

# 2017

## ANNUAL REPORT

OREM CITY REDEVELOPMENT AGENCY  
OREM, UT

IN COMPLIANCE WITH UTAH CODE SECTION 17C-1-603 AND 17C-1-402(9)(b)



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## SECTION 1: EXECUTIVE SUMMARY

Lewis Young Robertson & Burningham, Inc (“LYRB”) has been retained by the Orem City Redevelopment Agency (the “Agency”) to assist with the management of the Agency’s seven project areas (**RDA 85-01, RDA 85-02, RDA 85-03A, RDA 85-03B, RDA 85-04, RDA 87-10, RDA 90-08**, and the **University Place CDA**). LYRB has compiled the various creation and related documents associated with the project areas, generated annual and multi-year budgets, and created a proprietary Excel-based software package to manage the Agency’s project areas in the future.

The purpose of this report, in part, is to fulfill the requirements of Utah Code section 17C-1-402(9)(b) and 17C-1-603 – Agency Report. As new reporting requirements were adopted in legislation and became effective in 2011, this report facilitates the RDA’s compliance with the new code, providing the data necessary to fulfill the Agency Report 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 Agency, to which this report is being provided, are summarized in the table below.

Table 1.1: RDA Taxing Entities

RDA TAXING ENTITIES	
Jamie Davidson	Orem City
Ryan Clark	Orem City
Burt Harvey	Utah County
Rob Smith	Alpine School District
Gene Shawcroft	Central Utah Water Conservancy District
JoAnne Dubois	Central Utah Water Conservancy District
Glade Gillman	Orem Metropolitan Water District
Natalie Grange	Utah State Board of Education
Lorraine Austin	Utah State Board of Education
Barry Conover	Utah State Tax Commission

This report also 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.

### OVERVIEW OF THE REDEVELOPMENT AGENCY

The Orem City Redevelopment Agency was created by the Orem City Council in accordance with the provision of the Utah Neighborhood Development Act, UCA 17A-2-1201, 17A-2-1202, and 17A-2-1203, and continues to operate under Title 17C of Utah Code (UCA 17C).

Originally, under the Act, each project area created by a Redevelopment Agency was classified simply as a Redevelopment Area (RDA). In 1998, the Act was expanded to allow the creation of various types of project areas to be used to achieve different outcomes, including Urban Renewal Area (URA) and Economic Development Area (EDA). In 2006, the Act was further modified to provide for an additional project area type, Community Development Area (CDA).



Changes to the Act, made in 2016, put an end to the three aforementioned classifications. Going forward all project areas envisioned and created by a Redevelopment Agency are categorized by a single designation and are known as Community Reinvestment Areas (CRA). Previously created projects will still be subject to the predecessor rules under which they were created and will still be designated as RDAs, URAs, CDAs, and EDAs but new projects will need to conform to the CRA modifications.

CRAs are created under a Redevelopment Agency. To create a CRA, an Agency must first adopt a survey resolution that designates a survey area and authorizes the Agency to prepare a project area plan and budget. The draft budget and plan are then created and then the Agency must meet the noticing requirements concerning its intent to adopt the plan and budget. Once the Agency adopts the draft plan and budget as the final plan and budget after a public hearing, it can then collaborate with the taxing entities. If the agency plans to use eminent domain in the CRA, a blight study must be performed in the designated area. The Agency then forges an agreement to receive tax increment participation and approval of the blight study from a taxing entity committee (TEC). With the potential use of eminent domain and a TEC, the CRA is required to allocate 20% of its tax increment revenue to affordable housing. If the agency does not intend to pursue eminent domain, interlocal agreements for tax increment participation can be entered into with individual taxing entities. No TEC is required. The affordable housing requirement for this approach is only 10% of the CRA's tax increment revenue.

Each of the City's project areas were created prior to 2016 and will remain designated as RDAs and CDA respectively.

## **AUTHORITIES AND POWERS OF THE AGENCY**

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

17C-1-202

- 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 AND STAFF MEMBERS**

Table I.2: Board of Trustees

GOVERNING BOARD OF TRUSTEES		
Richard F. Brunst, Jr.	Chair	Orem City Mayor
Debbie Lauret	Board Member	Orem City Council Member
Sam Lentz	Board Member	Orem City Council Member
Tom Macdonald	Board Member	Orem City Council Member
Mark Seastrand	Board Member	Orem City Council Member
David Spencer	Board Member	Orem City Council Member
Brent Sumner	Board Member	Orem City Council Member

Table I.3: Administration & Staff Members

ADMINISTRATION & STAFF MEMBERS	
Jaime Davidson	Executive Director, Orem City Manager
Ryan L. Clark	Economic Development Division Manager
Jennifer Sisoutham	Economic Development Secretary

**SUMMARY OF REQUESTED FUNDS**

In accordance with Utah Code 17C-1-603(3), this report is for informational purposes only, and does 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), taxing entity committee resolutions, and/or interlocal cooperation agreements.

Table I.4: Estimate of Tax Increment

ESTIMATE OF TAX INCREMENT TO BE PAID TO THE AGENCY		
	Tax Year 2017 (Ending Dec. 31, 2017)	Tax Year 2018 (Beginning Jan. 1, 2018)
Property Tax Increment		
RDA 85-01	\$0	\$0
RDA 85-02	\$0	\$0
RDA 85-03A	\$0	\$0
RDA 85-03B	\$0	\$0
RDA 85-04	\$0	\$0
RDA 87-10	\$0	\$0
RDA 90-08	\$167,440	\$167,440
<b>Total Revenue</b>	<b>\$167,440</b>	<b>\$167,440</b>



Table I.5: Estimate of Haircut Increment

ESTIMATE OF HAIRCUT INCREMENT TO BE PAID TO THE AGENCY		
	Tax Year 2017 (Ending Dec. 31, 2017)	Tax Year 2018 (Beginning Jan. 1, 2018)
Haircut Increment		
RDA 85-01	\$323,682	\$323,682
RDA 85-02	\$161,064	\$161,064
RDA 85-03A	\$148,477	\$148,477
RDA 85-03B	\$288,545	\$288,545
RDA 85-04	\$94,602	\$94,602
RDA 87-10	\$141,652	\$141,652
RDA 90-08	\$29,345	\$29,345
<b>Total Revenue</b>	<b>\$1,187,366</b>	<b>\$1,187,366</b>

## GENERAL OVERVIEW OF ALL PROJECT AREAS

Table I.6: Combined Budget

COMBINED BUDGET – ALL PROJECT AREAS		
REVENUES	FY 2017 TOTALS	REMAINING LIFE*
<b>Property Tax Increment</b>		
RDA 85-01	\$2,047	\$2,047
RDA 85-02	\$0	\$0
RDA 85-03A	\$0	\$0
RDA 85-03B	\$0	\$0
RDA 85-04	\$8,155	\$8,155
RDA 87-10	\$0	\$0
RDA 90-08	\$183,650	\$853,409
Subtotal	\$193,852	\$863,612
<b>Haircut Increment</b>		
RDA 85-01	\$375,645	\$1,994,055
RDA 85-02	\$177,211	\$821,467
RDA 85-03A	\$218,802	\$812,711
RDA 85-03B	\$324,982	\$1,479,163
RDA 85-04	\$118,209	\$496,617
RDA 87-10	\$161,631	\$869,889
RDA 90-08	\$32,387	\$369,850
Subtotal	\$1,408,868	\$6,843,751
<b>Total Revenues</b>	<b>\$1,602,720</b>	<b>\$7,707,363</b>
EXPENDITURES	FY 2017 TOTALS	REMAINING LIFE*
<b>Project Area Administration</b>		
RDA 85-01	\$0	\$0
RDA 85-02	\$0	\$565,000
RDA 85-03A	\$0	\$0
RDA 85-03B	\$165,000	\$330,000
RDA 85-04	\$50,000	\$350,000
RDA 87-10	\$0	\$60,000
RDA 90-08	\$100,000	\$1,215,000
<b>Development Incentive Payments</b>		
RDA 85-01	\$1,945	\$1,945



RDA 85-02	\$0	\$0
RDA 85-03A	\$2,388,256	\$2,513,256
RDA 85-03B	\$0	\$0
RDA 85-04	\$0	\$0
RDA 87-10	\$0	\$0
RDA 90-08	\$0	\$0
<b>Debt Service Payments</b>		
RDA 85-01	\$330,645	\$2,230,645
RDA 85-02	\$142,211	\$327,211
RDA 85-03A	\$0	\$220,000
RDA 85-03B	\$369,237	\$699,237
RDA 85-04	\$127,613	\$127,613
RDA 87-10	\$211,631	\$531,631
RDA 90-08	\$52,387	\$317,587
<b>Miscellaneous Expenditures</b>		
RDA 85-01	\$0	\$104,182
RDA 85-02	\$6,500	\$267,969
RDA 85-03A	\$145,915	\$1,947,246
RDA 85-03B	\$36,400	\$1,143,875
RDA 85-04	\$177,941	\$269,852
RDA 87-10	\$52,423	\$736,691
RDA 90-08	\$0	\$74,505
<b>Contribution to (Use of Fund) Balance</b>		
RDA 85-01	\$46,094	(\$339,678)
RDA 85-02	\$31,104	(\$333,505)
RDA 85-03A	(\$2,314,912)	(\$3,866,877)
RDA 85-03B	(\$200,968)	(\$604,574)
RDA 85-04	(\$229,189)	(\$242,693)
RDA 87-10	(\$99,546)	(\$455,557)
RDA 90-08	\$67,746	(\$379,737)
<b>Interest (Revenue)</b>		
RDA 85-01	(\$992)	(\$992)
RDA 85-02	(\$2,604)	(\$5,208)
RDA 85-03A	(\$457)	(\$914)
RDA 85-03B	(\$44,687)	(\$89,375)
RDA 85-04	\$0	\$0
RDA 87-10	(\$2,877)	(\$2,877)
RDA 90-08	(\$4,096)	(\$4,096)
<b>Total Expenditures</b>	<b>\$1,602,720</b>	<b>\$7,707,363</b>

\* Remaining Life includes FY 2017 totals

## SECTION 2: RDA 85-01 PROJECT AREA

Table 2.1: Project Area Overview

OVERVIEW				
<b>Type</b> RDA	<b>Acreage</b> 100	<b>Purpose</b> Commercial Development	<b>Taxing District</b> 090	<b>Tax Rate</b> 0.010521
<b>Creation Year</b> FY 1985	<b>Base Year</b> FY 1985	<b>Term</b> 32 Years	<b>Trigger Year</b> FY 1991	<b>Expiration Year</b> FY 2022
<b>Base Value</b> \$1,472,221	<b>TY 2016 Value</b> \$126,636,120	<b>Increase</b> 8,602%	<b>FY 2017 Increment</b> \$377,693	<b>Remaining Years</b> 5 Years



The 85-01 Project Area was created in March 1985 and is governed by the (a) “Westside Redevelopment Project No. 85-01 Redevelopment Plan” This document and the associated ordinances and resolutions 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. As the 85-01 Project Area was created prior to 1993, a taxing entity committee was not established for this project Area.

The Project Area is currently intended to draw property tax increment beginning with the taxes collected in 1990 and remitted to the Agency in 1991 and continue for 25 years through and including taxes collected in 2013 and paid to the Agency in 2014. On August 28, 2001, the Agency adopted a resolution (RDA-R-01-0004-000) solidifying its desire to trigger the extension option for all seven RDA project areas, including this RDA. This action extends the receipt of haircut revenues through and including taxes collected in 2021 and paid to the Agency in 2022. Note that haircut revenues will not include participation from the School District’s portion of the tax rate. RDA 85-01 is located along 1200 South between the western City boundary and Geneva Road.

During the last year, development in the project area included the completion of the 66,000 square foot Orem Business Park Flex Office Warehouse, as well as the UTA Maintenance Facility Expansion which accommodates the Bus-Rapid-Transit Fleet. The project area includes 98.06 developed acres and 7.68 undeveloped acres. Tax increment is collected on 100 acres.



FIGURE 2.1: OREM BUSINESS PARK FLEX OFFICE



## SOURCES OF FUNDS

Table 2.2: Sources of Funds

FY 2017 SOURCES OF FUNDS	
Property Tax Increment	\$2,047
Haircut Increment	\$354,961
Current Year Uncollected	(\$24,463)
Prior Years Late Collection	\$45,148
<b>Total Sources of Funds</b>	<b>\$377,693</b>

Table 2.3: Tax Increment Levels

TAX INCREMENT LEVELS		
Years	% of Tax Increment	% of Haircut
1991-1995	100%	0%
1996-2000	80%	20%
2001-2005	75%	25%
2006-2010	70%	30%
2011-2015	60%	40%
2016-2022	0%	100%

## USES OF FUNDS

Table 2.4: Uses of Funds

FY 2017 USES OF FUNDS	
Developer Incentive Payments	\$1,945
Debt Service (Haircut Eligible)	\$330,645
Miscellaneous Expenditures	\$0
Redevelopment Activities	\$46,094
Interest (Revenue)	(\$992)
<b>Total Uses of Funds</b>	<b>\$377,693</b>

## DEBT SERVICE PAYMENTS

In 2002, Orem City issued \$12,175,000 in Sales Tax Revenue Bonds, Series 2002 to fund various recreational facilities and uses throughout the City. As per Utah State Code Title 17C-1-403, the Agency is using the haircut proceeds from all qualified Project Areas to repay the City for the Sales Tax Revenue debt service expenditures. In FY 2017, the 85-01 Project Areas portion of the debt service was \$330,645.

Table 2.5: Debt Service Payment

FY 2017 DEBT SERVICE PAYMENTS	
2002 Sales Tax Revenue Bond Payment	\$330,645
<b>Total Debt Service Payments</b>	<b>\$330,645</b>



## PROJECT AREA REPORTING AND ACCOUNTABILITY COMPARISON OF FORECASTED AND ACTUAL TAX INCREMENT

Table 2.6: Realization of Tax Increment

REALIZATION OF TAX INCREMENT	ACTUAL	FORECASTED	% OF PROJECTION
<b>TAX INCREMENT GENERATED IN PROJECT AREA</b>			
Property Tax Increment – FY 2017	\$377,693	\$369,912	102.1%

### RELATIVE GROWTH IN ASSESSED VALUE

Table 2.7: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	COMPARISON YEAR	GROWTH RATE	AAGR
<b>ASSESSED VALUES IN PROJECT AREA</b>				
Annual Growth In Project Area (2016 vs. 2015)	\$128,108,341	\$126,358,017	1.4%	1.4%
Lifetime Growth in Project Area (2016 vs. Base)	\$128,108,341	\$1,472,221	8,602%	15.5%
<b>ASSESSED VALUES IN OREM CITY</b>				
Annual Growth in Orem City (2016 vs. 2015)	\$4,871,184,232	\$4,534,129,407	7.4%	7.4%
Lifetime Growth in Orem City (2016 vs. 1997 <sup>1</sup> )	\$4,871,184,232	\$2,173,320,362	124.1%	4.3%

### BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 2.8: Benefits to Taxing Entities

BENEFITS TO TAXING ENTITIES
*Job Creation
*Increased Property Tax Revenues 100% of tax increment received by entities after 2022
*Higher Growth Rate in Tax Base Compared to Non-RDA Areas

Currently the only taxing entity receiving increment is the School District<sup>2</sup>. Annual property tax increment (above the base amount) currently being returned to the School District is 6,339% above what would have been realized if assessed values in the Project Area had remained at base year levels for all the taxing entities. The lifetime property tax increment will increase significantly when the Project Area expires in 2022, and all of the taxing entities receive the benefit of the 2,438% increase in annual tax increment.

### GROWTH IN PROPERTY TAX INCREMENT

Table 2.9: Growth in Property Tax Increment

GROWTH IN TAX INCREMENT	ORIGINAL BUDGET REVENUES	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
<b>TAX INCREMENT FROM PROJECT AREA</b>				
Tax Year 2016	NA	\$377,693	\$15,489	2,438%
<b>PASS THROUGH INCREMENT (ABOVE BASE)</b>				
Tax Year 2016	NA	\$981,873	\$15,489	6,339%

<sup>1</sup> LYRB used 1997 as a reference point, as it is the earliest year of reliable information available. The AAGR is calculated using the base year 1985.

<sup>2</sup> Calculation also assumes State and Local Assessing and Collecting rates.



