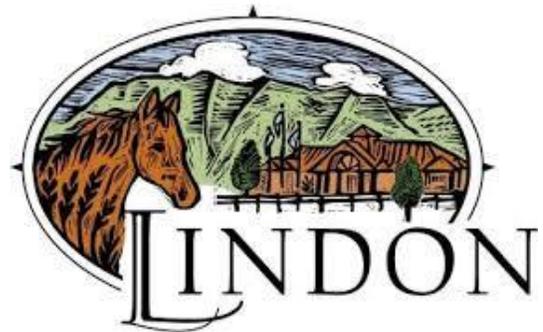


2019

ANNUAL REPORT

REDEVELOPMENT AGENCY OF LINDON CITY, UT

IN COMPLIANCE WITH UTAH CODE SECTION 17C-1-603



NOVEMBER 1ST REPORT

Dated as of November 1, 2019

Prepared by Lewis Young Robertson & Burningham, Inc.


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SECTION 1: EXECUTIVE SUMMARY

INTRODUCTION

Lewis Young Robertson & Burningham, Inc (“LYRB”) has been retained by the Lindon City Redevelopment Agency (the “Agency” or “RDA”) to assist with the management of the Agency’s two active project areas (**State Street #1 RDA** and **700 North CDA**). LYRB has compiled various creation and related documents associated with the project areas, created annual and multi-year budgets, and created a proprietary Excel-based software package to manage the Agency’s Project Areas in the future.

The purpose of this report, in part, is to fulfill the requirements of Utah Code section 17C-1-603 – Agency Report. As reporting requirements were adopted in legislation and became effective in 2011 and later expanded in 2016, this report facilitates the RDA’s compliance with the code, providing the data necessary to fulfill these reporting requirements. This section of Utah Code mandates that the Agency provide an annual report to the County Auditor, the State Tax Commission, the State Board of Education, as well as each of the taxing entities that levy a tax on property from which the Agency collects tax increment (“Tax Increment” as defined in the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, 17C). The taxing entities involved in the various project areas of the Lindon City RDA, to which this report is being provided, are summarized in the table below.

TABLE 1.1

RDA TAXING ENTITIES	
Adam Cowie	Lindon City
Kristen Colson	Lindon City
Burt Harvey	Utah County
Rob Smith	Alpine School District
John Jacobs	North Utah Valley Water Conservancy District
Gene Shawcroft	Central Utah Water Conservancy District
Lisa Anderson	Central Utah Water Conservancy District
Deborah Jacobson	Utah State Board of Education
Lorraine Austin	Utah State Board of Education
Scott Smith	Utah State Tax Commission

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 Lindon Redevelopment Agency, including descriptions of each Project Area, significant activities, project timelines, actual and estimated tax increment collections, and any other information pertinent to the taxing entities.

Provided in this report is an overview of the Lindon **State Street #1 RDA** Project Area and the **Lindon 700 North CDA** Project Area, including summaries of the current and projected budgets, sources and uses of tax increment funds, Project Area growth statistics, and identification of certain concerns/needs.

OVERVIEW OF THE REDEVELOPMENT AGENCY

The Lindon City Redevelopment Agency was created by the Lindon 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.

The **State Street #1 Project Area** was created prior 1998, and as such, has been classified as a Redevelopment Area, or RDA. The **700 North Project Area**, which was created in 2014, has been classified as a CDA.

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 1.2

GOVERNING BOARD OF TRUSTEES		
Jeff Acerson	Chairman	Lindon City Mayor
Mike Vanchiere	Board Member	Lindon City Council Member
Matt Bean	Board Member	Lindon City Council Member
Jacob Hoyt	Board Member	Lindon City Council Member
Van Broderick	Board Member	Lindon City Council Member
Carolyn Lundberg	Board Member	Lindon City Council Member

TABLE 1.3

STAFF MEMBERS	
Adam Cowie	City Administrator/RDA Executive Secretary
Kristen Colson	Finance Director
Michael Florence	Planning and Economic Development Director

SUMMARY OF REQUESTED FUNDS

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

TABLE 1.4

ESTIMATE OF TAX INCREMENT TO BE PAID TO THE AGENCY		
	Tax Year 2019 (Ending Dec 31, 2019)	Tax Year 2020 (Beginning Jan 1, 2020)
Property Tax Increment		
State Street #1 RDA	\$219,322	Expires
700 North	104,761	121,638
Total Revenue	\$324,083	\$121,638

GENERAL OVERVIEW OF ALL PROJECT AREAS

TABLE 1.5

COMBINED BUDGET - ALL PROJECT AREAS		
REVENUES	FY 2019 TOTALS	REMAINING LIFE (INCLUDES 2019 TOTALS)
Property Tax Increment		
State Street #1	\$207,300	\$426,622
700 North CDA	99,172	5,057,531
Current Uncollected		
State Street #1	(34,370)	(34,370)
700 North CDA	(3,978)	(3,978)
Prior Year Uncollected		
State Street #1	81,356	115,726
700 North CDA	7,034	11,012
Total Increment	\$356,513	\$5,572,543
Interest		
State Street #1	8,515	8,515
700 North CDA	1,823	1,823
District 3 (Expired)	10,324	-
Westside (Expired)	513	-
Total Revenue	\$377,689	\$5,582,882
EXPENDITURES	FY 2019 TOTALS	REMAINING LIFE (INCLUDES 2019 TOTALS)
Professional and Tech Services		
State Street #1	\$1,500	\$3,000
700 North CDA	6,400	121,600
District 3 (Expired)	5,148	-
Admin Costs		
State Street #1	28,410	63,927
700 North CDA	10,214	194,066
Development Activities/Fund Balance		
State Street #1	232,891	449,567
700 North CDA	87,437	4,750,722
District 3 (Expired)	5,176	-
Westside (Expired)	513	-
Total Expenditures	\$377,689	\$5,582,882

