

2019 Annual Report
Redevelopment Agency of Lehi City
October 2020



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Chapter 1 – Background and Overview

This report is prepared for the Redevelopment Agency of Lehi City (Agency) in accordance with the requirements of Utah Code Section 17C-1-402(12,13) which requires a taxing entity committee to meet at least annually during a project area funds collection period under an urban renewal, an economic development, or a community reinvestment project area budget to review the status of the project area. A taxing entity committee is not required to meet in accordance with subsection 9a if the Agency prepares and distributes a report reviewing the status of project areas on or before November 1st of each year in accordance with Utah Code Section 17C-1-603. The report must be submitted to the Alpine School District, Utah County Auditor, The Utah State Board of Education, Utah State Tax Commission and any other taxing entity who levies a tax on property from which the Agency collects tax increment. The applicable taxing entities are as follows and vary by project area and taxing districts included in each project area:

- Utah County
- Alpine School District
- Lehi City
- Central Utah Water Conservancy District
- Northern Utah Water Conservancy District
- Lehi Metropolitan Water District

There are seven redevelopment areas in Lehi City, listed from oldest to newest, as follows:

- Millpond RDA
- Alpine Highway RDA
- Thanksgiving Park EDA
- Alpine Highway West EDA
- Traverse Mountain CDA
- West Timpanogos CDA
- SR-92 Digital Drive CRA

The requirements for the study are listed specifically under the Utah Code 17C-1-603 as follows and must be addressed separately for each of the seven project areas:

- (a) An assessment of the change in marginal value including:
 - i. The base year
 - ii. The base taxable value
 - iii. The prior year's assessed value
 - iv. The estimated current assessed value
 - v. Percent change in marginal value; and
 - vi. A narrative description of the relative growth in assessed value;
- (b) The amount of project area funds the agency received for each year of the project area funds collection period, including:
 - i. A comparison of the actual project area funds received for the previous year to the amount of project area funds forecasted when the project area was created, if available;

- (a) The agency's historical receipts of project area funds, including the tax year for which the agency first received project area funds from the project area; or
 - (b) If the agency has not yet received project area funds from the project area, the year in which the agency expects each project area funds collection period to begin;
 - ii. A list of each taxing entity that levies or imposes a tax within the project area and a description of the benefits that each taxing entity receives from the project area; and
 - iii. The amount paid to other taxing entities under Section 17C-1-410, if applicable;
- (c) A description of current and anticipated project area development, including:
 - i. A narrative of any significant project area development, including infrastructure development, site development, participation agreements, or vertical construction; and
 - ii. Other details of development within the project area, including:
 - (a) Total developed acreage
 - (b) Total undeveloped acreage
 - (c) The percentage of residential development
 - (d) The total number of housing units authorized, if applicable;
- (d) The project area budget, if applicable, or other project area funds analysis, including:
 - i. Each project area's funds collection period, including:
 - (a) The start and end date of the project area funds collection period; and
 - (b) The number of years remaining in each project areas funds collection period;
 - ii. The amount of project area funds the agency is authorized to receive from the project area cumulatively and from each taxing entity; including:
 - (a) The total dollar amount; and
 - (b) The percentage of the total amount of project area funds generated within the project area;
 - iii. The remaining amount of project area funds the agency is authorized to receive from the project area cumulatively and from each taxing entity; and
 - iv. The amount of project area funds the agency is authorized to use to pay for the agency's administrative costs, ad described in subsection 17C-1-409(1), including:
 - (a) The total dollar amount; and
 - (b) The percentage of the total amount of all project area funds;
- (e) The estimated amount project area funds that the agency is authorized to receive from the project area for the current calendar year;
- (f) The estimated amount of project area funds to be paid to the agency for the next calendar year;
- (g) A map of the project area; and
- (h) Any other relevant information the agency elects to provide.

This report meets all legal requirements and is organized as follows:

- Chapter 1: Background and Overview
- Chapter 2: Millpond Neighborhood RDA
- Chapter 3: Alpine Highway RDA
- Chapter 4: Thanksgiving Park EDA
- Chapter 5: Alpine Highway West EDA

Chapter 6: Traverse Mountain CDA
Chapter 7: West Timpanogos CDA
Chapter 8: SR-92 Digital Drive CRA

Chapter 2: Millpond Neighborhood RDA

Background Information

The Millpond Neighborhood Development Plan was adopted in 1986 by the Agency. The payment of the tax increment to the Agency was triggered in 1995. Increment is to be collected for 25 years from when the increment was triggered. The Agency, in the past has not shown a desire to extend the Millpond Neighborhood RDA, which is set to expire in 2020. The area sat idle for many years before development occurred which triggered the increment. The City has a desire to keep the Millpond Neighborhood RDA open but will most likely close it as the majority of projects have been completed.

The general boundaries of the Project Area plan are irregular, but it encompasses one quarter mile east of Interstate 15 to 1350 East, taking in both sides of Main Street to approximately one quarter mile west of Interstate 15 just past 850 East on both sides of Main Street, encompassing both north

| Table 2.1 Project Area Description | |
|---|----------|
| Year Established | 1986 |
| Initial Year of Tax Increment | 1995 |
| Initial Collection Period | 32 years |
| Last Year of Tax Increment | 2020 |

and south of 850 East from Main Street approximately one quarter to half mile both sides of 850 East. There is approximately 144.44 acres, of which 30.80 are public streets and highways, leaving 83.64 of privately owned property.

The Project Area was originally created to help re-align a frontage road to allow for the widening of Interstate 15 and completion of a full interchange at Main Street in Lehi. It was also determined that some land and buildings weren't being used to their highest and best use. Project funds were intended to help spur economic development in these areas and ensure long-term economic activity in the core area of the city. Economic development was to be accomplished by land assembly, infrastructure improvements and promotion of sites for development. The frontage road has been moved and a full interchange has been implemented off Interstate 15 and Lehi Main Street. Other infrastructure has been replaced and installed to include roads, water lines and storm drains to promote development. Lehi City completed a connector road with utility improvement at 1200 east, south of Main Street. In conjunction with the connector road, UDOT installed a signalized light at Main Street to allow for better traffic flow. UDOT also widened Main Street from I-15 to State Street. No projects are slated for 2020.

Source of Funds – Valuation

| Table 2.2: Base Year and Increment Taxable Values | Value |
|--|---------------|
| Base Year: | |
| Total Base Year Value | \$ 5,289,598 |
| Prior Year (2019): | |
| Prior Year (2019) Increment Value | \$ 81,515,107 |
| Prior Year (2019) Tax Increment Generated - Agency Share | \$ 445,610 |
| Prior Year (2019) Adjusted Tax Increment to Agency | \$ 441,786 |
| Prior Year (2019) Total Assessed Value | \$ 86,804,705 |
| Current Year (2020): | |
| Current Year (2020) Projected Total Assessed Value | \$ 96,849,945 |

The base year taxable value as reflected by the County Assessor’s Office is \$5,289,598.

Relative Growth in Assessed Value

Total taxable value for the Project Area has grown from \$5,289,598.00 at the inception of the project to over \$86 million in 2019. That is an increase of over 1,541% in value.

The 2018 total assessed value of the Project Area was \$69,344,638. The 2019 taxable value increased to \$86,804,705 due to value increases and development occurring within the Project Area. The 2020 taxable value is anticipated to increase to \$96,849,945 due to property value increases and Project Area development.

Tax Increment Uses of Funds

Since the Millpond RDA predates July 1, 1993, funds are distributed to the Agency based on the following distribution formula: years 1 through 5 – 100%; years 6 through 10 – 80%; years 11 through 15 – 75%; years 16 through 20 – 70%; and years 21 through 25 – 60%. Since the first year of tax increment was triggered in 1995, year 25 expires in 2020. Funds have been utilized for infrastructure improvements to the area to include, storm drain, water lines, re-alignment of roads and sewer lines. The infrastructure improvements have allowed the RDA and the surrounding areas to develop into a TOD with housing and job creation.

Table 2.3: Tax Entity Contribution

| | % of increment (or amount) to Agency for 2015 | % of increment (or amount) to Agency 2016 through 2020 |
|---|--|---|
| Alpine School District | 70.00% | 60.00% |
| Utah County | 70.00% | 60.00% |
| Lehi City | 70.00% | 60.00% |
| Northern Utah Water Conservancy District | 70.00% | 60.00% |
| North Utah Co. Water Conservancy District | 70.00% | 60.00% |
| Lehi Metropolitan Water District | 70.00% | 60.00% |

For 2018 the Agency received \$367,906 in tax increment revenues.

Benefits Received by Each Taxing Entity

| Taxing Entity | Benefits |
|---|---|
| Utah County | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Alpine School District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Lehi City | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Central Utah Water Conservancy District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| North Utah Co. Water Conservancy District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Lehi Metropolitan Water District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |

Development Activity

For 2019 and 2020 no RDA funding was spent nor projects started. The area is to close out in 2020. If Lehi City is gifted the Mill Pond, it will request an extension of the RDA to help build out needed infrastructure for the Mill Pond. This would include pedestrian walking path, water features and needed infrastructure. If the city doesn't receive the Mill Pond the area will be closed.

Total Area Funds Budgeted Compared to Actual Collected

| Taxing Entities | Budgeted Tax Increment | Total Increment Collected | Difference to be Collected |
|---------------------------------------|------------------------|---------------------------|----------------------------|
| Apline School District | \$ 4,173,664.71 | \$ 3,637,915.45 | \$ 535,749.25 |
| Lehi City | \$ 1,007,641.91 | \$ 888,835.25 | \$ 118,806.65 |
| Utah County | \$ 425,117.56 | \$ 376,892.69 | \$ 48,224.87 |
| Central Utah Water Conservancy Dist | \$ 178,871.34 | \$ 168,581.78 | \$ 10,289.57 |
| North Utah Co. Water Conservancy Dist | \$ 120,440.04 | \$ 77,498.34 | \$ 42,941.70 |
| Lehi Metropolitan Water Dist | \$ 56,642.59 | \$ 36,460.02 | \$ 20,182.57 |
| Total Revenue | \$ 5,962,378.15 | \$ 5,186,183.53 | \$ 776,194.62 |

Note: 1995 is the first year of increment. There is not clear breakdown of what each taxing entity has paid in taxes so an average has been taken. This RDA is in a haircut provision 60% and will expire in 2020. There is no intention of extending the RDA at this time.

Area Maps

Exhibit 2.1 shows the RDA area for the project as it was defined in the 1986 plan. There has been no additions or subtractions from the site.

Exhibit 2.2 shows that of the approximately 114 acres, 39% of the Project Area is still undeveloped. With the new infrastructure being installed, further economic development is anticipated in the Project Area.

Revised Multi-Year Budget

Table 2.4: Project Area Budget, CY 2019-2020

| Calendar Year for Increment | 2019 | 2020 |
|--|------------------|------------------|
| Assessed Valuation | | |
| Base Year Taxable Value | \$ 5,289,589.00 | \$ 5,289,589.00 |
| Increment Value | \$ 81,515,107.00 | \$ 91,560,347.00 |
| Total Taxable Value | \$ 86,804,705.00 | \$ 96,849,945.00 |
| Tax Rates | | |
| Utah County | 0.0006720 | 0.0010410 |
| Alpine School District/Charter Schools | 0.0064980 | 0.0068000 |
| Lehi City | 0.0015380 | 0.0014510 |
| Central Utah Water Conservancy District | 0.0003780 | 0.0004000 |
| North Utah Co. Water Conservancy District | 0.0000170 | 0.0000160 |
| Lehi Metropolitan Water District | 0.0000080 | 0.0000080 |
| Total | 0.0091110 | 0.0097160 |
| Taxing Entity Contribution | | |
| Utah County | 60% | 60% |
| Alpine School District | 60% | 60% |
| Lehi City | 60% | 60% |
| Central Utah Water Conservancy District | 60% | 60% |
| North Utah Co. Water Conservancy District | 60% | 60% |
| Lehi Metropolitan Water District | 60% | 60% |
| Tax Increment Possible Versus Collected | | |
| Tax Increment Possible | \$ 445,610.49 | |
| Tax Increment Collected | \$ 441,786.93 | |
| Increment Tax Revenues to Taxing Entities | | |
| Utah County | \$ 21,723.25 | \$ 38,125.73 |

| | | |
|--|-----------------|-----------------|
| Alpine School District | \$ 210,056.09 | \$ 249,044.14 |
| Lehi City | \$ 49,717.80 | \$ 53,141.63 |
| Central Utah Water Conservancy District | \$ 12,219.33 | \$ 14,649.66 |
| North Utah Co. Water Conservancy District | \$ 549.55 | \$ 585.94 |
| Lehi Metropolitan Water District | \$ 258.61 | \$ 292.99 |
| Total | \$ 294,524.62 | \$ 355,840.13 |
| <i>Increment Tax Revenues to Agency</i> | | |
| Utah County | \$ 32,584.88 | \$ 57,188.59 |
| Alpine School District | \$ 315,084.13 | \$ 373,566.22 |
| Lehi City | \$ 74,576.70 | \$ 79,712.44 |
| Central Utah Water Conservancy District | \$ 18,328.99 | \$ 21,974.48 |
| North Utah Co. Water Conservancy District | \$ 824.32 | \$ 878.98 |
| Lehi Metropolitan Water District | \$ 387.91 | \$ 439.49 |
| Total | \$ 441,786.93 | \$ 533,760.20 |
| <i>Expenditures</i> | | |
| Fund Surplus/Deficit | \$ - | \$ - |
| Reserves | \$ - | \$ 72,500.00 |
| Millpond RDA Engineering | \$ 13,500.00 | \$ - |
| Millpond RDA Streets | \$ - | \$ 20,000.00 |
| Millpond RDA Water | \$ - | \$ 280,000.00 |
| Road/Pedestrian Bridge to the Willows | | \$ 1,200,000.00 |
| Remaining Increment for Projects | \$ 1,400,000.00 | \$ - |

Estimate of Tax Increment for 2020

The estimated amount of tax increment that will be generated in 2020 is \$889,600.33 with \$355,840.13 flowing to the taxing entities.

