

2015

ANNUAL REPORT

REDEVELOPMENT AGENCY OF AMERICAN FORK CITY, UT

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



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EXECUTIVE SUMMARY

INTRODUCTION

Lewis Young Robertson & Burningham, Inc (“LYRB”) has been retained by the Redevelopment Agency of American Fork City (the “Agency”) to assist with the management of the Agency’s four project areas (West Side RDA, East Main RDA, North Valley RDA, and Egg Farm EDA). LYRB has compiled various creation and related documents associated with the project areas, created annual and multi-year budgets, and created a proprietary Excel-based software package to manage the Agency’s Project Areas in the future.

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

Table I.1: RDA Taxing Entities

RDA TAXING ENTITIES	
Audra Sorensen	American Fork City
Cathy Jensen	American Fork City
Adam Olsen	American Fork City
Andy Spencer	American Fork City
Burt Harvey	Utah County
Rob Smith	Alpine School District
John Jacobs	North Utah County Water Conservancy District
Gene Shawcroft	Central Utah Water Conservancy District
JoAnne Dubois	Central Utah Water Conservancy District
Natalie Grange	Utah State Board of Education
Lorraine Austin	Utah State Board of Education
Barry Conover	Utah State Tax Commission

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

Provided in this report is an overview of the West Side RDA Project Area, the East Main RDA Project Area, the North Valley RDA Project Area, and the Egg Farm EDA Project Area, including summaries of the current and projected budgets, sources and uses of tax increment funds, Project Area growth statistics, and identification of certain concerns/needs.

OVERVIEW OF THE REDEVELOPMENT AGENCY

The Redevelopment Agency of American Fork City was created by the American Fork City Council in June 1983 in accordance with the provision of the Utah Neighborhood Development Act, UCA 17A-2-1201, 17A-2-1202, and 17A-2-1203 and continues to operate under Title 17C of Utah Code (UCA 17C). The purpose of the Agency is to encourage the revitalization of certain areas of the City with quality developments that are conducive to meeting the long range goals of the City.

UCA 17C has expanded the ability of the Redevelopment Agencies, allowing the creation of various types of project areas, including Community Development Area (CDA), Urban Renewal Area (URA), and Economic Development Area (EDA). A CDA differs from a URA and an EDA in that it is meant to encourage, promote, or provide for development, but does not require the vote, approval, or governance of a taxing entity committee. Various taxing entities can elect to participate on an individual basis through interlocal agreements. In comparison, an EDA is intended to create jobs or economic opportunity and requires a taxing entity committee. A URA is meant to initiate or intensify development of a blighted or under-used area. In the case of a URA, blight finding is required, limited use of eminent domain is allowed, and a taxing entity committee is required.

As three of the four active project areas in the American Fork City Redevelopment Agency (West Side, East Main, North Valley) were created prior to this expansion of UCA 17C, each of these three Project Areas has been classified simply as a Redevelopment Area, or RDA. The fourth Project Area, Egg Farm, has been classified as an EDA.

AUTHORITIES AND POWERS OF THE AGENCY

The authority of the Agency is directed by UCA Title 17C. 17C-1-202

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

- Refunding bonds to pay or retire bonds previously issued by the community that created the agency for expenses associated with an urban renewal, economic development, or community development project; and
- ☞ Transact other business and exercise all other powers provided for in this title.

GOVERNING BOARD OF TRUSTEES AND STAFF MEMBERS

Table I.2: Board of Trustees

GOVERNING BOARD OF TRUSTEES		
James Hadfield	Chairman	American Fork City Mayor
Carlton Bowen	Board Member	American Fork City Council Member
Brad Frost	Board Member	American Fork City Council Member
Robert Shelton	Board Member	American Fork City Council Member
Jeffrey Shorter	Board Member	American Fork City Council Member
Clark Taylor	Board Member	American Fork City Council Member

Table I.3: Staff Members

STAFF MEMBERS	
Craig Whitehead	City Administrator
Audra Sorensen	Economic Development Director
Cathy Jensen	Finance Director

SUMMARY OF REQUESTED FUNDS

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

Table I.4: Estimate of Tax Increment

ESTIMATE OF TAX INCREMENT TO BE PAID TO THE AGENCY		
	Tax Year 2015 (Ending Dec. 31, 2015)	Tax Year 2016 (Beginning Jan. 1, 2016)
Property Tax Increment		
West Side RDA	\$108,133	\$0
East Main RDA	\$79,441	\$79,441
North Valley RDA	\$586,698	\$586,698
Egg Farm EDA	\$744,234	\$766,752
Total Revenue	\$1,518,506	\$1,432,891

GENERAL OVERVIEW OF ALL PROJECT AREAS

Table I.5: Combined Budget

COMBINED BUDGET – ALL PROJECT AREAS		
REVENUES	FY 2015 TOTALS	REMAINING LIFE (INCLUDES 2015 TOTALS)
Property Tax Increment		
West Side RDA	\$31,425	\$139,558
East Main RDA	66,163	304,485
North Valley RDA	576,924	2,923,716
Egg Farm EDA	622,437	8,864,145
Total Revenue	\$1,296,949	\$12,231,904
EXPENDITURES	FY 2015 TOTALS	REMAINING LIFE (INCLUDES 2015 TOTALS)
RDA Administration		
West Side RDA	\$1,571	\$6,978
East Main RDA	3,308	15,224
North Valley RDA	28,846	146,186
Egg Farm EDA	31,122	598,415
Developer Incentive Payments		
North Valley RDA	-	125,000
Egg Farm EDA	311,218	2,992,073
Debt Service Payments		
West Side RDA	38,478	73,127
East Main RDA	48,098	181,546
North Valley RDA	394,400	1,478,843
Public Infrastructure/Other Development Activities		
West Side RDA	(8,624)	59,454
East Main RDA	14,757	107,715
North Valley RDA	153,678	1,173,687
Egg Farm EDA	155,609	2,880,000
Affordable Housing Fund		
Egg Farm EDA	124,487	2,393,658
Total Expenditures	\$1,296,949	\$12,231,904

SECTION 1: OVERVIEW OF THE WEST SIDE RDA PROJECT AREA

Table 2.1: Project Area Overview

OVERVIEW				
<u>Type</u> RDA	<u>Acreage</u> 17	<u>Purpose</u> Commercial and Industrial Development	<u>Taxing District</u> 60	<u>Tax Rate</u> 0.011999
<u>Creation Year</u> FY 1990	<u>Base Year</u> FY 1990	<u>Term</u> 15 Years	<u>Trigger Year</u> FY 1992	<u>Expiration Year</u> FY 2016
<u>Base Value</u> \$469,256	<u>TY 2014 Value</u> \$13,692,612	<u>Increase</u> 2,818%	<u>FY 2015 Increment</u> \$31,425	<u>Remaining Life</u> 1 Year



The West Side RDA Project Area was created in December 1990 and is governed by the “Redevelopment Plan for the West Side Project Area” dated December 11, 1990. This document defines the duration and use of property tax generated within the Project Area as well as conditions and obligations by the Agency and each participating tax entity. As the West Side RDA Project Area was created prior to 1993, a taxing entity committee was not established for this Project Area.