## NOTABLE DEVELOPMENT AND FUTURE PROJECTS

1. Orem Business Park Flex Office Warehouse
2. UTA Maintenance Facility Expansion

## 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 2.10: Project Area Budget

PROJECT AREA BUDGET		FY 2018-2022	
REVENUES	TOTALS	NPV@5%	
Haircut Increment	\$1,618,410	\$1,401,373	
Total Revenue	\$1,618,410	\$1,401,373	
EXPENDITURES	TOTALS	NPV@5%	
Misc. Expenditures	\$104,182	\$91,250	
Interest Revenue	\$0	\$0	
Redevelopment Activities	(\$385,772)	(\$335,078)	
Debt Service	\$1,900,000	\$1,645,201	
Total Expenditures	\$1,618,410	\$1,401,373	

## OTHER ISSUES

There are no major areas of concern within the 85-01 Project Area and according to records reviewed, all parties are meeting their respective obligations related to this Project Area.

## PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following sheets represent the FY 2017, FY 2018, FY 2019, and the full multi-year budget from 2016 to 2021 for the 85-01 Project Area.



# Orem RDA 85-01

## 2017 Annual Budget

	Yr. 27
Tax Year	2016
Payment Year	2017
<b>ASSESSED VALUATION</b>	
TAXABLE VALUATION	
Real Property	\$72,452,700
Personal Property	\$55,431,115
Centrally Assessed	\$224,526
Total Assessed Value	\$128,108,341
<b>Less: Base Year Value</b>	<b>(\$1,472,221)</b>
Incremental Assessed Value	\$126,636,120
<b>TAX INCREMENT ANALYSIS</b>	
Tax Rate	
Utah County	0.000834
Alpine School District	0.007718
Orem City	0.001550
Orem Metropolitan Water District	0.000033
Central Utah Water Conservancy	0.000386
Total Tax Rate	0.010521
<b>PROJECT AREA BUDGET</b>	
TAX INCREMENT REVENUES	
Percent of Tax Increment for Project	0%
Total Tax Increment Received	\$2,047
Percent of Tax Increment for Haircut	100%
Total Haircut Received	\$375,645
<b>TOTAL DISTRIBUTION</b>	<b>\$377,693</b>
EXPENDITURES	
RDA Admin	\$0
Developer Reimbursement (Orem Tek)	\$1,945
Developer Reimbursement (US Synthetics)	\$0
Developer Reimbursement (Fund 45 Lakeside Park)	\$0
Debt Service (Haircut Recreation Facilities)	\$330,645
Misc. Expenditures	\$0
Interest Revenue	(\$992)
Redevelopment Activities	\$46,094
<b>TOTAL EXPENDITURES</b>	<b>\$377,693</b>



# Orem RDA 85-01

## 2018 Annual Budget

	Yr. 28
Tax Year	2017
Payment Year	2018
<b>ASSESSED VALUATION</b>	
<b>TAXABLE VALUATION</b>	
Real Property	\$72,452,700
Personal Property	\$55,431,115
Centrally Assessed	\$224,526
Total Assessed Value	\$128,108,341
<b>Less: Base Year Value</b>	<b>(\$1,472,221)</b>
Incremental Assessed Value	\$126,636,120
<b>TAX INCREMENT ANALYSIS</b>	
Tax Rate	
Utah County	0.000779
Alpine School District	0.007167
Orem City	0.001346
Orem Metropolitan Water District	0.000031
Central Utah Water Conservancy	0.000400
Total Tax Rate	0.009723
<b>PROJECT AREA BUDGET</b>	
<b>TAX INCREMENT REVENUES</b>	
Percent of Tax Increment for Project	0%
Total Tax Increment Received	\$0
Percent of Tax Increment for Haircut	100%
Total Haircut Received	\$323,682
<b>TOTAL DISTRIBUTION</b>	<b>\$323,682</b>
<b>EXPENDITURES</b>	
RDA Admin	\$0
Developer Reimbursement (Orem Tek)	\$0
Developer Reimbursement (US Synthetics)	\$0
Developer Reimbursement (Fund 45 Lakeside Park)	\$0
Debt Service (Haircut Recreation Facilities)	\$380,000
Misc. Expenditures	\$56,976
Interest Revenue	\$0
Redevelopment Activities	(\$113,294)
<b>TOTAL EXPENDITURES</b>	<b>\$323,682</b>



# Orem RDA 85-01

## 2019 Annual Budget

	Yr. 29
Tax Year	2018
Payment Year	2019
<b>ASSESSED VALUATION</b>	
TAXABLE VALUATION	
Real Property	\$72,452,700
Personal Property	\$55,431,115
Centrally Assessed	\$224,526
Total Assessed Value	\$128,108,341
<b>Less: Base Year Value</b>	<b>(\$1,472,221)</b>
Incremental Assessed Value	\$126,636,120
<b>TAX INCREMENT ANALYSIS</b>	
Tax Rate	
Utah County	0.000779
Alpine School District	0.007167
Orem City	0.001346
Orem Metropolitan Water District	0.000031
Central Utah Water Conservancy	0.000400
Total Tax Rate	0.009723
<b>PROJECT AREA BUDGET</b>	
TAX INCREMENT REVENUES	
Percent of Tax Increment for Project	0%
Total Tax Increment Received	\$0
Percent of Tax Increment for Haircut	100%
Total Haircut Received	\$323,682
<b>TOTAL DISTRIBUTION</b>	<b>\$323,682</b>
EXPENDITURES	
RDA Admin	\$0
Developer Reimbursement (Orem Tek)	\$0
Developer Reimbursement (US Synthetics)	\$0
Developer Reimbursement (Fund 45 Lakeside Park)	\$0
Debt Service (Haircut Recreation Facilities)	\$380,000
Misc. Expenditures	\$0
Interest Revenue	\$0
Redevelopment Activities	(\$56,318)
<b>TOTAL EXPENDITURES</b>	<b>\$323,682</b>



# Orem RDA 85-01

Ongoing Budget

Multi-Year Project Area Budget Projections

Tax Year Payment Year	OPTIONAL EXTENTION OF HAIRCUT INCREMENT					
	27	28	29	30	31	32
	2016	2017	2018	2019	2020	2021

REVENUES						
<b>TAXABLE VALUATION:</b>						
Locally Assessed Real	72,452,700	72,452,700	72,452,700	72,452,700	72,452,700	72,452,700
Personal Property	55,431,115	55,431,115	55,431,115	55,431,115	55,431,115	55,431,115
Centrally Assessed	224,526	224,526	224,526	224,526	224,526	224,526
Total Assessed Value	128,108,341	128,108,341	128,108,341	128,108,341	128,108,341	128,108,341
Less: Base Year Value	(1,472,221)	(1,472,221)	(1,472,221)	(1,472,221)	(1,472,221)	(1,472,221)
<b>Total Incremental Assessed Value</b>	<b>\$ 126,636,120</b>					
<b>Real Property/Centrally Assessed Tax Rate:</b>						
Utah County	0.000834	0.000779	0.000779	0.000779	0.000779	0.000779
Alpine School District	0.007718	0.007167	0.007167	0.007167	0.007167	0.007167
Orem City	0.001550	0.001346	0.001346	0.001346	0.001346	0.001346
Orem Metropolitan Water District	0.000033	0.000031	0.000031	0.000031	0.000031	0.000031
Central Utah Water Conservancy	0.000386	0.000400	0.000400	0.000400	0.000400	0.000400
Less State Assessing & Collecting	0.000204	0.000180	0.000180	0.000180	0.000180	0.000180
Less Local Assessing & Collecting	0.000011	0.000010	0.000010	0.000010	0.000010	0.000010
Total Tax Rate	0.010736	0.009913	0.009913	0.009913	0.009913	0.009913
Actual Tax Rate Used by County in TIF Calculation	0.010521	0.009723	0.009723	0.009723	0.009723	0.009723
Actual Tax Rate Used by County in HAIRCUT Calculat	0.002803	0.002556	0.002556	0.002556	0.002556	0.002556

Percent of Tax Increment for Project	0%	0%	0%	0%	0%	0%
Percent of Tax Increment for Haircut	100%	100%	100%	100%	100%	100%

<b>TAX INCREMENT REVENUES</b>						
Property Tax Increment	\$ 2,047	\$ -	\$ -	\$ -	\$ -	\$ -
Less Current Year Uncollected	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plus Prior Years Late Collections	-	-	-	-	-	-
<b>Total Tax Increment Received by Agency</b>	<b>\$ 2,047</b>	<b>\$ -</b>				
<b>HAIRCUT REVENUES</b>						
Haircut Increment	\$ 354,961	\$ 323,682	\$ 323,682	\$ 323,682	\$ 323,682	\$ 323,682
Less Current Year Uncollected	\$ (24,463)	\$ -	\$ -	\$ -	\$ -	\$ -
Plus Prior Years Late Collections	45,148	-	-	-	-	-
<b>Total Haircut Received by Agency</b>	<b>\$ 375,645</b>	<b>\$ 323,682</b>				
<b>TOTAL REVENUES RECEIVED</b>	<b>\$ 377,693</b>	<b>\$ 323,682</b>				
<b>PASSTHROUGH TO TAXING ENTITITES (ABOVE BASE)</b>						
Estimated Total Pass Through Increment	\$ 981,873	\$ 931,662	\$ 931,662	\$ 931,662	\$ 931,662	\$ 931,662

EXPENDITURES						
Project Area Budget and Uses of Funds						
RDA Admin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Developer Reimbursement (Orem Tek)	1,945	-	-	-	-	-
Developer Reimbursement (US Synthetics)	-	-	-	-	-	-
Developer Reimbursement (Fund 45 Lakeside Park)	-	-	-	-	-	-
Debt Service (Haircut Recreation Facilities)	330,645	380,000	380,000	380,000	380,000	380,000
Optional Reimbursement Road Fund for 2003 Overlay P	-	-	-	-	-	-
Misc. Expenditures	-	56,976	-	-	-	47,206
Interest Revenue	(992)	-	-	-	-	-
Redevelopment Activities	46,094	(113,294)	(56,318)	(56,318)	(56,318)	(103,524)
<b>Total Uses</b>	<b>\$ 377,693</b>	<b>\$ 323,682</b>				

## SECTION 3: 85-02 PROJECT AREA

Table 3.1: Project Area Overview

OVERVIEW				
<b>Type</b> RDA	<b>Acreage</b> 100	<b>Purpose</b> Research & Technology Park	<b>Taxing District</b> 090	<b>Tax Rate</b> 0.010521
<b>Creation Year</b> FY 1985	<b>Base Year</b> FY 1985	<b>Term</b> 32 Years	<b>Trigger Year</b> FY 1990	<b>Expiration Year</b> FY 2021
<b>Base Value</b> \$7,333,972	<b>TY 2016 Value</b> \$70,348,063	<b>Increase</b> 859%	<b>FY 2017 Increment</b> \$177,211	<b>Remaining Years</b> 4 Years

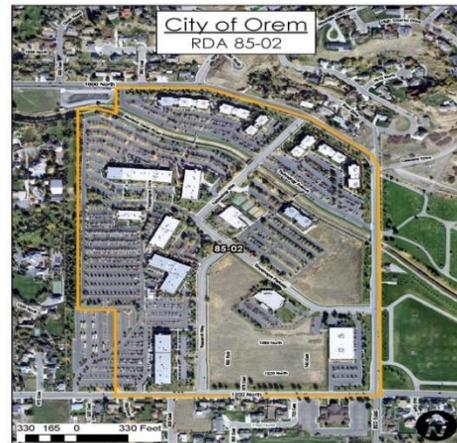


FIGURE 3.1: CANYON PARK TECHNOLOGY CENTER

The 85-02 Project Area was created in May 1985 and is governed by the (a) “Redevelopment Plan #85-02” This document and the associated ordinances and resolutions 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. As the 85-02 Project Area was created prior to 1993, a taxing entity committee was not established for this project Area.

The Project Area is currently intended to draw property tax increment beginning with the taxes collected in 1989 and remitted to the Agency in 1990 and continue for 25 years through and including taxes collected

in 2013 and paid to the Agency in 2014. On August 28, 2001, the Agency adopted a resolution (RDA-R-01-0004-000) solidifying its desire to trigger the extension option for all seven RDA project areas, including this RDA. This action extends the receipt of haircut revenues through and including taxes collected in 2020 and paid to the Agency in 2021. Note that haircut revenues will not include participation from the School District’s portion of the tax rate. The original purpose of the 85-02 Project Area was to establish a research and technology park, and to convert the property into a more economically productive area. RDA 85-02 is generally located on the west side of 800 East between 1600 North and 1200 North.



The Project Area continues to lease space and replace tenants at the Canyon Park Technology Center. The Project Area includes 8.37 undeveloped acres and 98.36 developed acres. Tax increment is collected on 100 of the acres.

## SOURCES OF FUNDS

Table 3.2: Sources of Funds

FY 2017 SOURCES OF FUNDS	
Haircut Increment	\$176,628
Current Year Uncollected	(\$49)
Prior Years Late Collection	\$632
<b>Total Sources of Funds</b>	<b>\$177,211</b>

Table 3.3: Tax Increment Levels

TAX INCREMENT LEVELS		
Years	% of Tax Increment	% of Haircut
1991-1995	100%	0%
1996-2000	80%	20%
2001-2005	75%	25%
2006-2010	70%	30%
2011-2015	60%	40%
2016-2022	0%	100%

## USES OF FUNDS

Table 3.4: Uses of Funds

FY 2017 USES OF FUNDS	
Debt Service Payments	\$142,211
RDA Administration	\$6,500
Redevelopment Activities	\$31,104
Interest (Revenue)	(\$2,604)
<b>Total Uses of Funds</b>	<b>\$177,211</b>

## DEBT SERVICE PAYMENTS

In 2002, Orem City issued \$12,175,000 in Sales Tax Revenue Bonds, Series 2002 to fund various recreational facilities and uses throughout the City. As per Utah State Code Title 17C-1-403, the Agency is using the haircut proceeds from all qualified Project Areas to repay the City for the Sales Tax Revenue debt service expenditures. In FY 2017, the 85-02 Project Area's portion of the debt service was \$142,211.

Table 3.5: Debt Service Payments

FY 2017 DEBT SERVICE PAYMENTS	
Series 2002 Sales Tax Revenue Bond Payment	\$142,211
<b>Total Debt Service Payments</b>	<b>\$142,211</b>



## PROJECT AREA REPORTING AND ACCOUNTABILITY COMPARISON OF FORECASTED AND ACTUAL TAX INCREMENT

Table 3.6: Realization of Tax Increment

REALIZATION OF TAX INCREMENT	FORECASTED	ACTUAL	% OF PROJECTION
<b>TAX INCREMENT GENERATED IN PROJECT AREA</b>			
Property Tax Increment – FY 2017	\$188,628	\$177,211	94%

### RELATIVE GROWTH IN ASSESSED VALUE

Table 3.7: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	COMPARISON YEAR	GROWTH RATE	AAGR
<b>ASSESSED VALUES IN PROJECT AREA</b>				
Annual Growth In Project Area (2016 vs. 2015)	\$70,348,063	\$71,016,720	-0.9%	-0.9%
Lifetime Growth in Project Area (2016 vs. Base)	\$70,348,063	\$7,333,972	859%	7.6%
<b>ASSESSED VALUES IN OREM CITY</b>				
Annual Growth in Orem City (2016 vs. 2015)	\$4,871,184,232	\$4,534,129,407	7.4%	7.4%
Lifetime Growth in Orem City (2016 vs. 1997 <sup>3</sup> )	\$4,871,184,232	\$2,173,320,362	124.1%	4.3%

### BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 3.8: Benefits to Taxing Entities

<b>BENEFITS TO TAXING ENTITIES</b>	
*Job Creation	
*Increased Property Tax Revenues upon expiration of Project Area	
*Significantly higher growth in tax base compared to non-incentivized areas	

Currently the only taxing entity receiving increment is the School District<sup>4</sup>. Annual property tax increment (above the base amount) currently being returned to the School District is 876% above what would have been realized if assessed values in the Project Area had remained at base year levels for all the taxing entities. The lifetime property tax increment will increase significantly when the Project Area expires in 2021, and all of the taxing entities receive the benefit of the 230% increase in annual tax increment.