In 2019 multifamily housing units were developed but no single family residents have been developed.

A revised Multi-Year Budget is included at the end of this chapter.

Millpond Financials

| Year | 1995 | 1996 | 1997 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------------------------|---------------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Base Year Valuation | \$ 3,975,060.00 | \$ 3,975,060.00 | \$ 3,975,060.00 | \$ 5,289,598.00 | \$ 5,289,598.00 | \$ 5,289,598.00 | \$ 5,289,598.00 | \$ 5,289,598.00 | \$ 5,289,598.00 | \$ 5,289,598.00 | \$ 5,289,598.00 | \$ 5,289,598.00 | \$ 5,289,598.00 | \$ 5,289,598.00 | \$ 5,289,598.00 |
| Assessed Value | | | \$ 42,222,940.00 | \$ 39,041,550.00 | \$ 39,792,952.00 | \$ 42,682,077.00 | \$ 42,853,598.00 | \$ 46,243,263.00 | \$ 48,192,443.00 | \$ 50,543,541.00 | \$ 52,972,845.00 | \$ 55,581,795.00 | \$ 58,094,638.00 | \$ 60,804,705.00 | \$ 63,744,638.00 |
| Total Taxable Value | | | \$ 36,933,342.00 | \$ 33,750,598.00 | \$ 34,500,000.00 | \$ 37,392,479.00 | \$ 37,564,000.00 | \$ 40,726,026.00 | \$ 42,902,845.00 | \$ 45,247,082.00 | \$ 47,695,686.00 | \$ 50,293,540.00 | \$ 52,809,076.00 | \$ 55,519,070.00 | \$ 58,460,048.00 |
| Tax Rate | | | 0.00559 | 0.01243 | 0.012951 | 0.013037 | 0.012419 | 0.011642 | 0.011805 | 0.009777 | 0.010185 | 0.009685 | 0.009111 | 0.009111 | |
| Haricot Provision all taxing entities | | 100 | 100 | 75 | 75 | 70 | 70 | 70 | 70 | 60 | 60 | 60 | 60 | 60 | |
| Increment Generated | | \$ 58,856.01 | \$ 70,116.94 | \$ 260,339.51 | \$ 34,566.87 | \$ 28,340.92 | \$ 318,162.26 | \$ 326,059.70 | \$ 364,517.60 | \$ 418,233.07 | \$ 352,648.47 | \$ 348,075.20 | \$ 377,212.84 | \$ 445,610.48 | \$ 540,515.80 |
| Actual Collected | | | | | | | | | | | | | | | |
| <p>Note: Actuals have been stated for years 1995 - 2015. 2016 - 2019 are projected at 5% growth rate 2020 & 20% growth rate. There was no budget found to be able to compare actuals to budgeted amount and re-adjust the budget. 2024 there were two revisions submitted from the county.</p> | | | | | | | | | | | | | | | |
| <p>Total Area Funds Budgeted Compared to Actual Collected</p> | | | | | | | | | | | | | | | |
| Taxing Entities | Budgeted Tax Increment | Total Increment Collected | Difference to be Collected | | | | | | | | | | | | |
| Apine School District | \$ 4,173,664.71 | \$ 3,637,915.45 | \$ 535,749.25 | | | | | | | | | | | | |
| Lehi City | \$ 1,007,641.91 | \$ 888,835.25 | \$ 118,806.65 | | | | | | | | | | | | |
| Utah County | \$ 425,117.56 | \$ 376,892.69 | \$ 48,224.87 | | | | | | | | | | | | |
| Central Utah Water Conservancy Dist | \$ 178,871.34 | \$ 168,581.78 | \$ 10,289.57 | | | | | | | | | | | | |
| North Utah Co. Water Conservancy Dist | \$ 120,440.04 | \$ 77,498.34 | \$ 42,941.70 | | | | | | | | | | | | |
| Lehi Metropolitan Water Dist | \$ 56,642.59 | \$ 36,460.02 | \$ 20,182.57 | | | | | | | | | | | | |
| Total Revenue | \$ 5,492,378.15 | \$ 5,186,183.53 | \$ 776,194.62 | | | | | | | | | | | | |

Note: 1995 is the first year of increment. There is not clear breakdown of what each taxing entity has paid in taxes so an average has been taken. The RDA is a haricot provision 60% and will expire in 2020. There is no intention of extending the RDA at this time.

Exhibit 1.2



Chapter 3 – Alpine Highway RDA (Micron)

Background Information

The Alpine Highway RDA was created in 1995 utilizing January 1, 1994 as the base year. Tax increment was triggered in 1996, with the increment to be collected for 12 years expiring in 2008. In 2006 the Agency approached the taxing entity committee to request a 20 year extension through 2028. This request was granted. No additional acreage was added, and the participation percentage was not changed.

The general boundaries of the Project Area are rectangular in shape and abut Timpanogos Highway. There are 99.853 acres in the Project Area, all privately owned. There was no existing infrastructure located on the site in 1996.

The Project Area was originally created to attract Micron to Lehi City. The original proposal was for

| Table 3.1 Project Area Description | |
|---|----------|
| Year Established | 1995 |
| Initial Year of Tax Increment | 1996 |
| Initial Collection Period | 12 Years |
| Time Frame Extension | 20 Years |
| Last Year of Tax Increment | 2028 |

833 acres, but due to state law the project area was cut back to less than 100 acres. It was proposed that Micron would build a 2.5 million square foot facility to house research and development, fabrication, assembly, testing and distribution of semiconductor memory chips. Upon full buildout the real and personal property was estimated to value \$1.7 billion.

Lehi City wanted to locate Micron in city limits as it would occupy space currently void of infrastructure and create a technology brand. Micron formed a company with Intel to create IM-Flash. In 2019 Micron dissolved the partnership and returned the Lehi facility back to Micron ownership.

Sources of Funds – Valuation

The base year taxable value as reflected by the County Assessor’s Office is \$505,973.

| Table 3.2: Base Year and Increment Taxable Values | Value |
|--|---------------------|
| Base Year: | |
| Total Base Year Value | \$ 505,973.00 |
| Prior Year (2019): | |
| Prior Year (2019) Increment Value | \$ 1,489,698,895.00 |
| Prior Year (2019) Tax Increment Generated - Agency Share | \$ 13,572,646.63 |
| Prior Year (2019) Adjusted Tax Increment to Agency | \$ 13,572,636.48 |
| Prior Year (2019) Total Assessed Value | \$ 1,490,204,868.00 |
| Current Year (2020): | |
| Current Year (2020) Projected Total Assessed Value | \$ 1,420,775,242.00 |

Relative Growth in Assessed Value

Total taxable value for the Project Area has grown from \$505,973.00 at the inception of the project to over \$1.4 billion in 2019. That is an increase of over 294,423% in value.

The 2018 assessed value of the Project Area was \$938,009,290. The 2019 taxable value increased to \$1,490,204,868 due to the full build out being recognized on the tax rolls. The majority of the increase is due to installation of personal property/equipment within the facility. The 2020 taxable value is anticipated to decrease to \$1,420,775,242. This is due to a decrease in depreciation of personal property in the facility. Micron dissolved their partnership with Intel and the Lehi facility is under sole ownership of Micron. The 2.5M sqft facility is now at full buildout in both personal and real property. It is anticipated that the personal property will devalue year over year as Micron depreciates it. Personal property makes up 87% of the total taxable value.

Tax Increment Uses of Funds

Funds are distributed to the Agency based on the following distribution formula: For 12 years, starting in 1995, 100% of tax increment revenues from Utah County, 70% of tax increment from Lehi City and Alpine School District (70% distributed to IM Flash and 30% returned to Lehi City for reimbursement of infrastructure improvements not to exceed \$15,853,142, with no interest paid). For 20 years, starting in 2008, 100% of tax increment revenues from the water conservancy districts, Utah County, Lehi City and Alpine School District flow to the Agency, with 70% being distributed to IM Flash and 30% being returned to Utah County, Lehi City and Alpine School District. Of the 30% being returned to Utah County, Lehi City and Alpine School District, the city and school district each receive 46% and the county receives 8%. This formula was based on the percentage of tax rate for each taxing entity in 1995. A portion of the 30% being split between the county, city and school district is now also going to the Traverse Special Service District (TSSD) to reimburse for infrastructure.

| Table 3.3: Tax Entity Contribution | | |
|---|---|---|
| | % of increment (or amount) to Agency through 2008 | % of increment (or amount) to Agency through 2028 |
| Utah County | 100% | 100% |
| Lehi City | 70% | 100% |
| Alpine School District | 100% | 100% |
| Central Utah Water Conservancy District | 100% | 100% |
| North Utah Co. Water Conservancy District | 100% | 100% |
| Lehi Metropolitan Water District | 100% | 100% |

For 2019 the Agency received \$13,572,636.38 in tax increment revenues. Of the amount generated, \$9,500,845.47 went to Micron. The Agency is reimbursing Micron principle and interest on all the infrastructure improvements. Current principle balance is \$46,856,201. The payment made covers all interest, with a small amount going to principal.

Benefits Received by Each Taxing Entity

| Taxing Entity | Benefits |
|---|---|
| Utah County | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Alpine School District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Lehi City | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Central Utah Water Conservancy District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| North Utah Co. Water Conservancy District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Lehi Metropolitan Water District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |

Development Activity

For 2019 there were minimal improvements made to the land site, but new equipment was installed within the buildings. The facility is fully equipped and built out at this time. It is anticipated that an additional 865K square feet will be added and equipped but no date has been set. Tax increment received is for debt coverage only. Micron continues to be an employer of choice and employs over 1,800 workers paying a higher than county average wage.

Total Area Funds Budgeted Compared to Actual Collected

| Taxing Entities | Budgeted Tax Increment | Total Increment Collected | Principle Balance |
|---|-------------------------|---------------------------|-------------------------|
| Alpine School District | \$ 62,428,131.50 | \$ 81,613,765.23 | \$ 32,799,340.70 |
| Lehi City | \$ 15,071,934.61 | \$ 19,896,432.19 | \$ 7,918,697.97 |
| Utah County | \$ 6,358,751.11 | \$ 8,430,706.34 | \$ 3,340,847.13 |
| Central Utah Water Conservancy District | \$ 2,675,491.35 | \$ 3,749,665.38 | \$ 1,405,686.03 |
| North Utah Co. Water Conservancy District | \$ 1,801,497.51 | \$ 1,795,329.26 | \$ 946,495.26 |
| Lehi Metropolitan Water District | \$ 847,238.93 | \$ 844,599.77 | \$ 445,133.91 |
| Total Revenue | \$ 89,183,045.00 | \$ 120,469,025.00 | \$ 46,856,201.00 |

Note: 1999 is the first year of increment. There is not a clear breakdown of what each taxing entity has contributed to the increment so an average was created. The project area will close in 2028 or if the increment principle balance max is reached of \$46,856,201.

Area Maps

Exhibit 2.1 shows the RDA area for the project as it was defined in the 1995 plan. There has been no additions or subtractions from the site.

Exhibit 2.2 shows that of the approximately 100 acres, 11% is still undeveloped. At this time there are no plans to develop this site, but it is being maintained for future opportunity. Micron is looking to expand one of its three existing locations, with Lehi being one of the three options. Micron has expanded its China manufacturing plant to produce the Crosspoint 3D Chips. They have also upgraded their Virginia manufacturing plant which produces SD Ram chips.

