

REDEVELOPMENT AGENCY OF SPANISH FORK CITY

40 South Main Street
Spanish Fork Utah 84660
(801) 804-4500

October 30, 2016

Subject: 2016 Annual Report of the Redevelopment Agency of the
City of Spanish Fork (RDA). (Utah Code ' 17C-1-402(9)(b))

Dear Taxing Entity;

This letter shall constitute the annual report of the RDA required under Utah ' 17C-1-402(9)(b). The purpose of this report, in part, is to fulfill the requirements of the Utah State Code. As new reporting requirements were adopted in the legislature, this report facilitates the Redevelopment Agency of Spanish Fork City's (the "Agency" or RDA") compliance with the new code, providing the data necessary to fulfill these new reporting requirements.

It is Spanish Fork City Redevelopment Agency's intent to provide the Taxing Entity Committee (TEC) with this report to avoid the annual TEC meeting held each December. (' 17C-1-402(9)(b)) The blue font is the state code. The red font is the RDA's response to the information required.

The Spanish Fork City Redevelopment Agency has the following areas: Two (2) redevelopment project areas, five (5) economic development project areas and two (2) community development project area. The following is an explanation of each project area and its status. Some of the areas are closed. Some of the areas are established but not actively capturing (triggered) tax increment.

Spanish Fork City Redevelopment Agency:

North Industrial Redevelopment Project Area (RDA)

Kirby Lane Project Area (RDA)

Spanish Fork Canyon Economic Development Project Area (EDA)

Swenson Economic Development Project Area (EDA)

Gateway Economic Development Project Area (EDA)

Front Mountain Economic Development Project Area (EDA)

North Airport Economic Development Project Area (EDA)

North Park Community Development Project Area (CDA)

Wasatch Wind Community Development Project Area (CDA)

Dominguez Community Development Project Area (CDA)

Sierra Bonita Community Development Project Area (CDA)

North Industrial Redevelopment Project Area (RDA)

This project area, which is located in the north portion of the city, was created on 10/17/91. The base year for computing tax increment is tax year 1990. Calendar year 1994 was the first year the RDA began receiving the tax increment for the North Industrial Project Area.

(i) an assessment of growth of incremental values for each active project area, including:

(A) Base year assessed value; Base year (1990) assessed value was \$3,072,052.

(B) Prior year's assessed value; Prior year's (2014) assessed value is \$ 40,994,853
 This year's (2015) assessed value is \$ 42,284,670.
 \$ 1,289,817 increase. 3.1% increase from 2014 to 2015.

(C) Estimated current year assessed value for the project area; Current year's (2016) assessed value is \$ 42,284,670.

(D) Narrative description of the relative growth in assessed value within the project area;

Since its creation in 1990, the assessed value of \$ 3,072,052 has increased to \$ 42,284,670 in value. From 2014 to 2015, the assessed value has increased \$1,289,817 or 3.1 %.

Year	Base Value (1990)	Adjusted Assessed Value	Marginal Value	Value % change from Base Year	Value % change from Prior Year
2013	\$ 3,072,052	\$ 39,040,018	\$ 35,967,966	1271%	-0.3%
2014	\$ 3,072,052	\$ 40,994,853	\$ 37,922,801	1334%	5.0%
2015	\$ 3,072,052	\$ 42,284,670	\$ 39,212,618	1376%	3.1%

(ii) a description of the amount of tax increment received by the agency and passed through to other taxing entities from each active project area, including:

(A) a comparison of the original forecasted amount of tax increment to actual receipts;

Year	Marginal Value	Net of Haircut Provision (70%) 60% for 2014	Tax Rate	Tax Increment Amount			Pass Through to other Taxing Entities
				Forecasted (asked for)	Calculated Amount Available	Actual Amount collected and Paid to RDA	
2013	\$ 35,967,966	\$ 25,177,576	\$ 0.012182	\$ 290,000	\$ 306,713	\$ 304,472	\$ -
2014	\$ 37,922,801	\$ 22,753,681	\$ 0.011644	\$ 290,000	\$ 264,944	\$ 223,290	\$ -
2015	\$ 39,212,618	\$ 23,527,571	\$ 0.011920	\$ 310,000	\$ 275,084	\$ 307,169	\$ -

(B) a narrative discussion regarding the use of tax increment;

There were no significant improvements in the North Industrial Park RDA this year. It is anticipated there will be more improvements in the future. The hair cut provision was lowered to 60% again this year.

