required by the City's land use code, the applicable zoning designations, development agreement, or as requested by the City or the Agency.

Additional consideration may be made for the following criteria:

1. Provide for the strengthening of the tax base and economic health of the entire.
2. Implement the tax increment financing provisions of the Act.
3. Encourage economic use of new construction, redevelopment, or continued usage of existing properties located within the Project Area.
4. Promote and market the Project Area for project area development that would be complementary to existing businesses that would enhance the economic base of the City through diversification.
5. Provide for compatible relationships among land uses and quality standards for development, such that the area functions as a unified and viable center of community activity for the City.
6. Remove any impediments to land disposition and development through assembly of land into reasonably sized and shaped parcels served by adequate public utilities and infrastructure improvements.
7. Achieve an environment that reflects an appropriate level of concern for architectural, landscape and design principles, developed through encouragement, guidance, appropriate controls, and financial and professional assistance to owner participants and developers.

8. Provide for construction of public streets, utilities, curbs and sidewalks, other public rights-of-way, street lights, landscaped areas, public parking, water utilities, sewer utilities, storm drainage, open space, and other public improvements.
9. Provide public streets and road access to the area to facilitate better traffic circulation and reduce traffic hazards by assisting in the street alignments.

5. HOW THE PROJECT AREA DEVELOPMENT WILL FURTHER PURPOSES OF THE ACT

It is the intent of the Agency, with the assistance and participation of private owners, to facilitate new development or redevelopment within the Project Area that includes the objectives previously stated that are a key part of the Downtown Vernal Plan. The proposed project area will additionally provide for the encouragement, promotion, or provision of continued mixed-use development in the community. Further, the development within the Project Area will strengthen the tax base of the community, will accomplish community development objectives, create affordable housing, and create a well-planned and vibrant downtown core. The Project Area Plan will further the purposes of the Act by accomplishing the following items:

A. ESTABLISHMENT OF NEW BUSINESS

The project area includes the potential for notable commercial development which will benefit the State and the City through increased job creation, increased sales tax base, and increased income taxes paid.

B. CREATION OF NEW JOBS

The project area includes the potential for new businesses and related jobs. It is anticipated that new jobs will be encouraged at income levels above the area median income indicator.

C. PUBLIC INFRASTRUCTURE IMPROVEMENTS

The construction of the public infrastructure improvements necessary to the area will support a variety of development and will provide for future development in surrounding areas. Infrastructure is an important element of economic development and areas that lack good infrastructure are not able to be competitive in attracting good-quality businesses to locate in their community.

The development of the Project Area and the associated public infrastructure improvements will also: (a) make the land within the Project Area more desirable and potentially more accessible to and from other parts of the City; and (b) allow existing infrastructure to be extended and connected to other infrastructure and thereby used more efficiently. Thus, the components of the development anticipated by this Plan will encourage, promote and provide for community development within the Project Area and the City generally for years to come.

D. PROVISION OF ESSENTIAL SERVICES

Potential redevelopment or new development will most likely provide essential services to existing and possible new housing units for the Project Area. Commercial development will also likely include office spaces which may offer a variety of medical and dental services as well as professional office uses.

6. THE PLAN IS CONSISTENT WITH AND WILL CONFORM TO THE COMMUNITY'S GENERAL PLAN

This Plan is consistent with the City's General Plan. New development or redevelopment will diversify and strengthen the City by adding updated or new uses to the community.

The Vernal General Plan includes the following goals relating to economic development:

- To diversify the local and regional economy to help counter cyclical employment of extraction industries and encourage tourism and recreation related industries and support the marketing of services related to regional attractions such as the Uinta Mountains, the Green River, surrounding public and tribal lands, regional cultural diversity and history, and Dinosaur National Monument.
- To provide workforce housing for seniors, workers in the dominant oil and gas extraction industries, and those in supporting service sector industries.
- To develop infrastructure within Vernal City that supports local business and industry, as well as supports community development in the context of quality housing, livability for all socioeconomic groups and community design.