The purpose of the West Side RDA Project Area is the incentivizing of commercial and industrial development along the west side of State Street in American Fork. This includes the reduction or elimination of high groundwater and other physical constraints, as well as the construction of public improvements such as streets, utility systems, drainage works, and landscaping. These improvements are intended to be done in such a way as to serve the needs of the future occupants of the Project Area, as well as facilitate the future elimination of such deterrents described above. It is also intended that the creation of the Project Area will eliminate the potential for fragmented development and instead foster the timely and coordinated development of the area.

The Project Area lies entirely within American Fork City and includes approximately 17 acres of property located in the Northeast quadrant of the West American Fork I-15 Interchange. The Project Area includes several parcels located along the west side of State Street from roughly Nicholes Lane to Pacific Drive. A map of the Project Area is included as Exhibit A.



SOURCES OF FUNDS

Table 2.2: Sources of Funds

2015 SOURCES OF FUNDS	
2015 Property Tax Increment Collected and Paid to Agency ¹	\$31,425
Previous Years Tax Increment Paid in 2015	-
Total Sources of Funds	\$31,425

The FY 2015 tax increment amount paid to the Agency was uncharacteristically low due to the default of the major property owner, K&G Hayashi Inc., on the 2014 property taxes. The parcel belonging to this owner represents 33% of the assessed value of the Project Area and, thus, contributes significantly to tax increment paid to the Agency each year. The 2014 tax increment from this property will be paid to the Agency when it is collected in the future.

Table 2.3: Tax Increment Levels

TAX INCREMENT LEVELS	
Years	%
1992-1996	100%
1997-2001	80%
2002-2006	75%
2007-2011	70%
2012-2016	60%

USES OF FUNDS

Table 2.4: Uses of Funds

2015 USES OF FUNDS	
RDA Administration	\$1,571
Other Development Activities	(8,624)
Debt Service Payments	38,478
Total Uses of Funds	\$31,425

Of the total tax increment collected each year, 5% will be allocated to Agency Administration. The remaining balance will be used first to make the annual Debt Service Payments on the associated RDA bonds and any excess will be allocated to Other Development Activities. As discussed above, the default of the major property owner on property taxes in 2014, the 2015 tax increment payment to the Agency was unusually low and insufficient to cover the annual administration fee and debt service






¹ Utah County remits tax increment to the Agency only to the point that it has been collected from property owners. Thus, although the Agency may be entitled to \$95,200 in annual tax increment for FY 2015, the County remits to the Agency only the portion that has been collected, which totals \$31,425. In the same vein, the County also remits any additional tax increment that has been collected from property owners for prior year delinquencies. No delinquent tax increment was collected in FY 2015.

payment, resulting in a shortage of \$8,624. This deficiency will likely be covered by a fund balance from prior years.

When available, the bulk of funds allocated to redevelopment activities will be used for the roadway paving overlay of the portion of 130 North and Pacific that lies within the boundaries of the Project Area. This prospective project is estimated to cost \$150,000 and will be completed only as funding permits, after payment of the debt service on the RDA bonds. Given that the Project Area will draw tax increment for only 1 more year, and the fact that a significant portion of annual tax increment has been allocated to debt service obligations, sufficient funds may not be available to complete this planned development prior to the expiration of the Project Area in 2016. However, the Agency will continue to collect a portion of tax increment beyond 2016 as delinquent property taxes are remitted to the County. Currently, the Agency is owed \$63,775 in delinquent taxes. These funds, once collected, will be available to be used for this pavement overlay project.

DEBT SERVICE OBLIGATIONS

Bonds were issued in April 2005, and later refunded in January 2015, with the proceeds being utilized to fund the following cultural/recreational improvements within American Fork City:

-  Construction of a skate park
-  Enlargement of the existing fitness center
-  Enhancement of the boat harbor
-  Renovation of Community Arts Classroom
-  Improvement of the City's amphitheater

The use of tax increment funds from RDA project areas to fund various cultural or recreational facilities such as those described above, whether or not the facility is located within a project area, was made available during a short-lived legislation action leading to UCA 17B-4-1003. This section of Utah Code allowed for the issuance of RDA bonds for the purposes of constructing and improving cultural or recreational facilities and for the utilization of tax increment funds generated in the West Side RDA Project Area, the East Main RDA Project Area, and the North Valley RDA Project Area to service these bonds. It is intended that the debt service payments on the bonds be paid solely with tax increment funds available from these three project areas.

Table 2.5: Percentage of Debt Service Obligation For Each Project Area

PERCENTAGE OF DEBT SERVICE OBLIGATION BY PROJECT AREA	
West Side RDA Project Area	8%
East Main RDA Project Area	10%
North Valley RDA Project Area	82%

PROJECT AREA REPORTING AND ACCOUNTABILITY

RELATIVE GROWTH IN ASSESSED VALUE

Table 2.6: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
ASSESSED VALUES IN PROJECT AREA				
Annual Growth in Project Area (2014 vs. 2013)	\$13,692,612	\$12,361,375	10.8%	10.8%
Lifetime Growth in Project Area (2014 vs. 1990)	\$13,692,612	\$469,256	2,818%	15.1%
ASSESSED VALUES IN AMERICAN FORK CITY				
Annual Growth in American Fork City (2014 vs. 2013)	\$1,563,159,186	\$1,424,178,291	9.8%	9.8%
Lifetime Growth in American Fork City (2014 vs. 1997) ²	\$1,563,159,186	\$481,013,414	225%	7.2%

BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 2.7: Benefits to Taxing Entities

BENEFITS TO TAXING ENTITIES
*Increased Property Tax Revenues
*Increased Sales Tax Revenues
*Job creation spurred by commercial and industrial development
*Higher growth in tax base compared to non-incentivized areas - Current AAGR for the Project Area is more than double that for non-incentivized areas

The taxing entities are currently benefiting from increased assessed values in the Project Area as a portion of tax increment is being returned to the taxing entities. As shown below, the annual tax increment (above the base amount) currently being returned to taxing entities is 1,127% above what would have been realized if assessed values in the Project Area had remained at base year levels. This pass through increment will continue to increase as assessed values rise. Since FY 2003, the total tax increment (above the base amount) received by the taxing entities is 720% above what would have been realized based on base year levels.

² The year 1997 is being used for this comparison because this is the earliest year for which assessed values are available for the City as a whole.

Table 2.8: Growth in Tax Increment

GROWTH IN TAX INCREMENT	ORIGINAL BUDGET**	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
TAX INCREMENT FROM PROJECT AREA				
Fiscal Year 2015	N/A	\$158,667	\$5,631	2,818%
Lifetime Revenue (FY 2003-2015)*	N/A	\$1,509,396	\$69,644	2,167%
PASS THROUGH INCREMENT (ABOVE BASE)				
Fiscal Year 2015	N/A	\$63,467	\$5,631	1,127%
Lifetime Revenue (FY 2003-2015)*	N/A	\$501,648	\$69,644	720%

* Lifetime revenues have been calculated using figures from FY 2003 through FY 2015 because tax increment revenue numbers are not available for all years preceding FY 2003.