(C) a description of the benefits derived by the taxing entities;

Increased Property Tax Revenues
Increased Sales Tax Revenues
Job Creation

(iii) a description of activity within each active project area, including:

(A) a narrative of any significant development activity, including infrastructure development, site development, and vertical construction within the project area; and

(B) a narrative discussion regarding the status of any agreements for development within the project area; **None.**

(iv) a revised multi-year tax increment budget related to each active project area, including:

(A) the prior year's tax increment receipts; **See Chart below.**

(B) the base year value and adjusted base year value, as applicable; **See Chart below.**

(C) the applicable tax rates within the project area; and **See Chart below.**

(D) a description of private and public investment within the project area;

Several commercial businesses have developed and plan several more in the near future. The State of Utah helped in the reconstruction of I-15 and Highway 6 interchange. The new commercial development in the area has created a need to improve the traffic flow within the North Industrial RDA project area.

North Industrial Park RDA Project Area			
	Calendar Tax Year	2016	FY 2017
Assessed Valuation		Actuals	Budget
Total Taxable Value		\$ 42,284,670	\$ 42,284,670
Base Year (1990)		\$ (3,072,052)	\$ (3,072,052)
Incremental Marginal Value		\$ 39,212,618	\$ 39,212,618
Tax Rate		0.01192	0.01192
Tax Increment and Participation Rates			
Gross Tax Increment		\$ 467,414	\$ 467,414
Haircut Rate		60%	60%
Tax Increment Calculated		\$ 275,084	\$ 280,449
Tax Increment Requested		\$ 310,000	\$ 280,449
Tax Increment Actually Collected and Paid		\$ 268,788	
Project Area Budget			
REVENUES			
Property Tax Increment - Current yr.		\$ 307,170	\$ 310,000
Property Tax Increment - Prior yrs.		\$ -	\$ -
Miscellaneous Income			\$ 5,000
Use of Beginning Fund Balance		\$ -	\$ 1,000,000
Total Revenues		\$ 307,170	\$ 1,315,000
EXPENDITURES			
Administration			\$ 4,100
Professional Services			\$ 12,000
Infrastructure		\$ -	\$ 1,298,900
Developer Incentives			
Debt Service			
Payments to Other Taxing Entities			
Sundry			
Budget increase to Fund Balance		\$ 307,170	
Total Expenditures		\$ 307,170	\$ 1,315,000
		\$ -	\$ -

(v) an estimate of the tax increment to be paid to the agency for the calendar years ending December 31 and beginning the next January 1; and

The estimate of the portion of property taxes to be paid to the RDA for the calendar year ending December 31, 2016 = \$ 310,000. The RDA will need all of the increment that is available during the 2016 calendar year.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year beginning January 1, 2017 = \$ 310,000. The RDA will need all of the increment that is available during the 2017 calendar year.

(vi) any other project highlights included by the agency.

Kirby Lane Project Area (RDA)

This project area, which is located in the northeast portion of the city, was created on 12/26/91. The base year for computing tax increment is tax year 1991. Calendar year 1995 was the first year that the RDA began receiving the tax increment for the Kirby Lane Project Area.

(iii) an assessment of growth of incremental values for each active project area, including:

(A) Base year assessed value; Base year (1991) assessed value was \$3,610,394.

(B) Prior year's assessed value; Prior year's (2014) assessed value is \$ 46,584,899
This year's (2015) assessed value is \$ 48,930,134.
\$ 2,345,235 increase. 5 % increase from 2014 to 2015.

(C) Estimated current year assessed value for the project area; Current year's (2015) assessed value is \$ 48,930,134.

(D) Narrative description of the relative growth in assessed value within the project area;

Since its creation in 1991, the assessed value of \$ 3,610,394 has increased to \$ 48,930,134 in value. From 2014 to 2015, the assessed value has increased \$ 2,345,235 or 5 %.