Revised Multi-Year Budget

Table 3.4: Project Area Budget, CY 2019-2020

| Calendar Year for Increment | 2019 | 2020 |
|---|--------------------|---------------------|
| Assessed Valuation | | |
| Base Year Taxable Value | \$ 505,973.00 | \$ 505,973.00 |
| Increment Value | \$1,489,698,895.00 | \$ 1,420,269,269.00 |
| Total Taxable Value | \$1,490,204,868.00 | \$ 1,420,775,242.00 |
| Tax Rates | | |
| Utah County | 0.0006720 | 0.0010410 |
| Alpine School District | 0.0064980 | 0.0068000 |
| Lehi City | 0.0015380 | 0.0014510 |
| Central Utah Water Conservancy District | 0.0003780 | 0.0004000 |
| North Utah Co. Water Conservancy District | 0.0000170 | 0.0000160 |
| Lehi Metropolitan Water District | 0.0000080 | 0.0000080 |
| Total | 0.0091110 | 0.0097160 |
| Taxing Entity Contribution | | |
| Utah County | 100% | 100% |
| Alpine School District | 100% | 100% |
| Lehi City | 100% | 100% |
| Central Utah Water Conservancy District | 100% | 100% |
| North Utah Co. Water Conservancy District | 100% | 100% |

| | | |
|--|------------------|-----------------|
| Lehi Metropolitan Water District | 100% | 100% |
| Tax Increment Possible Versus Collected | | |
| Tax Increment Possible | \$ 13,572,646.63 | |
| Tax Increment Collected | \$ 13,572,636.38 | |
| Increment Tax Revenues to Taxing Entities | | |
| Utah County | \$ 285,015.78 | \$ 318,764.67 |
| Alpine School District | \$ 1,832,244.30 | \$ 1,829,750.58 |
| Lehi City | \$ 1,832,244.30 | \$ 1,829,750.58 |
| Central Utah Water Conservancy District | \$ - | \$ - |
| North Utah Co. Water Conservancy District | \$ - | \$ - |
| Lehi Metropolitan Water District | \$ - | \$ - |
| TSSD | \$ 122,149.62 | \$ 161,038.25 |
| Total | \$ 4,071,453.99 | \$ 4,139,800.87 |
| Increment Tax Revenues to Agency | | |
| Utah County | \$ 700,754.36 | \$ 1,034,950.22 |
| Alpine School District | \$ 6,776,184.39 | \$ 6,760,481.72 |
| Lehi City | \$ 1,603,809.83 | \$ 1,442,567.50 |
| Central Utah Water Conservancy District | \$ 394,174.33 | \$ 397,675.40 |
| North Utah Co. Water Conservancy District | \$ 17,727.42 | \$ 15,907.02 |
| Lehi Metropolitan Water District | \$ 8,342.31 | \$ 7,953.51 |
| Total | \$ 9,500,992.64 | \$ 9,659,535.35 |
| Expenditures | | |
| Administration | \$ - | \$ - |
| Developer Allocation | \$ 9,500,992.64 | \$ 9,659,535.35 |
| Remaining Increment for Projects | \$ - | \$ - |
| Total | \$ 9,500,992.64 | \$ 9,659,535.35 |

The Agency is working with Micron on future opportunities for expansion. The current facility and property within the Project Area was built out March 2018, so the Agency is providing increment for debt service. The Agency worked with Micron to create an opportunity for additional tax increment funding (TIF) if the Lehi facility is selected for a major expansion.

Estimate of Tax Increment for 2020

The estimated amount of tax increment that will be generated in 2020 is \$13,799,336.22 with \$4,139,800.87 flowing to the taxing entities.

No single family or multifamily housing has been developed in the RDA area and none is contemplated.

A revised Multi-Year Budget is included at the end of this chapter.

Alpine Highway RDA Financials

| Year | 1996 | 1997 | 1998 | 1999 | 2018 | 2019 | 2020 | | |
|---------------------------------------|-----------------|---------------------|---------------------|---------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| Base Year Valuation | \$ 198,462.00 | \$ 198,462.00 | \$ 198,462.00 | \$ 198,462.00 | \$ 198,462.00 | \$ 198,462.00 | \$ 198,462.00 | | |
| Assessed Value | | | | \$ 189,663,952.00 | \$ 189,663,952.00 | \$ 938,009,290.00 | \$ 1,490,204,868.00 | \$ 1,415,694,624.60 | \$ 1,344,900,000.00 |
| Total Taxable Value | | | | \$ 189,465,490.00 | \$ 189,465,490.00 | \$ 937,503,317.00 | \$ 1,489,698,895.00 | \$ 1,415,188,651.60 | \$ 1,344,400,000.00 |
| Tax Rate | | | | 0.00968 | 0.00968 | 0.009685 | 0.009111 | 0.009111 | 0.009111 |
| Haircut Provision all taxing entities | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Increment Generated | \$ - | \$ 4,561,524.49 | \$ 4,492,770.32 | \$ 1,903,278.87 | \$ 9,079,719.63 | \$ 13,572,646.63 | \$ 12,893,783.80 | \$ 12,200,000.00 | \$ 12,200,000.00 |
| Budget 1997 - 2009 | 1996 | 1997 | 1998 | 1999 | 2018 | 2019 | 2020 | | |
| Budget 2006 - 2028 | | | | | | | | | |
| Base Value | 168188 | 168188 | 168188 | 168188 | 168188 | 505973 | 505973 | 505973 | |
| Real Property | \$ 9,164,588.00 | \$ 5,227,831,812.00 | \$ 679,831,812.00 | \$ 679,831,812.00 | \$ 801,431,270.00 | | | | |
| Personal Property | \$ - | \$ 894,871,300.00 | \$ 894,871,300.00 | \$ 801,431,270.00 | | | | | |
| Total | \$ 9,164,588.00 | \$ 5,227,831,812.00 | \$ 1,574,703,112.00 | \$ 1,481,263,082.00 | \$ 735,871,052.04 | \$ 735,871,052.04 | \$ 735,871,052.04 | \$ 735,871,052.04 | \$ 735,871,052.04 |
| Incremental Value | \$ 8,996,400.00 | \$ 5,227,663,624.00 | \$ 1,574,534,924.00 | \$ 1,481,094,894.00 | \$ 736,377,025.04 | \$ 736,377,025.04 | \$ 736,377,025.04 | \$ 736,377,025.04 | \$ 736,377,025.04 |
| Tax Rate | 0.010864 | 0.010864 | 0.010864 | 0.010864 | 0.010864 | 0.010864 | 0.010864 | 0.010864 | 0.010864 |
| Tax Increment | \$ 97,736.89 | \$ 5,732,537.61 | \$ 17,105,747.41 | \$ 16,090,614.93 | \$ 8,000,000.00 | \$ 8,000,000.00 | \$ 8,000,000.00 | \$ 8,000,000.00 | \$ 8,000,000.00 |
| Actual Vrs Budget | \$ (97,736.89) | \$ (1,171,013.12) | \$ (12,612,977.09) | \$ (14,187,336.06) | \$ 1,079,719.63 | \$ 5,572,646.63 | \$ 4,893,783.80 | \$ 4,200,000.00 | \$ 4,200,000.00 |

Notes: Actuals have been stated for years 1995 - 2015. 2016 - 2028 are projected at .015% growth rate.
The budget for years 2009 - 2028 only showed Totals so the tax rate for 1996 has been used to find the numbers based on budget

Exhibit 2.1



Exhibit 2.2



Chapter 4 – Thanksgiving Park EDA

Background Information

The Thanksgiving Park EDA was created in 2009, and increment was triggered in 2010. Increment is to be collected for 14 years, expiring in 2024. There has been no extensions or additional land added to the Project Area since it was approved in 2009.

The general boundaries of the Project Area are Club House Drive and Ashton Blvd heading east to 11000 North and following 11000 North to the south until Executive Parkway then heading west on Executive Parkway to Ashton Blvd and then north on Ashton Blvd to Club House Drive. The total site is approximately 39 acres, all of which is privately owned and will be used for the project. No public roads, parks or government buildings will be located on the property.

The Project Area was created to spur development between Interstate 15 and Thanksgiving Point.

| Table 4.1 Project Area Description | |
|---|----------|
| Year Established | 2009 |
| Initial Year of Tax Increment | 2010 |
| Initial Collection Period | 14 Years |
| Last Year of Tax Increment | 2024 |

The property was relatively flat and void of any infrastructure or structures. It was the intent of the city to grow this area for high-wage job creation. The intended development facilitated the job creation. Since this project was started six, 5-story Class A office buildings have been completed and occupied.

The agreement between the Agency and developer tied the reimbursement of tax increment revenue to Class A office space of at least 126,000 square feet (average is 140,000 square feet) with an employment base of at least 528 workers at build-out.

Sources of Funds – Valuation

The base year value as reflected by the County Assessor’s Office (2008) is \$7,098,683.

| Table 4.2: Base Year and Increment Taxable Values | Value |
|--|-------------------|
| Base Year: | |
| Total Base Year Value | \$ 7,098,683.00 |
| Prior Year (2019): | |
| Prior Year (2019) Increment Value | \$ 176,198,442.00 |
| Prior Year (2019) Tax Increment Generated - Agency Share | \$ 263,821.93 |
| Prior Year (2019) Adjusted Tax Increment to Agency | \$ 263,821.90 |
| Prior Year (2019) Total Assessed Value | \$ 183,297,125.00 |
| Current Year (2020): | |
| Current Year (2020) Projected Total Assessed Value | \$ 164,830,831.00 |

Relative Growth in Assessed Value

Total taxable value in the Project Area has grown from \$7,098,683 to \$183,297,125 in 2019 – an increase of over 2,482% in value.

In 2018 the assessed value of the Project Area was \$167,989,178. The 2019 taxable value increased to \$183,297,125 – an increase of 9% in value due to a slight increase in personal and centrally assessed property value. The 2020 taxable value is anticipated to decrease to \$164,830,831 due to building depreciation.

Tax Increment Uses of Funds

Funds are distributed to the Agency based on the following distribution formula: 15% of tax increment revenue from Alpine School District and 20% of tax increment revenue from Lehi City, Utah County, Central Utah Water Conservancy District, North Utah County Water Conservancy District and Lehi Metropolitan Water District. Of the total tax increment revenue the Agency collects, there is a 5% administrative fee taken before the remaining balance is distributed to the developer. The administrative fee does not deduct from the pledged amount of \$2.5 million to the developer.

| | % of increment (or amount) to Agency through 2024 |
|---|--|
| Alpine School District | 15% |
| Utah County | 20% |
| Lehi City | 20% |
| Northern Utah Water Conservancy District | 20% |
| North Utah Co. Water Conservancy District | 20% |
| Lehi Metropolitan Water District | 20% |

Funds were used to reimburse the developer for infrastructure improvements made to the property site that included water, sewer, electric, telecommunications, storm water and surface parking.

Benefits Received by Each Taxing Entity

| Taxing Entity | Benefits |
|---|---|
| Utah County | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Alpine School District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Lehi City | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Central Utah Water Conservancy District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |

| | |
|---|---|
| North Utah Co. Water Conservancy District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Lehi Metropolitan Water District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |

Development Activity

As a result of development in the Project Area, the surrounding area has seen development of multiple hotels and numerous retail outlets providing services to the office space. This includes restaurants, dry cleaners, multiple gas stations, a printing company and others.

Total Area Funds Budgeted Compared to Actual Collected

| Taxing Entities | Budgeted Tax Increment | Total Increment Collected | Difference to be collected |
|---|------------------------|---------------------------|----------------------------|
| Alpine School District | \$ 1,657,200.70 | \$ 1,115,243.99 | \$ 541,956.71 |
| Lehi City | \$ 584,173.00 | \$ 320,748.62 | \$ 263,424.38 |
| Utah County | \$ 318,523.99 | \$ 136,219.29 | \$ 182,304.70 |
| Central Utah Water Conservancy District | \$ 96,194.25 | \$ 67,192.65 | \$ 29,001.60 |
| North Utah Co. Water Conservancy District | \$ 7,007.53 | \$ 5,351.86 | \$ 1,655.68 |
| Lehi Metropolitan Water District | \$ 2,548.19 | \$ 2,149.26 | \$ 398.94 |
| Total Revenue | \$ 2,665,647.66 | \$ 1,646,905.67 | \$ 1,018,741.99 |

Note: 2011 is the first year of increment. Budgeted tax increment is for 14 years.

Area Maps

Exhibit 3.1 shows the RDA area for the project as it was defined in the 2009 plan. There has been no additions or subtractions from the site.

Exhibit 3.2 shows that of the approximately 39 acres, 3% is still undeveloped. At this time there are no plans to develop this site, but it is being maintained for future development opportunities. Future opportunities include possible retail pad sites or park space based on needs of the development.