** The original budget is not available for this Project Area.

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

The West Side RDA Project Area was created with the intent of incentivizing commercial and industrial development in American Fork City. Various infrastructure improvements have been completed in the Project Area to date, including extension and improvement of roadways, culinary water supply, sewer system, landscaping, utilities, and facilities for the disposal of excess groundwater.

Development in the Project Area has consisted of the construction of several commercial and industrial establishments, including several fast food restaurants and retail stores. The Project Area recently saw the completion of the construction of a commercial building which houses several new businesses and has contributed to the increase in the assessed value of the Project Area. This building is currently occupied by Fetal Fotos and Vision Works.

Notable businesses housed in the Project Area include:

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">  Applebees  America First Credit Union  Cal Ranch  Chi-Ku Restaurant  Chik-Fil-A  Costa Vida  Fetal Fotos | <ul style="list-style-type: none">  Five Guys Burgers and Fries  Sherwin Williams  Sonic Drive-In  The Quilted Bear  U-Swirl Frozen Yogurt  Vision Works  Zurchers |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The project area has also facilitated growth adjacent to its boundaries. Notable growth and development in close proximity to the project area include the Black Bear Diner and residential development on the northwest corner of 700 West and 130 North.

Recent improvements in the Project Area include the construction of curb, gutter, sidewalks, streetscaping, lighting and drainage improvements along West State Street. Planned development consists of the roadway paving overlay of the portion of 130 North and Pacific that lies within the boundaries of the Project Area. As mentioned above, this project will be completed only to the point that funds are available after the payment of the debt service on the RDA bonds.

FORECASTED PROJECT AREA BUDGET UPDATE

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

Table 2.9: Project Area Budget

PROJECT AREA BUDGET	FY 2015-2016	
	TOTALS	NPV @ 5%
REVENUES		
Annual Property Tax Increment	\$139,558	\$128,009
Previous Years Property Tax Increment	-	-
Total Revenue	\$139,558	\$128,009
EXPENDITURES		
RDA Administration	\$6,978	\$6,400
Other Development Activities	59,454	53,535
Debt Service Payments	73,127	68,073
Total Expenditures	\$139,558	\$128,009

OTHER ISSUES

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

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following four sheets represent the FY 2015, FY 2016, and FY 2015-2016 multi-year budgets.

West Side RDA Project Area

2015 Annual Budget
November 1, 2015



Tax Year	2014
Payment Year	2015

REVENUE:	
TAXABLE VALUATION:	
Total Building Value	\$ 5,190,700
Real Property	13,686,300
Personal Property	-
Centrally Assessed	6,312
Total Assessed Value	\$ 13,692,612
Less: Base Year Value	(469,256)
Incremental Assessed Value	\$ 13,223,356

Tax Rate:	
Utah County	0.1149%
Alpine School District	0.8096%
American Fork City	0.2540%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0025%
Central Utah Water Conservancy District	0.0422%
Less State Assessing & Collecting	-0.0220%
Less Local Assessing & Collecting	-0.0013%
Less Tax Rate Differential	0.0000%
Total Tax Rate - Area 186:	1.1999%

TAX INCREMENT REVENUES	
Total Tax Increment	\$ 158,667
Total Tax Increment:	\$ 158,667

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

TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ 95,200
Tax Increment Actually Collected and Paid ¹	\$ 31,425
Previous Years Tax Increment Revenue to RDA	-
Total Tax Increment Revenue to RDA:	\$ 31,425

EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ 1,571
Reserve Fund/Other Development Activities	(8,624)
Other Agency Obligations and Indebtedness	
Annual Debt Service on Series 2005 Bonds	
Principal	\$ 37,040
Interest	1,438
Total Debt Obligations	\$ 38,478
TOTAL EXPENDITURES	\$ 31,425

West Side RDA Project Area

2016 Annual Budget
November 1, 2015



Tax Year	2015
Payment Year	2016

REVENUE:	
TAXABLE VALUATION:	
Total Building Value	\$ 6,315,700
Real Property	15,482,700
Personal Property	-
Centrally Assessed	6,312
Total Assessed Value	\$ 15,489,012
Less: Base Year Value	(469,256)
Incremental Assessed Value	\$ 15,019,756

Tax Rate:	
Utah County	0.1149%
Alpine School District	0.8096%
American Fork City	0.2540%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0025%
Central Utah Water Conservancy District	0.0422%
Less State Assessing & Collecting	-0.0220%
Less Local Assessing & Collecting	-0.0013%
Less Tax Rate Differential	0.0000%
Total Tax Rate - Area 186:	1.1999%

TAX INCREMENT REVENUES	
Total Tax Increment	\$ 180,222
Total Tax Increment:	\$ 180,222

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

TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ 108,133
Tax Increment Actually Collected and Paid ¹	\$ 108,133
Previous Years Tax Increment Revenue to RDA	-
Total Tax Increment Revenue to RDA:	\$ 108,133

EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ 5,407
Reserve Fund/Other Development Activities	68,078
Other Agency Obligations and Indebtedness	
Annual Debt Service on Series 2005 Bonds	
Principal	\$ 33,440
Interest	1,208
Total Debt Obligations	\$ 34,648
TOTAL EXPENDITURES	\$ 108,133