The creation and administration of the Project Area will encourage desirable development within Vernal's commercial core. By creating the Project Area, the Agency will be able to attract and encourage diverse development to the City, which will help strengthen Vernal's economy against economic boom and bust cycles.

7. IF APPLICABLE, DESCRIBE HOW THE PROJECT AREA WILL REDUCE OR ELIMINATE DEVELOPMENT IMPEDIMENTS

Not applicable. The Agency is not making any findings of development impediments for this Project Area.

8. DESCRIPTION OF ANY SPECIFIC PROJECT OR PROJECTS THAT ARE THE OBJECT OF THE PROPOSED COMMUNITY REINVESTMENT

The Project Area is intended to accomplish a larger vision of the downtown and Vernal and is not intended for any specific development. It is assumed that multiple parts of the Project Area will support new

development or redevelopment, resulting in new residential units, retail offerings, commercial uses (office, flex office, manufacturing), and possible hospitality and entertainment options.

New development projects will likely include construction and installation of public infrastructure improvements, some of which may have the capacity to serve areas outside of the Project Area.

9. HOW PARTICIPANTS WILL BE SELECTED

The Agency contemplates property owners within the Project Area may take advantage of the opportunity to develop, redevelop, maintain, or sell their property to developers for the development of facilities within the Project Area. It is assumed that some properties in the area will not be the subject of new development or significant redevelopment but will ultimately benefit from the goals and implementation of the plan.

There are no developers who are currently pursuing the use of tax increment financing in the proposed Community Reinvestment Area. Development guidelines and agreements regarding the use and payment of tax increment will be set forth in participation agreements or other agreements between the Agency and any development teams.

10. REASONS FOR THE SELECTION OF THE PROJECT AREA

The Project Area was selected by the Agency as having a significant impact to the community and a near-term ability to strengthen Vernal and Uintah County by allowing for appropriate redevelopment or new development of commercial space, residential housing, and public infrastructure that may support future development anticipated for Vernal and provide for development in surrounding areas.

Specific boundaries of the Project Area were arrived at by the Agency after a review of the area by members of the Agency, City staff, economic development consultants, county staff, business owners, and other technical and legal consultants. Planned treatment of this area is intended to stimulate development to the degree necessary for sound long-term growth in the Project Area and to encourage the development of real property located within the Project Area. Finally, the Project Area is a key element in the Downtown Vernal Plan.

11. DESCRIPTION OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS EXISTING IN THE AREA

A. PHYSICAL CONDITIONS

The Project Area contains approximately 300 acres along Vernal Main Street. The area includes many existing businesses as well as some residential area. Although much of the Project Area is developed, a number of areas are either vacant, unusable in current condition, or underutilized.

B. SOCIAL CONDITIONS

There are currently a significant number of buildings of nearly all use types within the Project Area. No unusual social conditions were found to exist. The Project Area Plan may help to further bring consumers and visitors from across the area to the Project Area for shopping, lodging, living, and employment.

C. ECONOMIC CONDITIONS

The study area currently generates a significant amount of property tax revenues from its variety of uses. Overall, the real estate within the Project Area has a taxable value of roughly \$116,000,000. A variety of successful businesses are included within the Project Area; however, many parcels in the Project Area are underutilized or vacant. Over half the Project Area is within census tracts that include a majority of low to moderate income households.

12. FINANCIAL ASSISTANCE ANTICIPATED TO BE OFFERED TO A PARTICIPANT

The Agency intends to negotiate and enter into one or more inter-local agreements some or all of the taxing entities to secure receipt of a portion of the property tax increment generated within the Project Area that would otherwise be paid to those taxing entities. Collectively, those tax revenues may be used to for the reasons already outlined. Subject to the provisions of the Act, the Agency may agree to pay for eligible development costs and other items from such tax revenues for any period of time the Agency and the taxing entities may deem appropriate under the circumstances.

The Agency believes that the creation of the Project Area and the provision of the incentives described in this Plan will enable commercial, residential, and retail development as described above. Actual development is dependent on many factors, including the overall economic climate; however, the Agency hopes to encourage and accelerate such development within the Project Area.

