

2016

ANNUAL REPORT

REDEVELOPMENT AGENCY OF PLEASANT GROVE CITY, UT



NOVEMBER 1ST REPORT

Dated as of October 20, 2016

Prepared by Lewis, Young, Robertson & Burningham, Inc.

In compliance with Utah Code Section 17C-1-603 and 17C-1-402(9)(b)


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EXECUTIVE SUMMARY

INTRODUCTION

Lewis Young Robertson & Burningham, Inc (“LYRB”) has been retained by the Pleasant Grove City Redevelopment Agency (the “Agency”) to assist with the management of the Agency’s two project areas: the Gateway CDA, or “Hammons”, Project Area and the 1300 West CDA, or “doTERRA”, Project Area. LYRB has compiled the various creation and related documents associated with the project areas, created annual and multi-year budgets, and created a proprietary Excel-based software package to manage the Agency’s project areas on an ongoing basis.

The purpose of this report, in part, is to fulfill the requirements of Utah Code section 17C-1-402(9)(b) and section 17C-1-603 – Agency Report. This report facilitates the RDA’s compliance with the new code adopted in 2011, providing the data necessary to fulfill these new reporting requirements. This section of Utah Code mandates that the Agency provide an annual report to the County Auditor, the State Tax Commission, the State Board of Education, as well as each of the taxing entities that levy a tax on property from which the Agency collects tax increment. The taxing entities involved in the various project areas of the Pleasant Grove City Redevelopment Agency, to which this report is being provided, are summarized in the table below.

Table I.1

RDA TAXING ENTITIES	
Scott Darrington	Pleasant Grove City
Tina Petersen	Pleasant Grove City
Burt Harvey	Utah County
Rob Smith	Alpine School District
Gene Shawcroft	Central Utah Water Conservancy District
JoAnne Dubois	Central Utah Water Conservancy District
Natalie Grange	Utah State Board of Education
Lorraine Austin	Utah State Board of Education
Barry Conover	Utah State Tax Commission

This report fulfills the reporting requirements described in UC 17C-1-402(9)(b), allowing the report to be used in place of an annual taxing entity committee meeting. This annual report is for informational purposes and is intended to provide an overview of each project area that lies within the boundaries of the RDA, including descriptions of each project area, significant activities, project timelines, actual and estimated tax increment collections, and any other information pertinent to the taxing entities.

Provided in this report is an overview of the Gateway CDA Project Area #1 and the 1300 West CDA Project Area, including summaries of the current and projected budgets and identification of certain concerns/needs.

OVERVIEW OF THE REDEVELOPMENT AGENCY

The Pleasant Grove City Redevelopment Agency was created by the Pleasant Grove City Council on January 30, 1995 with the adoption of Ordinance #95-1 in accordance with the provision of the Utah Neighborhood Development Act, UCA 17A-2-1201.

In the process of adopting the ordinance creating the Agency, the City Council determined that the Agency “is authorized to enter into contracts generally in connection with redevelopment or economic development matters and shall have the power to transact the business of such an agency and to exercise all the powers, rights, duties, and privileges set forth in the Utah Neighborhood Development Act as provided in the Utah Code Annotated 1953, 17A-2-1201 (recodified as 17C-1-101 et seq.)”

Originally, under UCA 17C, each project area created by a Redevelopment Agency was classified simply as a Redevelopment Area (RDA). In 1998, UCA 17C was expanded to allow the creation of various types of project areas, including Community Development Area (CDA), Urban Renewal Area (URA), and Economic Development Area (EDA). In 2016, changes were made to UCA 17C putting an end to these three classifications. Going forward all project areas will again be lumped into one category and will be designated as Community Reinvestment Areas (CRA). Currently, the Agency has two active Project Areas, each of which was created prior to the 2016 classification changes and has been categorized as a CDA.

AUTHORITIES AND POWERS OF THE AGENCY

The authority of the Agency is directed by UCA Title 17C.

17C-1-202

- I. A community development and renewal agency may:
 - ☞ Sue and be sued;
 - ☞ Enter into contracts generally;
 - ☞ Buy, obtain an option upon, or otherwise acquire an interest in real or personal property;
 - ☞ Sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or personal property;
 - ☞ Enter into a lease agreement on real or personal property, either as lessee or lessor;
 - ☞ Provide for urban renewal, economic development, and community development as provided in this title;
 - ☞ Receive tax increment as provided in this title;
 - ☞ If disposing of or leasing land, retain controls or establish restrictions and covenants running with the land consistent with the project area plan;
 - ☞ Accept financial or other assistance from any public or private source for the agency’s activities, powers, and duties, and expend any funds so received for any of the purposes of this title;
 - ☞ Borrow money or accept financial or other assistance from the federal government, a public entity, or any other source for any of the purposes of this title and comply with any conditions of the loan or assistance;
 - ☞ Issue bonds to finance the undertaking of any urban renewal, economic development, or community development or for any of the agency’s other purposes, including:
 - Reimbursing an advance made by the agency or by a public entity or the federal government to the agency;
 - Refunding bonds to pay or retire bonds previously issued by the agency; and
 - Refunding bonds to pay or retire bonds previously issued by the community that created the agency for expenses associated with an urban renewal, economic development, or community development project; and
 - ☞ Transact other business and exercise all other powers provided for in this title.

GOVERNING BOARD OF TRUSTEES

Table 1.2

GOVERNING BOARD OF TRUSTEES		
Michael W. Daniels	Chairman	Pleasant Grove City Mayor
Ben Stanley	Board Member	Pleasant Grove City Council Member
Cyd LeMone	Board Member	Pleasant Grove City Council Member
Dianna Anderson	Board Member	Pleasant Grove City Council Member
Eric Jensen	Board Member	Pleasant Grove City Council Member
Lynn Walker	Board Member	Pleasant Grove City Council Member

SUMMARY OF REQUESTED FUNDS

The Agency **requests all funds it is legally entitled to receive**, and estimates those funds according to the chart below. Per UC 17C-1-603(3), these projected figures are provided for informational purposes only, and do not alter the amount of tax increment that this Agency is entitled to collect. The Agency requests all tax increment legally available from each of the Agency's project areas described below; however these estimates should in no way be interpreted or applied as a limitation upon the amount the Agency is entitled to receive under applicable statute(s), project area budget(s), and/or interlocal cooperation agreements.

Table I.3

ESTIMATE OF TAX INCREMENT TO BE PAID TO THE AGENCY		
	Tax Year 2016 (Ending Dec 31, 2016)	Tax Year 2017 (Beginning Jan 1, 2017)
Property Tax Increment		
Gateway CDA Project Area	137,847	137,847
I 300 West Project Area	249,864	249,864
Total Revenue	\$ 387,711	\$ 387,711

GENERAL OVERVIEW OF ALL PROJECT AREAS

Table I.4

COMBINED BUDGET - ALL PROJECT AREAS		
REVENUES	FY 2016 TOTALS	REMAINING LIFE (INCLUDES 2016 TOTALS)
Property Tax Increment		
Gateway CDA	137,714	10,489,047
1300 West CDA	207,516	4,954,922
Transient Room Tax		
Gateway CDA	-	5,583,954
Sales Tax Increment		
Gateway CDA	-	1,043,014
1300 West CDA	-	-
Developer Contribution to DS		
Gateway CDA	1,441,897	18,608,657
Total Revenue	\$ 1,787,127	\$ 40,679,594
EXPENDITURES	FY 2016 TOTALS	REMAINING LIFE (INCLUDES 2016 TOTALS)
RDA Administration		
Gateway CDA	6,886	855,801
1300 West CDA	10,376	247,746
Developer Incentive Payments		
Gateway CDA	-	12,166,412
1300 West CDA	197,140	4,707,176
Debt Service Payments		
Gateway CDA	1,572,725	22,702,459
Total Expenditures	\$ 1,787,127	\$ 40,679,594