TABLE 1.6: ACTIVE PROJECT AREA ACREAGE AND RESIDENTIAL HOUSING

ACREAGE			
	Developed	Undeveloped	Residential
State Street #1	43	14	5
700 North CDA	114	169	7

SECTION 2: STATE STREET #1 RDA

TABLE 2.1

OVERVIEW				
<u>Type</u> RDA	<u>Acreage</u> Developed 43 Undeveloped 14 Total 57	<u>Purpose</u> Commercial Development	<u>Taxing District</u> 080-0003	<u>Tax Rate</u> 0.0093710
<u>Creation Year</u> FY 1986	<u>Base Year</u> FY 1986	<u>Term</u> 25 Years	<u>Trigger Year</u> FY 1996	<u>Expiration Year</u> FY 2020
<u>Base Value</u> \$6,408,435	<u>TY 2018 Value</u> \$43,277,428	<u>Increase</u> 575%	<u>FY 2019 Increment</u> \$254,285	<u>Jobs Created</u> 430

The State Street #1 RDA Project Area was created in July 1986 with the purpose of incentivizing commercial development along State Street in Lindon. This includes the prevention of further deterioration of the Project Area, the renovation and beautification of existing businesses, as well as the attraction of the new businesses to the Project Area. Land uses in the Project Area consist of general commercial, public and semi-public, and institutional. As the State Street #1 RDA Project Area was created prior to 1993, a taxing entity committee was not required and therefore was not established for this Project Area.

The Project Area lies entirely within Lindon City and includes approximately 57 acres of property located along State Street from 200 South to 600 North. A map of the Project Area is included as **Exhibit A**.

Since inception in 1986, the Project Area has helped an estimated 30 new businesses, with approximately a dozen new retail and office facilities constructed. These businesses include used auto dealerships, medical offices, a retail strip mall, a service station, and various restaurants and other businesses. A 104-unit senior housing development was recently entitled adjacent to the RDA but is currently unconstructed.

SOURCES OF FUNDS

TABLE 2.2

2019 SOURCES OF FUNDS	
<i>FY2019 Calculated Property Tax Increment</i>	\$207,300
Current Year Uncollected	(34,370)
FY2019 Property Tax Increment Collected and Paid to Agency ¹	172,929
Previous Years Tax Increment Paid in FY2019	81,356
Total Tax Increment	\$254,285
Interest Earnings	8,515
Contribution of Fund Balance	-
Total Sources of Funds	\$262,801

¹ Utah County remits tax increment to the Agency only to the point that it has been collected from property owners. Thus, although the Agency may be entitled to \$207,300 in annual tax increment for FY 2019, the County remits to the Agency the portion that has been collected, as well as any tax increment that has been collected from property owners for prior year delinquencies. Delinquent tax increment collected in FY 2019 was \$34,370.

TABLE 2.3

TAX INCREMENT LEVELS	
Years	Percentage (%)
1996 - 2000	100%
2001 - 2005	80%
2006 - 2010	75%
2011 - 2015	70%
2016 - 2020	60%

USES OF FUNDS

TABLE 2.4

2019 USES OF FUNDS	
Professional and Tech Services	\$1,500
Administrative Costs	28,410
Development Activities/Fund Balance	232,891
Total Uses of Funds	\$262,801

TABLE 2.5

REALIZATION OF TAX INCREMENT	FORECASTED	ACTUAL	% OF PROJECTION
TAX INCREMENT GENERATED IN PROJECT AREA			
Property Tax Increment – FY 2019	\$240,132	\$254,285	106%

PROJECT AREA REPORTING AND ACCOUNTABILITY

RELATIVE GROWTH IN ASSESSED VALUE

TABLE 2.6

GROWTH IN ASSESSED VALUES				
ASSESSED VALUES IN PROJECT AREA	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in Project Area (2018 vs. 2017)	\$43,277,428	\$42,865,305	1.0%	1.0%
Lifetime Growth in Project Area (2018 vs. 2000)	\$43,277,428	\$15,266,534	183%	6.0%
Lifetime Growth in Project Area Since Base Year (2018 vs. 1986)	\$43,277,428	\$6,408,435	575.3%	6.2%
ASSESSED VALUES IN LINDON CITY	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in City (2018 vs. 2017)	\$1,450,559,632	\$1,364,637,874	6.3%	6.3%
Lifetime Growth in City (2018 vs. 2000 ²)	\$1,450,559,632	400,177,580	262.5%	7.4%

² LYRB 2000 values for these comparisons because this is the first year for which reliable data is available.



The value of the Project Area increased by \$412,123, or an increase of 1.0 percent and has grown at an average annual growth rate (“AAGR”) of 6.2 percent since the base year. The City’s overall growth has been slightly higher at 7.4 percent since 2000.