### GROWTH IN PROPERTY TAX INCREMENT

Table 3.9: Growth in Property Tax Increment

GROWTH IN TAX INCREMENT	ORIGINAL BUDGET	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
<b>TAX INCREMENT FROM PROJECT AREA</b>				
Fiscal Year 2017	NA	\$177,211	\$77,161	230%
<b>PASS THROUGH TAX INCREMENT (ABOVE BASE)</b>				
Fiscal Year 2017	NA	\$499,309	\$77,161	647%

<sup>3</sup> LYRB used 1997 as a reference point, as it is the earliest year of reliable information available. The AAGR is calculated using the base year 1985.

<sup>4</sup> Calculation also assumes State and Local Assessing and Collecting rates.



## NOTABLE DEVELOPMENT AND FUTURE PROJECTS

### I. Canyon Park Technology Center New Tenants

#### 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 3.10: Project Area Budget

PROJECT AREA BUDGET	FY 2018-2021	
	TOTALS	NPV@5%
<b>REVENUES</b>		
Haircut Increment	\$644,256	\$571,125
Total Revenue	\$644,256	\$571,125
<b>EXPENDITURES</b>		
Debt Service	\$185,000	\$176,190
RDA Administration	\$565,000	\$485,528
Misc.	\$261,469	\$235,043
Interest Revenue	(\$2,604)	(\$2,480)
Redevelopment Activities	(\$364,609)	(\$323,156)
Total Expenditures	\$644,256	\$571,125

#### OTHER ISSUES

LYRB has not identified any major areas of concern with the 85-02 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 sheets represent the FY 2017, FY 2018, FY 2019 and multi-year budget from 2016 to 2020.



## OREM RDA 85-02

### 2017 Annual Budget

	Tax Year	
	Payment Year	
	Yr. 28	
	2016	
	2017	
<b>ASSESSED VALUATION</b>		
<b>TAXABLE VALUATION</b>		
Real Property	\$70,060,905	
Personal Property	\$0	
Centrally Assessed	\$287,158	
Total Assessed Value	\$70,348,063	
<b>Less: Base Year Value</b>	<b>(\$7,333,972)</b>	
Incremental Assessed Value	\$63,014,091	
<b>TAX INCREMENT ANALYSIS</b>		
<b>Tax Rate</b>		
Utah County	0.000834	
Alpine School District	0.007718	
Orem City	0.001550	
Orem Metropolitan Water District	0.000033	
Central Utah Water Conservancy	0.000386	
Total Tax Rate	0.010521	
<b>PROJECT AREA BUDGET</b>		
<b>TAX INCREMENT REVENUES</b>		
Percent of Tax Increment for Project	0%	
Total Tax Increment Received	\$0	
Percent of Tax Increment for Haircut	100%	
Total Haircut Received	\$177,211	
<b>TOTAL DISTRIBUTION</b>	<b>\$177,211</b>	
<b>EXPENDITURES</b>		
RDA Admin	\$0	
Land Sales Revenue	\$0	
Loan Repayments to City	\$0	
Developer Reimbursement (Fund 45 Lakeside Park)	\$0	
Debt Service (Haircut Eligible)	\$142,211	
Misc. Expenditures	\$6,500	
Interest Revenue	(\$2,604)	
Redevelopment Activities	\$31,104	
<b>TOTAL EXPENDITURES</b>	<b>\$177,211</b>	



## OREM RDA 85-02

### 2018 Annual Budget

	Tax Year	
	2017	
	2018	
<b>ASSESSED VALUATION</b>		
<b>TAXABLE VALUATION</b>		
Real Property	\$70,060,905	
Personal Property	\$0	
Centrally Assessed	\$287,158	
Total Assessed Value	\$70,348,063	
<b>Less: Base Year Value</b>	<b>(\$7,333,972)</b>	
Incremental Assessed Value	\$63,014,091	
<b>TAX INCREMENT ANALYSIS</b>		
<b>Tax Rate</b>		
Utah County	0.000779	
Alpine School District	0.007167	
Orem City	0.001346	
Orem Metropolitan Water District	0.000031	
Central Utah Water Conservancy	0.000400	
Total Tax Rate	0.009723	
<b>PROJECT AREA BUDGET</b>		
<b>TAX INCREMENT REVENUES</b>		
Percent of Tax Increment for Project	0%	
Total Tax Increment Received	\$0	
Percent of Tax Increment for Haircut	100%	
Total Haircut Received	\$161,064	
<b>TOTAL DISTRIBUTION</b>	<b>\$161,064</b>	
<b>EXPENDITURES</b>		
RDA Admin	\$0	
Land Sales Revenue	\$0	
Loan Repayments to City	\$0	
Developer Reimbursement (Fund 45 Lakeside Park)	\$0	
Debt Service (Haircut Eligible)	\$185,000	
Misc. Expenditures	\$153,698	
Interest Revenue	(\$2,604)	
Redevelopment Activities	(\$175,030)	
<b>TOTAL EXPENDITURES</b>	<b>\$161,064</b>	



## OREM RDA 85-02

### 2019 Annual Budget

	Tax Year	
	Payment Year	
		Yr. 30
		2018
		2019
<b>ASSESSED VALUATION</b>		
<b>TAXABLE VALUATION</b>		
Real Property		\$70,060,905
Personal Property		\$0
Centrally Assessed		\$287,158
Total Assessed Value		\$70,348,063
<b>Less: Base Year Value</b>		<b>(\$7,333,972)</b>
Incremental Assessed Value		\$63,014,091
<b>TAX INCREMENT ANALYSIS</b>		
<b>Tax Rate</b>		
Utah County		0.000779
Alpine School District		0.007167
Orem City		0.001346
Orem Metropolitan Water District		0.000031
Central Utah Water Conservancy		0.000400
Total Tax Rate		0.009723
<b>PROJECT AREA BUDGET</b>		
<b>TAX INCREMENT REVENUES</b>		
Percent of Tax Increment for Project		0%
Total Tax Increment Received		\$0
Percent of Tax Increment for Haircut		100%
Total Haircut Received		\$161,064
<b>TOTAL DISTRIBUTION</b>		<b>\$161,064</b>
<b>EXPENDITURES</b>		
RDA Admin		\$165,000
Land Sales Revenue		\$0
Loan Repayments to City		\$0
Developer Reimbursement (Fund 45 Lakeside Park)		\$0
Debt Service (Haircut Eligible)		\$0
Misc. Expenditures		\$0
Interest Revenue		\$0
Redevelopment Activities		(\$3,936)
<b>TOTAL EXPENDITURES</b>		<b>\$161,064</b>



# Orem RDA 85-02

Ongoing Budget  
Multi-Year Project Area Budget Projections

	OPTIONAL EXTENTION OF HAIRCUT INCREMENT				
	28	29	30	31	32
	Tax Year Payment Year 2016 2017	2017 2018	2018 2019	2019 2020	2020 2021
<b>REVENUES</b>					
<b>TAXABLE VALUATION:</b>					
Locally Assessed Real	70,060,905	70,060,905	70,060,905	70,060,905	70,060,905
Personal Property	-	-	-	-	-
Centrally Assessed	287,158	287,158	287,158	287,158	287,158
Total Assessed Value	70,348,063	70,348,063	70,348,063	70,348,063	70,348,063
Less: Base Year Value	(7,333,972)	(7,333,972)	(7,333,972)	(7,333,972)	(7,333,972)
<b>Total Incremental Assessed Value</b>	<b>\$ 63,014,091</b>	<b>\$ 63,014,091</b>	<b>\$ 63,014,091</b>	<b>\$ 63,014,091</b>	<b>\$ 63,014,091</b>
<b>Real Property/Centrally Assessed Tax Rate:</b>					
Utah County	0.000834	0.000779	0.000779	0.000779	0.000779
Alpine School District	0.007718	0.007167	0.007167	0.007167	0.007167
Orem City	0.001550	0.001346	0.001346	0.001346	0.001346
Orem Metropolitan Water District	0.000033	0.000031	0.000031	0.000031	0.000031
Central Utah Water Conservancy	0.000386	0.000400	0.000400	0.000400	0.000400
Less State Assessing & Collecting	0.000204	0.000180	0.000180	0.000180	0.000180
Less Local Assessing & Collecting	0.000011	0.000010	0.000010	0.000010	0.000010
Total Tax Rate	0.010736	0.009913	0.009913	0.009913	0.009913
Actual Tax Rate Used by County in TIF Calculation	0.010521	0.009723	0.009723	0.009723	0.009723
Actual Tax Rate Used by County in HAIRCUT Calculation	0.002803	0.002556	0.002556	0.002556	0.002556
<b>Percent of Tax Increment for Project</b>					
	0%	0%	0%	0%	0%
<b>Percent of Tax Increment for Haircut</b>					
	100%	100%	100%	100%	100%
<b>TAX INCREMENT REVENUES</b>					
Property Tax Increment	\$ -	\$ -	\$ -	\$ -	\$ -
Less Current Year Uncollected	-	-	-	-	-
Plus Prior Years Late Collections	-	-	-	-	-
<b>Total Tax Increment Received by Agency</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>HAIRCUT REVENUES</b>					
Haircut Increment	\$ 176,628	\$ 161,064	\$ 161,064	\$ 161,064	\$ 161,064
Less Current Year Uncollected	(49)	-	-	-	-
Plus Prior Years Late Collections	632	-	-	-	-
<b>Total Haircut Received by Agency</b>	<b>\$ 177,211</b>	<b>\$ 161,064</b>	<b>\$ 161,064</b>	<b>\$ 161,064</b>	<b>\$ 161,064</b>
<b>TOTAL REVENUES RECEIVED</b>	<b>\$ 177,211</b>	<b>\$ 161,064</b>	<b>\$ 161,064</b>	<b>\$ 161,064</b>	<b>\$ 161,064</b>
<b>PASSTHROUGH TO TAXING ENTITIES (ABOVE BASE)</b>					
<b>Estimated Total Pass Through Increment</b>	<b>\$499,309</b>	<b>\$ 463,595</b>	<b>\$ 463,595</b>	<b>\$ 463,595</b>	<b>\$ 463,595</b>
<b>EXPENDITURES</b>					
Project Area Budget and Uses of Funds					
RDA Admin	\$ -	\$ -	\$ 165,000	\$ 165,000	\$ 235,000
Land Sales Revenue	-	-	-	-	-
Loan Repayments to City	-	-	-	-	-
Developer Reimbursement (Fund 45 Lakeside Park)	-	-	-	-	-
Debt Service (Haircut Eligible)	142,211	185,000	-	-	-
Optional Reimbursement to Road Fund for Infrastructure	-	-	-	-	-
Misc. Expenditures	6,500	153,698	-	-	107,771
Interest Revenue	(2,604)	(2,604)	-	-	-
Redevelopment Activities	31,104	(175,030)	(3,936)	(3,936)	(181,707)
<b>Total Uses</b>	<b>\$ 177,211</b>	<b>\$ 161,064</b>	<b>\$ 161,064</b>	<b>\$ 161,064</b>	<b>\$ 161,064</b>

## SECTION 4: 85-03A PROJECT AREA

Table 4.1: Project Area Overview

OVERVIEW				
<b>Type</b> RDA	<b>Acreage</b> 99.98	<b>Purpose</b> Commercial Development	<b>Taxing District</b> 090	<b>Tax Rate</b> 0.010521
<b>Creation Year</b> FY 1985	<b>Base Year</b> FY 1985	<b>Term</b> 32 Years	<b>Trigger Year</b> FY 1990	<b>Expiration Year</b> FY 2021
<b>Base Value</b> \$30,552,708	<b>TY 2016 Value</b> \$88,642,380	<b>Increase</b> 190%	<b>FY 2017 Increment</b> \$218,802	<b>Remaining Years</b> 4 Years



The 85-03A Project Area was created in December 1985 and is governed by the (a) “Redevelopment Plan #85-03-A” This document and the associated ordinances and resolutions 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. As the 85-03A Project Area was created prior to 1993, a taxing entity committee was not established for this project Area.

The Project Area is currently intended to draw property tax increment beginning with the taxes collected in 1989 and remitted to the Agency in 1990 and continue for 25 years through and including taxes collected in 2013 and paid to the Agency in 2014. On August 28, 2001, the Agency adopted a resolution (RDA-R-01-0004-000) solidifying its desire to trigger the extension option for all seven RDA project areas, including this RDA. This action extends the receipt of haircut revenues through and including taxes collected in 2020 and paid to the Agency in 2021. Note that haircut revenues will not include participation from the school district’s portion of the tax rate. The original purpose of the 85-03A Project Area was to establish an attractive entryway into the City, and to convert the property into a more economically productive area. RDA 85-03A is generally located along University Parkway between 250 West and 800 East.

Activity in the Project Area includes the Ken Garff Honda Redevelopment Project, the Garff VW Redevelopment Project, as well as the addition of Ashley Furniture, El Pollo Loco and the Bus-Rapid Transit UTA UDOT Project. The Project Area includes 1.9 undeveloped acres and 156.08 developed acres. Tax increment is collected on 99.98 of the total acres.



FIGURE 4.1: KEN GARFF HONDA OF OREM REDEVELOPMENT

## SOURCES OF FUNDS

Table 4.2: Sources of Funds

FY 2017 SOURCES OF FUNDS	
Haircut Increment	\$162,825
Current Year Uncollected	\$47,332
Prior Year Late Collections	\$8,645
<b>Total Sources of Funds</b>	<b>\$218,802</b>

Table 4.3: Tax Increment Levels

TAX INCREMENT LEVELS		
Years	% of Tax Increment	% of Haircut
1990-1994	100%	0%
1995-1999	80%	20%
2000-2004	75%	25%
2005-2009	70%	30%
2010-2014	60%	40%
2015-2021	0%	100%

## USES OF FUNDS

The developer incentive payment includes \$1,000,000 for a retention and redevelopment agreement. This incentive includes \$700,000 for Ken Garff Honda and \$300,000 for Ken Garff VW, which represent 15 year loans that will be forgiven if job creation and sales tax goals are met and the businesses remain in Orem. Additionally, \$72,154 of the developer incentive was paid as part of the Orem Mazda agreement, which has one more year. The remaining \$1,316,103 of the developer incentive payment is for the Sakura land purchase for a redevelopment project which is currently under negotiation.

Table 4.4: Uses of Funds

FY 2017 USES OF FUNDS	
Developer Incentive Payment	\$2,388,256
Debt Service Payments	\$0
Miscellaneous Expenditures	\$145,915 <sup>5</sup>
Contribution to (Use of Fund) Balance	(\$2,314,912)
Interest (Revenue)	(\$457)
<b>Total Uses of Funds</b>	<b>\$218,802</b>

## DEVELOPER INCENTIVE PAYMENTS

In 2009, the Agency entered into an agreement with MLP Orem, LLC in which the Agency would remit to the developer tax increment over a period of 8 years. The payment was based off of the amount of sales tax that was generated by the car dealership built by the developer. This payment is dependent on the continuous operation of the dealership and the creation and maintaining of 20 full time jobs. For FY 2017 the Agency paid the developer \$1,072,154. Additionally, \$1,316,103 was paid to Sakura for land acquisition.

<sup>5</sup> Includes land sale revenues.



Table 4.5: Developer Incentive Payments

FY 2017 DEVELOPER INCENTIVE PAYMENTS	
MLP Orem, LLC Payment	\$1,072,154
Sakura	\$1,316,103
<b>Total Developer Incentive Payment</b>	<b>\$2,388,256</b>

## DEBT SERVICE PAYMENTS

In 2002, Orem City issued \$12,175,000 in Sales Tax Revenue Bonds, Series 2002 to fund various recreational facilities and uses throughout the City. As per Utah State Code Title 17C-1-403, the Agency is using the haircut proceeds from all qualified Project Areas to repay the City for the Sales Tax Revenue debt service expenditures. In FY 2016, the 85-03A Project Area's portion of the debt service was \$0.