SECTION 1: OVERVIEW OF THE GATEWAY CDA PROJECT AREA #1

Table 2.1

OVERVIEW				
<u>Type</u> CDA	<u>Acreage</u> 50	<u>Purpose</u> Commercial Development	<u>Taxing District</u> 070-0003	<u>Tax Rate</u> 0.011351
<u>Creation Year</u> FY 2006	<u>Base Year</u> FY 2006	<u>Term</u> 24 Years	<u>Trigger Year</u> TY 2008/FY 2009	<u>Expiration Year</u> TY 2031/FY 2032
<u>Base Value</u> \$19,300	<u>TY 2015 Value</u> \$13,933,467	<u>Increase</u> 72094%	<u>FY 2016 Property Tax Increment</u> \$137,714	<u>FY 2016 Total Tax Increment</u> \$137,714



The Gateway CDA Project Area #1 was created in August 2006 with the intent of incentivizing the development of a convention center and full-service hotel within Pleasant Grove City, along with a limited-service hotel, two first class restaurants, and a large screen theater, which will create hundreds of jobs and increase property tax revenue to the taxing entities. The Project Area includes approximately 50 acres, located in Pleasant Grove, UT. A map of the Project Area is included as Exhibit A.

The Project Area is governed by the following documents:

- ☞ Real Estate Purchase and Development Agreement, dated July 3, 2006
- ☞ Fourth Amended and Restated Agreement, dated December 1, 2011
- ☞ Interlocal Cooperation Agreement between Redevelopment Agency of Pleasant Grove City and Utah County, executed November 7, 2006
- ☞ Interlocal Agreement between Redevelopment Agency of Pleasant Grove City and Alpine School District, executed October 10, 2006
- ☞ Interlocal Agreement between Redevelopment Agency of Pleasant Grove City and Pleasant Grove City, executed January 2, 2007
- ☞ Interlocal Agreement between Redevelopment Agency of Pleasant Grove City and North Utah County Water Conservancy District, executed October 17, 2006
- ☞ Interlocal Agreement between Redevelopment Agency of Pleasant Grove City and Central Utah Water Conservancy District, executed October 17, 2006
- ☞ Project Area Plan, dated October 17, 2006

The Project Area Plan and Interlocal Agreements define the duration and use of property tax generated within the Project Area as well as conditions and obligations by the Agency and each participating taxing entity. The Development Agreement is between the Agency and the Developer, John Q. Hammons, and describes the obligations of each.

SOURCES OF FUNDS

Table 2.2

2016 SOURCES OF FUNDS	
Property Tax Increment	137,714
Transient Room Tax	-
Sales Tax Increment	-
Developer Contribution to Debt Service	1,441,897
Total Sources of Funds	\$ 1,579,611

PROPERTY TAX

Table 2.3

PROPERTY TAX INCREMENT LEVELS		
Taxing Entity	Years	%
Utah County	TY 2008 - TY 2031	75%
Alpine School District	TY 2008 - TY 2031	85%
Pleasant Grove City	TY 2008 - TY 2031	100%
North Utah County Water Conservancy District	TY 2008 - TY 2031	100%
Central Utah Water Conservancy District	TY 2008 - TY 2031	100%

TRANSIENT ROOM TAX/SALES AND USE TAX

Table 2.4

TRANSIENT ROOM TAX/SALES AND USE TAX CONTRIBUTIONS			
Taxing Entity	Years	Transient Room Tax	Sales and Use Tax
Utah County	TY 2008 - TY 2031	2.25%	70%
Pleasant Grove City	TY 2008 - TY 2031	100%	0%

Because, at this point, the hotel and convention center have not yet been developed in the Project Area, no transient room tax or sales and use tax have been generated.

DEVELOPER CONTRIBUTION TO DEBT SERVICE

In addition to tax increment, the Agency is also scheduled to receive certain contributions from the Developer to be used for annual debt service payments on the associated RDA bonds per the Fourth Amended and Restated Agreement. Each year the Developer will remit to the Agency the difference between total tax increment received by the Agency, less CDA administration, and the annual debt service payment due on the bonds. The Agency is eligible to receive these contributions until such time as the Developer has constructed the hotel. Upon construction of the hotel, these contributions will cease and the Agency will use incremental property tax, sales tax, and transient room tax to make the annual debt service payments.

USES OF FUNDS

Table 2.5

2016 USES OF FUNDS	
CDA Administration	6,886
Debt Service Payments	1,572,725
Development Activities	-
Total Uses of Funds	\$ 1,579,611

PROJECT AREA REPORTING AND ACCOUNTABILITY

RELATIVE GROWTH IN ASSESSED VALUE

Table 2.6

GROWTH IN ASSESSED VALUES				
ASSESSED VALUES IN PROJECT AREA	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in Project Area (2015 vs. 2014)	\$13,933,467	\$12,212,058	14%	14%
Lifetime Growth in Project Area (2015 vs. 2006)	\$13,933,467	\$19,300	72094%	108%
ASSESSED VALUES IN PLEASANT GROVE CITY	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in City (2015 vs. 2014)	\$1,636,244,765	\$1,495,003,226	9%	9%
Lifetime Growth in City (2015 vs. 2006)	\$1,636,244,765	\$1,055,830,654	55%	5%

BENEFITS DERIVED BY TAXING ENTITIES

Table 2.7

BENEFITS TO TAXING ENTITIES
Job Creation
Increased Property Tax Revenues
Increased Sales Tax Revenues
Significantly higher growth in tax base compared to non-incentivized areas - Current AAGR for the Project Area is 108% vs 5% for non-incentivized areas

Utah County and Alpine School District are currently benefiting from increased assessed values in the Project Area as a portion of tax increment is being returned to these taxing entities. As shown below, the taxing entities are currently receiving annual tax increment (above the base amount) that is 9,175% above what would have been realized if assessed values in the Project Area had remained at base year levels. Since FY 2009, the total tax increment (above the base amount) received by the taxing entities is 8,163% above what would have been realized based on base year levels.

Table 2.8

GROWTH IN TAX INCREMENT				
TAX INCREMENT FROM PROJECT AREA	ORIGINAL BUDGET REVENUES*	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
Fiscal Year 2016	N/A	\$157,940	\$219	72119%
Life Time Revenue (FY 2009 - 2016)	N/A	\$1,160,419	\$1,793	64719%
PASS THROUGH INCREMENT (ABOVE BASE)	ORIGINAL BUDGET REVENUES*	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
Fiscal Year 2016	N/A	\$20,093	\$219	9175%
Life Time Revenue (FY 2009 - 2016)	N/A	\$146,364	\$1,793	8163%

* The Original Budget is not available for this Project Area.

In the coming years, the taxing entities will also be benefited by the creation of a significant number of jobs resulting from the development of the convention center, hotels, and other commercial developments within the Project Area.

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

The Gateway CDA Project Area #1 was created to incentivize the development of a convention center and full service hotel. Although original forecasts called for the development of the full-service hotel by 2012, at this point construction has not yet begun on either the hotel or the convention center. Due to lack of performance by the current developer, the Agency is in the process of analyzing various options including other developers, different types of development, and further negotiations with the current developer.