All incentives and payments to participants will be performance-based and will be offered only according to the terms of a Participation Agreement or grant program that adequately protects the Agency and the taxing entities by ensuring performance by the participant. Subject to the provisions of the Act, the Agency may agree to pay for eligible development costs and other items from such tax revenues for the period of time appropriate under the circumstances.

13. RESULTS OF THE PUBLIC BENEFIT ANALYSIS

Section 1 – The Benefit of Any Financial Assistance or Other Public Subsidy Proposed to be Provided by the Agency:

A. AN EVALUATION OF THE REASONABLENESS OF THE COSTS OF THE PROPOSED PROJECT AREA DEVELOPMENT

The preliminary cost estimates for downtown improvements include expenses for roadways, walkways, parking improvements, public open space areas, façade programs, etc., and appear to be reasonable given current and anticipated market conditions.

B. EFFORTS TO MAXIMIZE PRIVATE INVESTMENT

The City has made efforts to maximize private investment in the area. The City has pursued a development pattern that will attract desirable tenants and will bring a strong tax base to the City. The City anticipates that this project area focus will create new jobs. The wages paid for these jobs will then be re-spent, by the private sector, in the local and regional economies that will bring benefits to private businesses in the area.

It is likely that redevelopment and new development will significantly increase taxable values from the current taxable value of nearly \$116,000,000, to an anticipated \$144 million near the end of the 20-year increment collection period. The Project Area is currently generating roughly \$1.48 million in property tax revenues; it is projected to generate roughly \$1.83 million per year at the end of 20 years. Developers will also likely be paying for improvements to various public infrastructure needs.

C. RATIONALE FOR USE OF PROJECT AREA FUNDS

This represents a large area with redevelopment and new development potential. Downtown Vernal has potential to attract new development but the challenges of redeveloping city center parcels can drive new development to the outskirts of the City or into unincorporated areas. The Agency plans to revitalize the downtown area, thereby attracting new development and additional consumer traffic. The creation of the Project Area will also allow the Agency to address infrastructure needs and to incentivize desirable development within the Project Area. Therefore, in order to enhance this area and uplift the desirability of the downtown core, the Agency is proactively seeking to create a Project Area, with the use of tax increment, so that development and new development can be considered.

D. ESTIMATE OF TOTAL PROJECT AREA FUNDS AND LENGTH OF TIME OF PROJECT AREA

Project area funds will be disbursed to the Agency for a period of 20 years and are anticipated to be approximately \$3.6 million over the 20-year period, with a net present value of about \$2.2 million.

Section 2 – The Anticipated Public Benefit Derived from the Proposed Project Area Development

A. BENEFICIAL INFLUENCES ON THE COMMUNITY’S TAX BASE

The property tax base of the taxing entities should increase by approximately \$28 million from the various investments in real property (land and buildings) alone. In addition, the personal property tax base of the taxing entities will be increased, but will vary depending on the type of equipment located in the Project Area as well as individual depreciation schedules.

In addition to tax revenues, the project will generate other revenues including sales tax, Class B/C Road Funds, business license fees, charges for services, transient room taxes, and one-time fees such as building permits and impact fees.

B. ASSOCIATED BUSINESS AND ECONOMIC ACTIVITY STIMULATED BY THE DEVELOPMENT

Other business and economic activity likely to be stimulated includes business, employee and construction expenditures. There are significant opportunities for increased economic development and tax generating

development that can occur within the immediate sphere of influence of the Project Area that otherwise may not occur in a timely basis or at the same level of increased development and private investment.

1. BUSINESS AND EMPLOYEE EXPENDITURES

It is anticipated that employees and business owners in the Project Area will directly or indirectly purchase local goods and services related to their operations from local or regional suppliers. These purchases will likely increase employment opportunities in the related areas of business equipment, furniture and furnishings, business supplies, computer equipment, communication, security, transportation and delivery services, maintenance, repair and janitorial services, packaging supplies, office and printing services, transportation and delivery services.