Table 4.6: Debt Service Payments

FY 2017 DEBT SERVICE PAYMENTS	
Series 2002 Sales Tax Revenue Bond Payment	\$0
<b>Total Debt Service Payments</b>	<b>\$0</b>

## PROJECT AREA REPORTING AND ACCOUNTABILITY COMPARISON OF FORECASTED AND ACTUAL TAX INCREMENT

Table 4.7: Realization of Tax Increment

REALIZATION OF TAX INCREMENT	FORECASTED	ACTUAL	% OF PROJECTION
<b>TAX INCREMENT GENERATED IN PROJECT AREA</b>			
Property Tax Increment – FY 2017	\$208,325	\$218,802	105%

## RELATIVE GROWTH IN ASSESSED VALUE

Table 4.8: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	COMPARISON YEAR	GROWTH RATE	AAGR
<b>ASSESSED VALUES IN PROJECT AREA</b>				
Annual Growth in Project Area (2016 vs. 2015)	\$88,642,380	\$108,715,888	-18.5%	-18.5%
Lifetime Growth in Project Area (2016 vs. Base)	\$88,642,380	\$30,552,708	190%	3.5%
<b>ASSESSED VALUES IN OREM CITY</b>				
Annual Growth in Orem City (2016 vs. 2015)	\$4,871,184,232	\$4,534,129,407	7.4%	7.4%
Lifetime Growth in Orem (2016 vs. 1997 <sup>6</sup> )	\$4,871,184,232	\$2,173,320,362	124.1%	4.3%

## BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 4.9: Benefits to Taxing Entities

BENEFITS TO TAXING ENTITIES	
*Increased Property Tax Revenues upon Expiration of Project Area	
*Increased Sales Tax Revenues	

<sup>6</sup> LYRB used 1997 as a reference point, as it is the earliest year of reliable information available.



### GROWTH IN PROPERTY TAX INCREMENT

Currently the only taxing entity receiving increment is the School District<sup>7</sup>. Annual property tax increment (above the base amount) currently being returned to the School District is 126% above what would have been realized if assessed values in the Project Area had remained at base year levels for all the taxing entities.

Table 4.10: Growth in Property Tax Increment

GROWTH IN TAX INCREMENT	ORIGINAL BUDGET	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
<b>TAX INCREMENT FROM PROJECT AREA</b>				
Fiscal Year 2017	NA	\$218,802	\$321,445	68%
<b>PASS THROUGH TAX INCREMENT (ABOVE BASE)</b>				
Fiscal Year 2017	NA	\$404,848	\$321,445	126%

### NOTABLE DEVELOPMENT AND FUTURE PROJECTS

1. Ken Garff Volkswagen
2. Ken Garff Honda
3. Ashley Furniture
4. El Pollo Loco

### 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 4.11: Project Area Budget

PROJECT AREA BUDGET	2018-2021	
	TOTALS	NPV@5%
<b>REVENUES</b>		
Haircut Increment	\$1,154,181	\$1,023,167
Total Revenue	\$1,154,181	\$1,023,167
<b>EXPENDITURES</b>		
RDA Administration	\$165,000	\$157,143
Debt Service Payments	\$330,000	\$314,286
Misc. <sup>8</sup>	\$1,107,475	\$911,122
Contribution to (Use of Fund) Balance	(\$403,606)	(\$316,824)
Interest (Revenue)	(\$44,687)	(\$42,559)
Total Expenditures	\$1,154,181	\$1,023,167

<sup>7</sup> Calculation also assumes State and Local Assessing and Collecting rates.

<sup>8</sup> Includes reimbursement to General Fund for Haircut eligible expenses.

## **OTHER ISSUES**

LYRB has not identified any major areas of concern with the 85-03A 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 sheets represent the FY 2017, FY 2018, FY 2019 and full multi-year budgets from 2016 to 2021.



## Orem 85-03A

### 2017 Annual Budget

	Tax Year	
	Payment Year	
		Yr. 28
		2016
		2017
<b>ASSESSED VALUATION</b>		
<b>TAXABLE VALUATION</b>		
Real Property		\$84,163,775
Personal Property		\$2,739,012
Centrally Assessed		\$1,739,593
Total Assessed Value		\$88,642,380
<b>Less: Base Year Value</b>		<b>(\$30,552,708)</b>
Incremental Assessed Value		\$58,089,672
<b>TAX INCREMENT ANALYSIS</b>		
<b>Tax Rate</b>		
Utah County		0.000834
Alpine School District		0.007718
Orem City		0.001550
Orem Metropolitan Water District		0.000033
Central Utah Water Conservancy		0.000386
Total Tax Rate		0.010521
<b>PROJECT AREA BUDGET</b>		
<b>TAX INCREMENT REVENUES</b>		
Percent of Tax Increment for Project		0%
Total Tax Increment Received		\$0
Percent of Tax Increment for Haircut		100%
Total Haircut Received		\$218,802
<b>TOTAL DISTRIBUTION</b>		<b>\$218,802</b>
<b>EXPENDITURES</b>		
RDA Admin		\$0
Loan Repayments to City		\$0
Developer Reimbursement (University Square)		\$0
Land Acquisition: Sakura		\$1,316,103
Developer Reimbursement (Mazda Orem)		\$1,072,154
Developer Reimbursement (Fund 45 Lakeside Park)		\$0
Debt Service (Haircut Eligible)		\$0
Misc. Expenditures		\$240,675
Land Sales Revenues		(\$94,760)
Sales Tax Revenues from City		\$0
Interest Revenue		(\$457)
Redevelopment Activities		(\$2,314,912)
<b>TOTAL EXPENDITURES</b>		<b>\$218,802</b>



Orem 85-03A  
2018 Annual Budget

	Yr. 29
Tax Year	2017
Payment Year	2018
<b>ASSESSED VALUATION</b>	
TAXABLE VALUATION	
Real Property	\$84,163,775
Personal Property	\$2,739,012
Centrally Assessed	\$1,739,593
Total Assessed Value	\$88,642,380
<b>Less: Base Year Value</b>	<b>(\$30,552,708)</b>
Incremental Assessed Value	\$58,089,672
<b>TAX INCREMENT ANALYSIS</b>	
Tax Rate	
Utah County	0.000779
Alpine School District	0.007167
Orem City	0.001346
Orem Metropolitan Water District	0.000031
Central Utah Water Conservancy	0.000400
Total Tax Rate	0.009723
<b>PROJECT AREA BUDGET</b>	
TAX INCREMENT REVENUES	
Percent of Tax Increment for Project	0%
Total Tax Increment Received	\$0
Percent of Tax Increment for Haircut	100%
Total Haircut Received	\$148,477
<b>TOTAL DISTRIBUTION</b>	<b>\$148,477</b>
EXPENDITURES	
RDA Admin	\$0
Loan Repayments to City	\$0
Developer Reimbursement (University Square)	\$0
Land Acquisition: Sakura	\$0
Developer Reimbursement (Mazda Orem)	\$125,000
Developer Reimbursement (Fund 45 Lakeside Park)	\$0
Debt Service (Haircut Eligible)	\$220,000
Misc. Expenditures	\$162,602
Land Sales Revenues	\$0
Sales Tax Revenues from City	\$0
Interest Revenue	(\$457)
Redevelopment Activities	(\$358,668)
<b>TOTAL EXPENDITURES</b>	<b>\$148,477</b>



## Orem 85-03A

### 2019 Annual Budget

	Tax Year	
	Payment Year	
		Yr. 30
		2018
		2019
<b>ASSESSED VALUATION</b>		
<b>TAXABLE VALUATION</b>		
Real Property		\$84,163,775
Personal Property		\$2,739,012
Centrally Assessed		\$1,739,593
Total Assessed Value		\$88,642,380
<b>Less: Base Year Value</b>		<b>(\$30,552,708)</b>
Incremental Assessed Value		\$58,089,672
<b>TAX INCREMENT ANALYSIS</b>		
<b>Tax Rate</b>		
Utah County		0.000779
Alpine School District		0.007167
Orem City		0.001346
Orem Metropolitan Water District		0.000031
Central Utah Water Conservancy		0.000400
Total Tax Rate		0.009723
<b>PROJECT AREA BUDGET</b>		
<b>TAX INCREMENT REVENUES</b>		
Percent of Tax Increment for Project		0%
Total Tax Increment Received		\$0
Percent of Tax Increment for Haircut		100%
Total Haircut Received		\$148,477
<b>TOTAL DISTRIBUTION</b>		<b>\$148,477</b>
<b>EXPENDITURES</b>		
RDA Admin		\$0
Loan Repayments to City		\$0
Developer Reimbursement (University Square)		\$0
Land Acquisition: Sakura		\$0
Developer Reimbursement (Mazda Orem)		\$0
Developer Reimbursement (Fund 45 Lakeside Park)		\$0
Debt Service (Haircut Eligible)		\$0
Misc. Expenditures		\$0
Land Sales Revenues		\$0
Sales Tax Revenues from City		\$0
Interest Revenue		\$0
Redevelopment Activities		\$148,477
<b>TOTAL EXPENDITURES</b>		<b>\$148,477</b>



# Orem RDA 85-03A

Ongoing Budget

Multi-Year Project Area Budget Projections

	OPTIONAL EXTENTION OF HAIRCUT INCREMENT				
	28	29	30	31	32
	Tax Year 2016	2017	2018	2019	2020
Payment Year	2017	2018	2019	2020	2021

REVENUES					
<b>TAXABLE VALUATION:</b>					
Locally Assessed Real	84,163,775	84,163,775	84,163,775	84,163,775	84,163,775
Personal Property	2,739,012	2,739,012	2,739,012	2,739,012	2,739,012
Centrally Assessed	1,739,593	1,739,593	1,739,593	1,739,593	1,739,593
Total Assessed Value	88,642,380	88,642,380	88,642,380	88,642,380	88,642,380
Less: Base Year Value	(30,552,708)	(30,552,708)	(30,552,708)	(30,552,708)	(30,552,708)
<b>Total Incremental Assessed Value</b>	<b>\$ 58,089,672</b>				
<b>Real Property/Centrally Assessed Tax Rate:</b>					
Utah County	0.000834	0.000779	0.000779	0.000779	0.000779
Alpine School District	0.007718	0.007167	0.007167	0.007167	0.007167
Orem City	0.001550	0.001346	0.001346	0.001346	0.001346
Orem Metropolitan Water District	0.000033	0.000031	0.000031	0.000031	0.000031
Central Utah Water Conservancy	0.000386	0.000400	0.000400	0.000400	0.000400
Less State Assessing & Collecting	0.000204	0.000180	0.000180	0.000180	0.000180
Less Local Assessing & Collecting	0.000011	0.000010	0.000010	0.000010	0.000010
Total Tax Rate	0.010736	0.009913	0.009913	0.009913	0.009913
Actual Tax Rate Used by County in TIF Calculation	0.010521	0.009723	0.009723	0.009723	0.009723
Actual Tax Rate Used by County in HAIRCUT Calculation	0.002803	0.002556	0.002556	0.002556	0.002556

Percent of Tax Increment for Project	0%	0%	0%	0%	0%
Percent of Tax Increment for Haircut	100%	100%	100%	100%	100%

<b>TAX INCREMENT REVENUES</b>					
Property Tax Increment	\$ -	\$ -	\$ -	\$ -	\$ -
Less Current Year Uncollected	\$ -	\$ -	\$ -	\$ -	\$ -
Plus Prior Years Late Collections	-	-	-	-	-
<b>Total Tax Increment Received by Agency</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>HAIRCUT REVENUES</b>					
Haircut Increment	\$ 162,825	\$ 148,477	\$ 148,477	\$ 148,477	\$ 148,477
Less Current Year Uncollected	\$ 47,332	\$ -	\$ -	\$ -	\$ -
Plus Prior Years Late Collections	8,645	-	-	-	-
<b>Total Haircut Received by Agency</b>	<b>\$ 218,802</b>	<b>\$ 148,477</b>	<b>\$ 148,477</b>	<b>\$ 148,477</b>	<b>\$ 148,477</b>
<b>TOTAL REVENUES RECEIVED</b>	<b>\$ 218,802</b>	<b>\$ 148,477</b>	<b>\$ 148,477</b>	<b>\$ 148,477</b>	<b>\$ 148,477</b>
<b>PASSTHROUGH TO TAXING ENTITIES (ABOVE BASE)</b>					
<b>Estimated Total Pass Through Increment</b>	<b>\$ 404,848.49</b>	<b>\$ 427,366</b>	<b>\$ 427,366</b>	<b>\$ 427,366</b>	<b>\$ 427,366</b>

EXPENDITURES					
Project Area Budget and Uses of Funds					
RDA Admin	-	-	-	-	-
Loan Repayments to City	-	-	-	-	-
Developer Reimbursement (University Square)	-	-	-	-	-
Land Acquisition: Sakura	1,316,103	-	-	-	-
Developer Reimbursement (Mazda Orem)	1,072,154	125,000	-	-	-
Developer Reimbursement (Fund 45 Lakeside Park)	-	-	-	-	-
Debt Service (Haircut Eligible)	-	220,000	-	-	-
Misc. Expenditures	240,675	162,602	-	-	1,638,729
Land Sales Revenues	(94,760)	-	-	-	-
Sales Tax Revenues from City	-	-	-	-	-
Reimbursement to General Fund for Sales Tax Revenue Loan	-	-	-	-	-
Interest Revenue	(457)	(457)	-	-	-
Redevelopment Activities	(2,314,912)	(358,668)	148,477	148,477	(1,490,252)
<b>Total Uses</b>	<b>\$ 218,802</b>	<b>\$ 148,477</b>	<b>\$ 148,477</b>	<b>\$ 148,477</b>	<b>\$ 148,477</b>

## SECTION 5: 85-03B PROJECT AREA

Table 5.1: Project Area Overview

OVERVIEW				
<b>Type</b> RDA	<b>Acreege</b> 87.9	<b>Purpose</b> Commercial Development	<b>Taxing District</b> 090	<b>Tax Rate</b> 0.010521
<b>Creation Year</b> FY 1985	<b>Base Year</b> FY 1985	<b>Term</b> 32 Years	<b>Trigger Year</b> FY 1990	<b>Expiration Year</b> FY 2021
<b>Base Value</b> \$6,854,457	<b>TY 2016 Value</b> \$119,743,869	<b>Increase</b> 1,647%	<b>FY 2017 Increment</b> \$324,982	<b>Remaining Life</b> 4 Years



FIGURE 5.1: BRENT BROWN TOYOTA

The 85-03B Project Area was created in December 1985 and is governed by the (a) “Redevelopment Plan #85-03-B” This document and the associated ordinances and resolutions 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. As the 85-03B Project Area was created prior to 1993, a taxing entity committee was not established for this project Area.

The Project Area is currently intended to draw property tax increment beginning with the taxes collected in 1989 and remitted to the Agency in 1990 and continue for 25 years through and including taxes collected in 2013 and paid to the Agency in 2014. On August 28, 2001, the Agency adopted a resolution

(RDA-R-01-0004-000) solidifying its desire to trigger the extension option for all seven RDA project areas, including this RDA. This action extends the receipt of haircut revenues through and including taxes collected in 2020 and paid to the Agency in 2021. Note that haircut revenues will not include participation from the school district’s portion of the tax rate. The original purpose of the 85-03B Project Area was to establish an attractive entryway into the City, and to convert the property into a more economically productive area. RDA 85-03B is generally located along University Parkway between I-15 and 250 West.

The project area has 122.66 developed acres and no undeveloped acres. Increment is collected on 87.9 aces. New development includes the Brent Brown Toyota Dealership Expansion and the Bus-Rapid-Transit UTA-UDOT Project.



## SOURCES OF FUNDS

Table 5.2: Sources of Funds

FY 2017 SOURCES OF FUNDS	
Haircut Increment	\$316,429
Current Year Uncollected	\$3,611
Prior Years Late Collections	\$4,942
<b>Total Sources of Funds</b>	<b>\$324,982</b>

Table 5.3: Tax Increment Levels

TAX INCREMENT LEVELS		
Years	% of Tax Increment	% of Haircut
1990-1994	100%	0%
1995-1999	80%	20%
2000-2004	75%	25%
2005-2009	70%	30%
2010-2014	60%	40%
2015-2021	0%	100%

## USES OF FUNDS

Table 5.4: Uses of Funds

FY 2017 USES OF FUNDS	
Project Area Administration	\$165,000
Debt Service	\$369,237
Misc.	\$36,400
Contribution to (Use of Fund) Balance	(\$200,968)
Interest (Revenue)	(\$44,687)
<b>Total Uses of Funds</b>	<b>\$324,982</b>

## DEBT SERVICE PAYMENTS

In 2002, Orem City issued \$12,175,000 in Sales Tax Revenue Bonds, Series 2002 to fund various recreational facilities and uses throughout the City. As per Utah State Code Title 17C-1-403, the Agency is using the haircut proceeds from all qualified Project Areas to repay the City for the Sales Tax Revenue debt service expenditures. In FY 2017, the 85-03B Project Area's portion of the debt service was \$369,237.