Assessment of Growth of incremental Values - Kirby Lane RDA Project Area					
Year	Base Value (1991)	Adjusted Assessed Value	Marginal Value	Value % change from Base Year	Value % change from Prior Year
2013	\$ 3,610,394	\$ 44,907,353	\$ 41,296,959	1244%	6.5%
2014	\$ 3,610,394	\$ 46,584,899	\$ 42,974,505	1290%	3.7%
2015	\$ 3,610,394	\$ 48,930,134	\$ 45,319,740	1355%	5.0%

(ii) a description of the amount of tax increment received by the agency and passed through to other taxing entities from each active project area, including:

(A) a comparison of the original forecasted amount of tax increment to actual receipts;

Kirby Lane RDA Project Area				Tax Increment Amount			Pass Through to other Taxing Entities
Year	Marginal Value	Net of Haircut Provision (70%) 60% in 2015	Tax Rate	Forecasted (asked for)	Calculated Amount Available	Actual Amount collected and Paid to RDA	
2013	\$ 41,296,959	\$ 28,907,871	\$ 0.012182	\$ 290,000	\$ 352,156	\$ 313,496	\$ -
2014	\$ 42,974,505	\$ 30,082,154	\$ 0.011640	\$ 290,000	\$ 350,156	\$ 349,368	\$ -
2015	\$ 45,319,740	\$ 27,191,844	\$ 0.011920	\$ 350,000	\$ 317,927	\$ 402,852	\$ -

(B) a narrative discussion regarding the use of tax increment;

The Kirby Lane RDA expended \$ 549,879 funds during the 2016 fiscal year. These funds were spent on improvements for Roadways. It is anticipated large expenditures will be incurred in the next fiscal year.

(C) a description of the benefits derived by the taxing entities;

Increased Property Tax Revenues
Increased Sales Tax Revenues
Increased Job Creation

(iii) a description of activity within each active project area, including:

(A) a narrative of any significant development activity, including infrastructure development, site development, and vertical construction within the project area; and

The Kirby Lane RDA expended \$ 549,879 funds during the 2016 fiscal year. These funds were spent on improvements for Roadways. It is anticipated large expenditures will be incurred in the next fiscal year.

(B) a narrative discussion regarding the status of any agreements for development within the project area;

The RDA is working with the developer (Woodbury) to develop property in the area. It is anticipated to have major commercial retail stores and a regional hospital in the nearby area.

(iv) a revised multi-year tax increment budget related to each active project area, including:

(A) the prior year's tax increment receipts; See Chart below.

(B) the base year value and adjusted base year value, as applicable; See Chart below.

(C) the applicable tax rates within the project area; and See Chart below.

(D) a description of private and public investment within the project area;

Several commercial business have developed and plan several more in the near future. The State of Utah helped in the reconstruction of I-15 and Highway 6 interchange. The new commercial development in the area has created a need to improve the traffic flow within the Kirby Lane RDA project area.

Kirby Lane RDA Project Area			
	Calendar Tax Year	2016	FY 2017
Assesed Valuation		Actuals	Budget
	Total Taxable Value	\$ 48,930,134	\$ 48,930,134
	Base Year (1991)	\$ (3,610,394)	\$ (3,610,394)
	Incremental Marginal Value	\$ 45,319,740	\$ 45,319,740
	Tax Rate	0.01192	0.01192
Tax Increment and Participation Rates			
	Gross Tax Increment	\$ 540,211	\$ 540,211
	Haircut Rate	60%	60%
	Tax Increment Calculated	\$ 324,127	\$ 324,127
	Tax Increment Requested	\$ 350,000	\$ 350,000
	Tax Increment Actually Collected and Paid	\$ 402,852	
Project Area Budget			
REVENUES			
	Property Tax Increment - Current yr.	\$ 402,852	\$ 350,000
	Property Tax Increment - Prior yrs.		\$ -
	Miscellaneous Income		\$ 5,000
	Use of Beginning Fund Balance	\$ 255,385	\$ 1,500,000
	Total Revenues	\$ 658,237	\$ 1,855,000
EXPENDITURES			
	Administration	\$ 4,190	\$ 4,100
	Professional Services	\$ -	\$ -
	Infrastructure	\$ 545,689	\$ 1,850,900
	Developer Incentives		
	Debt Service		
	Payments to Other Taxing Entities		
	Sundry		
	Budget increase to Fund Balance	\$ 108,358	
	Total Expenditures	\$ 658,237	\$ 1,855,000

(v) an estimate of the tax increment to be paid to the agency for the calendar years ending December 31 and beginning the next January 1; and

The estimate of the portion of property taxes to be paid to the RDA for the calendar year ending December 31, 2016 = \$ 350,000.00. The RDA will need all of the increment that is available during the 2016 calendar year in order to pay incurred debt.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year beginning January 1, 2017 = \$ 350,000.00. The RDA will need all of the increment that is available during the 2017 calendar year in order to pay incurred debt.