LYRB has adjusted the forecasted budgets to reflect the completion of this hotel in year 2018, with the completion of other developments taking place in the years to follow. However, LYRB would like to point out that these assumed construction dates are not at all certain and are quite likely to change.

FORECASTED PROJECT AREA BUDGET UPDATE

The multi-year budget attached to this document and summarized below displays revenue in the fiscal year received rather than the calendar year collected.

Table 2.9

PROJECT AREA BUDGET		FY 2016 - 2032	
REVENUES		TOTALS	NPV @ 5%
Property Tax Increment		10,489,047	6,353,202
Transient Room Tax		5,583,954	3,381,465
Sales Tax Increment		1,043,014	609,569
Developer Contributions to Debt Service		18,608,657	14,260,230
Total Revenue ¹		\$35,724,672	\$24,604,466
EXPENDITURES		TOTALS	NPV @ 5%
CDA Administration @ 5%		855,801	517,212
Debt Service Payments		22,702,459	17,410,701
Development Activities		12,166,412	6,676,553
Total Expenditures		\$35,724,672	\$24,604,466

OTHER ISSUES

Aside from the delayed development of the hotel and convention center discussed above, LYRB has not identified any other major areas of concern with the Gateway CDA #1 Project Area and believes that, according to the records reviewed, all other parties are meeting their respective obligations related to this Project Area.

¹ The tax increment revenues outlined in the Forecasted Project Area Budget are based upon the completion of various projects as outlined in the Development Agreement by FY 2018. These include the construction of a full service hotel with a minimum of 10 floors and 300 guest rooms, a connected convention center of not less than 100,000 square feet, a limited service hotel with 200 – 220 guest rooms, 2 restaurants, and other necessary supporting businesses.



PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following four sheets represent the FY 2016, FY 2017, FY 2018 and full multi-year budgets from 2009 to 2032.



Gateway CDA Project Area #1
"Hammons Project"
2016 Annual Budget
October 3, 2016

Tax Year	2015
Payment Year	2016

REVENUE:

TAXABLE VALUATION:	
Real Property	\$ 13,920,068
Personal Property	-
Centrally Assessed	13,399
Total Assessed Value	\$ 13,933,467
Base Year Value	(19,300)
Total Incremental Assessed Value	\$ 13,914,167

Tax Rate:	
Total Tax Rate	1.1351%

PROPERTY TAX INCREMENT REVENUES	
Utah County	\$ 12,105
Alpine School District	113,776
Pleasant Grove City, Etc.	32,058
Total Property Tax Increment:	\$ 157,940

Percent of Property Tax Increment for Project	
Utah County	75%
Alpine School District	85%
Pleasant Grove City, Etc.	100%

PROPERTY TAX INCREMENT REVENUES AVAILABLE TO PROJECT AREA	
Utah County	\$ 9,079
Alpine School District	96,710
Pleasant Grove City, Etc.	32,058
Total Property Tax Increment Revenue to Project Area	\$ 137,847

Total Gross Taxable Sales	
Pleasant Grove City Portion of Sales Tax Rate	0.5000%
Sales Tax Increment Revenues	\$ -
Percent of Sales Tax Increment for Project	
	70%
Total Sales Tax Increment Revenue Available to Project Area	\$ -

Gross Room Sales Tax	
County Transient Room Tax for Tourism (1.00%)	\$ -
County Transient Room Tax for Convention Centers (1.25%)	-
Municipal Transient Room Tax (1.00%)	-
Total Transient Room Tax Increment Revenue Available to Project Area	\$ -

TOTAL TAX INCREMENT REVENUE	
Total Calculated Tax Increment Due to Project Area	\$ 137,847
Total Tax Increment Actually Collected and Paid	137,714
Hammons Contribution to Debt Service	1,441,897
TOTAL SOURCES OF TAX INCREMENT	\$ 1,579,611

EXPENDITURES:

Project Area Budget and Use of Funds	
CDA Administration @ 5%	\$ 6,886
Debt Service on RDA Bonds	1,572,725
Development Incentive Fund	-
Total Expenditures:	\$ 1,579,611

Retained Portion of Property Tax Increment	
Utah County	\$ 3,026
Alpine School District	17,066
Pleasant Grove City, Etc.	-



Gateway CDA Project Area #1
"Hammons Project"
2017 Annual Budget
October 3, 2016

Tax Year	2016
Payment Year	2017

REVENUE:

TAXABLE VALUATION:	
Real Property	\$ 13,920,068
Personal Property	-
Centrally Assessed	13,399
Total Assessed Value	\$ 13,933,467
Base Year Value	(19,300)
Total Incremental Assessed Value	\$ 13,914,167

Tax Rate:	
Total Tax Rate	1.1351%

PROPERTY TAX INCREMENT REVENUES	
Utah County	\$ 12,105
Alpine School District	113,776
Pleasant Grove City, Etc.	32,058
Total Property Tax Increment:	\$ 157,940

Percent of Property Tax Increment for Project	
Utah County	75%
Alpine School District	85%
Pleasant Grove City, Etc.	100%

PROPERTY TAX INCREMENT REVENUES AVAILABLE TO PROJECT AREA	
Utah County	\$ 9,079
Alpine School District	96,710
Pleasant Grove City, Etc.	32,058
Total Property Tax Increment Revenue to Project Area	\$ 137,847

Total Gross Taxable Sales	
Pleasant Grove City Portion of Sales Tax Rate	0.5000%
Sales Tax Increment Revenues	\$ -
Percent of Sales Tax Increment for Project	
	70%
Total Sales Tax Increment Revenue Available to Project Area	\$ -

Gross Room Sales Tax	
County Transient Room Tax for Tourism (1.00%)	\$ -
County Transient Room Tax for Convention Centers (1.25%)	-
Municipal Transient Room Tax (1.00%)	-
Total Transient Room Tax Increment Revenue Available to Project Area	\$ -

TOTAL TAX INCREMENT REVENUE	
Total Calculated Tax Increment Due to Project Area	\$ 137,847
Total Tax Increment Actually Collected and Paid	137,847
Hammons Contribution to Debt Service	1,441,798
TOTAL SOURCES OF TAX INCREMENT	\$ 1,579,645

EXPENDITURES:

Project Area Budget and Use of Funds	
CDA Administration @ 5%	\$ 6,892
Debt Service on RDA Bonds	1,572,753
Development Incentive Fund	-
Total Expenditures:	\$ 1,579,645

Retained Portion of Property Tax Increment	
Utah County	\$ 3,026
Alpine School District	17,066
Pleasant Grove City, Etc.	-



Gateway CDA Project Area #1
"Hammons Project"

2018 Annual Budget
October 3, 2016

Tax Year	2017
Payment Year	2018

REVENUE:

TAXABLE VALUATION:	
Real Property	\$ 13,920,068
Personal Property	-
Centrally Assessed	13,399
Total Assessed Value	\$ 13,933,467
Base Year Value	(19,300)
Total Incremental Assessed Value	\$ 13,914,167

Tax Rate:	
Total Tax Rate	1.1351%

PROPERTY TAX INCREMENT REVENUES	
Utah County	\$ 12,105
Alpine School District	113,776
Pleasant Grove City, Etc.	32,058
Total Property Tax Increment:	\$ 157,940

Percent of Property Tax Increment for Project	
Utah County	75%
Alpine School District	85%
Pleasant Grove City, Etc.	100%

PROPERTY TAX INCREMENT REVENUES AVAILABLE TO PROJECT AREA	
Utah County	\$ 9,079
Alpine School District	96,710
Pleasant Grove City, Etc.	32,058
Total Property Tax Increment Revenue to Project Area	\$ 137,847