Revised Multi-Year Budget

Table 3.4: Project Area Budget, CY 2019-2

| Calendar Year for Increment | 2019 | 2020 |
|--|-------------------|-------------------|
| Assessed Valuation | | |
| Base Year Taxable Value | \$ 7,098,683.00 | \$ 7,098,683.00 |
| Increment Value | \$ 176,198,442.00 | \$ 157,732,148.00 |
| Total Taxable Value | \$ 183,297,125.00 | \$ 164,830,831.00 |
| Tax Rates | | |
| Utah County | 0.0006720 | 0.0010410 |
| Alpine School District | 0.0064980 | 0.0068000 |
| Lehi City | 0.0015380 | 0.0014510 |
| Central Utah Water Conservancy District | 0.0003780 | 0.0004000 |
| North Utah Co. Water Conservancy District | 0.0000170 | 0.0000160 |
| Lehi Metropolitan Water District | 0.0000080 | 0.0000080 |
| Total | 0.0091110 | 0.0097160 |
| Taxing Entity Contribution | | |
| Utah County | 20% | 20% |
| Alpine School District | 15% | 15% |
| Lehi City | 20% | 20% |
| Central Utah Water Conservancy District | 20% | 20% |
| North Utah Co. Water Conservancy District | 20% | 20% |
| Lehi Metropolitan Water District | 20% | 20% |
| Tax Increment Possible Versus Collected | | |
| Tax Increment Possible | \$ 263,821.93 | |
| Tax Increment Collected | \$ 263,821.90 | |
| Increment Tax Revenues to Taxing Entities | | |
| Utah County | \$ 94,724.28 | \$ 131,359.33 |
| Alpine School District | \$ 973,196.73 | \$ 911,691.82 |
| Lehi City | \$ 216,794.52 | \$ 183,095.48 |

| | | |
|---|------------------------|------------------------|
| Central Utah Water Conservancy District | \$ 53,282.40 | \$ 50,474.29 |
| North Utah Co. Water Conservancy District | \$ 2,396.32 | \$ 2,018.97 |
| Lehi Metropolitan Water District | \$ 1,127.68 | \$ 1,009.49 |
| Total | \$ 1,341,521.93 | \$ 1,279,649.27 |

| Increment Tax Revenues to Agency | | |
|---|----------------------|----------------------|
| Utah County | \$ 23,681.07 | \$ 32,839.83 |
| Alpine School District | \$ 171,740.60 | \$ 160,886.79 |
| Lehi City | \$ 54,198.63 | \$ 45,773.87 |
| Central Utah Water Conservancy District | \$ 13,320.60 | \$ 12,618.57 |
| North Utah Co. Water Conservancy District | \$ 599.08 | \$ 504.74 |
| Lehi Metropolitan Water District | \$ 281.92 | \$ 252.37 |
| Total | \$ 263,821.90 | \$ 252,876.18 |

| Expenditures | | |
|----------------------------------|---------------|---------------|
| Administration | \$ 13,191.10 | \$ 12,643.81 |
| Developer Allocation | \$ 250,630.81 | \$ 240,232.37 |
| Remaining Increment for Projects | \$ - | \$ - |

The Redevelopment Agency is working with Thanksgiving Park to maintain current leasing companies and opportunities for future tenants. Thanksgiving Park is also building more Class A office space that is off site from the Project Area. This project has been the genesis for numerous other Class A office space developments in Lehi City.

Estimate of Tax Increment for 2020

The estimated amount of tax increment that will be generated in 2020 is \$1,532,525.55 with \$1,279,649.37 flowing to the taxing entities.

No single family or multifamily housing has been developed in the EDA area and none is contemplated.

A revised Multi-Year Budget is included at the end of this chapter.

Thanksgiving Park EDA Financials

| | 2009 | 2010 | 2011 | 2012 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 Total | |
|---|------------------|------------------------|-------------------------|-------------------|-------------------|-------------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|
| Taxable Value | | | | | | | | | | | | |
| Real Property Value | | \$ 30,762,200.00 | \$ 45,352,700.00 | \$ 167,899,178.00 | \$ 182,792,100.00 | \$ 505,025.00 | | | | | \$ 999,815,178.00 | |
| Personal Property Value | | | \$ 622,012.00 | | \$ 7,098,683.00 | | | | | | \$ 3,885,046.00 | |
| Base Property Value | | \$ 7,098,683.00 | \$ 7,098,683.00 | \$ 7,098,683.00 | \$ 7,098,683.00 | \$ 7,098,683.00 | | | | | \$ 63,888,147.00 | |
| Total Taxable Value | | \$ 23,163,517.00 | \$ 38,876,029.00 | \$ 160,890,495.00 | \$ 176,198,442.00 | \$ 176,198,442.00 | | | | | \$ 938,812,077.00 | |
| Alpine School Dist Increment Value | 15% | \$ 3,474,527.55 | \$ 5,831,404.35 | \$ 24,133,574.25 | \$ 26,429,766.30 | | | | | | \$ 140,821,811.55 | |
| All Other Taxing Entities Increment Value | 20% | \$ 4,632,703.40 | \$ 7,775,026.80 | \$ 32,178,099.00 | \$ 35,239,688.40 | | | | | | \$ 187,762,415.40 | |
| Tax Rate Alpine School district | | 0.008812 | 0.008828 | 0.008828 | 0.006979 | 0.006498 | | | | | | |
| Tax Rate All Other Taxing Entities | | 0.004139 | 0.004209 | 0.002812 | 0.002613 | | | | | | | |
| Tax Increment School District | | \$ 30,617.54 | \$ 51,479.64 | \$ 165,870.06 | \$ 171,740.62 | | | | | | \$ 1,050,283.56 | |
| Tax Increment All Other Taxing Entities | | \$ 19,174.76 | \$ 32,725.84 | \$ 90,484.81 | \$ 92,081.31 | | | | | | \$ 594,669.55 | |
| Actual Collected and Paid | | \$ 49,792.30 | \$ 84,205.48 | \$ 256,354.87 | \$ 263,821.93 | | | | | | \$ 1,644,953.11 | |
| Actual Versus Budget | | | \$ (3,985.84) | \$ (24,167.65) | \$ 42,158.58 | \$ 62,324.67 | \$ (213,366.59) | \$ (266,682.88) | \$ (267,696.46) | \$ (268,459.81) | \$ (321,184.19) | \$ (1,142,729.78) |
| Total Area Funds Budgeted Compared to Actual Collected | | | | | | | | | | | | |
| Taxing Entities | Increment | Total Increment | Difference to be | | | | | | | | | |
| Adline School District | \$ 1,657,200.70 | \$ 1,115,243.99 | \$ 541,956.71 | | | | | | | | | |
| Lehi City | \$ 584,173.00 | \$ 320,748.62 | \$ 263,424.38 | | | | | | | | | |
| Utah County | \$ 318,523.99 | \$ 136,219.29 | \$ 182,304.70 | | | | | | | | | |
| Central Utah Water Conservancy Dist | \$ 96,194.25 | \$ 67,192.65 | \$ 29,001.60 | | | | | | | | | |
| North Utah Co. Water Conservancy Dist | \$ 7,007.53 | \$ 5,351.86 | \$ 1,655.68 | | | | | | | | | |
| Lehi Metropolitan Water Dist | \$ 2,548.19 | \$ 2,149.26 | \$ 398.94 | | | | | | | | | |
| Total Revenue | \$ 2,665,647.66 | \$ 1,646,909.67 | \$ 1,018,741.99 | | | | | | | | | |
| <p>Note: 2013 is the first year of increment. Budgeted Tax Increment is for 20 years. Tax Increment Collected is from when increment started. Difference to be collected is for the time frame agreed with each taxing entity. County started a new Form PT700 in 2104 that breaks down all taxing entities so amount collected column is an average.</p> | | | | | | | | | | | | |

Exhibit 3.1

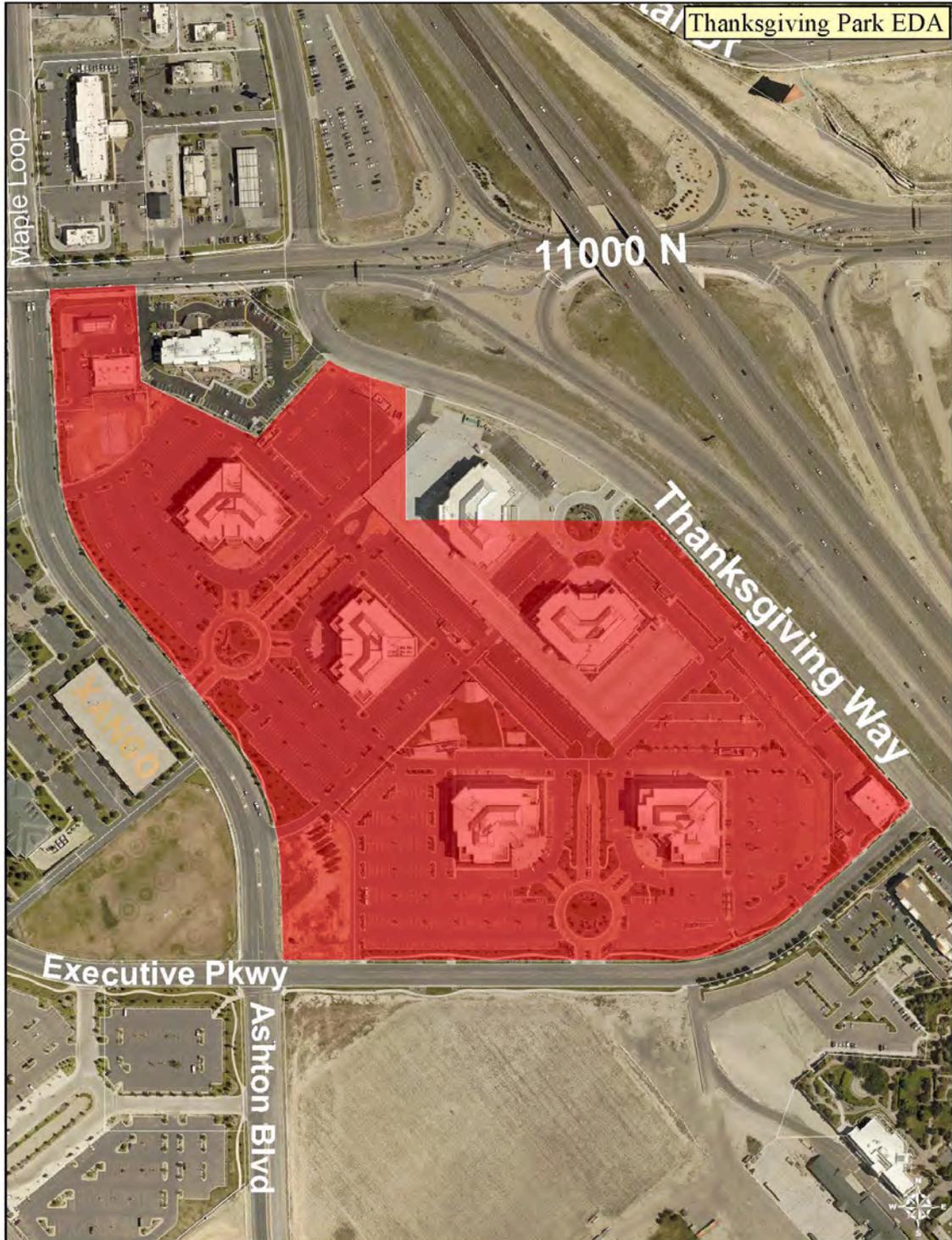
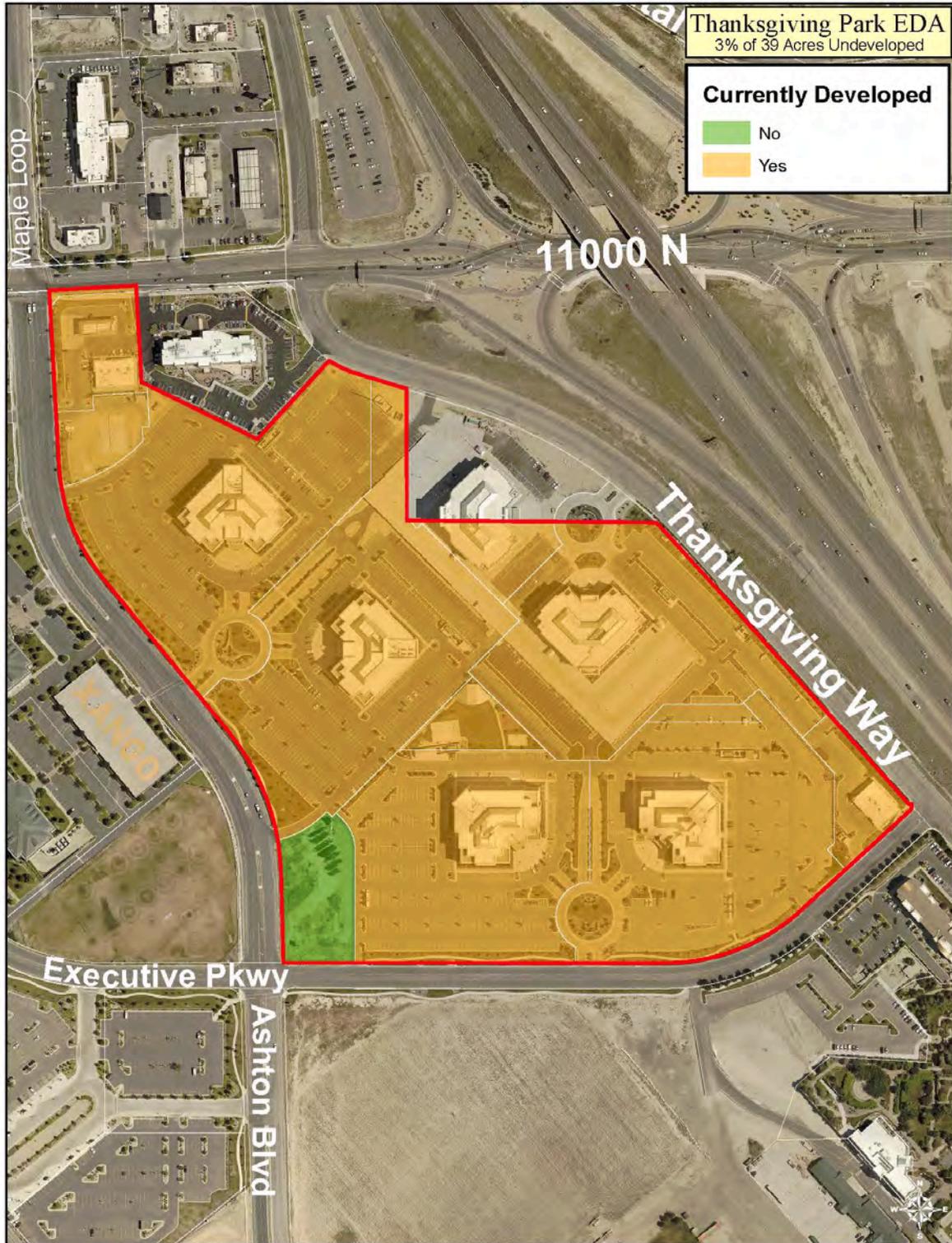