Table 5.5: Debt Service Payment

FY 2017 DEBT SERVICE PAYMENTS	
Series 2002 Sales Tax Revenue Bond Payment	\$369,237
<b>Total Debt Service Payments</b>	<b>\$369,237</b>



## PROJECT AREA REPORTING AND ACCOUNTABILITY COMPARISON OF FORECASTED AND ACTUAL TAX INCREMENT

Table 5.6: Realization of Tax Increment

REALIZATION OF TAX INCREMENT	FORECASTED	ACTUAL	% OF PROJECTION
<b>TAX INCREMENT GENERATED IN PROJECT AREA</b>			
Property Tax Increment – FY 2017	\$327,945	\$324,982	99.1%

### RELATIVE GROWTH IN ASSESSED VALUE

Table 5.7: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	COMPARISON YEAR	GROWTH RATE	AAGR
<b>ASSESSED VALUES IN PROJECT AREA</b>				
Annual Growth in Project Area (2016 vs. 2015)	\$119,743,869	\$117,571,963	1.8%	1.8%
Lifetime Growth in Project Area (2016 vs. Base)	\$119,743,869	\$6,854,457	1,647%	9.7%
<b>ASSESSED VALUES IN OREM CITY</b>				
Annual Growth in Orem City (2016 vs. 2015)	\$4,871,184,232	\$4,534,129,407	7.4%	7.4%
Lifetime Growth in Orem City (2016 vs. 1997 <sup>9</sup> )	\$4,871,184,232	\$2,173,320,362	124.1%	4.3%

### BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 5.8: Benefits to Taxing Entities

<b>BENEFITS TO TAXING ENTITIES</b>	
*Increased Property Tax Revenues upon Expiration of Project Area	
*Increased Sales Tax Revenues	

### GROWTH IN PROPERTY TAX INCREMENT

Currently the only taxing entity receiving increment is the School District<sup>10</sup>. Annual property tax increment (above the base amount) currently being returned to the School District is 1,230% above what would have been realized if assessed values in the Project Area had remained at base year levels for all the taxing entities. The lifetime increment will increase significantly when the Project Area expires in 2021, and all of the taxing entities receive the benefit of the 451% increase in annual tax increment.

Table 5.9: Growth in Property Tax Increment

GROWTH IN TAX INCREMENT	ORIGINAL BUDGET	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
<b>TAX INCREMENT FROM PROJECT AREA</b>				
Fiscal Year 2017	NA	\$324,982	\$72,116	451%
<b>PASS THROUGH TAX INCREMENT (ABOVE BASE)</b>				
Fiscal Year 2017	NA	\$886,999	\$72,116	1,230%

<sup>9</sup> LYRB used 1997 as a reference point, as it is the earliest year of reliable information available.

<sup>10</sup> Calculation also assumes State and Local Assessing and Collecting rates.



## NOTABLE DEVELOPMENT AND FUTURE PROJECTS

1. Brent Brown Toyota Dealership Expansion
2. Bus-Rapid-Transit UTA-UDOT Project

## 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 5.10: Project Area Budget

FORECASTED PROJECT AREA BUDGET		2018-2021	
<b>REVENUES</b>		<b>TOTALS</b>	<b>NPV@5%</b>
Haircut Increment		\$1,639,726	\$1,419,831
Total Revenue		\$1,639,726	\$1,419,831
<b>EXPENDITURES</b>		<b>TOTALS</b>	<b>NPV@5%</b>
RDA Administration		\$165,000	\$157,143
Debt Service Payments		\$655,891	\$609,785
Reimbursement to General Fund		\$908,863	\$712,118
Misc.		\$198,612	\$155,618
Interest (Revenue)		(\$46,527)	(\$44,311)
Contribution to (Use of Fund) Balance		(\$242,112)	(\$170,521)
Total Expenditures		\$1,639,726	\$1,419,831

## OTHER ISSUES

LYRB has not identified any major areas of concern with the 85-03B 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 sheets represent the FY 2017, FY 2018, FY 2019 and projected multi-year budgets from 2016 to 2020.



# Orem RDA 85-03B

## 2017 Annual Budget

	Yr. 28
Tax Year	2016
Payment Year	2017
<b>ASSESSED VALUATION</b>	
<b>TAXABLE VALUATION</b>	
Real Property	\$118,916,965
Personal Property	\$0
Centrally Assessed	\$826,904
Total Assessed Value	\$119,743,869
<b>Less: Base Year Value</b>	<b>(\$6,854,457)</b>
Incremental Assessed Value	\$112,889,412
<b>TAX INCREMENT ANALYSIS</b>	
<b>Tax Rate</b>	
Utah County	0.000834
Alpine School District	0.007718
Orem City	0.001550
Orem Metropolitan Water District	0.000033
Central Utah Water Conservancy	0.000386
Total Tax Rate	0.010521
<b>PROJECT AREA BUDGET</b>	
<b>TAX INCREMENT REVENUES</b>	
Percent of Tax Increment for Project	0%
Total Tax Increment Received	\$0
Percent of Tax Increment for Haircut	100%
Total Haircut Received	\$324,982
<b>TOTAL DISTRIBUTION</b>	<b>\$324,982</b>
<b>EXPENDITURES</b>	
RDA Admin	\$165,000
Developer Reimbursement (Walmart)	\$0
Developer Reimbursement (Lake Point)	\$0
Developer Reimbursement (Fund 45 Lakeside Park)	\$0
Debt Service (Haircut Eligible)	\$369,237
Misc. Expenditures	\$36,400
Sales Tax Revenue from City	\$0
Interest Revenue	(\$44,687)
Redevelopment Activities	(\$200,968)
<b>TOTAL EXPENDITURES</b>	<b>\$324,982</b>



# Orem RDA 85-03B

## 2018 Annual Budget

	Yr. 29
Tax Year	2017
Payment Year	2018
<b>ASSESSED VALUATION</b>	
TAXABLE VALUATION	
Real Property	\$118,916,965
Personal Property	\$0
Centrally Assessed	\$826,904
Total Assessed Value	\$119,743,869
<b>Less: Base Year Value</b>	<b>(\$6,854,457)</b>
Incremental Assessed Value	\$112,889,412
<b>TAX INCREMENT ANALYSIS</b>	
Tax Rate	
Utah County	0.000779
Alpine School District	0.007167
Orem City	0.001346
Orem Metropolitan Water District	0.000031
Central Utah Water Conservancy	0.000400
Total Tax Rate	0.009723
<b>PROJECT AREA BUDGET</b>	
TAX INCREMENT REVENUES	
Percent of Tax Increment for Project	0%
Total Tax Increment Received	\$0
Percent of Tax Increment for Haircut	100%
Total Haircut Received	\$288,545
<b>TOTAL DISTRIBUTION</b>	<b>\$288,545</b>
EXPENDITURES	
RDA Admin	\$165,000
Developer Reimbursement (Walmart)	\$0
Developer Reimbursement (Lake Point)	\$0
Developer Reimbursement (Fund 45 Lakeside Park)	\$0
Debt Service (Haircut Eligible)	\$330,000
Misc. Expenditures	\$0
Sales Tax Revenue from City	\$0
Interest Revenue	(\$44,687)
Redevelopment Activities	(\$161,767)
<b>TOTAL EXPENDITURES</b>	<b>\$288,545</b>



# Orem RDA 85-03B

## 2019 Annual Budget

	Yr. 30
Tax Year	2018
Payment Year	2019
<b>ASSESSED VALUATION</b>	
TAXABLE VALUATION	
Real Property	\$118,916,965
Personal Property	\$0
Centrally Assessed	\$826,904
Total Assessed Value	\$119,743,869
<b>Less: Base Year Value</b>	<b>(\$6,854,457)</b>
Incremental Assessed Value	\$112,889,412
<b>TAX INCREMENT ANALYSIS</b>	
Tax Rate	
Utah County	0.000779
Alpine School District	0.007167
Orem City	0.001346
Orem Metropolitan Water District	0.000031
Central Utah Water Conservancy	0.000400
Total Tax Rate	0.009723
<b>PROJECT AREA BUDGET</b>	
TAX INCREMENT REVENUES	
Percent of Tax Increment for Project	0%
Total Tax Increment Received	\$0
Percent of Tax Increment for Haircut	100%
Total Haircut Received	\$288,545
<b>TOTAL DISTRIBUTION</b>	<b>\$288,545</b>
EXPENDITURES	
RDA Admin	\$0
Developer Reimbursement (Walmart)	\$0
Developer Reimbursement (Lake Point)	\$0
Developer Reimbursement (Fund 45 Lakeside Park)	\$0
Debt Service (Haircut Eligible)	\$0
Misc. Expenditures	\$0
Sales Tax Revenue from City	\$0
Interest Revenue	\$0
Redevelopment Activities	\$288,545
<b>TOTAL EXPENDITURES</b>	<b>\$288,545</b>



# Orem RDA 85-03B

Ongoing Budget

Multi-Year Project Area Budget Projections

	OPTIONAL EXTENTION OF HAIRCUT INCREMENT				
	28	29	30	31	32
	Tax Year 2016	2017	2018	2019	2020
Payment Year	2017	2018	2019	2020	2021

REVENUES					
<b>TAXABLE VALUATION:</b>					
Locally Assessed Real	118,916,965	118,916,965	118,916,965	118,916,965	118,916,965
Personal Property	-	-	-	-	-
Centrally Assessed	826,904	826,904	826,904	826,904	826,904
Total Assessed Value	119,743,869	119,743,869	119,743,869	119,743,869	119,743,869
Less: Base Year Value	(6,854,457)	(6,854,457)	(6,854,457)	(6,854,457)	(6,854,457)
<b>Total Incremental Assessed Value</b>	<b>\$ 112,889,412</b>				
<b>Real Property/Centrally Assessed Tax Rate:</b>					
Utah County	0.000834	0.000779	0.000779	0.000779	0.000779
Alpine School District	0.007718	0.007167	0.007167	0.007167	0.007167
Orem City	0.001550	0.001346	0.001346	0.001346	0.001346
Orem Metropolitan Water District	0.000033	0.000031	0.000031	0.000031	0.000031
Central Utah Water Conservancy	0.000386	0.000400	0.000400	0.000400	0.000400
Less State Assessing & Collecting	0.000204	0.000180	0.000180	0.000180	0.000180
Less Local Assessing & Collecting	0.000011	0.000010	0.000010	0.000010	0.000010
Total Tax Rate	0.010736	0.009913	0.009913	0.009913	0.009913
Actual Tax Rate Used by County in TIF Calculation	0.010521	0.009723	0.009723	0.009723	0.009723
Actual Tax Rate Used by County in HAIRCUT Calculation	0.002803	0.002556	0.002556	0.002556	0.002556

Percent of Tax Increment for Project	0%	0%	0%	0%	0%
Percent of Tax Increment for Haircut	100%	100%	100%	100%	100%

<b>TAX INCREMENT REVENUES</b>					
Property Tax Increment	\$ -	\$ -	\$ -	\$ -	\$ -
Less Current Year Uncollected					
Plus Prior Years Late Collections					
<b>Total Tax Increment Received by Agency</b>	<b>\$ -</b>				
<b>HAIRCUT REVENUES</b>					
Haircut Increment	\$ 316,429	\$ 288,545	\$ 288,545	\$ 288,545	\$ 288,545
Less Current Year Uncollected	\$ 3,611				
Plus Prior Years Late Collections	4,942				
<b>Total Haircut Received by Agency</b>	<b>\$ 324,982</b>	<b>\$ 288,545</b>	<b>\$ 288,545</b>	<b>\$ 288,545</b>	<b>\$ 288,545</b>
<b>TOTAL REVENUES RECEIVED</b>	<b>\$ 324,982</b>	<b>\$ 288,545</b>	<b>\$ 288,545</b>	<b>\$ 288,545</b>	<b>\$ 288,545</b>
<b>PASSTHROUGH TO TAXING ENTITIES (ABOVE BASE)</b>					
<b>Estimated Total Pass Through Increment</b>	<b>\$ 886,999</b>	<b>\$ 830,527</b>	<b>\$ 830,527</b>	<b>\$ 830,527</b>	<b>\$ 830,527</b>

EXPENDITURES					
Project Area Budget and Uses of Funds					
RDA Admin	165,000	165,000	-	-	-
Developer Reimbursement (Walmart)	-	-	-	-	-
Developer Reimbursement (Lake Point)	-	-	-	-	-
Developer Reimbursement (Fund 45 Lakeside Park)	-	-	-	-	-
Debt Service (Haircut Eligible)	369,237	330,000	-	-	-
Reimbursement to General Fund for Haircut Eligible Expenses	-	-	-	-	908,863
Misc. Expenditures	36,400	-	-	-	198,612
Sales Tax Revenue from City	-	-	-	-	-
Reimbursement to General Fund for Sales Tax Revenue Loan	-	-	-	-	-
Optional Reimbursement to General Fund for Infrastructure	-	-	-	-	-
Interest Revenue	(44,687)	(44,687)	-	-	-
Redevelopment Activities	(200,968)	(161,767)	288,545	288,545	(818,930)
<b>Total Uses</b>	<b>\$ 324,982</b>	<b>\$ 288,545</b>	<b>\$ 288,545</b>	<b>\$ 288,545</b>	<b>\$ 288,545</b>

## SECTION 6: 85-04 PROJECT AREA

Table 6.1: Project Area Overview

OVERVIEW				
<b>Type</b> RDA	<b>Acreage</b> 78.56	<b>Purpose</b> Commercial & Rec Development	<b>Taxing District</b> 090	<b>Tax Rate</b> 0.010521
<b>Creation Year</b> FY 1986	<b>Base Year</b> FY 1986	<b>Term</b> 32 Years	<b>Trigger Year</b> FY 1990	<b>Expiration Year</b> FY 2021
<b>Base Value</b> \$18,801,179	<b>TY 2016 Value</b> \$55,812,851	<b>Increase</b> 197%	<b>FY 2017 Increment</b> \$126,365	<b>Remaining Life</b> 4 Years



FIGURE 6.1: SUN CANYON VILLAS

The 85-04 Project Area was created in September 1986 and is governed by the (a) “Redevelopment Plan for Redevelopment Project No. 85-04” This document and the associated ordinances and resolutions 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. As the 85-04 Project Area was created prior to 1993, a taxing entity committee was not established for this project Area.

The Project Area is currently intended to draw property tax increment beginning with the taxes collected in 1989 and remitted to the Agency in 1990 and continue for 25 years through and including taxes collected in 2013 and paid to the Agency in 2014. On August 28, 2001, the Agency

adopted a resolution (RDA-R-01-0004-000) solidifying its desire to trigger the extension option for all seven RDA project areas, including this RDA. This action extends the receipt of haircut revenues through and including taxes collected in 2020 and paid to the Agency in 2021. Note that haircut revenues will not include participation from the school district’s portion of the tax rate. The original purpose of the 85-04 Project Area was to convert the property into a more economically productive area and encourage owners of property within the Project Area to appropriately develop and beautify their properties. RDA 85-04 is located generally along State Street between 400 South and 900 South.



The project area contains 4.95 undeveloped acres and 107.38 developed. Tax increment is being collected on 78.56 of the acres. New development includes the Sun Canyon Apartments and Retail and the Meadow Gold Plant has been demolished. The remaining vacant land is currently on the market.



## SOURCES OF FUNDS

Table 6.2: Sources of Funds

FY 2017 SOURCES OF FUNDS	
Prior Year Late Collection Increment	\$8,155
Haircut Increment	\$103,744
Current Year Uncollected	(\$7,444)
Prior Year Late Collection	\$21,910
<b>Total Sources of Funds</b>	<b>\$126,365</b>

Table 6.3: Tax Increment Levels

TAX INCREMENT LEVELS		
Years	% of Tax Increment	% of Haircut
1990-1994	100%	0%
1995-1999	80%	20%
2000-2004	75%	25%
2005-2009	70%	30%
2010-2014	60%	40%
2015-2021	0%	100%

## USES OF FUNDS

Table 6.4: Uses of Funds

FY 2017 USES OF FUNDS	
RDA Administration	\$50,000
Debt Service	\$127,613
Misc.	\$177,941
Redevelopment Activities	(\$229,189)
<b>Total Uses of Funds</b>	<b>\$126,365</b>

## DEBT SERVICE PAYMENTS

In 2002, Orem City issued \$12,175,000 in Sales Tax Revenue Bonds, Series 2002 to fund various recreational facilities and uses throughout the City. As per Utah State Code Title 17C-1-403, the Agency is using the haircut proceeds from all qualified Project Areas to repay the City for the Sales Tax Revenue debt service expenditures. In FY 2017, the 85-04 Project Area's portion of the debt service was \$127,613.