Total Gross Taxable Sales	
Pleasant Grove City Portion of Sales Tax Rate	0.5000%
Sales Tax Increment Revenues	\$ -
Percent of Sales Tax Increment for Project	
	70%
Total Sales Tax Increment Revenue Available to Project Area	\$ -

Gross Room Sales Tax	
County Transient Room Tax for Tourism (1.00%)	\$ -
County Transient Room Tax for Convention Centers (1.25%)	-
Municipal Transient Room Tax (1.00%)	-
Total Transient Room Tax Increment Revenue Available to Project Area	\$ -

TOTAL TAX INCREMENT REVENUE	
Total Calculated Tax Increment Due to Project Area	\$ 137,847
Total Tax Increment Actually Collected and Paid	137,847
Hammons Contribution to Debt Service	1,441,800
TOTAL SOURCES OF TAX INCREMENT	\$ 1,579,647

EXPENDITURES:

Project Area Budget and Use of Funds	
CDA Administration @ 5%	\$ 6,892
Debt Service on RDA Bonds	1,572,755
Development Incentive Fund	-
Total Expenditures:	\$ 1,579,647

Retained Portion of Property Tax Increment	
Utah County	\$ 3,026
Alpine School District	17,066
Pleasant Grove City, Etc.	-



Gateway CDA Project Area #1

"Hammons Project"

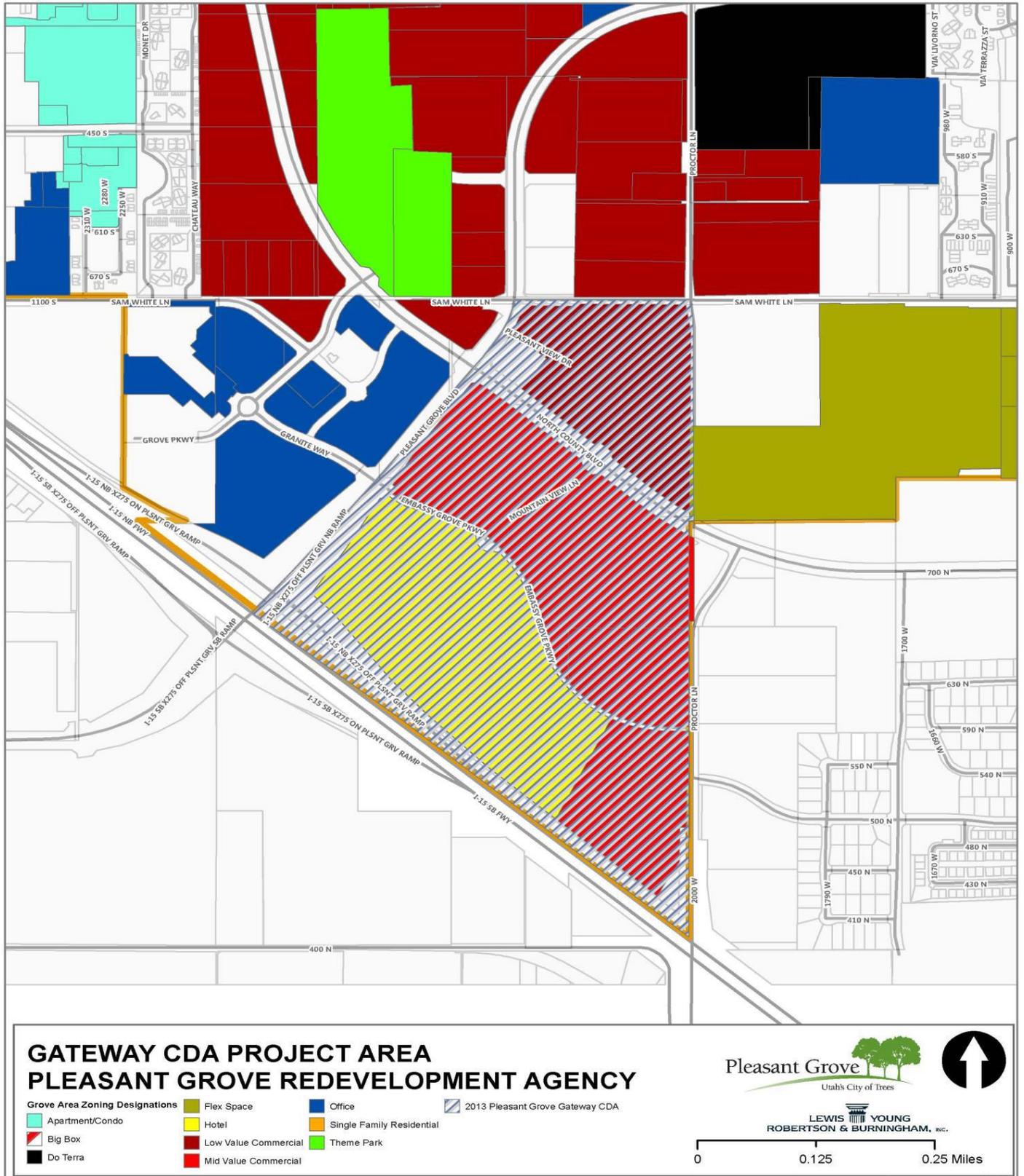
Ongoing Budget
Multi-Year Project Area Budget Projections
October 3, 2016