BENEFITS DERIVED BY TAXING ENTITIES

TABLE 2.7

BENEFITS TO TAXING ENTITIES	
Creation of approximately 430 new jobs	
Increased Sales Tax Revenues	
Increased Property Tax Revenues	
- 40% of tax increment flows back to taxing entities in years 2016 - 2020	
- 100% of tax increment flows to taxing entities after 2020	

Approximately 430 jobs have been created in the Project Area since its inception. This includes an estimated 55 new jobs that were created in the Project Area due to the completion of the public safety building. Several new businesses entered the Project Area over the past year, replacing existing companies and it is estimated that other job numbers have remained relatively steady.

The taxing entities are currently benefiting from increased assessed values in the Project Area as a portion of tax increment is being returned to the taxing entities. As shown below, the annual tax increment (above the base amount) currently being returned to taxing entities is 230 percent above what would have been realized if assessed values in the Project Area had remained at base year levels. This pass-through increment will continue to increase as assessed values rise and the tax increment level received by the Agency ratchets downward throughout the life of the RDA. Since FY 2009, the total tax increment (above the base amount) received by the taxing entities is 160 percent above what would have been realized based on base year levels.

TABLE 2.8

TAX INCREMENT FROM PROJECT AREA	ORIGINAL BUDGET REVENUES ³	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
FY 2019	N/A	\$254,285	\$60,053	423.4%
Lifetime Revenue (FY 2009-2019) ⁴	N/A	\$3,894,754	\$772,691	504.1%
<hr/>				
PASS THROUGH INCREMENT (ABOVE BASE)	ORIGINAL BUDGET REVENUES	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
FY 2019	N/A	\$138,200	\$60,053	230.1%
Lifetime Revenue (FY 2009-2019)	N/A	\$1,232,765	\$772,691	159.5%

³ The Original Budget is not available for this Project Area.

⁴ Lifetime revenues have been calculated using figures from FY 2009 - FY 2019 because tax increment revenue numbers are not available for all years preceding FY 2009.

NOTABLE DEVELOPMENT AND FUTURE PROJECTS DEVELOPMENT TO DATE

The Castle Park Offices referred to in the 2018 report are now called Lindon's Edge Office Park. The City has approved building plans and the project is expected to begin construction by the end of the year. The City has also been working with a developer on a development located at 570 N State Street. The project will consist of a mix of office buildings, retail, fast food and storage units. This property is one of the largest commercial properties left on State Street and will have an important impact on the City.

TABLE 2.9

NOTABLE BUSINESSES	
7-Eleven	MEI Rigging & Crating
A+ Benefits	Performance Motors
Ace Rents	Oteo Restaurant
Asay Auto	Pizza Factory
Auto Source Motors	Pleasant Dental
Big Island Sams Restaurant	Prestman Auto
Four Chairs Furniture	Quest Staffing Services
Galilee Grill & Bakery	Smoking Apple Restaurant
Kid to Kid	Sunbow Distribution
State Street Feed and Supply	Utah Valley Auto Brokers
Low Book Sales	Dalton's Steakhouse
Magleby's Fresh	
Textile Team Outlet Design	

 Additional improvements include:

- New Aquatics and City Center parking lot access from State Street
- Roadway reconstruction along Center Street, between Main Street and State Street
- Sidewalk installation along Center Street adjacent to the Community Center parking lot
- Installation of a traffic light at the intersection of Center Street and State Street, improving the flow of traffic and access to businesses in the Project Area
- Reconstruction of parking facilities surrounding the Lindon Community Center and Lindon Aquatics Center
- Design and construction of ADA access path from Lindon Heritage Trail to State Street bus stop at City Center Park, in partnership with UTA
- Construction of a new Public Safety Building within the Project Area ⁵
- Reconstruction of 400 North roadway between State Street and approximately 200 West
- Installation of street lighting on State Street along the City Center office property

⁵ RDA funds were not used for the construction costs of the public safety 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 2.10

PROJECT AREA BUDGET		FY 2020	
REVENUES		TOTALS	NPV @ 5%
Tax Increment		\$219,322	\$208,878
Current Uncollected		-	-
Prior Year Uncollected		\$34,370	\$32,734
Total Revenue		\$253,693	\$241,612
EXPENDITURES		TOTALS	NPV @ 5%
Professional and Tech Services		\$1,500	\$1,429
Administrative Costs		\$35,517	\$33,826
Development Activities		\$216,676	\$206,358
Total Expenditures		\$253,693	\$241,612

OTHER ISSUES

The State Street #1 RDA Project Area continues to experience a relatively low collection rate of annual property taxes from property owners, as well as the payment of delinquent tax collections to the Agency. This situation stems from the default of multiple owners on their annual property taxes. Many of these owners are habitually behind schedule on annual taxes, with some behind on these payments by up to 3 years.

Property owners are allowed to remain delinquent on property taxes for up to 5 years before the County is able to take action, which would involve the sale of the property at a tax sale in an effort to collect on the back taxes owed. Thus, the delinquent property tax situation in the Project Area as described above is permissible until the owners fall behind by more than five years.

While the receipt of a portion of the tax increment due to the Agency is currently being delayed due to the delinquent tax payments associated with several property owners, the Agency has and will receive this associated increment as it is collected by the County. In what has been reviewed of the City's and County's records, it appears that the County is tracking and remitting tax increment as these late tax payments are collected. For example, in 2019 the Agency received \$81,356 in tax increment that was collected in 2018 for delinquencies that occurred in prior years (2012-2018). The Project Area will expire in TY2019 with a final tax increment disbursement in FY2020.

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following sheets represent the FY 2019 actuals and a budget for FY 2020.