Table 6.5: Debt Service Payment

FY 2017 DEBT SERVICE PAYMENTS	
Series 2002 Sales Tax Revenue Bond Payment	\$127,613
<b>Total Debt Service Payments</b>	<b>\$127,613</b>



## PROJECT AREA REPORTING AND ACCOUNTABILITY COMPARISON OF FORECASTED AND ACTUAL TAX INCREMENT

Table 6.6: Realization of Tax Increment

REALIZATION OF TAX INCREMENT	FORECASTED	ACTUAL	% OF PROJECTION
<b>TAX INCREMENT GENERATED IN PROJECT AREA</b>			
Property Tax Increment – FY 2017	\$106,076	\$126,365	119.1%

### RELATIVE GROWTH IN ASSESSED VALUE

Table 6.7: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	COMPARISON YEAR	GROWTH RATE	AAGR
<b>ASSESSED VALUES IN PROJECT AREA</b>				
Annual Growth in Project Area (2016 vs. 2015)	\$55,812,851	\$54,613,573	2.2%	2.2%
Lifetime Growth in Project Area (2016 vs. Base)	\$55,812,851	\$18,801,179	197%	3.69%
<b>ASSESSED VALUES IN OREM CITY</b>				
Annual Growth in Orem City (2016 vs. 2015)	\$4,871,184,232	\$4,534,129,407	7.4%	7.4%
Lifetime Growth in Orem City (2016 vs. 1997 <sup>11</sup> )	\$4,871,184,232	\$2,173,320,362	124.1%	4.3%

### BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 6.8: Benefits to Taxing Entities

BENEFITS TO TAXING ENTITIES	
*Increased Property Tax Revenues upon Expiration of Project Area	
*Increased Sales Tax Revenues	

### GROWTH IN PROPERTY TAX INCREMENT

Currently the only taxing entity receiving increment is the School District.<sup>12</sup> Annual property tax increment (above the base amount) currently being returned to the School District is 137% above what would have been realized if assessed values in the Project Area had remained at base year levels for all the taxing entities.

Table 6.9: Growth in Property Tax Increment

GROWTH IN TAX INCREMENT	ORIGINAL BUDGET	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
<b>TAX INCREMENT FROM PROJECT AREA</b>				
Fiscal Year 2017	NA	\$126,365	\$197,807	64%
<b>PASS THROUGH TAX INCREMENT (ABOVE BASE)</b>				
Fiscal Year 2017	NA	\$270,993	\$197,807	137%

<sup>11</sup> LYRB used 1997 as a reference point, as it is the earliest year of reliable information available.

<sup>12</sup> Calculation also assumes State and Local Assessing and Collecting rates.



## NOTABLE DEVELOPMENT AND FUTURE PROJECTS

1. Sun Canyon Villas
2. Meadow Gold Plant Demolition

## 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 6.10: Project Area Budget

PROJECT AREA BUDGET	FY 2018-2021	
	TOTALS	NPV@5%
<b>REVENUES</b>		
Haircut Increment	\$378,407	\$335,453
Total Revenue	\$378,407	\$335,453
<b>EXPENDITURES</b>		
RDA Administration	\$300,000	\$270,268
Misc.	\$91,911	\$76,045
Redevelopment Activities	(\$13,504)	(\$10,860)
Total Expenditures	\$378,407	\$335,453

## OTHER ISSUES

LYRB has not identified any major areas of concern with the 85-04 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 sheets represent the FY 2017, FY 2018, FY 2019 and projected multi-year budgets from 2016 to 2020.



# OREM RDA 85-04

## 2017 Annual Budget

		Yr. 28
	Tax Year	2016
	Payment Year	2017
<b>ASSESSED VALUATION</b>		
<b>TAXABLE VALUATION</b>		
Real Property		\$54,249,844
Personal Property		\$0
Centrally Assessed		\$1,563,007
Total Assessed Value		\$55,812,851
<b>Less: Base Year Value</b>		<b>(\$18,801,179)</b>
Incremental Assessed Value		\$37,011,672
<b>TAX INCREMENT ANALYSIS</b>		
<b>Tax Rate</b>		
Utah County		0.000834
Alpine School District		0.007718
Orem City		0.001550
Orem Metropolitan Water District		0.000033
Central Utah Water Conservancy		0.000386
Total Tax Rate		0.010521
<b>PROJECT AREA BUDGET</b>		
<b>TAX INCREMENT REVENUES</b>		
Percent of Tax Increment for Project		0%
Total Tax Increment Received		\$8,155
Percent of Tax Increment for Haircut		100%
Total Haircut Received		\$118,209
<b>TOTAL DISTRIBUTION</b>		<b>\$126,365</b>
<b>EXPENDITURES</b>		
RDA Admin		\$50,000
Developer Reimbursement (Carter Const.)		\$0
Developer Reimbursement (Village East Assoc.)		\$0
Developer Reimbursement (Fund 45 Lakeside Park)		\$0
Debt Service (Haircut Eligible)		\$127,613
Misc. Expenditures		\$177,941
Interest Revenue		\$0
Redevelopment Activities		(\$229,189)
<b>TOTAL EXPENDITURES</b>		<b>\$126,365</b>



# OREM RDA 85-04

## 2018 Annual Budget

		Yr. 29
	Tax Year	2017
	Payment Year	2018
<b>ASSESSED VALUATION</b>		
<b>TAXABLE VALUATION</b>		
Real Property		\$54,249,844
Personal Property		\$0
Centrally Assessed		\$1,563,007
Total Assessed Value		\$55,812,851
<b>Less: Base Year Value</b>		<b>(\$18,801,179)</b>
Incremental Assessed Value		\$37,011,672
<b>TAX INCREMENT ANALYSIS</b>		
<b>Tax Rate</b>		
Utah County		0.000779
Alpine School District		0.007167
Orem City		0.001346
Orem Metropolitan Water District		0.000031
Central Utah Water Conservancy		0.000400
Total Tax Rate		0.009723
<b>PROJECT AREA BUDGET</b>		
<b>TAX INCREMENT REVENUES</b>		
Percent of Tax Increment for Project		0%
Total Tax Increment Received		\$0
Percent of Tax Increment for Haircut		100%
Total Haircut Received		\$94,602
<b>TOTAL DISTRIBUTION</b>		<b>\$94,602</b>
<b>EXPENDITURES</b>		
RDA Admin		\$100,000
Developer Reimbursement (Carter Const.)		\$0
Developer Reimbursement (Village East Assoc.)		\$0
Developer Reimbursement (Fund 45 Lakeside Park)		\$0
Debt Service (Haircut Eligible)		\$0
Misc. Expenditures		\$3,312
Interest Revenue		\$0
Redevelopment Activities		(\$8,710)
<b>TOTAL EXPENDITURES</b>		<b>\$94,602</b>



# OREM RDA 85-04

## 2019 Annual Budget

		Yr. 30
	Tax Year	2018
	Payment Year	2019
<b>ASSESSED VALUATION</b>		
<b>TAXABLE VALUATION</b>		
Real Property		\$54,249,844
Personal Property		\$0
Centrally Assessed		\$1,563,007
Total Assessed Value		\$55,812,851
<b>Less: Base Year Value</b>		<b>(\$18,801,179)</b>
Incremental Assessed Value		\$37,011,672
<b>TAX INCREMENT ANALYSIS</b>		
<b>Tax Rate</b>		
Utah County		0.000779
Alpine School District		0.007167
Orem City		0.001346
Orem Metropolitan Water District		0.000031
Central Utah Water Conservancy		0.000400
Total Tax Rate		0.009723
<b>PROJECT AREA BUDGET</b>		
<b>TAX INCREMENT REVENUES</b>		
Percent of Tax Increment for Project		0%
Total Tax Increment Received		\$0
Percent of Tax Increment for Haircut		100%
Total Haircut Received		\$94,602
<b>TOTAL DISTRIBUTION</b>		<b>\$94,602</b>
<b>EXPENDITURES</b>		
RDA Admin		\$100,000
Developer Reimbursement (Carter Const.)		\$0
Developer Reimbursement (Village East Assoc.)		\$0
Developer Reimbursement (Fund 45 Lakeside Park)		\$0
Debt Service (Haircut Eligible)		\$0
Misc. Expenditures		\$0
Interest Revenue		\$0
Redevelopment Activities		(\$5,398)
<b>TOTAL EXPENDITURES</b>		<b>\$94,602</b>



# Orem RDA 85-04

Ongoing Budget  
Multi-Year Project Area Budget Projections

	OPTIONAL EXTENTION OF HAIRCUT INCREMENT				
	28	29	30	31	32
	Tax Year 2016	2017	2018	2019	2020
Payment Year	2017	2018	2019	2020	2021
<b>REVENUES</b>					
<b>TAXABLE VALUATION:</b>					
Locally Assessed Real	54,249,844	54,249,844	54,249,844	54,249,844	54,249,844
Personal Property	-	-	-	-	-
Centrally Assessed	1,563,007	1,563,007	1,563,007	1,563,007	1,563,007
Total Assessed Value	55,812,851	55,812,851	55,812,851	55,812,851	55,812,851
Less: Base Year Value	(18,801,179)	(18,801,179)	(18,801,179)	(18,801,179)	(18,801,179)
<b>Total Incremental Assessed Value</b>	<b>\$ 37,011,672</b>	<b>\$ 37,011,672</b>	<b>\$ 37,011,672</b>	<b>\$ 37,011,672</b>	<b>\$ 37,011,672</b>
<b>Real Property/Centrally Assessed Tax Rate:</b>					
Utah County	0.000834	0.000779	0.000779	0.000779	0.000779
Alpine School District	0.007718	0.007167	0.007167	0.007167	0.007167
Orem City	0.001550	0.001346	0.001346	0.001346	0.001346
Orem Metropolitan Water District	0.000033	0.000031	0.000031	0.000031	0.000031
Central Utah Water Conservancy	0.000386	0.000400	0.000400	0.000400	0.000400
Less State Assessing & Collecting	0.000204	0.000180	0.000180	0.000180	0.000180
Less Local Assessing & Collecting	0.000011	0.000010	0.000010	0.000010	0.000010
Total Tax Rate	0.010736	0.009913	0.009913	0.009913	0.009913
Actual Tax Rate Used by County in TIF Calculation	0.010521	0.009723	0.009723	0.009723	0.009723
Actual Tax Rate Used by County in HAIRCUT Calculation	0.002803	0.002556	0.002556	0.002556	0.002556
<b>Percent of Tax Increment for Project</b>					
	0%	0%	0%	0%	0%
<b>Percent of Tax Increment for Haircut</b>					
	100%	100%	100%	100%	100%
<b>TAX INCREMENT REVENUES</b>					
Property Tax Increment	\$ -	\$ -	\$ -	\$ -	\$ -
Less Current Year Uncollected	\$ -	\$ -	\$ -	\$ -	\$ -
Plus Prior Years Late Collections	8,155	-	-	-	-
<b>Total Tax Increment Received by Agency</b>	<b>\$ 8,155</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>HAIRCUT REVENUES</b>					
Haircut Increment	\$ 103,744	\$ 94,602	\$ 94,602	\$ 94,602	\$ 94,602
Less Current Year Uncollected	\$ (7,444)	\$ -	\$ -	\$ -	\$ -
Plus Prior Years Late Collections	21,910	-	-	-	-
<b>Total Haircut Received by Agency</b>	<b>\$ 118,209</b>	<b>\$ 94,602</b>	<b>\$ 94,602</b>	<b>\$ 94,602</b>	<b>\$ 94,602</b>
<b>TOTAL REVENUES RECEIVED</b>	<b>\$ 126,365</b>	<b>\$ 94,602</b>	<b>\$ 94,602</b>	<b>\$ 94,602</b>	<b>\$ 94,602</b>
<b>PASSTHROUGH TO TAXING ENTITIES (ABOVE BASE)</b>					
<b>Estimated Total Pass Through Increment</b>	<b>\$ 270,993</b>	<b>\$ 272,295</b>	<b>\$ 272,295</b>	<b>\$ 272,295</b>	<b>\$ 272,295</b>
<b>EXPENDITURES</b>					
Project Area Budget and Uses of Funds					
RDA Admin	\$ 50,000	\$ 100,000	\$ 100,000	\$ 50,000	\$ 50,000
Developer Reimbursement (Carter Const)	-	-	-	-	-
Developer Reimbursement (Village East Assoc.)	-	-	-	-	-
Developer Reimbursement (Fund 45 Lakeside Park)	-	-	-	-	-
Debt Service (Haircut Eligible)	127,613	-	-	-	-
Optional Reimbursement to General Fund 2010 Roadway Project (Orem Blvd)	-	-	-	-	-
Optional Reimbursement to Water Fund 2001 400 S Waterline Change Order #5	-	-	-	-	-
Misc. Expenditures	177,941	3,312	-	-	88,599
Interest Revenue	-	-	-	-	-
Redevelopment Activities	(229,189)	(8,710)	(5,398)	44,602	(43,997)
<b>Total Uses</b>	<b>\$ 126,365</b>	<b>\$ 94,602</b>	<b>\$ 94,602</b>	<b>\$ 94,602</b>	<b>\$ 94,602</b>

## SECTION 7: 87-10 PROJECT AREA

Table 7.1: Project Area Overview

OVERVIEW				
<b>Type</b> RDA	<b>Acreage</b> 108.45	<b>Purpose</b> Commercial Development	<b>Taxing District</b> 090	<b>Tax Rate</b> 0.010521
<b>Creation Year</b> FY 1988	<b>Base Year</b> FY 1988	<b>Term</b> 32 Years	<b>Trigger Year</b> FY 1991	<b>Expiration Year</b> FY 2022
<b>Base Value</b> \$32,815,215	<b>TY 2016 Value</b> \$88,234,425	<b>Increase</b> 169%	<b>FY 2017 Increment</b> \$161,631	<b>Remaining Life</b> 5 Years



FIGURE 7.1: ASADO RESTAURANT

The 87-10 Project Area was created in February 1988 and is governed by the (a) “Amended Redevelopment Plan for Amended Redevelopment Project No. 87-10”, adopted by the City in August 1989. This document and the associated ordinances and resolutions 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. As the 87-10 Project Area was created prior to 1993, a taxing entity committee was not established for this project Area.

The Project Area is currently intended to draw property tax increment beginning with the taxes collected in 1990 and remitted to the Agency in 1991 and continue for 25 years through and including taxes collected in 2014 and paid to the Agency in 2015. On August 28, 2001, the Agency adopted a resolution (RDA-R-01-0004-000) solidifying its desire to trigger the extension option for all seven RDA project areas, including this RDA. This action extends the receipt of haircut revenues through and including taxes collected in 2021 and paid to the Agency in 2022. Note that haircut revenues will not include participation from the school district’s portion of the tax rate. The original purpose of the 87-10 Project Area was to convert the property into a more economically productive area, encourage owners of property within the Project Area to appropriately develop and beautify their properties and take the steps necessary to promote the aim of improving the Project Area and preventing further deterioration within the area. RDA 87-10 is located generally along State Street between 400 North and 400 South.



The project area includes .37 undeveloped acres and 108.08 developed acres. New projects in the area include the construction of Phase 2 and 3 of the Midtown 360 development, the Asado Restaurant, as well as Fyzical Office, a physical therapy office.



## SOURCES OF FUNDS

Table 7.2: Sources of Funds

FY 2017 SOURCES OF FUNDS	
Haircut Increment	\$55,340
Current Year Uncollected	(\$1,224)
Prior Year Late Collection	\$7,515
<b>Total Sources of Funds</b>	<b>\$161,631</b>

Table 7.3: Tax Increment Levels

TAX INCREMENT LEVELS		
Years	% of Tax Increment	% of Haircut
1991-1995	100%	0%
1996-2000	80%	20%
2001-2005	75%	25%
2006-2010	70%	30%
2011-2015	60%	40%
2016-2022	0%	100%

## USES OF FUNDS

Table 7.4: Uses of Funds

FY 2017 USES OF FUNDS	
Debt Service Payments	\$211,631
Misc.	\$52,423
Interest (Revenue)	(\$99,546)
Redevelopment Activities	(\$2,877)
<b>Total Uses of Funds</b>	<b>\$161,631</b>

## DEBT SERVICE PAYMENTS

In 2002, Orem City issued \$12,175,000 in Sales Tax Revenue Bonds, Series 2002 to fund various recreational facilities and uses throughout the City. As per Utah State Code Title 17C-1-403, the Agency is using the haircut proceeds from all qualified Project Areas to repay the City for the Sales Tax Revenue debt service expenditures. In FY 2017, the 87-10 Project Area's portion of the debt service was \$211,631.