Exhibit 3.2



Chapter 5 – Alpine Highway West EDA

Background Information

The Alpine Highway West EDA was created in 2010, and increment was triggered in 2014. The base year is 2009, and the base value was calculated using the Utah County Assessor’s determination of the tax roll that was finalized on November 1, 2009. Increment was to be collected for a 20-year time period, expiring in 2034. There have been no extensions or additional land added to the Project Area since it was approved in 2010.

The general boundaries of the Project Area are west of Cabela’s Blvd. and east of Digital Drive and north of 11000 North for approximately a half mile. The total site is about 38.96 acres, all of which is privately owned and will be used for the development project. No public parks or government buildings will be located on the property. One connector road, Adobe Way, will be a public road.

The Project Area was created to provide an incentive to Adobe, with the expectation that Adobe would create employment and spur economic development. The property was relatively flat and void of any infrastructure or structures. The intended development facilitated the creation and retention of higher than county average wage jobs. Adobe purchased Omniture in 2009, and all employees were retained and moved to the new facility, in addition to the creation of 658 new jobs. Some

| Table 5.1 Project Area Description | |
|---|----------|
| Year Established | 2010 |
| Initial Year of Tax Increment | 2014 |
| Initial Collection Period | 20 Years |
| Last Year of Tax Increment | 2034 |

of these positions were relocated from other states. Since the project was started, Adobe has completed phase 1 of a proposed 3-phase project. Phase 1 was the largest at 233,000 square feet with phase 2 and 3 being 150,000 square feet, respectively. Adobe completed phase 2 in 2020. Phases 1 and 2 employment will exceed 2,200 employees with the average wage over 125% of the county average wage.

The agreement between the Agency and developer tied the reimbursement of tax increment revenue to job creation and minimum investment amounts based on a set dollar amount and time frame.

Sources of Funds – Valuation

| Table 5.2: Base Year and Increment Taxable Values | Value |
|--|-------------------|
| Base Year: | |
| Total Base Year Value | \$ 10,892,500.00 |
| Prior Year (2019): | |
| Prior Year (2019) Increment Value | \$ 96,304,493.00 |
| Prior Year (2019) Tax Increment Generated - Agency Share | \$ 658,072.68 |
| Prior Year (2019) Adjusted Tax Increment to Agency | \$ 658,072.08 |
| Prior Year (2019) Total Assessed Value | \$ 107,196,993.00 |
| Current Year (2020): | |
| Current Year (2020) Projected Total Assessed Value | \$ 147,892,744.00 |

The base year value as reflected by the County Assessor’s Office (2009) is \$10,892,500.

Relative Growth in Assessed Value

Total taxable value in the Project Area has grown from \$10,892,500 to \$107,196,993 in 2019 – an increase of over 884% in value.

In 2018, the assessed value of the Project Area was \$88,907,448. The 2019 taxable value increased to \$96,304,493. The majority of the increase was under personal property with a portion of the new construction being added. The State Tax Commission completed an audit in 2018 that should accurately reflect the personal property in 2019. In 2019 Adobe finished the parking garage and 60% of the phase 2 expansion. This should be on the tax rolls effective January 1st, 2020. The agency should see significant jumps over the next three years as Adobe completes phase 2 expansion in 2020.

Tax Increment Uses of Funds

Funds are distributed to the Agency, based on the following distribution formula: 75% of tax increment revenue from Alpine School District, Lehi City, Utah County, Central Utah Water Conservancy District, North Utah County Water Conservancy District and Lehi Metropolitan Water District. Of the total tax increment revenue the Agency collects there is a 6.75% administrative fee taken before the remaining balance is distributed to the developer. The administrative fee does not deduct from the pledged amount of \$17,478,052 million to the developer.

| Table 5.3: Tax Entity Contribution | |
|---|--|
| | % of increment (or amount) to Agency through 2034 |
| Alpine School District | 75% |
| Utah County | 75% |
| Lehi City | 75% |
| Northern Utah Water Conservancy District | 75% |

| | |
|---|-----|
| North Utah Co. Water Conservancy District | 75% |
| Lehi Metropolitan Water District | 75% |

Funds were used to reimburse the developer for infrastructure improvements made to the Project Area, including water, sewer, electric, telecommunications, storm water and parking.

Benefits Received by Each Taxing Entity

| Taxing Entity | Benefits |
|---|---|
| Utah County | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Alpine School District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Lehi City | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Central Utah Water Conservancy District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| North Utah Co. Water Conservancy District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Lehi Metropolitan Water District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |

Development Activity

Adobe’s presence in Lehi has caused an increase in technology companies locating to the city. Some notable companies that have located in Lehi include Podium, Xactware, Ancestry, Vivint Solar, MX, and many more. This project has helped spur numerous other Class A office space and retail developments.

Total Area Funds Budgeted Compared to Actual Collected

| Taxing Entities | Budgeted Tax Increment | Total Increment Collected | Difference to be collected |
|---|-------------------------|---------------------------|----------------------------|
| Alpine School District | \$ 12,298,988.58 | \$ 3,206,090.25 | \$ 9,092,898.33 |
| Lehi City | \$ 3,140,386.37 | \$ 816,306.13 | \$ 2,324,080.24 |
| Utah County | \$ 1,336,809.28 | \$ 345,465.52 | \$ 991,343.76 |
| Central Utah Water Conservancy District | \$ 648,669.97 | \$ 167,643.22 | \$ 481,026.75 |
| North Utah Co. Water Conservancy District | \$ 36,037.22 | \$ 9,311.53 | \$ 26,725.69 |
| Lehi Metropolitan Water District | \$ 17,160.58 | \$ 4,318.73 | \$ 12,841.85 |
| Total Revenue | \$ 17,478,052.00 | \$ 4,549,135.39 | \$ 12,928,916.61 |

Note: 2013 is the first year of increment. Budgeted Tax Increment is for 20 years.

Area Maps

Exhibit 4.1 shows the Project Area as it was defined in the 2010 plan. There has been no additions or subtractions from the site.

Exhibit 4.2 shows that of the approximately 39 acres, 17% is still undeveloped. In order to continue collecting TIF, Adobe must complete construction and installation of improvements, totaling \$120,000,000 for the entire site, by year 10 and \$165,000,000 for the entire site by year 15. This includes phases 2 and 3, which will be additions to the existing building and will house research and development for other product lines. Adobe has started phase 2 in year 5 and completed by year 8.

Revised Multi-Year Budget

Table 5.4: Project Area Budget, CY 2019-2020

| Calendar Year for Increment | 2019 | 2020 |
|--|-------------------|-------------------|
| Assessed Valuation | | |
| Base Year Taxable Value | \$ 10,892,500.00 | \$ 10,892,500.00 |
| Increment Value | \$ 96,304,493.00 | \$ 136,910,244.00 |
| Total Taxable Value | \$ 107,196,993.00 | \$ 147,892,744.00 |
| Tax Rates | | |
| Utah County | 0.0006720 | 0.0010410 |
| Alpine School District | 0.0064980 | 0.0068000 |
| Lehi City | 0.0015380 | 0.0014510 |
| Central Utah Water Conservancy District | 0.0003780 | 0.0004000 |
| North Utah Co. Water Conservancy District | 0.0000170 | 0.0000160 |
| Lehi Metropolitan Water District | 0.0000080 | 0.0000080 |
| Total | 0.0091110 | 0.0097160 |
| Taxing Entity Contribution | | |
| Utah County | 75% | 75% |
| Alpine School District | 75% | 75% |
| Lehi City | 75% | 75% |
| Central Utah Water Conservancy District | 75% | 75% |
| North Utah Co. Water Conservancy District | 75% | 75% |
| Lehi Metropolitan Water District | 75% | 75% |
| Tax Increment Possible Versus Collected | | |

| | | |
|--|---------------|---------------|
| Tax Increment Possible | \$ 658,072.68 | |
| Tax Increment Collected | \$ 658,072.08 | |
| Increment Tax Revenues to Taxing Entities | | |
| Utah County | \$ 16,179.14 | \$ 35,654.31 |
| Alpine School District | \$ 156,446.65 | \$ 232,900.41 |
| Lehi City | \$ 37,029.08 | \$ 49,696.84 |
| Central Utah Water Conservancy District | \$ 9,100.77 | \$ 13,700.02 |
| North Utah Co. Water Conservancy District | \$ 409.29 | \$ 548.00 |
| Lehi Metropolitan Water District | \$ 192.61 | \$ 274.00 |
| Total | \$ 219,357.53 | \$ 332,733.59 |
| Increment Tax Revenues to Agency | | |
| Utah County | \$ 48,537.42 | \$ 106,962.94 |
| Alpine School District | \$ 469,339.95 | \$ 698,701.24 |
| Lehi City | \$ 111,087.23 | \$ 149,090.52 |
| Central Utah Water Conservancy District | \$ 27,302.30 | \$ 41,100.07 |
| North Utah Co. Water Conservancy District | \$ 1,227.88 | \$ 1,644.00 |
| Lehi Metropolitan Water District | \$ 577.82 | \$ 822.00 |
| Total | \$ 658,072.60 | \$ 998,320.78 |
| Expenditures | | |
| Administration | \$ 44,419.90 | \$ 67,386.65 |
| Developer Allocation | \$ 613,652.70 | \$ 930,934.13 |
| Remaining Increment for Projects | \$ - | \$ - |

Estimate of Tax Increment for 2020

The estimated amount of tax increment that will be generated in 2020 is \$1,331,094.37 with \$332,773.59 flowing to the taxing entities.

No single family or multifamily housing has been developed in the EDA area and none is contemplated.

A revised Multi-Year Budget is included at the end of this chapter.