LINDON STATE STREET #1 RDA

2019 Actual
November 1, 2019

Annual Fiscal Budget Year	2019
---------------------------	------

Tax Year	2018
Payment Year	2019

REVENUES

TAXABLE VALUATION:	
Total Real Property	\$38,350,739
Personal Property	\$2,682,239
Centrally Assessed	\$2,244,450
Total Assessed Valuation:	\$43,277,428
Less: Base Year Value	(\$6,408,435)
Incremental Assessed Value	\$36,868,993

Tax Rate:	
Combined Tax Rate	0.009371
Total Tax Rate:	0.009371

TAX INCREMENT REVENUES	
Total Tax Increment	\$345,499
Total Tax Increment:	\$345,499

Percent of Tax Increment for Project	60%
--------------------------------------	-----

Project Area Portion of Tax Increment	
Tax Increment	\$207,300
Current Year Uncollected	(\$34,370)
Previous Years Tax Increment Revenue to RDA	\$81,356
Total Tax Increment Revenue to RDA	\$254,285

Total Revenues to RDA	
Property Tax Increment	\$254,285
Interest Earnings	\$8,515
Contribution of Fund Balance	\$0
Total Revenue	\$262,801

EXPENDITURES

RDA Administration	\$28,410
Professional & Tech Services	\$1,500
Development Activities	\$232,891
Total Uses	\$262,801



LINDON STATE STREET #1 RDA

2020 Annual Budget

November 1, 2019

Annual Fiscal Budget Year	2020
---------------------------	------

Tax Year	2019
Payment Year	2020

REVENUES

TAXABLE VALUATION:	
Total Real Property	\$41,996,668
Personal Property	\$2,682,239
Centrally Assessed	\$2,389,955
Total Assessed Valuation:	\$47,068,862
Less: Base Year Value	(\$6,408,435)
Incremental Assessed Value	\$40,660,427

Tax Rate:	
Combined Tax Rate	0.008990
Total Tax Rate:	0.008990

TAX INCREMENT REVENUES	
Total Tax Increment	\$365,537
Total Tax Increment:	\$365,537

Percent of Tax Increment for Project	60%
--------------------------------------	-----

Project Area Portion of Tax Increment	
Tax Increment	\$219,322
Current Year Uncollected	\$0
Previous Years Tax Increment Revenue to RDA	\$34,370
Total Tax Increment Revenue to RDA	\$253,693

Total Revenues to RDA	
Property Tax Increment	\$253,693
Interest Earnings	\$0
Contribution of Fund Balance	\$0
Total Revenue	\$253,693

EXPENDITURES

RDA Administration	\$35,517
Professional & Tech Services	\$1,500
Development Activities	\$216,676
Total Uses	\$253,693