Table 7.5: Debt Service Payment

FY 2017 DEBT SERVICE PAYMENTS	
Series 2002 Sales Tax Revenue Bond Payment	\$211,631
<b>Total Debt Service Payments</b>	<b>\$211,631</b>



## PROJECT AREA REPORTING AND ACCOUNTABILITY COMPARISON OF FORECASTED AND ACTUAL TAX INCREMENT

Table 7.6: Realization of Tax Increment

REALIZATION OF TAX INCREMENT	ACTUAL	FORECASTED	% OF PROJECTION
<b>TAX INCREMENT GENERATED IN PROJECT AREA</b>			
Property Tax Increment – FY 2017	\$161,631	\$129,616	124.7%

## RELATIVE GROWTH IN ASSESSED VALUE

Table 7.7: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	COMPARISON YEAR	GROWTH RATE	AAGR
<b>ASSESSED VALUES IN PROJECT AREA</b>				
Annual Growth In Project Area (2016 vs. 2015)	\$88,234,425	\$72,574,692	21.6%	21.6%
Lifetime Growth in Project Area (2016 vs. Base)	\$88,234,425	\$32,815,215	169%	3.6%
<b>ASSESSED VALUES IN OREM CITY</b>				
Annual Growth in Orem City (2016 vs. 2015)	\$4,871,184,232	\$4,534,129,407	7.4%	7.4%
Lifetime Growth in Orem City (2016 vs. 1997 <sup>13</sup> )	\$4,871,184,232	\$2,173,320,362	124.1%	4.3%

## BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 7.8: Benefits to Taxing Entities

BENEFITS TO TAXING ENTITIES
*Increased Property Tax Revenues upon Expiration of Project Area
*Increased Sales Tax Revenues

Currently the only taxing entity receiving increment is the School District. Annual property tax increment (above the base amount) currently being returned to the School District is 126% above what would have been realized if assessed values in the Project Area had remained at base year levels for all the taxing entities.

Table 7.9: Growth in Property Tax Increment

GROWTH IN TAX INCREMENT	ORIGINAL BUDGET REVENUES	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
<b>TAX INCREMENT FROM PROJECT AREA</b>				
Fiscal Year 2017	NA	\$161,631	\$345,249	47%
<b>PASS THROUGH INCREMENT (ABOVE BASE)</b>				
Fiscal Year 2017	NA	\$433,349	\$345,249	126%

<sup>13</sup> LYRB used 1997 as a reference point, as it is the earliest year of reliable information available.



## NOTABLE DEVELOPMENT AND FUTURE PROJECTS

1. Midtown 360 Phase 2 and 3
2. Asado Restaurant
3. Fysical Office

## 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 7.10: Project Area Budget

PROJECT AREA BUDGET		FY 2018-2022	
REVENUES	TOTALS	NPV@5%	
Haircut Increment	\$708,258	\$613,277	
Total Revenue	\$708,258	\$613,277	
EXPENDITURES	TOTALS	NPV@5%	
Debt Service Payments	\$320,000	\$297,506	
RDA Administration	\$60,000	\$51,830	
Reimbursement to General Fund for Haircut Eligible Expenses	\$200,000	\$190,476	
Miscellaneous Expenditures	\$484,268	\$404,961	
Redevelopment Activities	(\$356,010)	(\$331,496)	
Total Expenditures	\$708,258	\$613,277	

## OTHER ISSUES

LYRB has not identified any other major areas of concern with the 87-10 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 sheets represent the FY 2017, FY 2018, FY 2019, and the full multi-year budget from 2016 to 2021 for the 87-10 Project Area.



## OREM RDA 87-10

### 2017 Annual Budget

	Tax Year	
	Payment Year	
	2016	2017
<b>ASSESSED VALUATION</b>		
<b>TAXABLE VALUATION</b>		
Real Property	\$84,539,295	
Personal Property	\$2,641,834	
Centrally Assessed	\$1,053,296	
Total Assessed Value	\$88,234,425	
<b>Less: Base Year Value</b>	<b>(\$32,815,215)</b>	
Incremental Assessed Value	\$55,419,210	
<b>TAX INCREMENT ANALYSIS</b>		
<b>Tax Rate</b>		
Utah County	0.000834	
Alpine School District	0.007718	
Orem City	0.001550	
Orem Metropolitan Water District	0.000033	
Central Utah Water Conservancy	0.000386	
Total Tax Rate	0.010521	
<b>PROJECT AREA BUDGET</b>		
<b>TAX INCREMENT REVENUES</b>		
Percent of Tax Increment for Project	0%	
Total Tax Increment Received	\$0	
Percent of Tax Increment for Haircut	100%	
Total Haircut Received	\$161,631	
<b>TOTAL DISTRIBUTION</b>	<b>\$161,631</b>	
<b>EXPENDITURES</b>		
RDA Admin	\$0	
Developer Reimbursement (Boyer)	\$0	
Developer Reimbursement (Fund 45 Lakeside Park)	\$0	
Debt Service (Haircut Eligible)	\$211,631	
Misc. Expenditures	\$52,423	
Sales Tax Revenue from City	\$0	
Interest Revenue	(\$2,877)	
Redevelopment Activities	(\$99,546)	
<b>TOTAL EXPENDITURES</b>	<b>\$161,631</b>	



## OREM RDA 87-10

### 2018 Annual Budget

	Tax Year	Yr. 28
Payment Year	2017	2018
<b>ASSESSED VALUATION</b>		
<b>TAXABLE VALUATION</b>		
Real Property		\$84,539,295
Personal Property		\$2,641,834
Centrally Assessed		\$1,053,296
Total Assessed Value		\$88,234,425
<b>Less: Base Year Value</b>		<b>(\$32,815,215)</b>
Incremental Assessed Value		\$55,419,210
<b>TAX INCREMENT ANALYSIS</b>		
<b>Tax Rate</b>		
Utah County		0.000779
Alpine School District		0.007167
Orem City		0.001346
Orem Metropolitan Water District		0.000031
Central Utah Water Conservancy		0.000400
Total Tax Rate		0.009723
<b>PROJECT AREA BUDGET</b>		
<b>TAX INCREMENT REVENUES</b>		
Percent of Tax Increment for Project		0%
Total Tax Increment Received		\$0
Percent of Tax Increment for Haircut		100%
Total Haircut Received		\$141,652
<b>TOTAL DISTRIBUTION</b>		<b>\$141,652</b>
<b>EXPENDITURES</b>		
RDA Admin		\$0
Developer Reimbursement (Boyer)		\$0
Developer Reimbursement (Fund 45 Lakeside Park)		\$0
Debt Service (Haircut Eligible)		\$160,000
Misc. Expenditures		\$151,160
Sales Tax Revenue from City		\$0
Interest Revenue		\$0
Redevelopment Activities		(\$369,508)
<b>TOTAL EXPENDITURES</b>		<b>\$141,652</b>



## OREM RDA 87-10

### 2019 Annual Budget

	Tax Year	
	Payment Year	
		Yr. 29
		2018
		2019
<b>ASSESSED VALUATION</b>		
<b>TAXABLE VALUATION</b>		
Real Property		\$84,539,295
Personal Property		\$2,641,834
Centrally Assessed		\$1,053,296
Total Assessed Value		\$88,234,425
<b>Less: Base Year Value</b>		<b>(\$32,815,215)</b>
Incremental Assessed Value		\$55,419,210
<b>TAX INCREMENT ANALYSIS</b>		
<b>Tax Rate</b>		
Utah County		0.000779
Alpine School District		0.007167
Orem City		0.001346
Orem Metropolitan Water District		0.000031
Central Utah Water Conservancy		0.000400
Total Tax Rate		0.009723
<b>PROJECT AREA BUDGET</b>		
<b>TAX INCREMENT REVENUES</b>		
Percent of Tax Increment for Project		0%
Total Tax Increment Received		\$0
Percent of Tax Increment for Haircut		100%
Total Haircut Received		\$141,652
<b>TOTAL DISTRIBUTION</b>		<b>\$141,652</b>
<b>EXPENDITURES</b>		
RDA Admin		\$0
Developer Reimbursement (Boyer)		\$0
Developer Reimbursement (Fund 45 Lakeside Park)		\$0
Debt Service (Haircut Eligible)		\$160,000
Misc. Expenditures		\$0
Sales Tax Revenue from City		\$0
Interest Revenue		\$0
Redevelopment Activities		(\$18,348)
<b>TOTAL EXPENDITURES</b>		<b>\$141,652</b>



# Orem RDA 87-10

Ongoing Budget  
Multi-Year Project Area Budget Projections

	OPTIONAL EXTENTION OF HAIRCUT INCREMENT					
	27	28	29	30	31	32
	Tax Year Payment Year 2016 2017	2017 2018	2018 2019	2019 2020	2020 2021	2021 2022
<b>REVENUES</b>						
<b>TAXABLE VALUATION</b>						
Locally Assessed Real	84,539,295	84,539,295	84,539,295	84,539,295	84,539,295	84,539,295
Personal Property	2,641,834	2,641,834	2,641,834	2,641,834	2,641,834	2,641,834
Centrally Assessed	1,053,296	1,053,296	1,053,296	1,053,296	1,053,296	1,053,296
Total Assessed Value	88,234,425	88,234,425	88,234,425	88,234,425	88,234,425	88,234,425
Less: Base Year Value	(32,815,215)	(32,815,215)	(32,815,215)	(32,815,215)	(32,815,215)	(32,815,215)
<b>Total Incremental Assessed Value</b>	<b>\$ 55,419,210</b>	<b>\$ 55,419,210</b>	<b>\$ 55,419,210</b>	<b>\$ 55,419,210</b>	<b>\$ 55,419,210</b>	<b>\$ 55,419,210</b>
<b>Real Property/Centrally Assessed Tax Rate:</b>						
Utah County	0.000834	0.000779	0.000779	0.000779	0.000779	0.000779
Alpine School District	0.007718	0.007167	0.007167	0.007167	0.007167	0.007167
Orem City	0.001550	0.001346	0.001346	0.001346	0.001346	0.001346
Orem Metropolitan Water District	0.000033	0.000031	0.000031	0.000031	0.000031	0.000031
Central Utah Water Conservancy	0.000386	0.000400	0.000400	0.000400	0.000400	0.000400
Less State Assessing & Collecting	0.000204	0.000180	0.000180	0.000180	0.000180	0.000180
Less Local Assessing & Collecting	0.000011	0.000010	0.000010	0.000010	0.000010	0.000010
Total Tax Rate	0.010736	0.009913	0.009913	0.009913	0.009913	0.009913
Actual Tax Rate Used by County in TIF Calculation	0.010521	0.009723	0.009723	0.009723	0.009723	0.009723
Actual Tax Rate Used by County in HAIRCUT Calculation	0.002803	0.002556	0.002556	0.002556	0.002556	0.002556
<b>Percent of Tax Increment for Project</b>						
	0%	0%	0%	0%	0%	0%
<b>Percent of Tax Increment for Haircut</b>						
	100%	100%	100%	100%	100%	100%
<b>TAX INCREMENT REVENUES</b>						
Property Tax Increment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Current Year Uncollected	-	-	-	-	-	-
Plus Prior Years Late Collections	-	-	-	-	-	-
<b>Total Tax Increment Received by Agency</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>HAIRCUT REVENUES</b>						
Haircut Increment	\$ 155,340	\$ 141,652	\$ 141,652	\$ 141,652	\$ 141,652	\$ 141,652
Less Current Year Uncollected	(1,224)	-	-	-	-	-
Plus Prior Years Late Collections	7,515	-	-	-	-	-
<b>Total Haircut Received by Agency</b>	<b>\$ 161,631</b>	<b>\$ 141,652</b>				
<b>TOTAL REVENUES RECEIVED</b>	<b>\$ 161,631</b>	<b>\$ 141,652</b>				
<b>PASSTHROUGH TO TAXING ENTITITES (ABOVE BASE)</b>						
Estimated Total Pass Through Increment	\$ 433,349	\$ 407,719	\$ 407,719	\$ 407,719	\$ 407,719	\$ 407,719
<b>EXPENDITURES</b>						
Project Area Budget and Uses of Funds						
RDA Admin	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ -
Developer Reimbursement (Boyer)	-	-	-	-	-	-
Developer Reimbursement (Fund 45 Lakeside Park)	-	-	-	-	-	-
Debt Service (Haircut Eligible)	211,631	160,000	160,000	-	-	-
Reimbursement to General Fund for Haircut Eligible Expenses	-	200,000	-	-	-	-
Misc. Expenditures	52,423	151,160	-	-	-	333,108
Sales Tax Revenue from City	-	-	-	-	-	-
Reimbursement to General Fund for Sales Tax Revenue Loan	-	-	-	-	-	-
Interest Revenue	(2,877)	-	-	-	-	-
Redevelopment Activities	(99,546)	(369,508)	(18,348)	81,652	141,652	(191,456)
<b>Total Uses</b>	<b>\$ 161,631</b>	<b>\$ 141,652</b>				

## SECTION 8: 90-08 PROJECT AREA

Table 8.1: Project Area Overview

OVERVIEW				
<b>Type</b> RDA	<b>Acreage</b> 63.25	<b>Purpose</b> Commercial Development	<b>Taxing District</b> 090	<b>Tax Rate</b> 0.010521
<b>Creation Year</b> FY 1990	<b>Base Year</b> FY 1990	<b>Term</b> 32 Years <sup>14</sup>	<b>Trigger Year</b> FY 1993	<b>Expiration Year</b> FY 2024
<b>Base Value</b> \$11,172,447	<b>TY 2016 Value</b> \$39,874,116	<b>Increase</b> 103%	<b>FY 2017 Increment</b> \$216,037	<b>Remaining Life</b> 7 Years



FIGURE 8.1: STARBUCKS

The 90-08 Project Area was created in May 1990 and is governed by the (a) “Redevelopment Plan for Redevelopment Project No. 90-08”. This document and the associated ordinances and resolutions 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. As the 90-08 Project Area was created prior to 1993, a taxing entity committee was not established for this project Area.

The Project Area drew its first property tax increment beginning with the taxes collected in 1992 and remitted to the Agency in 1993. Historically, 100% of the tax increment was

paid to the Agency for TY 1992 and TY 1993 and then no additional increment was remitted to the Agency until the taxes collected in 2001 and remitted in 2002. The increment received for TY 2001 was at the 80% participation level, which continued for five years. Payments in the project area are anticipated to follow the normal pattern (seen in the chart below) through the last year of 60% increment, which will be the taxes collected in 2020 and remitted to the Agency in 2021.

On August 28, 2001, the Agency adopted a resolution (RDA-R-01-0004-000) solidifying its desire to trigger the extension option for all seven RDA project areas, including this RDA. Because the first year of tax increment was TY 1992, there will only be three years of additional tax increment (haircut) at 100% before the maximum window of 32 years is met. Note that haircut revenues will not include participation from the school district’s portion of the tax rate. The original purpose of the 90-08 Project Area was to convert the property into a more economically productive area, encourage owners of property within the Project Area to appropriately develop and beautify their properties and take the steps necessary to promote the aim of improving the



<sup>14</sup> The actual term of tax increment financing will be 28 years, as no increment was taken for a period of time.

Project Area and preventing further deterioration within the area. RDA 90-08 is generally located on the east side of State Street between 1200 North and 500 North.

The Project Area includes 1.48 undeveloped acres and 61.77 developed acres. An indoor climate controlled storage building is currently under construction and a Starbucks was recently completed.