Alpine Highway West EDA Financials

| | 2009 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------------------------------|----------------------------------|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------|-----------------|
| Taxable Value | | | | | | | | | | |
| Real Property Value | \$ 70,259,700.00 | \$ 72,754,400.00 | \$ 72,754,400.00 | \$ 67,058,700.00 | \$ 72,034,900.00 | \$ 76,468,436.00 | \$ 77,340,700.00 | \$ 91,162,000.00 | | |
| Personal Property Value | \$ 22,370,554.00 | \$ 23,614,692.00 | \$ 23,614,692.00 | \$ 18,888,350.00 | \$ 18,301,666.00 | \$ 13,556,520.00 | \$ 11,566,748.00 | \$ 16,034,993.00 | | |
| Base Property Value | \$ 10,892,500.00 | \$ 10,892,500.00 | \$ 10,892,500.00 | \$ 10,892,500.00 | \$ 10,892,500.00 | \$ 10,892,500.00 | \$ 10,892,500.00 | \$ 10,892,500.00 | | |
| Total Taxable Value | \$ 81,737,754.00 | \$ 85,476,592.00 | \$ 85,476,592.00 | \$ 75,054,550.00 | \$ 79,444,066.00 | \$ 79,132,456.00 | \$ 78,014,948.00 | \$ 96,304,493.00 | | |
| All Taxing Entities 75% | | 75% | | | | | | | | |
| | | \$ 61,303,315.50 | \$ 64,107,444.00 | \$ 56,290,912.50 | \$ 59,583,049.50 | \$ 59,349,342.00 | \$ 58,511,211.00 | \$ 72,228,369.75 | | |
| Tax Rate All Taxing Entities | | 0.012419 | 0.011642 | 0.011577 | 0.010977 | 0.010185 | 0.009685 | 0.009111 | | |
| Tax Increment All Other Taxing Entities | | \$ 761,325.88 | \$ 746,338.86 | \$ 651,679.89 | \$ 654,043.13 | \$ 604,473.05 | \$ 566,681.08 | \$ 658,072.68 | | |
| Actual Collected and Paid | | \$ 756,961.63 | \$ 746,332.80 | \$ 651,678.97 | \$ 653,772.41 | \$ 500,918.18 | \$ 482,668.76 | \$ 659,072.68 | | |
| Actual Versus Budget | | \$ 61,041.47 | \$ 82,822.29 | \$ 1,749.39 | \$ 25,295.46 | \$ (113,344.32) | \$ (162,427.04) | \$ 40,428.06 | | \$ (993,766.24) |
| Total Area Funds Budgeted Compared to Actual Collected | | | | | | | | | | |
| | Budgeted Tax Increment | Total Increment Collected | Difference to be collected | | | | | | | |
| Taxing Entities | | | | | | | | | | |
| Appline School District | \$ 12,298,988.58 | \$ 3,206,090.25 | \$ 9,092,898.33 | | | | | | | |
| Lehi City | \$ 3,140,386.37 | \$ 816,306.13 | \$ 2,324,080.24 | | | | | | | |
| Utah County | \$ 1,336,809.28 | \$ 345,465.52 | \$ 991,343.76 | | | | | | | |
| Central Utah Water Conservancy Dist | \$ 648,669.97 | \$ 167,643.22 | \$ 481,026.75 | | | | | | | |
| North Utah Co. Water Conservancy Dist | \$ 36,037.22 | \$ 9,311.53 | \$ 26,725.69 | | | | | | | |
| Lehi Metropolitan Water Dist | \$ 17,160.58 | \$ 4,318.73 | \$ 12,841.85 | | | | | | | |
| Total Revenue | \$ 17,478,052.00 | \$ 4,549,135.39 | \$ 12,928,916.61 | | | | | | | |
| Note: 2013 is the first year of increment. Budgeted Tax Increment is for 20 years. Tax Increment Collected is from when increment started. Difference to be collected is for the time frame agreed with each taxing entity. | | | | | | | | | | |

Exhibit 4.1



Exhibit 4.2



Chapter 6 – Traverse Mountain CDA

Background Information

The Traverse Mountain CDA was created in 2012 and increment was triggered in 2013. Base year value is 2011 and was calculated using the Utah County Assessor’s determination of the tax roll that was finalized on November 1, 2011. Increment was to be collected for 20 years, expiring in 2033. There has been no extensions or additional land added to the CDA since it was approved in 2012.

The general boundaries of the Project Area are north of Timpanogos Highway approximately ¾ mile between Cabela’s Blvd. and Triumph Blvd. at the base of Traverse Mountain. There is also a parcel of land on the west side of Cabela’s Blvd. and south of Adobe. This property was obtained for freeway signage. The total site is approximately 57 acres, all of which is privately owned and will be used for the development project. No parks or government buildings will be located on the property. There will be public roads built on the property to allow for traffic flow and access to the outlet mall.

| Table 6.1 Project Area Description | |
|---|----------|
| Year Established | 2012 |
| Initial Year of Tax Increment | 2013 |
| Initial Collection Period | 20 Years |
| Last Year of Tax Increment | 2033 |
| Sales Tax Participation Established | 2012 |
| Time Frame for Collection | 10 Years |
| Last Year of Sales Tax Participation | 2022 |

The Project Area was created to provide an incentive to Traverse Mountain Outlet Mall, a retail outlet destination. The intent was to bring in regional monies for sales tax purposes and to enhance development in the Project Area. The property was at the base of Traverse Mountain, so there was sloping issues, and the property was void of any infrastructure or structures. Since the project was started, Traverse Mountain Outlet Mall has completed phase 1 of a proposed 2-phase project. Phase 1 was 375,000 square feet of the outlet mall, of which 70% is complete. Phase 2 will finish the buildout of the project. This project has facilitated the construction of a hotel in close proximity to the Project Area with pad sites for more retail development. In 2019 Strap Tank restaurant was completed.

The agreement between the Agency and developer tied the reimbursement of tax increment revenue to buildout of the project and the need for parking structures. Due to Alpine School District not participating in this CDA, Lehi City proposed to utilize a portion of sales tax on a sliding scale to make up the shortfall.

Sources of Funds – Valuation

| Table 6.2: Base Year and Increment Taxable Values | Value |
|--|------------------|
| Base Year: | |
| Total Base Year Value | \$ 12,460,687.00 |
| Prior Year (2019): | |
| Prior Year (2019) Increment Value | \$ 72,013,073.00 |
| Prior Year (2019) Tax Increment Generated - Agency Share | \$ 168,816.65 |
| Prior Year (2019) Adjusted Tax Increment to Agency | \$ 168,749.93 |
| Prior Year (2019) Total Assessed Value | \$ 84,473,760.00 |
| Current Year (2020): | |
| Current Year (2020) Projected Total Assessed Value | \$ 96,550,940.00 |

The base year value as reflected by the County Assessor’s Office (2011) is \$12,460,687.

Relative Growth in Assessed Value

Total taxable value in the Project Area has grown from \$12,460,687 to \$84,473,760 in 2019 – an increase of over 478% in value.

In 2018, the assessed value of the Project Area was \$69,906,043. In 2019, the assessed value of the Project Area increased to \$84,473,760. The majority of the increase was due to an increase in real property values. The 2020 taxable value is anticipated to increase to \$96,550,940.00.

Tax Increment Uses of Funds

Funds are distributed to the Agency based on the following distribution formula: 75% of tax increment revenue from Utah County, Central Utah Water Conservancy District, North Utah County Water Conservancy District and Lehi Metropolitan Water District. Lehi City contributes 100% property tax increment, as well as 75% on a sliding scale for sales tax. Of the total tax increment revenue the Agency collects there is a 5% administrative fee but it is forfeited before the remaining balance is distributed to the developer. The administrative fee does not deduct from the pledged tax increment amount of \$7,895,934 million to the developer. The city has pledged a portion of the sales tax as an incentive, not to exceed \$5,715,119.

| Table 6.3: Tax Entity Contribution | % of increment (or amount) to Agency through 2034 |
|---|--|
| Alpine School District | 0% |
| Utah County | 75% |
| Lehi City | 100% |
| Northern Utah Water Conservancy District | 75% |
| North Utah Co. Water Conservancy District | 75% |

| | |
|----------------------------------|-----|
| Lehi Metropolitan Water District | 75% |
|----------------------------------|-----|

Funds were used to reimburse the developer for infrastructure improvements made to the property site for parking.

Benefits Received by Each Taxing Entity

| Taxing Entity | Benefits |
|---|---|
| Utah County | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Alpine School District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Lehi City | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Central Utah Water Conservancy District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| North Utah Co. Water Conservancy District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Lehi Metropolitan Water District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |

Development Activity

The Traverse Mountain Outlet Mall has become a premier shopping destination. This center brings in regional dollars from a 60-mile circumference that are spent in Utah County. There is also a symbiotic relationship with Cabela’s, with customers frequenting both retail centers. Lastly, this development has created a regional synergy in attracting customers from outside the county that has a positive impact on other retail centers. There is also development going around the outlet mall but within the CDA area. These include another hotel, commercial office space and restaurants.

Total Area Funds Budgeted Compared to Actual Collected

| Taxing Entities | Budgeted Tax Increment | Total Increment Collected | Difference to be collected |
|---|------------------------|---------------------------|----------------------------|
| Alpine School District | \$ - | \$ - | \$ - |
| Lehi City | \$ 2,961,184.58 | \$ 563,216.16 | \$ 2,397,968.42 |
| Utah County | \$ 1,060,778.78 | \$ 181,884.34 | \$ 878,894.44 |
| Central Utah Water Conservancy District | \$ 394,512.25 | \$ 90,009.12 | \$ 304,503.13 |
| North Utah Co. Water Conservancy District | \$ 24,364.18 | \$ 6,801.54 | \$ 17,562.64 |
| Lehi Metropolitan Water District | \$ 11,245.00 | \$ 3,161.68 | \$ 8,083.32 |
| Total Revenue | \$ 4,452,084.79 | \$ 845,072.85 | \$ 3,607,011.94 |

Note: 2013 is the first year of increment. Budgeted Tax Increment is for 20 years.

Area Maps

Exhibit 5.1 shows the Project Area as it was defined in the 2012 plan. There has been no additions or subtractions from the site.

Exhibit 5.2 shows that of the approximately 70 acres, 20% is still undeveloped. In order to continue collecting TIF, Traverse Mountain Outlet Mall must complete a multi-level parking garage. The parking garage will be developed as the mall continues to build out. The mall is currently just under 90% full. Once the facility is greater than 95% full, they will look to sign contracts and start an addition. January 2018 marked the five year anniversary and all leases were set to expire. Eight tenants exercised their right to terminate the lease and vacate. The mall has had a hard time filling the empty space due to a lack of movement in the retail industry sectors. They are looking to non-traditional tenants, salons, gyms, waxing center, etc. Based on current trends, the outlet mall will not expand in the near future. As of Oct, 2020 the outlet mall still has at least 4 vacant store fronts.

Revised Multi-Year Budget

Table 6.4: Project Area Budget, CY 2019-2020

| Calendar Year for Increment | 2019 | 2020 |
|-----------------------------|------------------|------------------|
| Assessed Valuation | | |
| Base Year Taxable Value | \$ 12,460,687.00 | \$ 12,460,687.00 |
| Increment Value | \$ 72,013,073.00 | \$ 84,090,253.00 |
| Total Taxable Value | \$ 84,473,760.00 | \$ 96,550,940.00 |
| Tax Rates | | |
| Utah County | 0.0006720 | 0.0010410 |
| Alpine School District | 0.0064980 | 0.0068000 |

| | | |
|---|------------------|------------------|
| Lehi City | 0.0015380 | 0.0014510 |
| Central Utah Water Conservancy District | 0.0003780 | 0.0004000 |
| North Utah Co. Water Conservancy District | 0.0000170 | 0.0000160 |
| Lehi Metropolitan Water District | 0.0000080 | 0.0000080 |
| Total | 0.0091110 | 0.0097160 |

Taxing Entity Contribution

| | | |
|---------------------------------------|------|------|
| Utah County | 75% | 75% |
| Alpine School District | 0% | 0% |
| Lehi City | 100% | 100% |
| Central Utah Water Conservancy Dist | 75% | 75% |
| North Utah Co. Water Conservancy Dist | 75% | 75% |
| Lehi Metropolitan Water Dist | 75% | 75% |

Tax Increment Possible Versus Collected

| | | |
|-------------------------|---------------|--|
| Tax Increment Possible | \$ 168,816.65 | |
| Tax Increment Collected | \$ 168,749.93 | |

Increment Tax Revenues to Taxing Entities

| | | |
|---|----------------------|----------------------|
| Utah County | \$ 12,093.41 | \$ 21,884.49 |
| Alpine School District | \$ 467,652.90 | \$ 571,813.72 |
| Lehi City | \$ - | \$ - |
| Central Utah Water Conservancy District | \$ 6,802.55 | \$ 8,409.03 |
| North Utah Co. Water Conservancy District | \$ 305.93 | \$ 336.36 |
| Lehi Metropolitan Water District | \$ 143.97 | \$ 168.18 |
| Total | \$ 486,998.76 | \$ 602,611.78 |

Increment Tax Revenues to Agency

| | | |
|---|---------------|---------------|
| Utah County | \$ 36,280.24 | \$ 65,653.47 |
| Alpine School District | \$ - | \$ - |
| Lehi City | \$ 110,712.34 | \$ 122,014.96 |
| Central Utah Water Conservancy District | \$ 20,407.64 | \$ 25,227.08 |

| | | |
|---|---------------|---------------|
| North Utah Co. Water Conservancy District | \$ 917.80 | \$ 1,009.08 |
| Lehi Metropolitan Water District | \$ 431.91 | \$ 504.54 |
| Total | \$ 168,749.93 | \$ 214,409.12 |

| Expenditures | | |
|----------------------------------|---------------|---------------|
| Administration | \$ - | \$ - |
| Developer Allocation | \$ 168,749.93 | \$ 214,409.12 |
| Remaining Increment for Projects | \$ - | \$ - |

The Agency is working with the developer to attract other retail interests to the Outlet Mall and surrounding area. The mall is re-inventing itself through marketing and promotions. Due to the growth Utah County and Lehi City have seen in the last few years, it creates a story and reason for tenants to be located at the outlet mall. The hope is the mall will be ready to expand in FY 2022, with stores open in 2023.