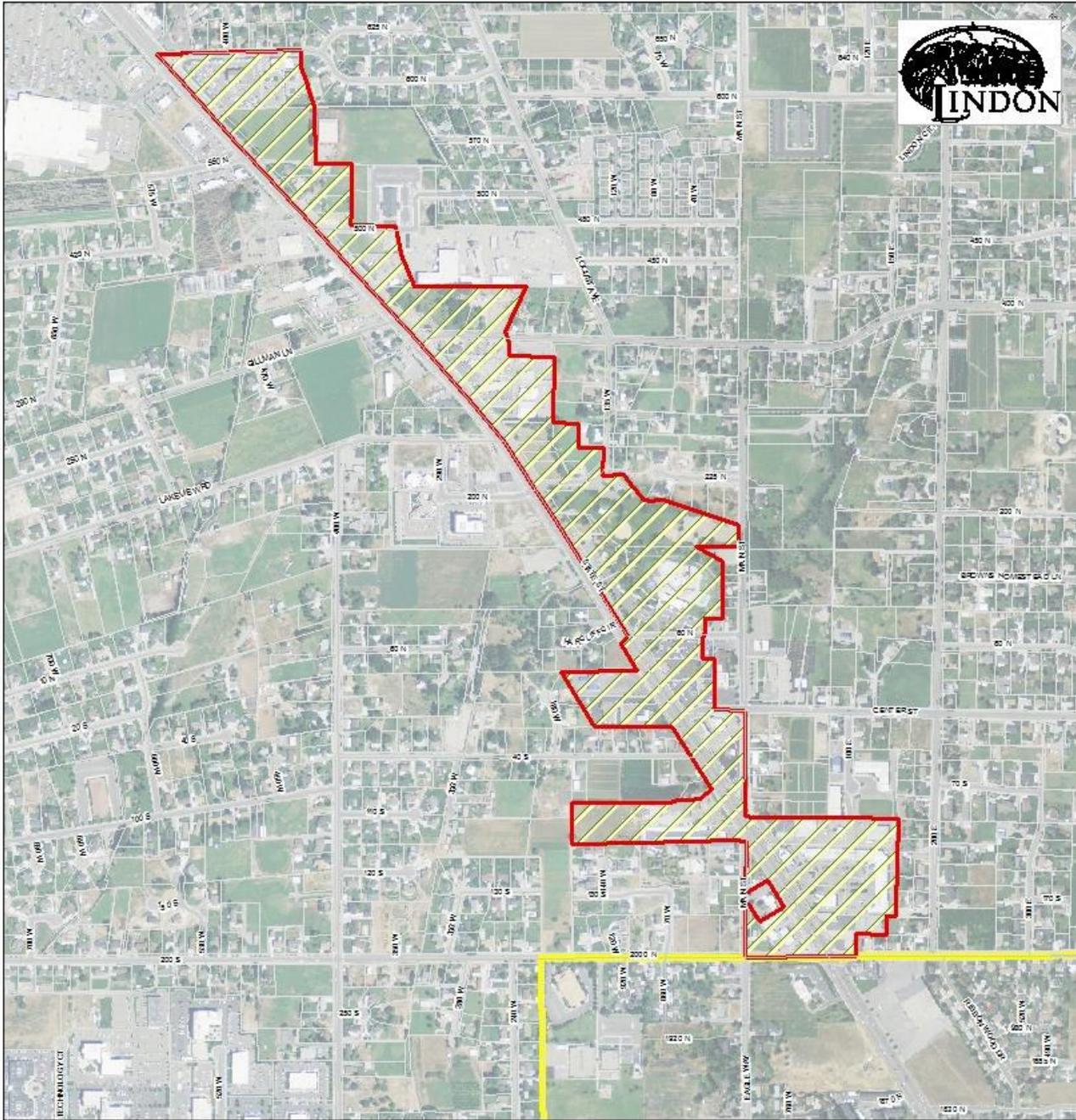


LINDON STATE STREET #1 RDA

Ongoing Budget
 Multi-Year Project Area Budget Projections
 10.19.19

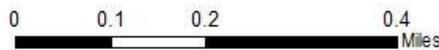
Tax Year	2016	2017	<===== HISTORIC	PROJECTED =====>
Payment Year	2017	2018	2018	2019
			2019	2020
REVENUES			\$	412,123
TAXABLE VALUATION:				
Total Real Property	\$ 31,958,758	\$ 38,276,781	\$ 38,350,739	\$ 41,996,668
Personal Property	1,042,856	2,367,960	2,682,239	2,682,239
Centrally Assessed	-	2,220,564	2,244,450	2,389,955
Total Assessed Valuation:	\$ 33,001,614	\$ 42,865,305	\$ 43,277,428	\$ 47,068,862
Less: Base Year Value	\$ (6,408,435)	\$ (6,408,435)	\$ (6,408,435)	\$ (6,408,435)
Incremental Assessed Value	\$ 26,593,179	\$ 36,456,870	\$ 36,868,993	\$ 40,660,427
Tax Rate:			0.000179	
Utah	0.000834	0.000779	0.000732	0.000672
Alpine School District	0.007718	0.007087	0.006804	0.006635
State Charter School - Alpine	-	0.00008	0.000069	0.000064
Lindon	0.001630	0.001451	0.001392	0.001241
Central Utah Water Conservancy	0.000386	0.000378	0.000374	0.000378
Combined Tax Rate	0.0105680	0.0097750	0.0093710	0.0089900
Total Tax Rate:	0.0105680	0.0097750	0.0093710	0.0089900
TAX INCREMENT REVENUES				
Total Tax Increment	\$ 281,037	\$ 356,366	\$ 345,499	\$ 365,537
Total Tax Increment:	\$ 281,037	\$ 356,366	\$ 345,499	\$ 365,537
Percent of Tax Increment for Project	60%	60%	60%	60%
Project Portion				
Tax Increment	\$ 168,622	\$ 213,820	\$ 207,300	\$ 219,322
Current Year Uncollected	(5,126)	(34,599)	(34,370)	
Previous Years Tax Increment Revenue to RDA	43,024	23,708	81,356	34,370
Total Tax Increment Revenue to RDA	\$ 206,520	\$ 202,928	\$ 254,285	\$ 253,693
Total Revenues to RDA				
Property Tax Increment	\$ 206,520	\$ 202,928	\$ 254,285	\$ 253,693
Total Revenue	\$ 206,520	\$ 228,573	\$ 262,801	\$ 253,693
EXPENDITURES				
RDA Administration	\$ 28,913	\$ 26,740	\$ 28,410	\$ 35,517
Professional & Tech Services		\$	\$ 1,500	\$ 1,500
Development Activities	177,607	201,833	224,375	216,676
Total Uses	\$ 206,520	\$ 228,573	\$ 254,285	\$ 253,693

EXHIBIT A



LINDON STATE STREET RDA

-  Lindon State Street #1 RDA
-  Parcel Boundaries
-  Lindon Municipal Boundaries



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SECTION 3:700 NORTH CDA

TABLE 3.1

OVERVIEW				
<u>Type</u> CDA	<u>Acreage</u> Developed 114 Undeveloped 169 Total 283	<u>Purpose</u> Commercial & Residential Development	<u>Taxing District</u> 080-0000 085-0000	<u>Tax Rate</u> 0.0099920 0.0010047
<u>Creation Year</u> FY 2014	<u>Base Year</u> FY 2012	<u>Term</u> 20 Years	<u>Trigger Year</u> FY 2018	<u>Expiration Year</u> FY 2037
<u>Base Value</u> \$12,928,122	<u>TY 2018 Value</u> \$91,999,146	<u>Increase</u> 612%	<u>FY 2019 Increment</u> \$102,228	<u>Jobs Created</u> N/A

The 700 North CDA Project Area was created in September 2013 with the purpose of incentivizing commercial and residential development along 700 North in Lindon. This will include a variety of infrastructure improvements to roadways, sidewalks, street lighting, culinary water, sewer, utilities, etc. It is anticipated that proposed infrastructure improvements will spur development in the entire Project Area. The Project Area triggered in FY 2018.