Tax Year Payment Year	HISTORIC										PROJECTED										TOTALS					
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027		2028	2029	2030	2031	2032
REVENUE																										
TAXABLE VALUATION																										
Real Property	\$ 32,192	\$ 1,323,062	\$ 12,970,716	\$ 16,602,382	\$ 16,602,382	\$ 1,958,048	\$ 12,002,921	\$ 13,920,068	\$ 13,920,068	\$ 13,920,068	\$ 13,920,068	\$ 28,413,600	\$ 46,347,300	\$ 69,878,130	\$ 79,320,940	\$ 78,300,960	\$ 79,300,960	\$ 79,300,960	\$ 79,300,960	\$ 79,300,960	\$ 79,300,960	\$ 79,300,960	\$ 79,300,960	\$ 79,300,960	\$ 79,300,960	\$ 79,300,960
Personal Property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Centrally Assessed	-	-	-	-	-	9,118	9,137	13,339	13,399	13,399	13,399	9,137	9,137	9,137	9,137	9,137	9,137	9,137	9,137	9,137	9,137	9,137	9,137	9,137	9,137	
Total Assessed Value	\$ 32,192	\$ 1,323,062	\$ 12,970,716	\$ 16,602,382	\$ 16,602,382	\$ 1,967,166	\$ 12,012,058	\$ 13,933,407	\$ 13,933,467	\$ 13,933,467	\$ 13,933,467	\$ 28,422,737	\$ 46,356,437	\$ 69,887,267	\$ 79,330,077	\$ 78,310,097	\$ 79,310,097	\$ 79,310,097	\$ 79,310,097	\$ 79,310,097	\$ 79,310,097	\$ 79,310,097	\$ 79,310,097	\$ 79,310,097	\$ 79,310,097	
Base Year Value	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	[19,300]	
Total Incremental Assessed Value	\$ 12,892	\$ 1,321,762	\$ 12,951,416	\$ 16,583,082	\$ 16,583,082	\$ 11,947,866	\$ 12,192,758	\$ 13,914,107	\$ 13,914,167	\$ 13,914,167	\$ 28,403,437	\$ 46,337,137	\$ 69,867,967	\$ 79,316,797	\$ 79,316,797	\$ 79,316,797	\$ 79,316,797	\$ 79,316,797	\$ 79,316,797	\$ 79,316,797	\$ 79,316,797	\$ 79,316,797	\$ 79,316,797	\$ 79,316,797	\$ 79,316,797	
Tax Rate	0.9887%	1.0704%	1.1867%	1.2675%	1.2754%	1.2212%	1.1450%	1.1351%	1.1351%	1.1351%	1.1351%	1.1351%	1.1351%	1.1351%	1.1351%	1.1351%	1.1351%	1.1351%	1.1351%	1.1351%	1.1351%	1.1351%	1.1351%	1.1351%	1.1351%	
PROPERTY TAX INCREMENT REVENUES																										
Utah County	\$ 9	\$ 10,520	\$ 14,350	\$ 18,954	\$ 18,690	\$ 12,020	\$ 11,169	\$ 12,105	\$ 12,105	\$ 12,105	\$ 12,105	\$ 247,111	\$ 403,133	\$ 60,785	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	
Alpine School District	91	93,660	106,461	146,130	146,400	101,497	98,713	113,776	113,776	113,776	232,255	378,899	571,310	648,524	648,524	648,524	648,524	648,524	648,524	648,524	648,524	648,524	648,524	648,524	648,524	
Pleasant Grove City, Etc.	27	31,282	32,793	45,106	46,417	32,391	29,799	32,038	32,058	32,058	65,442	106,761	160,976	182,732	182,732	182,732	182,732	182,732	182,732	182,732	182,732	182,732	182,732	182,732	182,732	
Total Property Tax Increment	\$ 127	\$ 141,462	\$ 153,604	\$ 210,190	\$ 211,507	\$ 145,908	\$ 139,681	\$ 157,919	\$ 157,940	\$ 157,940	\$ 322,407	\$ 525,973	\$ 793,071	\$ 996,257	\$ 996,257	\$ 996,257	\$ 996,257	\$ 996,257	\$ 996,257	\$ 996,257	\$ 996,257	\$ 996,257	\$ 996,257	\$ 996,257		
Percent of Property Tax Increment for Project																										
Utah County	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%		
Alpine School District	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%		
Pleasant Grove City, Etc.	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
PROPERTY TAX INCREMENT REVENUES AVAILABLE TO PROJECT AREA																										
Utah County	\$ 7	\$ 7,890	\$ 10,763	\$ 14,216	\$ 14,018	\$ 9,015	\$ 8,377	\$ 9,079	\$ 9,079	\$ 9,079	\$ 18,533	\$ 30,235	\$ 45,889	\$ 51,750	\$ 51,750	\$ 51,750	\$ 51,750	\$ 51,750	\$ 51,750	\$ 51,750	\$ 51,750	\$ 51,750	\$ 51,750	\$ 51,750		
Alpine School District	77	84,711	90,492	124,211	124,440	83,272	83,306	96,710	96,710	96,710	197,417	322,064	485,614	551,246	551,246	551,246	551,246	551,246	551,246	551,246	551,246	551,246	551,246	551,246		
Pleasant Grove City, Etc.	27	31,282	32,793	45,106	46,417	32,391	29,799	32,038	32,058	32,058	65,442	106,761	160,976	182,732	182,732	182,732	182,732	182,732	182,732	182,732	182,732	182,732	182,732	182,732		
Total Property Tax Increment Revenue to Project Area	\$ 111	\$ 123,883	\$ 134,047	\$ 183,532	\$ 184,875	\$ 122,678	\$ 122,682	\$ 137,817	\$ 137,847	\$ 137,847	\$ 281,391	\$ 459,060	\$ 692,478	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228		
Total Gross Taxable Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Pleasant Grove City Portion of Sales Tax	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%		
Sales Tax Increment Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Percent of Sales Tax Increment for Project	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%		
Total Sales Tax Increment Revenue Available to Project Area	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Gross Room Sales Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
County Transient Room Tax for Tourists (1.07%)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
County Transient Room Tax for Convention Centers (1.25%)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Municipal Transient Room Tax (1.07%)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Transient Room Tax Increment Revenue Available to Project Area	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
TOTAL TAX INCREMENT REVENUE																										
Total Calculated Tax Increment Due to Project Area	\$ 111	\$ 123,883	\$ 134,047	\$ 183,532	\$ 184,875	\$ 122,678	\$ 122,682	\$ 137,817	\$ 137,847	\$ 137,847	\$ 281,391	\$ 459,060	\$ 692,478	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228		
Total Tax Increment Actually Collected and Paid	111	123,612	134,047	183,532	184,875	122,678	121,990	137,144	137,847	137,847	281,391	459,060	692,478	785,228	785,228	785,228	785,228	785,228	785,228	785,228	785,228	785,228	785,228	785,228		
Hammons Contribution to Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL SOURCES OF TAX INCREMENT	\$ 111	\$ 123,612	\$ 134,047	\$ 183,532	\$ 184,875	\$ 122,678	\$ 121,990	\$ 137,144	\$ 137,847	\$ 137,847	\$ 281,391	\$ 459,060	\$ 692,478	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228		
EXPENDITURES																										
Project Area Budget and Use of Funds																										
CDA Administration @ 5%	\$ 6	\$ 6,811	\$ 6,702	\$ 9,177	\$ 9,244	\$ 6,384	\$ 6,100	\$ 6,886	\$ 6,892	\$ 6,892	\$ 29,008	\$ 45,984	\$ 57,242	\$ 62,838	\$ 64,034	\$ 64,034	\$ 64,034	\$ 64,034	\$ 64,034	\$ 64,034	\$ 64,034	\$ 64,034	\$ 64,034	\$ 64,034		
Debt Service on RDA Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Development Incentive Fund	106	117,431	127,345	174,355	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Expenditures	\$ 111	\$ 123,612	\$ 134,047	\$ 183,532	\$ 184,875	\$ 122,678	\$ 121,990	\$ 137,144	\$ 137,847	\$ 137,847	\$ 281,391	\$ 459,060	\$ 692,478	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228	\$ 785,228		
Retained Portion of Property Tax Increment																										
Utah County	\$ 2	\$ 2,630	\$ 3,588	\$ 4,739	\$ 4,673	\$ 3,005	\$ 2,792	\$ 3,026	\$ 3,026	\$ 3,026	\$ 6,178	\$ 10,078	\$ 15,198	\$ 17,230	\$ 17,230	\$ 17,230	\$ 17,230	\$ 17,230	\$ 17,230	\$ 17,230	\$ 17,230	\$ 17,230	\$ 17,230	\$ 17,230		
Alpine School District	14	14,949	15,969	21,920	21,960	15,225	14,807	17,066	17,066	17,066	34,838	58,635	85,697	97,279	97,279	97,279	97,279	97,279	97,279	97,279	97,279	97,279	97,279	97,279		
Pleasant Grove City, Etc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

Note 1: Real Property values and associated tax increment revenues projected in FY 2018 and beyond are based upon the completion of various projects as outlined in the Development Agreement. These include the construction of a full service hotel with a minimum of 10 floors and 300 guest rooms, a connected convention center of not less than 100,000 square feet, a limited service hotel with 200 - 220 guest rooms, 2 restaurants, and other necessary supporting businesses.

Note 2: Debt Service figures represent net debt service on the refunding bonds in the par amount of \$18.355 million in revenue bonds based at an average interest rate of 5.97%. The bonds will need to be refinanced in year 10 for another 10 years.