West Side RDA Project Area

Ongoing Budget

Multi-Year Project Area Budget Projections

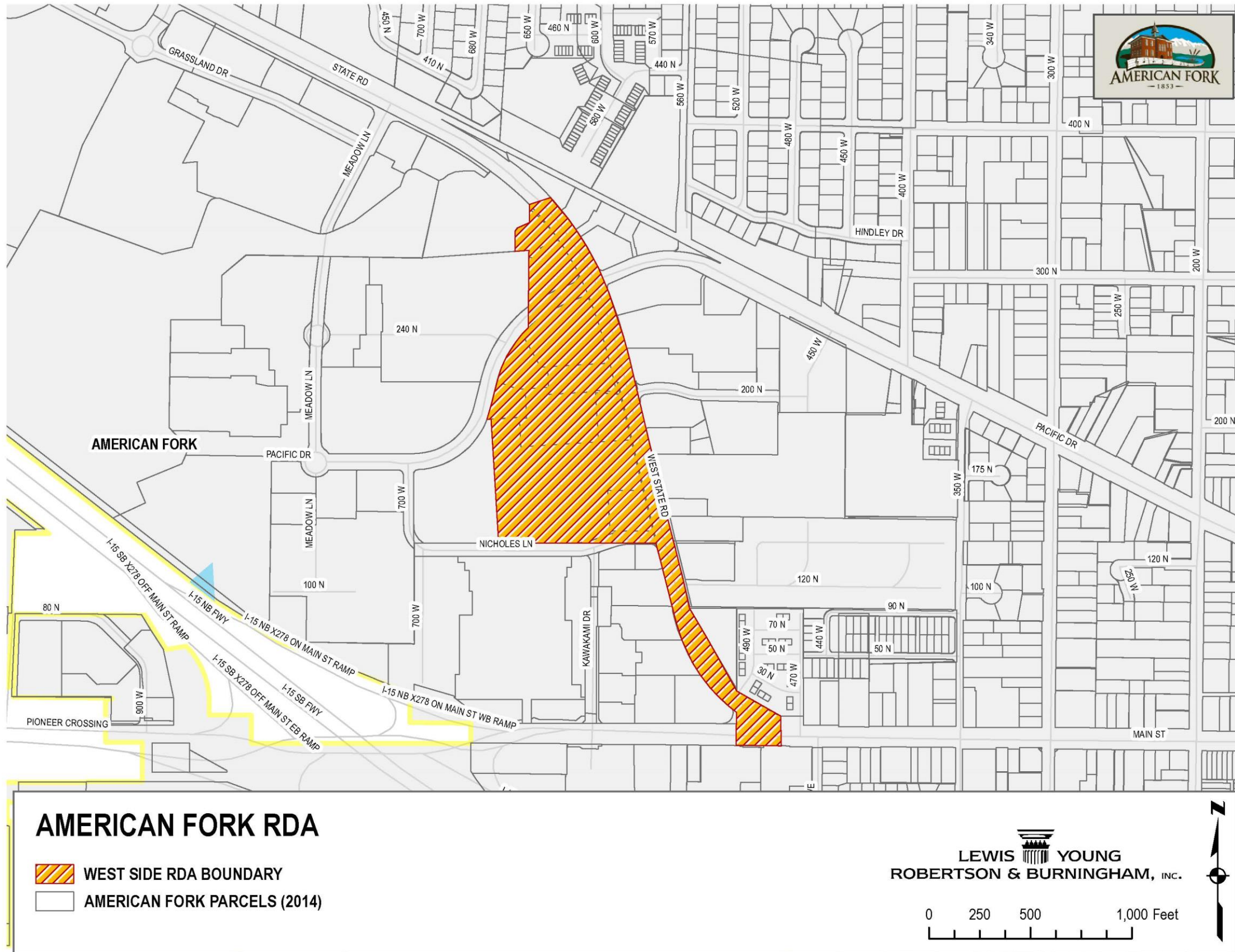
November 1, 2015



	<===== HISTORIC PROJECTED =====>		TOTALS	
	Tax Year Payment Year	2014 2015		2015 2016
REVENUE:				
TAXABLE VALUATION:				
Total Building Value	\$	5,190,700	\$ 6,315,700	
Total Land Value	\$	8,495,600	\$ 9,167,000	
Real Property	\$	13,686,300	\$ 15,482,700	
Personal Property		-	-	
Centrally Assessed		6,312	6,312	
Total Assessed Value	\$	13,692,612	\$ 15,489,012	
Less: Base Year Value	\$	(469,256)	\$ (469,256)	
Incremental Assessed Value	\$	13,223,356	\$ 15,019,756	
Tax Rate:				
Utah County		0.1149%	0.1149%	
Alpine School District		0.8096%	0.8096%	
American Fork City		0.2540%	0.2540%	
North Utah County Water Conservancy District		0.0025%	0.0025%	
Central Utah Water Conservancy District		0.0422%	0.0422%	
Less State Assessing & Collecting		-0.0220%	-0.0220%	
Less Local Assessing & Collecting		-0.0013%	-0.0013%	
Less Tax Rate Differential		0.0000%	0.0000%	
Total Tax Rate:		1.1999%	1.1999%	
TAX INCREMENT REVENUES				
Total Tax Increment	\$	158,667	\$ 180,222	\$ 338,889
Total Tax Increment:	\$	158,667	\$ 180,222	\$ 338,889
Percent of Tax Increment for Project		60%	60%	
TAX INCREMENT REVENUES				
Tax Increment to RDA - Calculated	\$	95,200	\$ 108,133	\$ 203,333
Tax Increment Actually Collected and Paid ¹	\$	31,425	\$ 108,133	\$ 139,558
Previous Years Tax Increment Revenue to RDA		-	-	-
Total Tax Increment Revenue to RDA:	\$	31,425	\$ 108,133	\$ 139,558
EXPENDITURES:				
Project Area Budget and Uses of Funds				
Redevelopment Agency Uses				
RDA Administrative Fees @ 5%	\$	1,571	\$ 5,407	\$ 6,978
Other Development Activities		(8,624)	68,078	59,454
Other Agency Obligations and Indebtedness				
Annual Debt Service on Series 2005 Bonds				
Principal		37,040	33,440	70,480
Interest		1,438	1,208	2,647
Total Debt Obligations		38,478	34,648	73,127
TOTAL EXPENDITURES	\$	31,425	\$ 108,133	\$ 139,558

Note 1: Tax increment actually paid to the Agency is based on actual collections. As the County collects previous years tax increment, it is remitted to the Agency in the current year.

EXHIBIT A: MAP OF THE WEST SIDE EDA PROJECT AREA



SECTION 2: OVERVIEW OF THE EAST MAIN RDA PROJECT AREA

Table 3.1: Project Area Overview

OVERVIEW				
<u>Type</u> RDA	<u>Acreage</u> 29.5	<u>Purpose</u> Commercial and Industrial Development	<u>Taxing District</u> 60	<u>Tax Rate</u> 0.011999
<u>Creation Year</u> FY 1992	<u>Base Year</u> FY 1992	<u>Term</u> 25 Years	<u>Trigger Year</u> FY 1994	<u>Expiration Year</u> FY 2018
<u>Base Value</u> \$5,621,532	<u>TY 2014 Value</u> \$16,236,484	<u>Increase</u> 70%	<u>FY 2015 Increment</u> \$66,163	<u>Remaining Life</u> 3 Years



The East Main RDA Project Area was created in December 1992 and is governed by the “Redevelopment Plan for the East Main Street Redevelopment Area” dated December 8, 1992. This document defines the duration and use of property tax generated within the Project Area as well as conditions and obligations by the Agency and each participating tax entity. As the East Main RDA Project Area was created prior to 1993, a taxing entity committee was not established for this Project Area.

The purpose of the East Main RDA Project Area is the incentivizing of commercial and industrial development of several blocks along Main Street in American Fork where conditions of blight were determined to be present. This includes the elimination of flood hazard potential and other physical constraints, as well as other factors that act as a deterrent to proper development. Also intended is the construction of various infrastructure improvements, including streets, utilities, drainage systems, and landscaping. These improvements are intended to be done in such a way as to serve the needs of the future occupants of the Project Area, as well as the general public. It is also intended that the creation of the Project Area will eliminate the potential for fragmented development and instead foster the timely and coordinated efforts for the commercial and industrial development of the area.