The Project Area lies entirely within Lindon City and includes approximately 283 acres of property located along the northern boundary of the City, west of State Street. A map of the Project Area is included as **Exhibit B**. The Project Area was created in September 2013 and is governed by the following documents:

- ☞ The Project Area Plan dated September 3, 2013
- ☞ The Interlocal Cooperation Agreement between the RDA and Lindon City dated September 3, 2013
- ☞ The Interlocal Cooperation Agreement between the RDA and Utah County dated October 29, 2013
- ☞ The Interlocal Cooperation Agreement between the RDA and North Utah County Water Conservancy District dated November 14, 2013
- ☞ The Interlocal Cooperation Agreement between the RDA and Central Utah Water Conservancy District dated October 23, 2013

The Agency continues to work with the Alpine School District (District) in an effort to enlist the District's support and come to an agreement on the length and level of participation with relation to tax increment. The District's support is dependent on a formal project being established within the Project Area.

SOURCES OF FUNDS

TABLE 3.2

2019 SOURCES OF FUNDS	
<i>Calculated Increment</i>	\$99,172
Current Year Uncollected	(3,978)
Previous Year Uncollected	7,034
Property Tax Increment Collected and Paid to Agency	\$102,228
Interest	1,823
Total Sources of Funds	\$104,051

TABLE 3.3

TAX INCREMENT LEVELS	
Entity	%
Utah County	50%
Alpine School District ⁶	0%
Lindon City	50%
Central Utah Water Conservancy District	50%
North Utah County Water Conservancy District	50%

USES OF FUNDS

TABLE 3.4

2019 USES OF FUNDS	
Professional and Tech Services	\$6,400
Administrative Costs	10,214
Development Activities/Fund Balance	87,437
Total Uses	\$104,051

TABLE 3.5

REALIZATION OF TAX INCREMENT	FORECASTED	ACTUAL	% OF PROJECTION
TAX INCREMENT GENERATED IN PROJECT AREA			
Property Tax Increment – FY 2019	\$110,235	\$102,228	93%

PROJECT AREA REPORTING AND ACCOUNTABILITY

RELATIVE GROWTH IN ASSESSED VALUE

TABLE 3.6

GROWTH IN ASSESSED VALUES				
ASSESSED VALUES IN PROJECT AREA	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in Project Area (2018 vs. 2017)	\$91,999,146	\$76,654,701	40.4	40.4
Lifetime Growth in Project Area Since Base Year (2018 vs. 2012)	\$91,999,146	\$12,928,122	611.6%	38.7%
ASSESSED VALUES IN LINDON CITY	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in City (2018 vs. 2017)	\$1,450,559,632	\$1,364,637,874	6.3%	6.3%
Lifetime Growth in City (2018 vs. 2000 ⁷)	\$1,450,559,632	400,177,580	262.5%	7.4%

The value of the Project Area increased by \$15.3 million, or an increase of 612 percent since the base year in 2012. The City's overall growth has been increased by 262 percent since 2000.

⁶ The Alpine School District has currently opted not to participate in the 700 North CDA Project Area. The Agency is in the process of negotiating with the Alpine School District in an interlocal agreement that would allow for participation on a case-by-case basis.

⁷ LYRB utilized 2000 values for these comparisons because this is the first year for which reliable data is available.



BENEFITS TO TAXING ENTITIES

TABLE 3.7

PROJECTED BENEFITS TO TAXING ENTITIES	
Creation of approximately 689 new jobs over the life of the Project Area	
Increased Sales Tax Revenues from Retail Development	
Increase in other tax revenues, including Franchise Tax, Sales & Use Tax, and Corporate Income Tax	
Increased Property Tax Revenues	
- 50% of tax increment flows back to taxing entities in years 2018 - 2037	
- 100% of tax increment flows to taxing entities after 2037	

The taxing entities are currently benefiting from increased assessed values in the Project Area as a portion of tax increment is being returned to the taxing entities. As shown below, the annual tax increment (above the base amount) currently being returned to taxing entities is 536 percent above what would have been realized if assessed values in the Project Area had remained at base year levels. This pass through increment will continue to increase as assessed values rise and the tax increment level received by the Agency ratchets downward throughout the life of the CDA.

TABLE 3.8

TAX INCREMENT FROM PROJECT AREA	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
FY 2018	\$102,228	\$129,401	79.0%
Lifetime Revenue	\$175,186	\$255,859	68.5%
PASS THROUGH INCREMENT (ABOVE BASE)	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
FY 2018	\$693,291	\$129,401	535.8%
Lifetime Revenue (FY 2009-2018)	\$1,233,467	\$255,859	482.1%

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

New changes in the Project Area over the last year include a new 31,000 square foot office/showroom at 775 N. Geneva Road. The Lindon Tech building is also currently under construction. Also of note, the Ivory Development will be connecting the road from their housing development to the south through 700 N. in early 2020 creating additional access. Below is a list of other new notable businesses in the Project Area.