EXHIBIT A



SECTION 2: OVERVIEW OF 1300 WEST CDA PROJECT AREA

Table 3.1

OVERVIEW				
<u>Type</u> CDA	<u>Acreage</u> 53.27	<u>Purpose</u> Commercial and Industrial Development	<u>Taxing District</u> 070-0000	<u>Tax Rate</u> 0.011351
<u>Creation Year</u> FY 2012	<u>Base Year</u> FY 2012	<u>Term</u> 20 Years	<u>Trigger Year</u> TY 2015/FY 2016	<u>Expiration Year</u> TY 2034/FY 2035
<u>Base Value</u> \$551,681	<u>TY 2015 Value</u> \$47,450,500	<u>Increase</u> 8501%	<u>FY 2016 Property Tax Increment</u> \$207,516	<u>FY 2016 Total Tax Increment</u> \$207,516



The 1300 West CDA Project Area is designated as mixed use development that will consist of a Class A office building, warehouse, and call center. The objectives of the Agency include pursuing development of vacant parcels of property within the Project Area, redevelopment and improvement of the appearance of existing buildings within the Project Area, installation and upgrade of public utilities in the Project Area, and providing assistance to current and future land owners who have a desire to expand or change the use of their

property, which will result in an economic increase to the Agency and City by virtue of the land uses contemplated. The primary development within the Project Area will be a commercial campus of an international company, doTERRA International, LLC, a subsidiary of Thrive Holdings, LLC. The Agency is committed to maintaining a high-quality development that will help strengthen the tax base of the City and will also help to trigger other potential development that will bring additional business to the City.

The Project Area was created in 2012 and is governed by the following documents:

- ☞ Participation Agreement, dated September 10, 2014
- ☞ Interlocal Cooperation Agreement between Redevelopment Agency of Pleasant Grove City and Utah County, executed December 2, 2014
- ☞ Interlocal Agreement between Redevelopment Agency of Pleasant Grove City and Alpine School District, executed June 18, 2013
- ☞ Interlocal Agreement between Redevelopment Agency of Pleasant Grove City and Pleasant Grove City, executed June 9, 2015
- ☞ Interlocal Agreement between Redevelopment Agency of Pleasant Grove City and North Utah County Water Conservancy District
- ☞ Interlocal Agreement between Redevelopment Agency of Pleasant Grove City and Central Utah Water Conservancy District
- ☞ Project Area Plan, dated March 2013

The Project Area Plan and Interlocal Agreements define the duration and use of property tax generated within the Project Area as well as conditions and obligations by the Agency and each participating taxing entity. The Participation Agreement is between the Agency and Thrive Holdings, LLC “the Participant” and describes the obligations of each.

The Project Area consists of approximately 53.27 acres located on the southwest side of Pleasant Grove City, beginning at the intersection of Pleasant Grove Boulevard and I300 West, and ending north of the 700 South. A map of the Project Area is included as Exhibit B.

SOURCES OF FUNDS

Table 3.2

2016 SOURCES OF FUNDS	
Property Tax Increment	207,516
Sales Tax Contribution	-
Total Sources of Funds	\$ 207,516

PROPERTY TAX

Table 3.3

PROPERTY TAX INCREMENT LEVELS		
Taxing Entity	Years	%
Utah County	TY 2015 - TY 2031	75%
Alpine School District	TY 2015 - TY 2031	25%
Pleasant Grove City	TY 2015 - TY 2031	75%
North Utah County Water Conservancy District	TY 2015 - TY 2031	75%
Central Utah Water Conservancy District	TY 2015 - TY 2031	75%

The interlocal agreements between the Agency and the various taxing entities each describe that the participation levels outlined above will apply to only tax increment generated from development in those properties owned by doTERRA International, LLC. Any additional increment that may be created in the Project Area will be paid to the taxing entities at a level of 100%.

In addition, the interlocal agreement between the Agency and Alpine School District includes an additional provision that prevents the Agency from collecting the portion of tax increment resulting from an increase in this taxing entity’s tax rate.

SALES TAX

Table 3.4

PROPERTY TAX INCREMENT LEVELS		
Taxing Entity	Years	Annual Maximum Sales Tax to Agency
Pleasant Grove City	TY 2015 - TY 2034	\$ 42,000

Pleasant Grove City has agreed to remit certain amounts of sales tax generated from the Project Area to the Development Incentive Fund. As outlined in the Participation Agreement, the City will provide a sales tax payment to the Agency that will be used to cover any anticipated shortfall between the annual property tax increment contributed to the Development Incentive Fund and the amount of \$237,000. This sales tax payment is subject to the following terms and conditions:

- ☞ The Participant must produce sales, that are collected and credited as a point of sale to the City, of no less than \$30,000,000 annually.
- ☞ The Participant must complete construction of the facilities outlined in the Participation Agreement.
- ☞ The Participant must remain in the City through life the Project Area.
- ☞ The maximum sales tax payment each year will not exceed \$42,000.
- ☞ In the event that the assessed value of the scheduled improvements is below \$38 million, the annual sales tax participation will be decreased at the same proportioned rate as the decrease in assessed value.

Although a shortfall existed between annual property tax increment contributed to the Development Incentive Fund in FY 2016 and \$237,000, sales tax increment was not remitted to the Agency due to the fact that total sales generated by the Developer did not exceed the \$30,000,000 threshold outlined above.

USES OF FUNDS

Table 3.5

2016 USES OF FUNDS	
CDA Administration @ 5% of Property Tax Increment	10,376
Development Incentive Fund	197,140
Total Uses of Funds	\$ 207,516

Monies held in the Development Incentive Fund will be utilized to reimburse the Participant for public infrastructure improvements, land purchase, building construction, renovation or upgrades, certain offsite improvements, and other improvements as approved by the Agency.

DEVELOPMENT OBLIGATIONS AND INCENTIVES

Per the Participation Agreement, the Participant has the obligation to construct certain amounts of improved space in exchange for receiving specified capped amounts of tax increment. These improvements will include the construction of a Class A office facility and related support facilities which will consist of not less than 180,000 square feet. Upon completion, the assessed value of this development must be no less than \$38,000,000.

Contributions to the Development Incentive Fund will be based upon area in the Project Area that has been improved by the Participant and will include (1) property tax increment received by the Agency and (2) sales tax generated by the facility and collected by Pleasant Grove City. As mentioned above, annual sales tax payments will be made to the Development Incentive Fund only in the case that a shortfall exists between the annual property tax increment contribution and the amount of \$237,000, as set forth in the Participation Agreement. The other requirements for the contribution of sales tax increment outlined above also must be met in order for the Developer to qualify for this contribution.

Total contributions to be remitted to the Development Incentive Fund are capped at \$4,750,000. This includes sales tax contributions which are specifically limited to \$42,000 per year.

Table 3.6

CONTRIBUTIONS TO DEVELOPMENT INCENTIVE FUND			
	2016 Annual Contribution		Lifetime Contributions
Property Tax Increment Contribution		197,140	197,140
Sales Tax Contribution		-	-
Total Contributions	\$	197,140	\$ 197,140

PROJECT AREA REPORTING AND ACCOUNTABILITY

COMPARISON OF FORECASTED AND ACTUAL TAX INCREMENT

Table 3.7

REALIZATION OF TAX INCREMENT			
TAX INCREMENT GENERATED IN PROJECT AREA	FORECASTED	ACTUAL	% OF PROJECTION
Annual Property Tax Increment - FY 2016	\$197,582	\$207,516	105%
Lifetime Property Tax Increment - FY 2016	\$197,582	\$207,516	105%

RELATIVE GROWTH IN ASSESSED VALUE

As described below, overall, the Project Area has realized an average annual growth rate that is 37 times that of non-incentivized areas of the City.