The Project Area lies entirely within American Fork City and includes approximately 29.5 acres of property located along Main Street, consisting of portions of blocks 12, 13, 16, and 17 of Plat A of the American Fork City Survey of Blocks and adjacent public streets, which lie next to the traditional central business area of the City. The Project Area contains a mixture of land use types, including industrial, retail service and commercial, and a small area of residential. However, a significant area of the Project Area was vacant at inception. A map of the Project Area is included as Exhibit B.



SOURCES OF FUNDS

Table 3.2: Sources of Funds

2015 SOURCES OF FUNDS	
2015 Property Tax Increment Collected and Paid to Agency ³	\$50,064
Previous Years Tax Increment Paid in 2015	16,098
Total Sources of Funds	\$66,163

Table 3.3: Tax Increment Levels

TAX INCREMENT LEVELS	
Years	%
1994-1998	100%
1999-2003	80%
2004-2008	75%
2009-2013	70%
2014-2018	60%

USES OF FUNDS

Table 3.4: Uses of Funds

2015 USES OF FUNDS	
RDA Administration	\$3,308
Other Development Activities	14,757
Debt Service Payments	48,098
Total Uses of Funds	\$66,163

It is currently planned that funds available for other development activities will be used to for (1) the relocation of the Main Street/State Street intersection at 200 East and (2) a contribution to UDOT for the construction of a signal light at 200 East Main. The cost of these projects is estimated to be \$147,000. The completion of these prospective projects is subject to available funding after the payment of the debt service on the RDA bonds. Because the Project Area will draw tax increment for only 3 more years, and the fact that a significant portion of annual tax increment is being set aside for debt service obligations, sufficient funds may not be available to bring these planned developments to fruition prior to the expiration of the Project Area in 2018.

³ Utah County remits tax increment to the Agency only to the point that it has been collected from property owners. Thus, although the Agency may be entitled to \$76,421 in annual tax increment for FY 2015, the County remits to the Agency only the portion that has been collected, which totals \$50,064. In the same vein, the County also remits any additional tax increment that has been collected from property owners for prior year delinquencies. For FY 2015, this is represented by the \$16,098 figure outlined above.

DEBT SERVICE OBLIGATIONS

As discussed in the Section I of this report, bonds were issued in April 2005, and later refunded in January 2015, with the proceeds being utilized to fund cultural and recreational improvements in American Fork City. A portion of the annual tax increment from each project area will be used to make the annual debt service payments. The portion of annual debt service payments to be paid from tax increment generated in the East Main RDA Project Area is 10%.

PROJECT AREA REPORTING AND ACCOUNTABILITY

RELATIVE GROWTH IN ASSESSED VALUE

Table 3.5: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
ASSESSED VALUES IN PROJECT AREA				
Annual Growth in Project Area (2014 vs. 2013)	\$16,236,484	\$15,243,869	6.5%	6.5%
Lifetime Growth in Project Area (2014 vs. 1992)	\$16,236,484	\$5,621,532	189%	4.9%
ASSESSED VALUES IN AMERICAN FORK CITY				
Annual Growth in American Fork City (2014 vs. 2013)	\$1,563,159,186	\$1,424,178,291	9.8%	9.8%
Lifetime Growth in American Fork City (2014 vs. 1997) ⁴	\$1,563,159,186	\$481,013,414	225%	7.2%

BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 3.6: Benefits to Taxing Entities

BENEFITS TO TAXING ENTITIES
*Increased Property Tax Revenues
*Increased Sales Tax Revenues
*Job creation spurred by commercial and industrial development

The taxing entities are currently benefiting from increased assessed values in the Project Area as a portion of tax increment is being returned to the taxing entities. As shown below, the annual tax increment (above the base amount) currently being returned to taxing entities is 76% above what would have been realized if assessed values in the Project Area had remained at base year levels. This pass through increment will continue to increase as assessed values rise. Since FY 2003, the total tax increment (above the base amount) received by the taxing entities is also 50% above what would have been realized based on base year levels.

⁴ The year 1997 is being used for this comparison because this is the earliest year for which assessed values are available for the City as a whole.

Table 3.7: Growth in Tax Increment

GROWTH IN TAX INCREMENT	ORIGINAL BUDGET**	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
TAX INCREMENT FROM PROJECT AREA				
Fiscal Year 2015	N/A	\$127,369	\$67,453	189%
Lifetime Revenue (FY 2003-2015)*	N/A	\$1,404,711	\$834,314	168%
PASS THROUGH INCREMENT (ABOVE BASE)				
Fiscal Year 2015	N/A	\$50,948	\$67,453	76%
Lifetime Revenue (FY 2003-2015)*	N/A	\$417,508	\$834,314	50%


* Lifetime revenues have been calculated using figures from FY 2003 through FY 2015 because tax increment revenue numbers are not available for all years preceding FY 2003.

** The original budget is not available for this Project Area.

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

The East Main RDA Project Area was created with the intent of incentivizing commercial and industrial development in American Fork City. Various infrastructure improvements have been completed in the Project Area to date, including improvement of roadways and intersections, culinary water supply, sewer system, landscaping, utilities, and facilities for the disposal of excess groundwater.

Development in the Project Area has consisted of the construction of several commercial and industrial establishments, including several fast food restaurants and retail stores. Notable businesses housed in the Project Area include:

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">  5 Buck Pizza  7-Eleven  AF Collision  Burger King  Fantastic Sams  Foundations Insurance  Fresh Market  O'Reilly Auto Parts | <ul style="list-style-type: none">  Pizza Hut  Rocky Mountain Power  Shoff Family Dental  Superior Concrete  The UPS Store  Utah Run  Whistle Wok |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

As mentioned, it is anticipated that future improvements in the Project Area will include the relocation of the Main Street/State Street intersection at 200 East, as well as the construction of a signal light at 200 East Main. Again, these projects will be completed only as funds are available after the payment of the debt service on the RDA bonds.

FORECASTED PROJECT AREA BUDGET UPDATE

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

Table 3.8: Project Area Budget

PROJECT AREA BUDGET	FY 2015-2018	
	TOTALS	NPV @ 5%
REVENUES		
Annual Property Tax Increment	\$288,387	\$253,715
Previous Years Property Tax Increment	16,098	15,332
Total Revenue	\$304,485	\$269,047
EXPENDITURES		
RDA Administration	\$15,224	\$13,452
Other Development Activities	107,715	94,397
Debt Service Payments	181,546	161,197
Total Expenditures	\$304,485	\$269,047

OTHER ISSUES

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

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following four sheets represent the FY 2015, FY 2016, FY 2017, and FY 2015-2018 multi-year budgets.