## SOURCES OF FUNDS

Table 8.2: Sources of Funds

2017 SOURCES OF FUNDS	
Property Tax Increment	\$181,182
Current Year Uncollected Increment	(\$1,174)
Prior Year Late Collections	\$3,641
Haircut Increment	\$32,180
Current Year Uncollected Haircut	(\$208)
Prior Year Late Collections	\$415
<b>Total Sources of Funds</b>	<b>\$216,037</b>

Table 8.3: Tax Increment Levels

TAX INCREMENT LEVELS		
Years	% of Tax Increment	% of Haircut
1993-2001 <sup>15</sup>	100%	0%
2002-2006	80%	20%
2007-2011	75%	25%
2012-2016	70%	30%
2017-2021	60%	40%
2022-2024	0%	100%

## USES OF FUNDS

Table 8.4: Uses of Funds

2017 USES OF FUNDS	
RDA Administration	\$100,000
Debt Service	\$52,387
Interest (Revenue)	(\$4,096)
Redevelopment Activity	\$67,746
<b>Total Uses of Funds</b>	<b>\$216,037</b>

## DEBT SERVICE PAYMENTS

In 2002, Orem City issued \$12,175,000 in Sales Tax Revenue Bonds, Series 2002 to fund various recreational facilities and uses throughout the City. As per Utah State Code Title 17C-1-403, the Agency is using the haircut proceeds from all qualified Project Areas to repay the City for the Sales Tax Revenue debt service expenditures. In FY 2017, the 90-08 Project Area's portion of the debt service was \$52,387.

Table 8.5: Debt Service Payment

FY 2017 DEBT SERVICE PAYMENTS	
-------------------------------	--

<sup>15</sup> FY 1995 – 2001 had no increment, increment restarted in FY 2002 at 80%. The regular pattern continues from there. But, this means the 32nd year of increment for haircut purposes will be FY 2024 and there will only be three years of 100% haircut instead of the typical seven years.

Series 2002 Sales Tax Revenue Bond Payment	\$52,387
Total Debt Service Payments	\$52,387

## PROJECT AREA REPORTING AND ACCOUNTABILITY COMPARISON OF FORECASTED AND ACTUAL TAX INCREMENT

Table 8.6: Realization of Tax Increment

REALIZATION OF TAX INCREMENT	ACTUAL	FORECASTED	% OF PROJECTION
<b>TAX INCREMENT GENERATED IN PROJECT AREA</b>			
Property Tax Increment – FY 2017	\$216,037	\$210,708	103%

## RELATIVE GROWTH IN ASSESSED VALUE

Table 8.7: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	COMPARISON YEAR	GROWTH RATE	AAGR
<b>ASSESSED VALUES IN PROJECT AREA</b>				
Annual Growth In Project Area (2016 vs. 2015)	\$39,874,116	\$37,925,179	5.1%	5.1%
Lifetime Growth in Project Area (2016 vs. Base)	\$39,874,116	\$11,172,447	257%	5.0%
<b>ASSESSED VALUES IN OREM CITY</b>				
Annual Growth in Orem City (2016 vs. 2015)	\$4,871,184,232	\$4,534,129,407	7.4%	7.4%
Lifetime Growth in Orem City (2016 vs. 1997 <sup>16</sup> )	\$4,871,184,232	\$2,173,320,362	124.1%	4.3%

## BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 8.8: Benefits to Taxing Entities

BENEFITS TO TAXING ENTITIES
*Increased Property Tax Revenues upon Expiration of Project Area
*Increased Sales Tax Revenues

## GROWTH IN PROPERTY TAX INCREMENT

Currently the only taxing entity receiving increment is the School District. Annual property tax increment (above the base amount) currently being returned to the School District is 42% above what would have been realized if assessed values in the Project Area had remained at base year levels for all the taxing entities. The total increment will increase significantly when the Project Area expires in 2024, and all of the taxing entities receive the benefit of the 202% increase in annual tax increment.

Table 8.9: Growth in Property Tax Increment

GROWTH IN TAX INCREMENT	ORIGINAL BUDGET REVENUES	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
<b>TAX INCREMENT FROM PROJECT AREA</b>				

<sup>16</sup> LYRB used 1997 as a reference point, as it is the earliest year of reliable information available.



Fiscal Year 2017	NA	\$216,037	\$117,545	184%
<b>PASS THROUGH INCREMENT (ABOVE BASE)</b>				
Fiscal Year 2017	NA	\$92,104	\$117,545	78%

## NOTABLE DEVELOPMENT AND FUTURE PROJECTS

1. Starbucks
2. Indoor climate controlled storage building

## 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 8.10: Project Area Budget

PROJECT AREA BUDGET	2018-2024	
	TOTALS	NPV @5%
<b>REVENUES</b>		
Property Tax Increment	\$669,759	\$593,733
Haircut Increment	\$337,463	\$268,415
Total Revenue	\$1,007,222	\$862,148
<b>EXPENDITURES</b>		
RDA Administration	\$1,115,000	\$857,938
Debt Service	\$265,200	\$207,791
Optional Reimbursement to Fund 800 N Traffic Signal	\$37,253	\$26,475
Interest Revenue	\$37,252	\$35,478
Redevelopment Activities	(\$447,483)	(\$255,639)
Total Expenditures	\$1,007,222	\$862,148

## OTHER ISSUES

LYRB has not identified any other major areas of concern with the 90-08 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 sheets represent the FY 2017, FY 2018, FY 2019, and the full multi-year budget from 2016 to 2023 for the 90-08 Project Area.



# Orem RDA 90-08

## 2017 Annual Budget

	Yr. 21
Tax Year	2016
Payment Year	2017
<b>ASSESSED VALUATION</b>	
<b>TAXABLE VALUATION</b>	
Real Property	\$38,936,955
Personal Property	\$0
Centrally Assessed	\$937,161
Total Assessed Value	\$39,874,116
<b>Less: Base Year Value</b>	<b>(\$11,172,447)</b>
Incremental Assessed Value	\$28,701,669
<b>TAX INCREMENT ANALYSIS</b>	
<b>Tax Rate</b>	
Utah County	0.000834
Alpine School District	0.007718
Orem City	0.001550
Orem Metropolitan Water District	0.000033
Central Utah Water Conservancy	0.000386
Total Tax Rate	0.010521
<b>PROJECT AREA BUDGET</b>	
<b>TAX INCREMENT REVENUES</b>	
Percent of Tax Increment for Project	60%
Total Tax Increment Received	\$183,650
Percent of Tax Increment for Haircut	40%
Total Haircut Received	\$32,387
<b>TOTAL DISTRIBUTION</b>	<b>\$216,037</b>
<b>EXPENDITURES</b>	
RDA Admin	\$100,000
Developer Reimbursement (Woodbury Amsource)	\$0
Developer Reimbursement (Fund 45 Lakeside Park)	\$0
Debt Service (Haircut Eligible)	\$52,387
Misc. Expenditures	\$0
Interest Revenue	(\$4,096)
Redevelopment Activities	\$67,746
<b>TOTAL EXPENDITURES</b>	<b>\$216,037</b>



# Orem RDA 90-08

## 2018 Annual Budget

	Yr. 22
Tax Year	2017
Payment Year	2018
<b>ASSESSED VALUATION</b>	
<b>TAXABLE VALUATION</b>	
Real Property	\$38,936,955
Personal Property	\$0
Centrally Assessed	\$937,161
Total Assessed Value	\$39,874,116
<b>Less: Base Year Value</b>	<b>(\$11,172,447)</b>
Incremental Assessed Value	\$28,701,669
<b>TAX INCREMENT ANALYSIS</b>	
<b>Tax Rate</b>	
Utah County	0.000779
Alpine School District	0.007167
Orem City	0.001346
Orem Metropolitan Water District	0.000031
Central Utah Water Conservancy	0.000400
Total Tax Rate	0.009723
<b>PROJECT AREA BUDGET</b>	
<b>TAX INCREMENT REVENUES</b>	
Percent of Tax Increment for Project	60%
Total Tax Increment Received	\$167,440
Percent of Tax Increment for Haircut	40%
Total Haircut Received	\$29,345
<b>TOTAL DISTRIBUTION</b>	<b>\$196,784</b>
<b>EXPENDITURES</b>	
RDA Admin	\$50,000
Developer Reimbursement (Woodbury Amsource)	\$0
Developer Reimbursement (Fund 45 Lakeside Park)	\$0
Debt Service (Haircut Eligible)	\$0
Misc. Expenditures	\$37,252
Interest Revenue	\$0
Redevelopment Activities	\$109,532
<b>TOTAL EXPENDITURES</b>	<b>\$196,784</b>



# Orem RDA 90-08

## 2019 Annual Budget

	Yr. 23
Tax Year	2018
Payment Year	2019
<b>ASSESSED VALUATION</b>	
<b>TAXABLE VALUATION</b>	
Real Property	\$38,936,955
Personal Property	\$0
Centrally Assessed	\$937,161
Total Assessed Value	\$39,874,116
<b>Less: Base Year Value</b>	<b>(\$11,172,447)</b>
Incremental Assessed Value	\$28,701,669
<b>TAX INCREMENT ANALYSIS</b>	
<b>Tax Rate</b>	
Utah County	0.000779
Alpine School District	0.007167
Orem City	0.001346
Orem Metropolitan Water District	0.000031
Central Utah Water Conservancy	0.000400
Total Tax Rate	0.009723
<b>PROJECT AREA BUDGET</b>	
<b>TAX INCREMENT REVENUES</b>	
Percent of Tax Increment for Project	60%
Total Tax Increment Received	\$167,440
Percent of Tax Increment for Haircut	40%
Total Haircut Received	\$29,345
<b>TOTAL DISTRIBUTION</b>	<b>\$196,784</b>
<b>EXPENDITURES</b>	
RDA Admin	\$50,000
Developer Reimbursement (Woodbury Amsource)	\$0
Developer Reimbursement (Fund 45 Lakeside Park)	\$0
Debt Service (Haircut Eligible)	\$0
Misc. Expenditures	\$0
Interest Revenue	\$0
Redevelopment Activities	\$146,784
<b>TOTAL EXPENDITURES</b>	<b>\$196,784</b>



# Orem RDA 90-08

Ongoing Budget  
Multi-Year Project Area Budget Projections

	OPTIONAL EXTENTION OF HAIRCUT								
	Tax Year Payment Year	21 2016 2017	22 2017 2018	23 2018 2019	24 2019 2020	25 2020 2021	26 2021 2022	27 2022 2023	28 2023 2024
<b>REVENUES</b>									
<b>TAXABLE VALUATION:</b>									
Locally Assessed Real Personal Property		38,936,955	38,936,955	38,936,955	38,936,955	38,936,955	38,936,955	38,936,955	38,936,955
Centrally Assessed		937,161	937,161	937,161	937,161	937,161	937,161	937,161	937,161
Total Assessed Value		39,874,116	39,874,116	39,874,116	39,874,116	39,874,116	39,874,116	39,874,116	39,874,116
Less: Base Year Value		(11,172,447)	(11,172,447)	(11,172,447)	(11,172,447)	(11,172,447)	(11,172,447)	(11,172,447)	(11,172,447)
<b>Total Incremental Assessed Value</b>		<b>\$ 28,701,669</b>							
<b>Real Property/Centrally Assessed Tax Rate:</b>									
Utah County		0.000834	0.000779	0.000779	0.000779	0.000779	0.000779	0.000779	0.000779
Alpine School District		0.007718	0.007167	0.007167	0.007167	0.007167	0.007167	0.007167	0.007167
Orem City		0.001550	0.001346	0.001346	0.001346	0.001346	0.001346	0.001346	0.001346
Orem Metropolitan Water District		0.000033	0.000031	0.000031	0.000031	0.000031	0.000031	0.000031	0.000031
Central Utah Water Conservancy		0.000386	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400
Less State Assessing & Collecting		0.000204	0.000180	0.000180	0.000180	0.000180	0.000180	0.000180	0.000180
Less Local Assessing & Collecting		0.000011	0.000010	0.000010	0.000010	0.000010	0.000010	0.000010	0.000010
Total Tax Rate		0.010736	0.009913	0.009913	0.009913	0.009913	0.009913	0.009913	0.009913
Actual Tax Rate Used by County in TIF Calculation		0.010521	0.009723	0.009723	0.009723	0.009723	0.009723	0.009723	0.009723
Actual Tax Rate Used by County in HAIRCUT Calculation		0.002803	0.002556	0.002556	0.002556	0.002556	0.002556	0.002556	0.002556
<b>Percent of Tax Increment for Project</b>		<b>60%</b>	<b>60%</b>	<b>60%</b>	<b>60%</b>	<b>60%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>
<b>Percent of Tax Increment for Haircut</b>		<b>40%</b>	<b>40%</b>	<b>40%</b>	<b>40%</b>	<b>40%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>TAX INCREMENT REVENUES</b>									
Property Tax Increment	\$	181,182	167,440	167,440	167,440	167,440	-	-	-
Less Current Year Uncollected	\$	(1,174)							
Plus Prior Years Late Collections		3,641							
<b>Total Tax Increment Received by Agency</b>	<b>\$</b>	<b>183,650</b>	<b>167,440</b>	<b>167,440</b>	<b>167,440</b>	<b>167,440</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>HAIRCUT REVENUES</b>									
Haircut Increment	\$	32,180	29,345	29,345	29,345	29,345	73,361	73,361	73,361
Less Current Year Uncollected	\$	(208)							
Plus Prior Years Late Collections		415							
<b>Total Haircut Received by Agency</b>	<b>\$</b>	<b>32,387</b>	<b>29,345</b>	<b>29,345</b>	<b>29,345</b>	<b>29,345</b>	<b>73,361</b>	<b>73,361</b>	<b>73,361</b>
<b>TOTAL REVENUES RECEIVED</b>	<b>\$</b>	<b>216,037</b>	<b>196,784</b>	<b>196,784</b>	<b>196,784</b>	<b>196,784</b>	<b>73,361</b>	<b>73,361</b>	<b>73,361</b>
<b>PASSTHROUGH TO TAXING ENTITIES (ABOVE BASE)</b>									
<b>Estimated Total Pass Through Increment</b>	<b>\$</b>	<b>92,104</b>	<b>87,735</b>	<b>87,735</b>	<b>87,735</b>	<b>87,735</b>	<b>211,158</b>	<b>211,158</b>	<b>211,158</b>
<b>EXPENDITURES</b>									
<b>Project Area Budget and Uses of Funds</b>									
RDA Admin	\$	100,000	50,000	50,000	40,000	30,000	315,000	315,000	315,000
Developer Reimbursement (Woodbury Amsource)		-	-	-	-	-	-	-	-
Developer Reimbursement (Fund 45 Lakeside Park)		-	-	-	-	-	-	-	-
Debt Service (Haircut Eligible)		52,387	-	-	-	-	-	265,200	-
Optional Reimbursement to Road Fund 2001 800 N Slate St. Traffic		-	-	-	-	-	-	-	37,253
Misc. Expenditures		-	37,252	-	-	-	-	-	-
Interest Revenue		(4,096)	-	-	-	-	-	-	-
Redevelopment Activities		67,746	109,532	146,784	156,784	166,784	(241,639)	(506,839)	(278,892)
<b>Total Uses</b>	<b>\$</b>	<b>216,037</b>	<b>196,784</b>	<b>196,784</b>	<b>196,784</b>	<b>196,784</b>	<b>73,361</b>	<b>73,361</b>	<b>73,361</b>

## SECTION 9: UNIVERSITY PLACE CDA PROJECT AREA

Table 9.1: Project Area Overview

OVERVIEW				
<b>Type</b> CDA	<b>Acreage</b> 129.59	<b>Purpose</b> Commercial Development	<b>Taxing District</b> 090	<b>Tax Rate</b> 0.010521
<b>Creation Year</b> FY 2013	<b>Base Year</b> FY 2013	<b>Term</b> 20 Years	<b>Trigger Year</b> FY 2018	<b>Expiration Year</b> FY 2037
<b>Base Value</b> \$129,187,998	<b>TY 2016 Value</b> \$170,552,335	<b>Increase</b> 32%	<b>FY 2017 Increment</b> -	<b>Remaining Life</b> 20 Years

The University Place CDA was approved in 2014. The Project Area is located on the northeast corner of State Street and University Parkway. The majority of the Project Area will be a master planned development surrounding the University Mall with the intention of revitalizing the area. The planned development includes residential, office, retail, and civic uses. The Project Area is comprised of 133.6 acres total, including approximately 85 affected parcels, equaling 129.6 acres of property (4.0 acres are rights of way and other variances in acreage associated with County records of individual parcels). The Project Area is currently scheduled to trigger in 2018.

Development that has taken place during the last year includes the completion of the UPStar office building and underground parking garage, the Orchard Park and a new indoor/outdoor children's play area. Buildings A,B, and D of the Aston apartment complex are finished and occupied and Building C is near completion. Additionally, Big Al's Sporting Goods, RC Willey, Tucanos and numerous new restaurants and smaller retailers have opened in the Project Area. Further, Phase I of a five-story parking garage is under construction, as well as a Trader Joe's store.