Table 3.8

GROWTH IN ASSESSED VALUES				
ASSESSED VALUES IN PROJECT AREA	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in Project Area (2015 vs. 2014)	\$47,450,500	N/A	N/A	N/A
Lifetime Growth in Project Area (2015 vs. 2012)	\$47,450,500	\$551,681	8501%	341%
ASSESSED VALUES IN PLEASANT GROVE CITY	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in City (2015 vs. 2014)	\$1,636,244,765	\$1,495,003,226	9%	9%
Lifetime Growth in City (2015 vs. 2012)	\$1,636,244,765	\$1,272,203,602	29%	9%

BENEFITS DERIVED BY TAXING ENTITIES

Table 3.9

BENEFITS TO TAXING ENTITIES
Job Creation
Increased Property Tax Revenues
Increased Sales Tax Revenues
Significantly higher growth in tax base compared to non-incentivized areas - Current AAGR for the Project Area is 341% vs 9% for non-incentivized areas

Annual property tax increment (above the base amount) currently being returned to taxing entities is 5187% above what would have been realized if assessed values in the Project Area had remained at base year levels.

Table 3.10

GROWTH IN PROPERTY TAX INCREMENT				
PROPERTY TAX INCREMENT FROM PROJECT AREA	ORIGINAL BUDGET REVENUES	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
Fiscal Year 2016	\$482,876	\$532,348	\$6,262	8501%
Life Time Revenue (FY 2016- 2016)	\$482,876	\$532,348	\$6,262	8501%

PASS THROUGH INCREMENT (ABOVE BASE)	ORIGINAL BUDGET REVENUES	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
Fiscal Year 2016	\$285,294	\$324,833	\$6,262	5187%
Life Time Revenue (FY 2016- 2016)	\$285,294	\$324,833	\$6,262	5187%

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

The 1300 West CDA Project Area was primarily created to incentivize the development of the commercial campus of doTERRA International, LLC. In exchange for receiving certain portions of property and sales tax increment, the Company agreed to construct a Class A office facility and related support facilities. This development, which was required to consist of at least 180,000 square feet, has been completed and the Agency has begun drawing tax increment generated by this new development.

FORECASTED PROJECT AREA BUDGET UPDATE

The multi-year budget attached to this document and summarized below displays revenue in the fiscal year received rather than the calendar year collected.

Table 3.11

PROJECT AREA BUDGET		FY 2016 - 2035	
REVENUES	TOTALS	NPV @ 5%	
Property Tax Increment	4,954,922	3,073,520	
Sales Tax Contribution	-	-	
Total Revenue	\$4,954,922	\$3,073,520	
EXPENDITURES	TOTALS	NPV @ 5%	
CDA Administration @ 5%	247,746	153,676	
Development Incentive Fund	4,707,176	2,919,844	
Total Expenditures	\$4,954,922	\$3,073,520	



OTHER ISSUES

LYRB has not identified any major areas of concern with the 1300 West CDA Project Area and believes that, according to the records reviewed, all parties are meeting their respective obligations related to this Project Area.

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following four sheets represent the FY 2016, FY 2017, FY 2018 and full multi-year budgets from 2016 to 2035.



1300 West CDA Project Area
"doTERRA Project"

2016 Annual Budget
October 3, 2016

Tax Year	2015
Payment Year	2016

REVENUE:

TAXABLE VALUATION:	
Real Property	\$ 47,450,500
Personal Property	-
Centrally Assessed	-
Total Assessed Value	\$ 47,450,500
Base Year Value	(551,681)
Total Incremental Assessed Value	\$ 46,898,819

Tax Rate:	
Total Tax Rate	1.1351%

PROPERTY TAX INCREMENT REVENUES	
Utah County	\$ 40,802
Alpine School District	383,492
Pleasant Grove City, Etc.	108,055
Total Property Tax Increment:	\$ 532,348

Percent of Property Tax Increment for Project	
Utah County	75%
Alpine School District	25%
Pleasant Grove City, Etc.	75%

PROPERTY TAX INCREMENT REVENUES AVAILABLE TO PROJECT AREA	
Utah County	\$ 30,601
Alpine School District	95,873
Pleasant Grove City, Etc.	81,041
Total Property Tax Increment Revenue to Project Area	\$ 207,516

Total Gross Taxable Sales	
Potential Pleasant Grove City Sales Tax Contribution to Project Area	\$ 39,860
Total Potential Sales Tax Increment Revenue Available to Project Area	\$ 39,860

TOTAL TAX INCREMENT REVENUE	
Total Calculated Tax Increment Due to Project Area	\$ 247,376
Total Property Tax Increment Actually Collected and Paid	207,516
Total Sales Tax Increment Contributed to Project Area ¹	-
Prior Year Property Tax Increment	-
TOTAL SOURCES OF TAX INCREMENT	\$ 207,516

EXPENDITURES:

Project Area Budget and Use of Funds	
CDA Administration @ 5%	\$ 10,376
Development Incentive Fund	197,140
Total Expenditures:	\$ 207,516

Retained Portion of Property Tax Increment	
Utah County	\$ 10,200
Alpine School District	287,619
Pleasant Grove City, Etc.	27,014
Total Retained Portion of Property Tax Increment	\$ 324,833

Note 1: If annual property tax increment remitted to the Development Incentive Fund falls below \$237,000, the City has agreed to remit a portion of sales tax revenues to the Agency to make up for this shortfall. However, this sales tax contribution is dependant upon the Developer generating a minimum of \$30,000,000 in sales in that year.



1300 West CDA Project Area
"doTERRA Project"

2017 Annual Budget
October 3, 2016

Tax Year	2016
Payment Year	2017

REVENUE:

TAXABLE VALUATION:	
Real Property	\$ 57,021,200
Personal Property	-
Centrally Assessed	-
Total Assessed Value	\$ 57,021,200
Base Year Value	(551,681)
Total Incremental Assessed Value	\$ 56,469,519

Tax Rate:	
Total Tax Rate	1.1351%

PROPERTY TAX INCREMENT REVENUES	
Utah County	\$ 49,128
Alpine School District	461,751
Pleasant Grove City, Etc.	130,106
Total Property Tax Increment:	\$ 640,986

Percent of Property Tax Increment for Project	
Utah County	75%
Alpine School District	25%
Pleasant Grove City, Etc.	75%

PROPERTY TAX INCREMENT REVENUES AVAILABLE TO PROJECT AREA	
Utah County	\$ 36,846
Alpine School District	115,438
Pleasant Grove City, Etc.	97,579
Total Property Tax Increment Revenue to Project Area	\$ 249,864

Total Gross Taxable Sales	
Potential Pleasant Grove City Sales Tax Contribution to Project Area	\$ -
Total Potential Sales Tax Increment Revenue Available to Project Area	\$ -

TOTAL TAX INCREMENT REVENUE	
Total Calculated Tax Increment Due to Project Area	\$ 249,864
Total Property Tax Increment Actually Collected and Paid	249,864
Total Sales Tax Increment Contributed to Project Area ¹	-
Prior Year Property Tax Increment	-
TOTAL SOURCES OF TAX INCREMENT	\$ 249,864

EXPENDITURES:

Project Area Budget and Use of Funds	
CDA Administration @ 5%	\$ 12,493
Development Incentive Fund	237,370
Total Expenditures:	\$ 249,864

Retained Portion of Property Tax Increment	
Utah County	\$ 12,282
Alpine School District	346,313
Pleasant Grove City, Etc.	32,526
Total Retained Portion of Property Tax Increment	\$ 391,122

Note 1: If annual property tax increment remitted to the Development Incentive Fund falls below \$237,000, the City has agreed to remit a portion of sales tax revenues to the Agency to make up for this shortfall. However, this sales tax contribution is dependant upon the Developer generating a minimum of \$30,000,000 in sales in that year.