East Main RDA Project Area

2015 Annual Budget
November 1, 2015



Tax Year	2014
Payment Year	2015

REVENUE:	
TAXABLE VALUATION:	
Total Building Value	\$ 7,497,400
Real Property	13,810,100
Personal Property	2,143,855
Centrally Assessed	282,529
Total Assessed Value	\$ 16,236,484
Less: Base Year Value	(5,621,532)
Incremental Assessed Value	\$ 10,614,952

Tax Rate:	
Utah County	0.1149%
Alpine School District	0.8096%
American Fork City	0.2540%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0025%
Central Utah Water Conservancy District	0.0422%
Less State Assessing & Collecting	-0.0220%
Less Local Assessing & Collecting	-0.0013%
Less Tax Rate Differential	0.0000%
Total Tax Rate - Area 186:	1.1999%

TAX INCREMENT REVENUES	
Total Tax Increment	\$ 127,369
Total Tax Increment:	\$ 127,369

Percent of Tax Increment for Project 60%

TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ 76,421
Tax Increment Actually Collected and Paid ¹	\$ 50,064
Previous Years Tax Increment Revenue to RDA	16,098
Total Tax Increment Revenue to RDA:	\$ 66,163

EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ 3,308
Reserve Fund/Other Development Activities	14,757
Other Agency Obligations and Indebtedness	
Annual Debt Service on Series 2005 Bonds	
Principal	\$ 46,300
Interest	1,798
Total Debt Obligations	\$ 48,098
TOTAL EXPENDITURES	\$ 66,163

East Main RDA Project Area

2016 Annual Budget
November 1, 2015



Tax Year	2015
Payment Year	2016

REVENUE:	
TAXABLE VALUATION:	
Total Building Value	\$ 7,535,000
Real Property	14,229,500
Personal Property	2,143,855
Centerally Assessed	282,529
Total Assessed Value	\$ 16,655,884
Less: Base Year Value	(5,621,532)
Incremental Assessed Value	\$ 11,034,352

Tax Rate:	
Utah County	0.1149%
Alpine School District	0.8096%
American Fork City	0.2540%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0025%
Central Utah Water Conservancy District	0.0422%
Less State Assessing & Collecting	-0.0220%
Less Local Assessing & Collecting	-0.0013%
Less Tax Rate Differential	0.0000%
Total Tax Rate - Area 186:	1.1999%

TAX INCREMENT REVENUES	
Total Tax Increment	\$ 132,401
Total Tax Increment:	\$ 132,401

Percent of Tax Increment for Project 60%

TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ 79,441
Tax Increment Actually Collected and Paid ¹	\$ 79,441
Previous Years Tax Increment Revenue to RDA	-
Total Tax Increment Revenue to RDA:	\$ 79,441

EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ 3,972
Reserve Fund/Other Development Activities	32,158
Other Agency Obligations and Indebtedness	
Annual Debt Service on Series 2005 Bonds	
Principal	\$ 41,800
Interest	1,511
Total Debt Obligations	\$ 43,311
TOTAL EXPENDITURES	\$ 79,441

East Main RDA Project Area

2017 Annual Budget
November 1, 2015



	Tax Year Payment Year	2016 2017
REVENUE:		
TAXABLE VALUATION:		
Total Building Value	\$	7,535,000
Real Property		14,229,500
Personal Property		2,143,855
Centrally Assessed		282,529
Total Assessed Value	\$	16,655,884
Less: Base Year Value		(5,621,532)
Incremental Assessed Value	\$	11,034,352
Tax Rate:		
Utah County		0.1149%
Alpine School District		0.8096%
American Fork City		0.2540%
American Fork Metropolitan Water District		0.0000%
North Utah County Water Conservancy District		0.0025%
Central Utah Water Conservancy District		0.0422%
Less State Assessing & Collecting		-0.0220%
Less Local Assessing & Collecting		-0.0013%
Less Tax Rate Differential		0.0000%
Total Tax Rate - Area 186:		1.1999%
TAX INCREMENT REVENUES		
Total Tax Increment	\$	132,401
Total Tax Increment:	\$	132,401
Percent of Tax Increment for Project		60%
TAX INCREMENT REVENUES		
Tax Increment to RDA - Calculated	\$	79,441
Tax Increment Actually Collected and Paid ¹	\$	79,441
Previous Years Tax Increment Revenue to RDA		-
Total Tax Increment Revenue to RDA:	\$	79,441
EXPENDITURES:		
Project Area Budget and Uses of Funds		
Redevelopment Agency Uses		
RDA Administrative Fees @ 5%	\$	3,972
Reserve Fund/Other Development Activities		28,076
Other Agency Obligations and Indebtedness		
Annual Debt Service on Series 2005 Bonds		
Principal	\$	46,200
Interest		1,193
Total Debt Obligations	\$	47,393
TOTAL EXPENDITURES	\$	79,441

East Main RDA Project Area

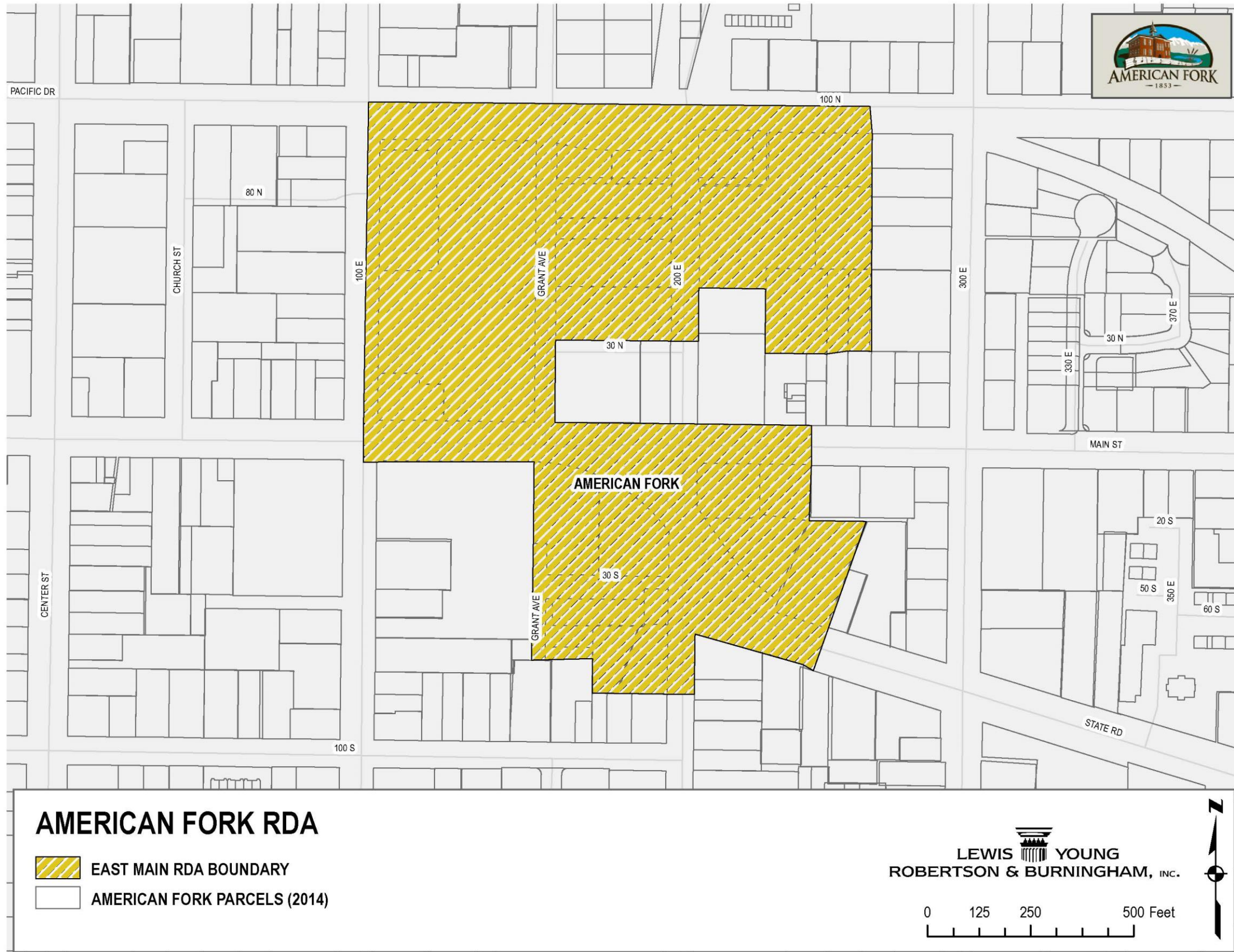
Ongoing Budget
Multi-Year Project Area Budget Projections
November 1, 2015