A summary of benefits is as follows:

- Provide an increase in direct purchases in the City.
- Provide economic diversification within the City and Uintah County.
- Encourage economic development in order for public or private employers to create additional jobs in the community.
- Complement existing businesses and industries located within the City by providing new employees who may live and shop and pay taxes in the City and the region.
- Another benefit will be the expenditure of income by employees filling the new positions. The types of expenditures by employees in the area will likely include convenience shopping for personal and household goods, lunches at area restaurants, convenience purchases and personal services (haircuts, banking, dry cleaning, etc.) The employees will not make all of their convenience or personal services purchases near their workplace, and each employee's purchasing patterns will be different. However, it is reasonable to assume that a percentage of these annual purchases will occur within close proximity to the workplace (assuming the services are available).

2. CONSTRUCTION EXPENDITURES

Economic activity associated with the development will include construction activity. Construction costs for labor and materials will likely be notable. This will create a moderate number of construction jobs. Construction supplies are also anticipated to create significant sales tax revenues for the State, County and City.

C. ADOPTION OF THE PLAN IS NECESSARY AND APPROPRIATE TO UNDERTAKE THE PROJECT AREA PLAN

Adoption of the Plan is necessary and appropriate to undertake the Project Area Plan because: 1) The Plan conforms with and furthers the City's General Plan; and 2) private investment will increase the tax base by approximately \$28 million which will provide increased tax revenues to all taxing entities.