TABLE 3.9

NOTABLE BUSINESSES	
Go Health	Alcatraz Trampoline Park
Airborne Trampoline	TAMS
Geneva Road Self Storage Units	Fezzari Bicycle Company
Aquatherm Pipe Company	Zyto Corp
PSDI	

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		FY 2020 - 2037	
REVENUES	TOTALS	NPV @ 5%	
Property Tax Increment	\$4,958,359	\$2,916,456	
Interest	-	-	
Contribution of Fund Balance	3,978	3,789	
Total Revenue	\$4,962,337	\$2,920,245	
EXPENDITURES	TOTALS	NPV @ 5%	
Professional and Tech Services	115,200	74,813	
Administrative Costs	183,852	119,397	
Development Activities	4,663,285	2,726,034	
Total Expenditures	\$4,962,337	\$2,920,245	

OTHER ISSUES

As mentioned, the Agency hopes to obtain the participation of Alpine School District in the Project Area. The participation of the School District would contribute significantly to the success of the Project Area as it is estimated that tax increment revenues received by the Agency could potentially be more than tripled.

The Agency is in the process of proposing a global interlocal agreement between the Agency and the School District which would provide the potential for the School District to participate on a project by project basis through addendums to the interlocal agreement.

Aside from the ongoing negotiations between the Agency and Alpine School District discussed above, LYRB has not identified any major areas of concern with the Lindon 700 North CDA Project Area and believes that, according to the records reviewed, all parties are meeting their respective obligations.

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following sheets represent the FY 2019 actuals, FY 2020 and FY 2021 annual budgets and FY 2018-2037 multi-year budgets.

REDEVELOPMENT AGENCY OF LINDON CITY, UTAH (700 North CDA)

2019 Actual

November 1, 2019



Annual Fiscal Budget Year		2019
Tax Year		2018
Payment Year		2019
REVENUES		
TAXABLE VALUATION		
Taxable Value - Area 080		\$44,522,351
Base Year Value Area 080		(\$8,865,546)
Incremental Assessed Value 080		\$35,656,805
Taxable Value - Area 085		\$47,476,795
Base Year Value Area 085		(\$4,062,574)
Incremental Assessed Value 085		\$43,414,221
Tax Rate 080		
Total Tax Rate - Area 080:		0.0099920
Tax Rate 085		
Total Tax Rate - Area 085:		0.0100470
TAX INCREMENT REVENUES - Area 080		
Total Tax Increment - Area 080:		\$44,535
TAX INCREMENT REVENUES - Area 085		
Total Tax Increment - Area 085		\$54,637
Percent of Tax Increment for Project		
Utah County		50%
Alpine School District		0%
Lindon City		50%
Central Utah Water Conservancy District		50%
North Utah Valley Water Conservancy District		50%
TAX INCREMENT REVENUES to RDA from Area 080 & 085		
Property Tax Increment		\$99,172
Current Year Uncollected		(\$3,978)
Prior Year Collected		\$7,034
Interest		\$1,823
Contribution of Fund Balance		\$0
TOTAL REVENUES		\$104,051
EXPENDITURES		
Professional and Tech Services		\$6,400
Admin Costs		\$10,214
Development Activities		\$87,437
Total Uses		\$104,051
REMAINING REVENUES FOR TAXING ENTITIES		
Utah County		\$28,939
Alpine School District		\$539,562
Lindon City		\$55,033
Central Utah Water Conservancy District		\$14,786
North Utah County Water Conservancy District		\$412
Total		\$693,291

REDEVELOPMENT AGENCY OF LINDON CITY, UTAH (700 North CDA)
 2020 Annual Budget
 November 1, 2019