	<==== HISTORIC PROJECTED =====>				TOTALS
Tax Year Payment Year	2014 2015	2015 2016	2016 2017	2017 2018	
REVENUE:					
TAXABLE VALUATION:					
Total Building Value	\$ 7,497,400	\$ 7,535,000	\$ 7,535,000	\$ 7,535,000	
Total Land Value	\$ 6,312,700	\$ 6,694,500	\$ 6,694,500	\$ 6,694,500	
Real Property	\$ 13,810,100	\$ 14,229,500	\$ 14,229,500	\$ 14,229,500	
Personal Property	2,143,855	2,143,855	2,143,855	2,143,855	
Centerally Assessed	282,529	282,529	282,529	282,529	
Total Assessed Value	\$ 16,236,484	\$ 16,655,884	\$ 16,655,884	\$ 16,655,884	
Less: Base Year Value	\$ (5,621,532)	\$ (5,621,532)	\$ (5,621,532)	\$ (5,621,532)	
Incremental Assessed Value	\$ 10,614,952	\$ 11,034,352	\$ 11,034,352	\$ 11,034,352	
Tax Rate:					
Utah County	0.1149%	0.1149%	0.1149%	0.1149%	
Alpine School District	0.8096%	0.8096%	0.8096%	0.8096%	
American Fork City	0.2540%	0.2540%	0.2540%	0.2540%	
American Fork Metropolitan Water District	0.0000%	0.0000%	0.0000%	0.0000%	
North Utah County Water Conservancy District	0.0025%	0.0025%	0.0025%	0.0025%	
Central Utah Water Conservancy District	0.0422%	0.0422%	0.0422%	0.0422%	
Less State Assessing & Collecting	-0.0220%	-0.0220%	-0.0220%	-0.0220%	
Less Local Assessing & Collecting	-0.0013%	-0.0013%	-0.0013%	-0.0013%	
Less Tax Rate Differential	0.0000%	0.0000%	0.0000%	0.0000%	
Total Tax Rate - Area 186:	1.1999%	1.1999%	1.1999%	1.1999%	
TAX INCREMENT REVENUES					
Total Tax Increment	\$ 127,369	\$ 132,401	\$ 132,401	\$ 132,401	\$ 524,572
Total Tax Increment:	\$ 127,369	\$ 132,401	\$ 132,401	\$ 132,401	\$ 524,572
=					
Percent of Tax Increment for Project					
	60%	60%	60%	60%	
TAX INCREMENT REVENUES					
Tax Increment to RDA - Calculated	\$ 76,421	\$ 79,440.72	\$ 79,441	\$ 79,441	\$ 314,743
Tax Increment Actually Collected and Paid ¹	\$ 50,064	\$ 79,441	\$ 79,441	\$ 79,441	\$ 288,387
Previous Years Tax Increment Revenue to RDA	16,098	-	-	-	16,098
Total Tax Increment Revenue to RDA:	\$ 66,163	\$ 79,441	\$ 79,441	\$ 79,441	\$ 304,485
EXPENDITURES:					
Project Area Budget and Uses of Funds					
Redevelopment Agency Uses					
RDA Administrative Fees @ 5%	\$ 3,308	\$ 3,972	\$ 3,972	\$ 3,972	\$ 15,224
Other Development Activities	14,757	32,158	28,076	32,724	107,715
Other Agency Obligations and Indebtedness					
Annual Debt Service on Series 2005 Bonds					
Principal	46,300	41,800	46,200	42,130	176,430
Interest	1,798	1,511	1,193	615	5,116
Total Debt Obligations	48,098	43,311	47,393	42,745	\$ 181,546
TOTAL EXPENDITURES	\$ 66,163	\$ 79,441	\$ 79,441	\$ 79,441	\$ 304,485

Note 1: Tax increment actually paid to the Agency is based on actual collections. As the County collects previous years tax increment, it is remitted to the Agency in the current

EXHIBIT B: MAP OF THE EAST MAIN RDA PROJECT AREA



SECTION 3: OVERVIEW OF THE NORTH VALLEY RDA PROJECT AREA

Table 4.1: Project Area Overview

OVERVIEW				
<u>Type</u> RDA	<u>Acreage</u> 125	<u>Purpose</u> Commercial and Industrial Development	<u>Taxing District</u> 60	<u>Tax Rate</u> 0.011999
<u>Creation Year</u> FY 1987	<u>Base Year</u> FY 1986	<u>Term</u> 25 Years	<u>Trigger Year</u> FY 1995	<u>Expiration Year</u> FY 2019
<u>Base Value</u> \$6,282,698	<u>TY 2014 Value</u> \$81,973,704	<u>Increase</u> 1,205%	<u>FY 2015 Increment</u> \$576,924	<u>Remaining Life</u> 4 Years

The North Valley RDA Project Area was created in September 1987 and is governed by the “Redevelopment Plan for the North Valley Redevelopment Area” dated September 22, 1987. This document defines the duration and use of property tax generated within the Project Area as well as conditions and obligations by the Agency and each participating tax entity. As the North Valley RDA Project Area was created prior to 1993, a taxing entity committee was not established for this Project Area.



The purpose of the North Valley RDA Project Area is the incentivizing of commercial and industrial development along I-15 in American Fork. This includes the elimination of those factors that contribute to a condition of blight, reduction of the flooding and high ground water condition, and construction of various infrastructure improvements, including streets, utilities, drainage systems, and landscaping. As in the other Project Areas, these improvements are intended to be done in such a way as to serve the needs of the future occupants of the Project Area, as well as the general public. It is also intended that the creation of the Project Area will eliminate the potential for fragmented development and instead foster the timely and coordinated efforts for the commercial and industrial development of the area.