Estimate of Tax Increment for 2020

The estimated amount of tax increment that will be generated in 2020 is \$ 817,202.90 with \$602,611.78 flowing to the taxing entities.

No single family or multifamily housing has been developed in the CDA area and none is contemplated.

A revised Multi-Year Budget is included at the end of this chapter.

Traverse Mountain CDA Financials

| 2009 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|------------------------|------------------|----------------------------|------------------|------------------|------------------|------------------|-----------------|
| Real Property Value | \$ 41,845,787.00 | \$ 44,972,491.00 | \$ 50,667,000.00 | \$ 59,590,100.00 | \$ 62,799,879.00 | \$ 69,906,043.00 | \$ 84,473,760.00 | |
| Personal Property Value | \$ - | \$ 35,509.00 | \$ 44,860.00 | \$ 51,539.00 | \$ - | \$ - | \$ - | |
| Base Property Value | \$ 12,460,687.00 | \$ 12,460,687.00 | \$ 12,460,687.00 | \$ 12,460,687.00 | \$ 12,460,687.00 | \$ 12,460,687.00 | \$ 12,460,687.00 | |
| Total Taxable Value | \$ 29,385,100.00 | \$ 32,547,313.00 | \$ 38,251,173.00 | \$ 47,180,952.00 | \$ 50,339,192.00 | \$ 57,445,356.00 | \$ 72,013,073.00 | |
| Lehi City | 100% \$ 29,385,100.00 | \$ 32,547,313.00 | \$ 38,251,173.00 | \$ 47,180,952.00 | \$ 50,339,192.00 | \$ 57,445,356.00 | \$ 72,013,073.00 | |
| All Other Taxing Entities Increment Value | 75% \$ 22,038,825.00 | \$ 24,410,484.75 | \$ 28,688,379.75 | \$ 35,385,714.00 | \$ 37,754,394.00 | \$ 43,084,017.00 | \$ 54,009,804.75 | |
| Lehi City | 0.002432 | 0.002172 | 0.00209 | 0.002005 | 0.00183 | 0.001678 | 0.001538 | |
| All Other Taxing Entities Increment Value | 0.001492 | 0.00947 | 0.009487 | 0.001254 | 0.001188 | 0.001134 | 0.001075 | |
| Tax Increment Lehi City | \$ 71,464.56 | \$ 70,692.76 | \$ 79,944.95 | \$ 94,597.81 | \$ 92,120.72 | \$ 96,393.31 | \$ 110,756.11 | |
| Tax Increment All Other Taxing Entities | \$ 32,881.93 | \$ 231,167.29 | \$ 272,166.66 | \$ 44,373.69 | \$ 44,852.22 | \$ 48,857.28 | \$ 58,060.54 | |
| Tax Increment Possible | \$ 104,346.49 | \$ 301,860.05 | \$ 352,111.61 | \$ 138,971.49 | \$ 136,972.94 | \$ 145,250.58 | \$ 168,816.65 | |
| Actual Collected and Paid | \$ 104,346.49 | \$ 301,530.74 | \$ 352,111.60 | \$ 138,971.50 | \$ 136,972.93 | \$ 145,245.84 | \$ 168,749.93 | |
| Actual Versus Budget | \$ (183,850.40) | \$ 13,994.30 | \$ (2,689.12) | \$ (215,183.38) | \$ (216,665.45) | \$ (207,726.75) | \$ (183,930.83) | \$ (352,226.45) |
| Total Area Funds Budgeted Compared to Actual Collected | | | | | | | | |
| Taxing Entities | Budgeted Tax Increment | Total Collected | Difference to be collected | | | | | |
| Alpine School District | \$ - | \$ - | \$ - | | | | | |
| Lehi City | \$ 2,961,184.58 | \$ 563,216.16 | \$ 2,397,968.42 | | | | | |
| Utah County | \$ 1,060,778.78 | \$ 181,884.34 | \$ 878,894.44 | | | | | |
| Central Utah Water Conservancy Dist | \$ 394,512.25 | \$ 90,009.12 | \$ 304,503.13 | | | | | |
| North Utah Co. Water Conservancy Dist | \$ 24,364.18 | \$ 6,801.54 | \$ 17,562.64 | | | | | |
| Lehi Metropolitan Water Dist | \$ 11,245.00 | \$ 3,161.68 | \$ 8,083.32 | | | | | |
| Total Revenue | \$ 4,452,084.79 | \$ 845,072.85 | \$ 3,607,011.94 | | | | | |
| Note: 2013 is the first year of increment. Budgeted Tax Increment is for 20 years. Tax increment collected is from when increment started. Difference is for the time frame agreed with each taxing entity. | | | | | | | | |

Exhibit 5.1



Exhibit 5.2



Chapter 7 – West Timpanogos CDA

Background Information

The West Timpanogos CDA was created in 2014, and increment was triggered in 2015. The base year is 2013, and the base year value was calculated using the Utah County Assessor’s determination of the tax roll that was finalized on November 1, 2013. Increment was to be collected for 20 years, expiring in 2035. There has been no extensions or additional land added to the CDA since it was approved in 2014.

The general boundaries of the Project Area start at Timpanogos Highway and go north approximately ¾ miles between Morning Glory Road or 1200 West and 1350 West. The total site is about 81 acres, all of which is privately owned and will be used for the development project. No public roads, parks or government buildings will be located on the property.

| Table 7.1 Project Area Description | |
|---|----------|
| Year Established | 2012 |
| Initial Year of Tax Increment | 2015 |
| Initial Collection Period | 20 Years |
| Last Year of Tax Increment | 2035 |

The Project Area was created to provide an incentive to Traverse Mountain Commercial Venture to facilitate development of Class A office space, with Xactware occupying one of the buildings. The developer has built two buildings, of which Xactware and Ancestry occupy both buildings. The intent of the development is to have six 250,000 square foot facilities on the project site which will be an employment driver for Lehi City. The developer is currently working on leasing building three before construction will start. Traverse Mountain Commercial Venture has submitted plans for a third building and it is anticipated they will build in 2020. Due to COVID-19, building plans have been put on hold until 2021 - 2022

The agreement between the Agency and developer tied the reimbursement of tax increment revenue to buildout of the first building for Xactware. The value to the Agency is the job creation for Utah County and Lehi City.

Sources of Funds – Valuation

| Table 7.2: Base Year and Increment Taxable Values | Value |
|--|-------------------|
| Base Year: | |
| Total Base Year Value | \$ 6,448,875.00 |
| Prior Year (2019): | |
| Prior Year (2019) Increment Value | \$ 146,202,439.00 |
| Prior Year (2019) Tax Increment Generated - Agency Share | \$ 332,274.28 |
| Prior Year (2019) Adjusted Tax Increment to Agency | \$ 331,792.05 |
| Prior Year (2019) Total Assessed Value | \$ 152,651,314.00 |

| | |
|--|-------------------|
| Current Year (2020): | |
| Current Year (2020) Projected Total Assessed Value | \$ 167,908,930.00 |

The base year value as reflected by the County Assessor’s Office (2013) is \$6,448,875.

Relative Growth in Assessed Value

Total taxable value in the Project Area has grown from \$6,448,875 to \$152,651,314.00 in 2019 – an increase of over 2,267% in value.

In 2018, the assessed value of the Project Area was \$130,494,987. In 2019, the assessed value of the Project Area increased to \$152,651,314. The majority of the increase was due to an increase in personal property values. The 2020 taxable value is anticipated to increase to \$167,908,930.

Tax Increment Uses of Funds

Funds are distributed to the Agency based on the following distribution formula: 50% of tax increment revenue from Utah County, Lehi City, Central Utah Water Conservancy District, and Lehi Metropolitan Water District. North Utah County Water Conservancy District is not participating in this CDA. Alpine School District is providing 15% to the tax increment revenue. Of the total tax increment revenue the Agency collects, there is a 3% administrative fee taken before the remaining balance is distributed to the developer. The administrative fee does not deduct from the pledged tax increment amount of \$19,557,363 million to the developer.

| Table 7.3: Tax Entity Contribution | |
|---|--|
| | % of increment (or amount) to Agency through 2035 |
| Alpine School District | 15% |
| Utah County | 50% |
| Lehi City | 50% |
| Central Utah Water Conservancy District | 50% |
| North Utah Co. Water Conservancy District | 0% |
| Lehi Metropolitan Water District | 50% |

Funds were used to reimburse the developer for infrastructure improvements made to the property.

Benefits Received by Each Taxing Entity

| Taxing Entity | Benefits |
|------------------------|---|
| Utah County | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Alpine School District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |

| | |
|---|---|
| Lehi City | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Central Utah Water Conservancy District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| North Utah Co. Water Conservancy District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |
| Lehi Metropolitan Water District | Increase in property value; Employment opportunities at higher wages; Incremental tax revenue to taxing entities; Increase in surrounding property value through infrastructure improvements. |

Development Activity

Traverse Mountain Commercial Development has constructed two buildings, Xactware and Ancestry. Pre-leasing has been ongoing for building three with an anticipated build date of 2020. Due to COVID-19 this project has been pushed to 2021 – 2022. Under current market conditions, most technology-based companies want to see the physical building before leasing. This has led to more speculation building, as the Class A office space market has grown in other areas. This could be a reason for the slow leasing.

Total Area Funds Budgeted Compared to Actual Collected

| Taxing Entities | Budgeted Tax Increment | Total Increment Collected | Difference to be collected |
|---|-------------------------|---------------------------|----------------------------|
| Alpine School District | \$ 7,437,030.60 | \$ 559,823.14 | \$ 6,877,207.46 |
| Lehi City | \$ 7,258,995.65 | \$ 459,811.65 | \$ 6,799,184.00 |
| Utah County | \$ 3,246,189.16 | \$ 196,800.24 | \$ 3,049,388.92 |
| Central Utah Water Conservancy District | \$ 1,277,695.56 | \$ 99,247.16 | \$ 1,178,448.40 |
| North Utah Co. Water Conservancy District | \$ 81,435.54 | \$ - | \$ 81,435.54 |
| Lehi Metropolitan Water District | \$ 36,505.59 | \$ 2,465.13 | \$ 34,040.46 |
| Total Revenue | \$ 19,337,852.10 | \$ 1,318,147.32 | \$ 18,019,704.78 |

Note: 2015 is the first year of increment. Budgeted Tax Increment is for 20 years.

Area Maps

Exhibit 6.1 shows the Project Area as it was defined in the 2014 plan. There has been no additions or subtractions from the site.

Exhibit 6.2 shows that of the approximately 55 acres in the Project Area, 68% is still undeveloped. The budget was based on full build out being completed by 2018. If this does not occur the developer will see the 20 year time frame expire before the max amount is obtained. It is in the developer's best interest to build out as fast as possible, creating a high-tech center that will usually pay higher than county average wage.