(vi) any other project highlights included by the agency.

Spanish Fork Canyon Economic Development Project Area (EDA)

This EDA area was closed in 2004.

Swenson Economic Development Project Area (EDA)

This EDA area was closed in 2013.

Gateway Economic Development Project Area (EDA)

This EDA area was active for several years but it closed in 2008.

Front Mountain Economic Development Project Area (EDA)

This project area, which is located in the east portion of Spanish Fork, was created on 3/21/06. The base year for computing tax increment is tax year 2005. The RDA will not be receiving the tax increment at this time for the Front Mountain Economic Development Project Area.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year ending December 31, 2016 = \$ 0.00.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year beginning January 1, 2017 = \$ 0.00.

North Airport Economic Development Project Area (EDA)

This project area, which is located in the north portion of Spanish Fork, was created on 4/18/06. The base year for computing tax increment is tax year 2005. The RDA will not be receiving the tax increment at this time for the North Airport Economic Development Project Area.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year ending December 31, 2016 = \$ 0.00.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year beginning January 1, 2017 = \$ 0.00.

North Park Community Development Project Area (CDA)

This project area, which is located in the north portion of Spanish Fork, was created on 2/20/07. The base year for computing tax increment is tax year 2006. The RDA will not be receiving the tax increment at this time for the North Park Community Development Project Area. There is a development agreement with a developer and commercial retailer. These agreements are being met without using property tax increment.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year ending December 31, 2016 = \$ 0.00.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year beginning January 1, 2017 = \$ 0.00.

Wasatch Wind Community Development Project Area (CDA)

This project area, which is located in the north portion of Spanish Fork, was created on 7/16/07. The base year for computing tax increment is tax year 2006. Calendar year 2009 will be the first year the RDA began receiving the tax increment for the Wasatch Wind Community Development Project Area (CDA).

(i) an assessment of growth of incremental values for each active project area, including:

(A) Base year assessed value; Base year (2006) assessed value was \$ 529,191.

(B) Prior year's assessed value; Prior year's (2014) assessed value is \$ 26,509,724
Current year's (2015) assessed value is \$ 18,493,577.
\$ 8,026,147 decrease. 30.2 % decrease from 2014 to 2015.

(C) Estimated current year assessed value for the project area; Current year's (2015) assessed value is \$ 18,493,577.

(D) Narrative description of the relative growth in assessed value within the project area;

Since its creation in 2006, the assessed value of \$ 529,191 has increased to \$ 18,493,577 in value. From 2014 to 2015, the assessed value has decreased \$ 8,026,147 or 30.2 %.

Assessment of Growth of incremental Values -Wasatch Wind CDA

Year	Base Value (2006)	Adjusted Assessed Value	Marginal Value	Value % change from Base Year	Value % change from Prior Year
2013	\$ 529,191	\$ 26,837,162	\$ 26,307,971	5071%	-1.2%
2014	\$ 529,191	\$ 26,509,724	\$ 25,980,533	5009%	-1.2%
2015	\$ 529,191	\$ 18,493,577	\$ 17,964,386	3495%	-30.2%

(ii) a description of the amount of tax increment received by the agency and passed through to other taxing entities from each active project area, including:

(A) a comparison of the original forecasted amount of tax increment to actual receipts;

Wasatch Wind CDA				Tax Increment Amount			Pass Through to other Taxing Entities
Year	Marginal Value	Net of Haircut Provision (100%)	Tax Rate	Forecasted (asked for)	Calculated Amount Available	Actual Amount collected and Paid to RDA	
2013	\$ 26,307,971	\$ 26,307,971	\$ 0.012418	\$ 315,000	\$ 326,692	\$ 318,517	\$ 95,555
2014	\$ 26,509,724	\$ 26,509,724	\$ 0.011640	\$ 330,000	\$ 308,573	\$ 302,517	\$ 90,755
2015	\$ 17,964,386	\$ 17,964,386	\$ 0.011920	\$ 320,000	\$ 210,039	\$ 210,279	\$ 63,084

(B) a narrative discussion regarding the use of tax increment;

The Wasatch Wind CDA spent \$ 199,765 during the 2016 fiscal year.

These payments were contractual payments to other taxing entities and incentive payment to the developer (SF Wind Park LLC) of the windmills.