1300 West CDA Project Area
"doTERRA Project"

2018 Annual Budget
October 3, 2016

Tax Year	2017
Payment Year	2018

REVENUE:	
TAXABLE VALUATION:	
Real Property	\$ 57,021,200
Personal Property	-
Centrally Assessed	-
Total Assessed Value	\$ 57,021,200
Base Year Value	(551,681)
Total Incremental Assessed Value	\$ 56,469,519

Tax Rate:	
Total Tax Rate	1.1351%

PROPERTY TAX INCREMENT REVENUES	
Utah County	\$ 49,128
Alpine School District	461,751
Pleasant Grove City, Etc.	130,106
Total Property Tax Increment:	\$ 640,986

Percent of Property Tax Increment for Project	
Utah County	75%
Alpine School District	25%
Pleasant Grove City, Etc.	75%

PROPERTY TAX INCREMENT REVENUES AVAILABLE TO PROJECT AREA	
Utah County	\$ 36,846
Alpine School District	115,438
Pleasant Grove City, Etc.	97,579
Total Property Tax Increment Revenue to Project Area	\$ 249,864

Total Gross Taxable Sales	
Potential Pleasant Grove City Sales Tax Contribution to Project Area	\$ -
Total Potential Sales Tax Increment Revenue Available to Project Area	\$ -

TOTAL TAX INCREMENT REVENUE	
Total Calculated Tax Increment Due to Project Area	\$ 249,864
Total Property Tax Increment Actually Collected and Paid	249,864
Total Sales Tax Increment Contributed to Project Area ¹	-
Prior Year Property Tax Increment	-
TOTAL SOURCES OF TAX INCREMENT	\$ 249,864

EXPENDITURES:	
Project Area Budget and Use of Funds	
CDA Administration @ 5%	\$ 12,493
Development Incentive Fund	237,370
Total Expenditures:	\$ 249,864

Retained Portion of Property Tax Increment	
Utah County	\$ 12,282
Alpine School District	346,313
Pleasant Grove City, Etc.	32,526
Total Retained Portion of Property Tax Increment	\$ 391,122

Note 1: If annual property tax increment remitted to the Development Incentive Fund falls below \$237,000, the City has agreed to remit a portion of sales tax revenues to the Agency to make up for this shortfall. However, this sales tax contribution is dependant upon the Developer generating a minimum of \$30,000,000 in sales in that year.



1300 West CDA Project Area

"doTERRA Project"

Original Budget
Multi-Year Project Area Budget Projections
October 3, 2016

Year	HISTORIC PROJECTED																			TOTALS		
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Payment Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		
REVENUE:																						
TAXABLE VALUATIONS																						
Real Property	\$ 47,450,500	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	\$ 57,021,200	
Personal Property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Centrally Assessed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Assessed Value	\$ 47,450,500	\$ 57,021,200																				
Base Year Value	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	(551,881)	
Total Incremental Assessed Value	\$ 46,898,619	\$ 56,469,319																				
Tax Rates																						
Utah County	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	0.0870%	
Alpine School District	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	0.8177%	
Pleasant Grove City	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	0.1875%	
North Utah Water Conservancy District	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	0.0024%	
Central Utah Water Conservancy District	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	0.0405%	
Total Tax Rate	1.1351%																					
PROPERTY TAX INCREMENT REVENUES																						
Utah County	\$ 40,802	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 49,128	\$ 974,249
Alpine School District	383,492	461,751	461,751	461,751	461,751	461,751	461,751	461,751	461,751	461,751	461,751	461,751	461,751	461,751	461,751	461,751	461,751	461,751	461,751	461,751	461,751	9,156,766
Pleasant Grove City, Etc.	198,055	130,106	130,106	130,106	130,106	130,106	130,106	130,106	130,106	130,106	130,106	130,106	130,106	130,106	130,106	130,106	130,106	130,106	130,106	130,106	130,106	2,580,045
Total Property Tax Increment	\$ 532,348	\$ 640,986	\$ 12,711,073																			
Percent of Property Tax Increment for Project																						
Utah County	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	
Alpine School District	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	
Pleasant Grove City, Etc.	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	
PROPERTY TAX INCREMENT REVENUES AVAILABLE TO PROJECT AREA																						
Utah County	\$ 20,801	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 36,846	\$ 730,682
Alpine School District	95,873	115,438	115,438	115,438	115,438	115,438	115,438	115,438	115,438	115,438	115,438	115,438	115,438	115,438	115,438	115,438	115,438	115,438	115,438	115,438	115,438	2,289,191
Pleasant Grove City, Etc.	81,041	97,579	97,579	97,579	97,579	97,579	97,579	97,579	97,579	97,579	97,579	97,579	97,579	97,579	97,579	97,579	97,579	97,579	97,579	97,579	97,579	1,935,048
Total Property Tax Increment Revenue to Project Area	\$ 207,516	\$ 249,864	\$ 4,954,922																			
Total Gross Taxable Sales																						
Personal Pleasant Grove City Sales Tax Contribution to Project Area	\$ 39,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,860
Total Potential Sales Tax Increment Revenue Available to Project Area	\$ 39,860	\$ -	\$ 39,860																			
TOTAL TAX INCREMENT REVENUE																						
Total Calculated Tax Increment Due to Project Area	\$ 247,378	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 249,864	\$ 4,994,782
Total Property Tax Increment Actually Collected and Paid	207,516	249,864	249,864	249,864	249,864	249,864	249,864	249,864	249,864	249,864	249,864	249,864	249,864	249,864	249,864	249,864	249,864	249,864	249,864	249,864	249,864	4,954,922
Total Sales Tax Increment Contributed to Project Area ¹	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior Year Property Tax Increment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL SOURCES OF TAX INCREMENT	\$ 207,516	\$ 249,864	\$ 4,954,922																			
EXPENDITURES:																						
Project Area Budget and Use of Funds:																						
CDA Administration @ 5%	\$ 10,378	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 12,493	\$ 247,746
Development Incentive Fund	197,140	237,370	237,370	237,370	237,370	237,370	237,370	237,370	237,370	237,370	237,370	237,370	237,370	237,370	237,370	237,370	237,370	237,370	237,370	237,370	237,370	4,707,176
Total Expenditures:	\$ 207,518	\$ 249,864	\$ 4,954,922																			
Retained Portion of Property Tax Increment																						
Utah County	\$ 10,200	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 12,282	\$ 243,561
Alpine School District	287,819	346,313	346,313	346,313	346,313	346,313	346,313	346,313	346,313	346,313	346,313	346,313	346,313	346,313	346,313	346,313	346,313	346,313	346,313	346,313	346,313	6,867,574
Pleasant Grove City, Etc.	27,014	32,526	32,526	32,526	32,526	32,526	32,526	32,526	32,526	32,526	32,526	32,526	32,526	32,526	32,526	32,526	32,526	32,526	32,526	32,526	32,526	645,016
Total Retained Portion of Property Tax Increment	\$ 324,833	\$ 391,122	\$ 7,756,151																			

Note 1: If annual property tax increment remitted to the Development Incentive Fund falls below \$137,000, the City has agreed to remit a portion of sales tax revenues to the Agency to make up for this shortfall. However, this sales tax contribution is dependant upon the Developer generating a minimum of \$30,000,000 in sales in that year.

EXHIBIT B