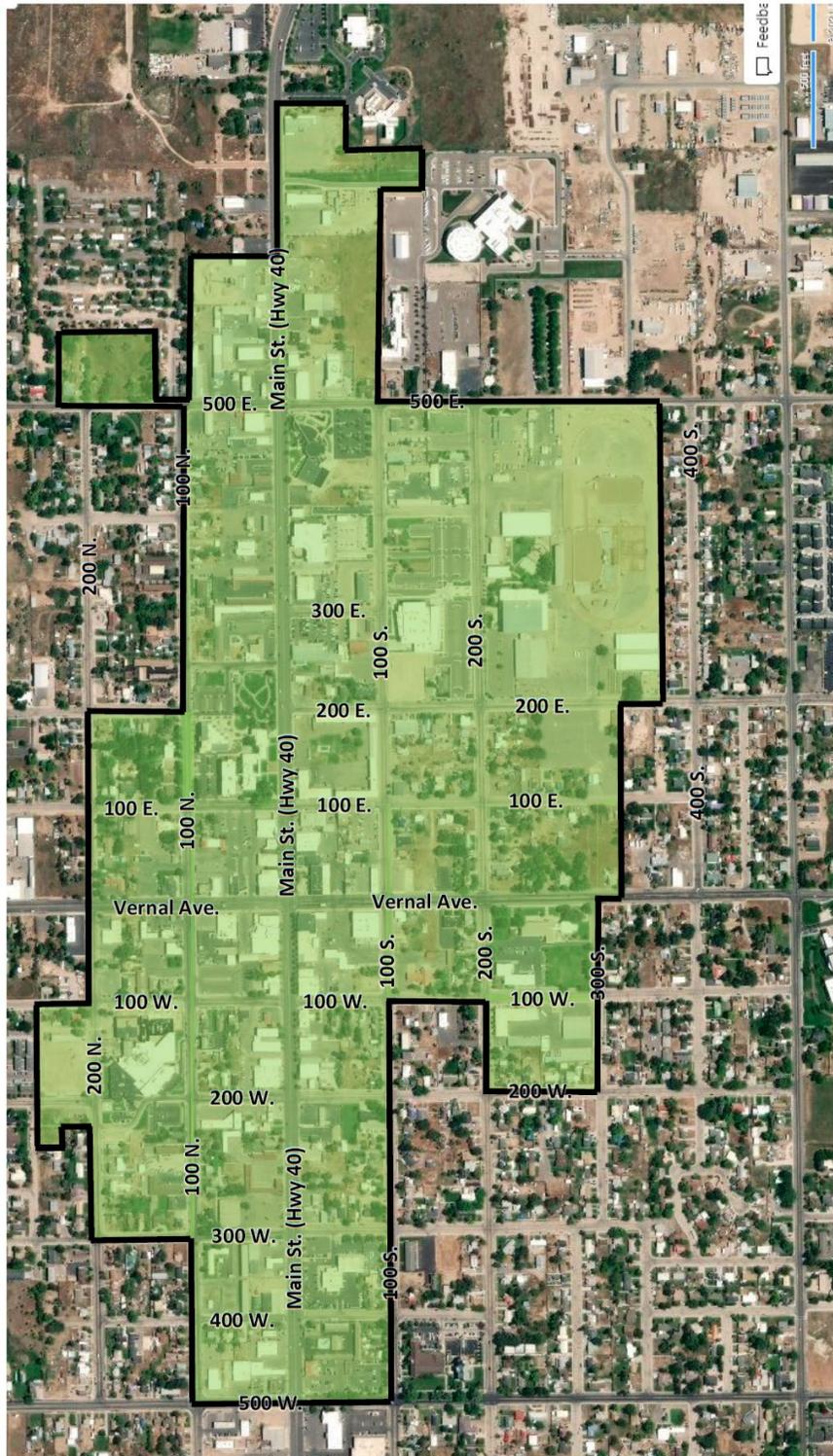
14. IF APPLICABLE, STATE THAT THE AGENCY SHALL COMPLY WITH SECTION 9-8-404

If applicable, the Agency will comply with the requirements of § 9-8-404 relating to any historic properties within the Project Area.

15. STATE WHETHER THE PLAN IS SUBJECT TO A TAXING ENTITY COMMITTEE OR AN INTERLOCAL AGREEMENT

This Plan is subject to Interlocal Agreements.

APPENDIX A: PROJECT AREA MAP



APPENDIX B: LEGAL DESCRIPTION

Beginning at the intersection of Highway 40 (Main Street) and 500 West (SR-121) running north along 500 West to the intersection of 500 West and 100 North thence east on 100 North to 300 West, thence north to the intersection of 300 West and 200 North, thence east along 200 North to the west property line of Uintah County Parcel 050240015, thence north and then west and then north along said property line to the centerline of 250 North (approximately 230 W), thence directly east through the 100-200 West block to the centerline of 100 West (at 250 N), thence south to the centerline of 200 North (at 100 West), thence east along 200 North to 200 East, thence South to the intersection of 200 East and 100 North, thence East to 500 East thence north along 500 East to the North property line of parcel 050370002 thence east following said property line to the Northwest corner of said property and thence south along the easterly property lines of parcels 050370002, 050370003, 050370004, and then East along the South property line of parcel 050370004 back to 500 East, thence South to the North property line of parcel 050370008, then continuing east along the north property lines of parcels 050370008 and 050370013 to the northeast corner of parcel 050370013, thence South along the East property line of parcel 050370013 and continuing South to the centerline of Highway 40, thence East along the centerline of highway 40 to the East property line of parcel 050390009, thence running South and then West along the East and South property lines of parcel 050390009 to a point along the East property line of parcel 050400001, thence South and then West along the East and South property lines of parcel 050400001, continuing West and then North along the South and West property lines of parcel 050400002, thence West along the north property line of parcel 050400033 continuing west to the centerline of 500 East (at 100 south), thence following the centerline of 500 East south to the south property line of parcel 050310110, following the south property line of parcel 050310110 West to the center of 200 East (at approximately 375 South), thence West along the south property lines of parcels 050320014, 050320162, 050320040, 050320156, 050320053 continuing West to the centerline of Vernal Avenue, thence North to the intersection of Vernal Avenue and 300 South, thence West along 300 South to the intersection of 200 West and 300 South thence North along 200 West to the intersection of 200 South and 200 West, thence East along 200 South to the intersection of 100 West and 200 South, thence North along 100 West to the intersection of 100 South and 100 West, thence West along 100 South to the intersection of 100 South and 500 West, thence North along 500 West to the intersection of Highway 40 and 500 West or point of beginning.