Revised Multi-Year Budget

Table 7.4: Project Area Budget, CY 2019-2020

| Calendar Year for Increment | 2019 | 2020 |
|--|-------------------|-------------------|
| Assessed Valuation | | |
| Base Year Taxable Value | \$ 6,448,875.00 | \$ 6,448,875.00 |
| Increment Value | \$ 146,202,439.00 | \$ 161,460,005.00 |
| Total Taxable Value | \$ 152,651,314.00 | \$167,908,930.00 |
| Tax Rates | | |
| Utah County | 0.0006720 | 0.0010410 |
| Alpine School District | 0.0064980 | 0.0068000 |
| Lehi City | 0.0015380 | 0.0014510 |
| Central Utah Water Conservancy District | 0.0003780 | 0.0004000 |
| North Utah Co. Water Conservancy District | 0.0000170 | 0.0000160 |
| Lehi Metropolitan Water District | 0.0000080 | 0.0000080 |
| Total | 0.0091110 | 0.0097160 |
| Taxing Entity Contribution | | |
| Utah County | 50% | 50% |
| Alpine School District | 15% | 15% |
| Lehi City | 50% | 50% |
| Central Utah Water Conservancy District | 50% | 50% |
| North Utah Co. Water Conservancy District | 0% | 0% |
| Lehi Metropolitan Water District | 50% | 50% |
| Tax Increment Possible Versus Collected | | |
| Tax Increment Possible | \$ 332,274.28 | |
| Tax Increment Collected | \$ 331,792.05 | |
| Increment Tax Revenues to Taxing Entities | | |
| Utah County | \$ 49,052.73 | \$ 84,039.96 |
| Alpine School District | \$ 806,347.97 | \$ 933,239.12 |

| | | |
|---|---------------|-----------------|
| Lehi City | \$ 112,266.50 | \$ 117,139.27 |
| Central Utah Water Conservancy District | \$ 27,592.16 | \$ 32,292.01 |
| North Utah Co. Water Conservancy District | \$ - | \$ 2,583.36 |
| Lehi Metropolitan Water District | \$ 583.96 | \$ 645.84 |
| Total | \$ 995,843.32 | \$ 1,169,939.56 |

Increment Tax Revenues to Agency

| | | |
|---|---------------|---------------|
| Utah County | \$ 49,052.73 | \$ 84,039.96 |
| Alpine School District | \$ 142,296.70 | \$ 164,689.26 |
| Lehi City | \$ 112,266.50 | \$ 117,139.27 |
| Central Utah Water Conservancy District | \$ 27,592.16 | \$ 32,292.01 |
| North Utah Co. Water Conservancy District | \$ - | \$ - |
| Lehi Metropolitan Water District | \$ 583.96 | \$ 645.84 |
| Total | \$ 331,792.05 | \$ 398,806.34 |

Expenditures

| | | |
|----------------------------------|---------------|---------------|
| Administration | \$ 9,953.76 | \$ 11,964.19 |
| Developer Allocation | \$ 321,838.29 | \$ 386,842.15 |
| Remaining Increment for Projects | \$ - | \$ - |

The Agency is working with the developer to attract other tenants for Class A office space. The desire is to attract other technology-based companies to continue promoting “Silicon Slopes” for Utah County.

Estimate of Tax Increment for 2020

The estimated amount of tax increment that will be generated in 2020 is \$1,568,745.89 with \$1,169,939.56 flowing to the taxing entities.

No single family or multifamily housing has been developed in the CDA area and none is contemplated.

A revised Multi-Year Budget is included at the end of this chapter.

West Timpanogos CDA Financials

| Assumptions | 2009 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | | |
|---|------|------|------|------------------|------------------|-------------------|-------------------|-------------------|-----------------|-----------------|-------------------|-------------------|
| CDA Admin Fee 5% | | | | | | | | | | | | |
| Developer Incentive Cap \$7,895,934 | | | | | | | | | | | | |
| Taxable Value | | | | | | | | | | | | |
| Real Property Value | | | | \$ 51,608,400.00 | \$ 68,662,400.00 | \$ 84,483,700.00 | \$ 99,813,100.00 | \$ 110,860,000.00 | | | | |
| Personal Property Value | | | | 650.00 | 29,551,853.00 | 44,104,379.00 | 34,681,887.00 | 41,791,314.00 | | | | |
| Base Property Value | | | | \$ 6,448,875.00 | \$ 6,448,875.00 | \$ 6,448,875.00 | \$ 6,448,875.00 | \$ 6,448,875.00 | | | | |
| Total Taxable Value | | | | \$ 45,160,175.00 | \$ 91,765,378.00 | \$ 122,139,204.00 | \$ 124,046,112.00 | \$ 146,202,439.00 | | | | |
| Alpine School District Increment Value | 15% | | | \$ 6,774,026.25 | \$ 13,764,806.70 | \$ 18,320,890.60 | \$ 18,606,916.80 | \$ 21,930,385.65 | | | | |
| All Other Taxing Entities Increment Value | 50% | | | \$ 22,580,087.50 | \$ 45,882,689.00 | \$ 61,069,602.00 | \$ 62,023,056.00 | \$ 73,101,219.50 | | | | |
| Alpine School District Increment Value | | | | 0.008177 | 0.007718 | 0.007167 | 0.006673 | 0.006498 | | | | |
| All Other Taxing Entities Increment Value | | | | 0.003376 | 0.003236 | 0.002997 | 0.002793 | 0.002966 | | | | |
| Tax Increment Alpine School District | | | | \$ 55,391.21 | \$ 106,236.78 | \$ 131,305.75 | \$ 127,885.34 | \$ 142,503.52 | | | | |
| Tax Increment All Other Taxing Entities | | | | \$ 76,082.84 | \$ 148,476.38 | \$ 183,025.60 | \$ 173,230.40 | \$ 189,770.77 | | | | |
| Tax Increment Possible | | | | \$ 131,474.05 | \$ 254,713.16 | \$ 314,331.35 | \$ 301,115.73 | \$ 332,274.28 | | | | |
| Actual Collected and Paid | | | | \$ 168,763.73 | \$ 239,729.08 | \$ 313,838.25 | \$ 297,295.95 | \$ 331,792.05 | | | | |
| Actual Versus Budget | | | | \$ (153,416.51) | \$ (384,306.43) | \$ (821,859.31) | \$ (472,790.07) | \$ (596,354.19) | \$ (816,489.69) | \$ (781,993.59) | \$ (1,113,785.64) | \$ (1,113,785.64) |
| Total Area Funds Budgeted Compared to Actual Collected | | | | | | | | | | | | |
| Taxing Entities | | | | | | | | | | | | |
| Alpine School District | | | | \$ 7,437,030.60 | \$ 559,823.14 | \$ 6,877,207.46 | | | | | | |
| Lehi City | | | | \$ 7,258,995.65 | \$ 459,811.65 | \$ 6,799,184.00 | | | | | | |
| Utah County | | | | \$ 3,246,189.16 | \$ 196,800.24 | \$ 3,049,388.92 | | | | | | |
| Central Utah Water Conservancy Dist | | | | \$ 1,277,695.36 | \$ 99,247.16 | \$ 1,178,448.40 | | | | | | |
| North Utah Co. Water Conservancy Dist | | | | \$ 81,435.54 | \$ - | \$ 81,435.54 | | | | | | |
| Lehi Metropolitan Water Dist | | | | \$ 36,505.59 | \$ 2,465.13 | \$ 34,040.46 | | | | | | |
| Total Revenue | | | | \$ 19,397,852.10 | \$ 1,319,247.32 | \$ 16,029,704.78 | | | | | | |
| Note: 2015 is the first year of increment. Budgeted Tax Increment is for 20 years. Tax Increment Collected is from when increment started. Difference to be collected is for the time frame agreed with each taxing entity. | | | | | | | | | | | | |

Exhibit 6.1



Exhibit 6.2



Chapter 8 – SR-92 Digital Drive CRA

Background Information

The SR-92 Digital Drive CRA has created in 2017 with sales tax increment starting in 2016. The CRA is between the redevelopment agency and Ken Garff Porsche Audi Dealership. The agreement provides for 25% of the sales tax generated from car sales to be remitted back to Ken Garff Properties. The agreement is for 10 years not to exceed \$1M.

The general boundaries of the Project Area start at SR-92 and Digital Drive and only includes serial number 11:032:0424 encompassing 2.95 acres, all of which is privately owned and will be used for the development project. No public roads, parks or government buildings will be located on the property.

| Table 7.1 Project Area Description | |
|---|----------|
| Year Established | 2017 |
| Initial Year of Tax Increment | 2016 |
| Initial Collection Period | 10 Years |
| Last Year of Tax Increment | 2026 |

The Project Area was created to provide an incentive to Ken Garff Properties to facilitate the first full service large scale dealership of new cars. The RDA determined that it was advantages to the agency and the City of Lehi to have a new car dealership located within the city. The developer has built the Porsche Audi dealership which was completed in 2016. The intent of the development was to generate sales tax and create the opportunity for more dealerships to locate to Lehi. The developer is currently working on plans for a second dealership that will not be located within this CRA. The final outcome will be an additional 3 new and used car dealerships located within Lehi City.

The agreement between the Agency and Ken Garff Properties tied the reimbursement of sales tax revenue to the sale of cars. The value to the Agency is sales tax generation for the city.

Sources of Funds – Valuation

| Table 7.2: Base Year and Increment Taxable Values | Value |
|--|-----------------|
| Base Year: | |
| Total Base Year Personal and Real Property Value 2014 | \$ 1,103,400.00 |
| Prior Year (2019): | |
| Prior Year (2019) Increment Value | \$ 00.00 |
| Prior Year (2019) Tax Increment Generated - Agency Share | \$ 00.00 |
| Prior Year (2019) Adjusted Tax Increment to Agency | \$ 00.00 |
| Prior Year (2019) Total Assessed Value | \$ 7,722,500.00 |
| Current Year (2020): | |
| Current Year (2020) Projected Total Assessed Value | \$ 8,845,100.00 |

The base year value as reflected by the County Assessor’s Office (2014) is \$1,103,400. This value reflects the real property value with no improvements or personal property valuation.

Relative Growth in Assessed Value

Total taxable value in the Project Area has grown from \$1,103,400 to \$8,845,100 in 2020 – an increase of over 800% in value.

In 2019, the assessed value of the Project Area was \$8,585,200. In 2020, the assessed value of the Project Area grew to, \$8,845,100. The growth in value is due to building appreciation. The 2021 taxable value is anticipated to remain flat as the real property will not be re-evaluated.

Tax Increment Uses of Funds

Funds are distributed to the Agency based on the following distribution formula: 25% of sales tax revenue from Lehi City. Of the total tax increment revenue the Agency collects, there is no administrative fee taken before the remaining balance is distributed to Ken Garff Properties.

| Table 7.3: Tax Entity Contribution | |
|---|--|
| | % of increment (or amount) to Agency through 2026 |
| Alpine School District | 0% |
| Utah County | 0% |
| Lehi City | 25% |
| Central Utah Water Conservancy District | 0% |
| North Utah Co. Water Conservancy District | 0% |
| Lehi Metropolitan Water District | 0% |

Funds were used to reimburse the developer for infrastructure improvements made to the property.

Benefits Received by Each Taxing Entity

| Taxing Entity | Benefits |
|---|--|
| Utah County | No Participation |
| Alpine School District | No Participation |
| Lehi City | Increase in property value; Employment opportunities at higher wages; Increase in sales tax; Increase in surrounding property value through infrastructure improvements. |
| Central Utah Water Conservancy District | No Participation |
| North Utah Co. Water Conservancy District | No Participation |
| Lehi Metropolitan Water District | No Participation |

Development Activity

Ken Garff Properties completed construction in 2016. The CRA encompasses only the dealership and there is no room for additional growth. Ken Garff Properties has submitted plans for a second dealership in Lehi at a different location. There is an opportunity for 3 more dealerships within Lehi.

Total Area Funds Budgeted Compared to Actual Collected

| Taxing Entities | Budgeted Tax Increment | Total Increment Collected | Difference to be collected |
|---|------------------------|---------------------------|----------------------------|
| Alpine School District | \$ 00.00 | \$ 00.00 | \$ 00.00 |
| Lehi City | \$ Not Disclosed | \$ Not Disclosed | \$ Not Disclosed |
| Utah County | \$ 00.00 | \$ 00.00 | \$ 00.00 |
| Central Utah Water Conservancy District | \$ 00.00 | \$ 00.00 | \$ 00.00 |
| North Utah Co. Water Conservancy District | \$ 00.00 | \$ 00.00 | \$ 00.00 |
| Lehi Metropolitan Water District | \$ 00.00 | \$ 00.00 | \$ 00.00 |
| Total Revenue | \$ 00.00 | \$ 00.00 | \$ 00.00 |

Note: 2016 is the first year of sales tax increment. Budgeted Sales Tax Increment is for 10 years.

Area Maps

Exhibit 7.1 shows the Project Area as it was defined in the 2017 plan. There has been no additions or subtractions from the site. The Project Area contains approximately 2.9 acres of which 100% is developed.

Revised Multi-Year Budget

Per Utah State Code 59-1-403 it is unlawful to divulge or make known in any manner any information gained by that person from any returned filed with the commission. Per this code, the agency is not allowed to disclose the sales tax generated.

Estimate of Tax Increment for 2020

The estimated amount of tax increment that will be generated in 2020 can't be disclosed.

No single family or multifamily housing has been developed in the CRA area and none is contemplated.

Exhibit 7.1

