

Fillmore City

In response to the Chronicle Progress article in the August 29 edition concerning "Fillmore Zones Let Businesses Be Tax Free" there are no zones in Fillmore City that are TAX FREE.

This is how the Community Reinvestment Agency (CRA) works:

The CRA was created to enable economic and community development that would not occur without public support and to shape and accelerate anticipated development in Fillmore, Utah. The CRA helps increase tax revenues to the City, County, School District and other taxing entities through increasing property values. A CRA does not increase tax rates.

The CRA's budget estimates how much tax increment revenue will be produced by the additional and accelerated developments, and the budget establishes how the revenues will be used by the CRA.

Many businesses have benefited from the infrastructure that was installed and paid for by the City, such as water, sewer and electric extensions, and roads. A business wanting to develop property within other areas of the City that lack the necessary infrastructure (including the CRA) is required to extend and pay for all utilities, roads, and other infrastructure at his/her cost. These upfront infrastructure costs are often enough to stifle or prevent growth and development. A CRA can step in to aid the business over those initial hurdles.

A developer seeking such support agrees to increase certain property values through economic development, which often includes the construction of infrastructure, commercial businesses, and other approved uses. The CRA may loan money to the developer for such things as road, storm drain, sewer and/or culinary water improvements. These improvements enable development and growth to occur. The developer is obligated to repay the loan to the CRA with interest. If the proposed development takes place, the developer may recapture some or all of the infrastructure costs through increased tax dollars created from an increase of the property values. A time limit on the developments successful completion helps ensure the developments occur, and the CRA recoups its costs.

If development does not take place, the developer has personally paid for most of the infrastructure costs, which benefit the City, and the developer is still required to repay the CRA for any loan amounts still outstanding.

If the development is successful, the result is a substantial increase in tax revenue for the City, the School District and other taxing entities.

Mayor Michael D. Holt