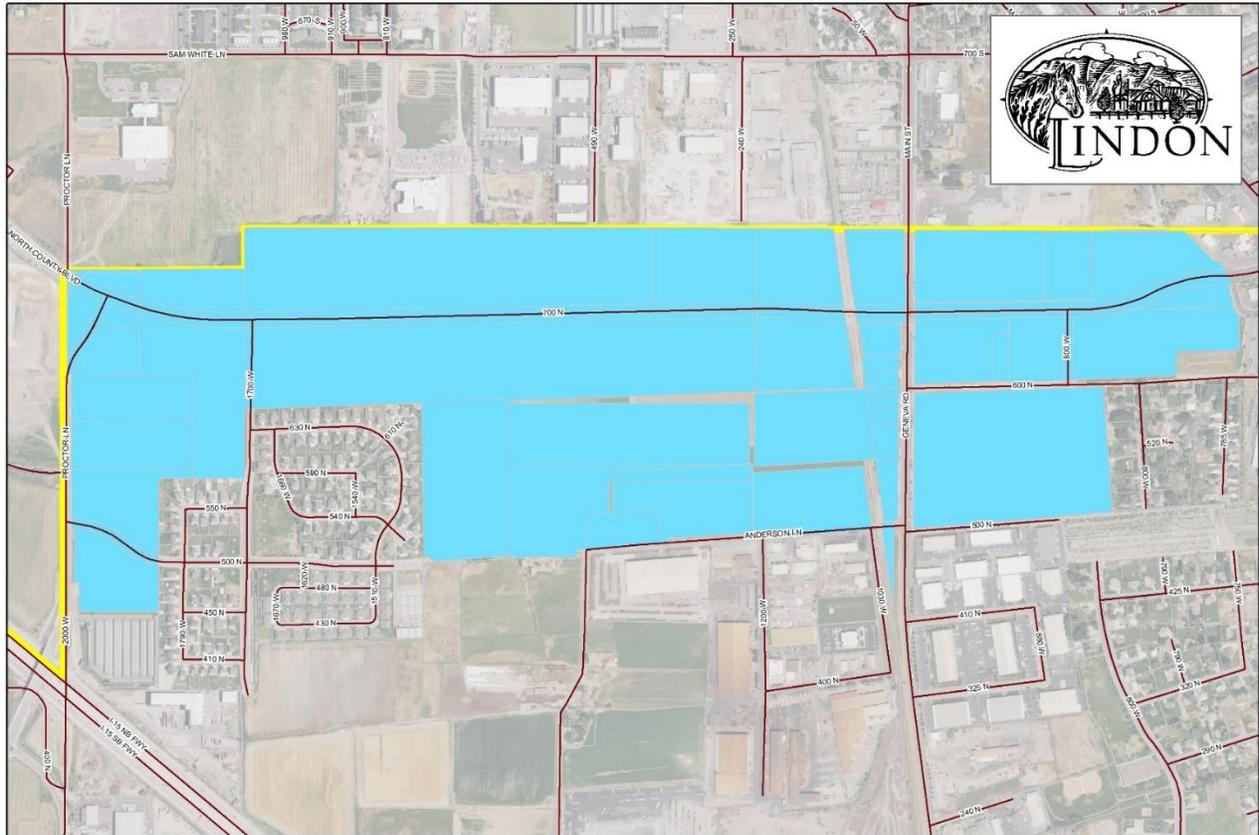
Annual Fiscal Budget Year		2020
Tax Year		2019
Payment Year		2020
REVENUES		
TAXABLE VALUATION		
Taxable Value - Area 080		\$53,210,458
Base Year Value Area 080		(\$8,865,545)
Incremental Assessed Value 080		\$44,344,913
Taxable Value - Area 085		\$47,377,634
Base Year Value Area 085		(\$4,062,574)
Incremental Assessed Value 085		\$43,315,060
Tax Rate 080		
Total Tax Rate - Area 080:		0.0089900
Tax Rate 085		
Total Tax Rate - Area 085:		0.0090070
TAX INCREMENT REVENUES - Area 080		
Total Tax Increment - Area 080:		\$50,797
TAX INCREMENT REVENUES - Area 085		
Total Tax Increment - Area 085		\$49,986
Percent of Tax Increment for Project		
Utah County		50%
Alpine School District		0%
Lindon City		50%
Central Utah Water Conservancy District		50%
North Utah Valley Water Conservancy District		50%
TAX INCREMENT REVENUES to RDA from Area 080 & 085		
Property Tax Increment		\$100,783
Current Year Uncollected		\$0
Prior Year Collected		\$3,978
Interest		\$0
Contribution of Fund Balance		\$0
TOTAL REVENUES		\$104,761
EXPENDITURES		
Professional and Tech Services		\$6,400
Admin Costs		\$10,214
Development Activities		\$88,147
Total Uses		\$104,761
REMAINING REVENUES FOR TAXING ENTITIES		
Utah County		\$29,453
Alpine School District		\$581,624
Lindon City		\$54,393
Central Utah Water Conservancy District		\$16,567
North Utah County Water Conservancy District		\$368
Total		\$688,015

REDEVELOPMENT AGENCY OF LINDON CITY, UTAH (700 North CDA)
 2021 Annual Budget
 November 1, 2019



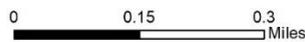
Annual Fiscal Budget Year		2021
Tax Year		2020
Payment Year		2021
REVENUES		
TAXABLE VALUATION		
Taxable Value - Area 080		\$61,978,635
Base Year Value Area 080		(\$8,865,545)
Incremental Assessed Value 080		\$53,113,090
Taxable Value - Area 085		\$56,746,525
Base Year Value Area 085		(\$4,062,574)
Incremental Assessed Value 085		\$52,683,951
Tax Rate 080		
Total Tax Rate - Area 080:		0.0089900
Tax Rate 085		
Total Tax Rate - Area 085:		0.0090070
TAX INCREMENT REVENUES - Area 080		
Total Tax Increment - Area 080:		\$60,841
TAX INCREMENT REVENUES - Area 085		
Total Tax Increment - Area 085		\$60,797
Percent of Tax Increment for Project		
Utah County		50%
Alpine School District		0%
Lindon City		50%
Central Utah Water Conservancy District		50%
North Utah Valley Water Conservancy District		50%
TAX INCREMENT REVENUES to RDA from Area 080 & 085		
Property Tax Increment		\$121,638
Current Year Uncollected		\$0
Prior Year Collected		\$0
Interest		\$0
Contribution of Fund Balance		\$0
TOTAL REVENUES		\$121,638
EXPENDITURES		
Professional and Tech Services		\$6,400
Admin Costs		\$10,214
Development Activites		\$105,024
Total Uses		\$121,638
REMAINING REVENUES FOR TAXING ENTITIES		
Utah County		\$35,547
Alpine School District		\$701,963
Lindon City		\$65,647
Central Utah Water Conservancy District		\$19,995
North Utah County Water Conservancy District		\$447
Total		\$830,371

EXHIBIT B



LINDON 700 NORTH CDA

- CDA PARCELS
- LINDON MUNICIPAL BOUNDARIES





HISTORIC PROJECTS

WEST SIDE RDA

The West Side RDA expired in 2010; however, a fund balance remains. As of FY 2019, the unaudited funds were \$18,011.91. This balance is being used to pay administrative costs as the project comes to full completion, as well as Project Area Plan approved expenditures.

RDA #3

The Lindon RDA #3 expired in 2016; however, a fund balance remains. As of FY 2019, the unaudited funds were \$359,899.90. These funds are used in part to service a landscaping agreement for an area where no development has taken place. This balance is further being used to pay administrative costs as the project comes to full completion, as well as Project Area Plan approved expenditures.