SF Wind Park LLC	\$ 136,681
Utah County	\$ 6,031
Nebo School District	\$ 48,562
Spanish Fork City	\$ 6,497
Central Utah Water Cons	\$ 1,994

(C) a description of the benefits derived by the taxing entities;

Increased Property Tax Revenues

(iii) a description of activity within each active project area, including:

(A) a narrative of any significant development activity, including infrastructure development, site development, and vertical construction within the project area; and

No new infrastructure was constructed during the past year. Wind mills are still operating as planned.

(B) a narrative discussion regarding the status of any agreements for development within the project area; No changes to current agreements. Current agreements are being complied with.

(iv) a revised multi-year tax increment budget related to each active project area, including:

(A) the prior year's tax increment receipts; See Chart below.

(B) the base year value and adjusted base year value, as applicable; See Chart below.

(C) the applicable tax rates within the project area; and See Chart below.

(E) a description of private and public investment within the project area;

The Windmills are owned by private investors. They are renting the land the towers are mounted on from the land owners. The City of Spanish Fork owns 4 of 9 tower leases.

The rent is a formula based on the amount of Kilowatt hours generated and sold each month.

Wasatch Wind CDA Project Area			
	Calander Tax Year	2016	FY 2017
Assesed Valuation		Actuals	Budget
	Total Taxable Value	\$ 18,493,577	\$ 18,493,577
	Base Year (2006)	\$ (529,191)	\$ (529,191)
	Incremental Marginal Value	\$ 17,964,386	\$ 17,964,386
	Tax Rate	0.01192	0.01192
Tax Increment and Participation Rates			
	Gross Tax Increment	\$ 210,039	\$ 210,039
	Haircut Rate	100%	100%
	Tax Increment Calculated	\$ 210,039	\$ 210,039
	Tax Increment Requested	\$ 320,000	\$ 320,000
	Tax Increment Actually Collected and Paid	\$ 210,279	
Project Area Budget			
REVENUES			
	Property Tax Increment - Current yr.	\$ 210,279	\$ 302,000
	Property Tax Increment - Prior yrs.	\$ -	\$ -
	Miscellaneous Income	\$ -	\$ 1,000
	Use of Beginning Fund Balance	\$ -	\$ -
	Total Revenues	\$ 210,279	\$ 303,000
EXPENDITURES			
	Administration		\$ 1,550
	Professional Services		\$ 6,785
	Infrastructure	\$ -	
	Developer Incentives	\$ 136,681	\$ 191,695
	Debt Service		
	Payments to Other Taxing Entities	\$ 63,084	\$ 97,006
	Sundry		
	Budget increase to Fund Balance	\$ 10,514	\$ 5,964
	Total Expenditures	\$ 210,279	\$ 303,000

(v) an estimate of the tax increment to be paid to the agency for the calendar years ending December 31 and beginning the next January 1; and

The estimate of the portion of property taxes to be paid to the RDA for the calendar year ending December 31, 2016 = \$ 302,000. This is only an estimate. The RDA will need all of the increment that is available during the 2016 calendar year in order to pay incurred debt

The estimate of the portion of property taxes to be paid to the RDA for the calendar year beginning January 1, 2017 = \$ 302,000. This is only an estimate. The RDA will need all of the increment that is available during the 2017 calendar year in order to pay incurred debt

(vi) any other project highlights included by the agency.

Dominguez Community Development Project Area (CDA)

This project area, which is located in the north portion of Spanish Fork, was created on 12/18/07. The base year for computing tax increment is tax year 2007. The RDA will not be receiving the tax increment at this time for the Dominguez Community Development Project Area.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year ending December 31, 2016 = \$ 0.00.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year beginning January 1, 2017 = \$ 0.00.

Sierra Bonita Community Development Project Area (CDA)

This project area, which is located in the north portion of Spanish Fork, will be created in the near future. The base year for computing tax increment is tax year (yet to be determined). The RDA will not be receiving the tax increment at this time for the Sierra Bonita Community Development Project Area.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year ending December 31, 2016 = \$ 0.00.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year beginning January 1, 2017 = \$ 0.00. Anticipate the increment to be collected in 2017.

Seth Perrins, Executive Director
Redevelopment Agency of Spanish Fork City

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Superintendent Rick Nielsen
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Utah County Commissioners
Utah County Building
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Mayor
40 South Main
Spanish Fork, Utah 84660

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355 West 1300 South
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