The Project Area lies entirely within American Fork City and includes approximately 125 acres of property located along the east side of I-15 from approximately 620 South to 1100 South. The Project Area is zoned for both commercial and industrial use. A map of the Project Area is included as Exhibit C.

SOURCES OF FUNDS

Table 4.2: Sources of Funds

2015 SOURCES OF FUNDS	
2015 Property Tax Increment Collected and Paid to Agency ⁵	\$546,755
Previous Years Tax Increment Paid in 2015	30,169
Total Sources of Funds	\$576,924

Table 4.3: Tax Increment Levels

TAX INCREMENT LEVELS	
Years	%
1995-1999	100%
2000-2004	80%
2005-2009	75%
2010-2014	70%
2014-2019	60%

USES OF FUNDS

Table 4.4: Uses of Funds

2015 USES OF FUNDS	
RDA Administration	\$28,846
Property Tax Incentive to Company	-
Other Development Activities	153,678
Debt Service Payments	394,400
Total Uses of Funds	\$576,924

The planned uses of funds available for other development activities include (1) roadway construction along Quality Drive consisting of grading, sewer, water, storm drain, curb, gutter, and asphalt, (2) pavement overlay, (3) completion of 620 South, and (4) pavement reconstruction along 600 East. The cost associated with these improvements is estimated to be around \$800,000. These prospective projects will be completed as funding permits, after payment of the debt service on the RDA bonds.

Per the “Tax Incentive and Participation Agreement” dated August 2015, property tax incentive payments will be remitted to Young Living Essential Oils, LC (“the Company”) beginning in FY 2016. These incentive payments are conditioned upon the Company’s obligation to make various improvements within the Project Area as outlined later in this report.

⁵ Utah County remits tax increment to the Agency only to the point that it has been collected from property owners. Thus, although the Agency may be entitled to \$544,930 in annual tax increment for FY 2015, the County remits to the Agency the portion that has been collected, which totals \$546,755. In the same vein, the County also remits any additional tax increment that has been collected from property owners for prior year delinquencies. For FY 2015, this is represented by the \$30,169 figure outlined above.

DEBT SERVICE OBLIGATIONS

As discussed in the Section I of this report, bonds were issued in April 2005 with the proceeds being utilized to fund cultural and recreational improvements in American Fork City. A portion of the annual tax increment from each project area will be used to make the annual debt service payments. The portion of annual debt service payments to be paid from tax increment generated in the North Valley RDA Project Area is 82%.

DEVELOPER OBLIGATIONS AND INCENTIVES

The Company, Young Living Essential Oils, LC, entered into an agreement with the Agency in August 2015, committing to make certain improvements and investments in the Project Area in exchange for receiving specified capped amounts of tax increment. Beginning in FY 2016 and ending with the expiration of the Project Area in FY 2019, the Agency has agreed to remit annual payments to the Company in an amount equal to 65% of the taxes levied on the Site. These tax incentive payments are not to exceed an annual amount of \$35,000 or a total aggregated amount of \$125,000.

Tax incentive payments to the Company will be based upon area in the Project Area that has been improved by the Company, referred to above as the “Site”. The Site is currently comprised of parcel #57:023:0005, containing 4.5 acres. The tax incentive payment will be calculated based on the assessed values of both the real and personal property associated with this parcel.

The Agency acknowledges that while 65% of the taxes levied on the Site will be remitted to the Company, the Agency will only receive 60% of the incremental taxes paid and collected within the Project Area, as outlined in Table 4.3. If a shortage exists between the tax increment collected by the Agency and the tax incentive payment due to the Company, the Agency will commit other Agency revenues in order to adequately meet this commitment.

Table 4.5: Capped Development Incentive

CAPPED DEVELOPMENT INCENTIVE	
Annual Maximum Tax Incentive Payment to Company	\$35,000
Aggregated Maximum Incentive Payment (FY 2016 – FY 2019)	\$125,000

PROJECT AREA REPORTING AND ACCOUNTABILITY

RELATIVE GROWTH IN ASSESSED VALUE

Table 4.6: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
ASSESSED VALUES IN PROJECT AREA				
Annual Growth in Project Area (2014 vs. 2013)	\$81,973,704	\$93,637,801	-12.5%	-12.5%
Lifetime Growth in Project Area (2014 vs. 1986)	\$81,973,704	\$6,282,698	1,205%	9.6%
ASSESSED VALUES IN AMERICAN FORK CITY				
Annual Growth in American Fork City (2014 vs. 2013)	\$1,563,159,186	\$1,424,178,291	9.8%	9.8%
Lifetime Growth in American Fork City (2014 vs. 1997) ⁶	\$1,563,159,186	\$481,013,414	225%	7.2%

The sharp drop in property values in the Project Area from 2013 to 2014 is explained by several factors:

- The relocation of Symantec to a site outside of the Project Area. In previous years Symantec has accounted for 38% of personal property values; hence the closing of this business caused a significant decline in property tax revenues.
- The decline in assessed real property values by nearly 30% for each of the following parcels: 57:015:0001, 57:035:0032, 57:035:0033, 57:035:033. As these four properties have represented close to 20% of the total real property value of the Project Area in previous years, this reduction in value also had a substantial effect on property tax revenues.

BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 4.7: Benefits to Taxing Entities

BENEFITS TO TAXING ENTITIES
*Increased Property Tax Revenues
*Increased Sales Tax Revenues
*Job creation spurred by commercial and industrial development

The taxing entities are currently benefiting from increased assessed values in the Project Area as a portion of tax increment is being returned to the taxing entities. As shown below, the annual tax increment (above the base amount) currently being returned to taxing entities is 482% above what would have been realized if assessed values in the Project Area had remained at base year levels. This pass through increment will continue to increase as assessed values rise. Since FY 2003, the total tax increment (above the base amount) received by the taxing entities is 349% above what would have been realized based on base year levels.

⁶ The year 1997 is being used for this comparison because this is the earliest year for which assessed values are available for the City as a whole.

Table 4.8: Growth in Tax Increment


























GROWTH IN TAX INCREMENT	ORIGINAL BUDGET**	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
TAX INCREMENT FROM PROJECT AREA				
Fiscal Year 2015	N/A	\$908,216	\$75,386	1,205%
Lifetime Revenue (FY 2003-2015)*	N/A	\$11,609,618	\$932,440	1,245%
PASS THROUGH INCREMENT (ABOVE BASE)				
Fiscal Year 2015	N/A	\$363,287	\$75,386	482%
Lifetime Revenue (FY 2003-2015)*	N/A	\$3,253,584	\$932,440	349%

* Lifetime revenues have been calculated using figures from FY 2003 through FY 2015 because tax increment revenue numbers are not available for all years preceding FY 2003.

** The original budget is not available for this Project Area.



NOTABLE DEVELOPMENT AND FUTURE PROJECTS

The North Valley RDA Project Area was created with the intent of incentivizing commercial and industrial development in American Fork City. Development projects have included various infrastructure improvements and the construction of several commercial and industrial establishments, including several fast food restaurants and retail stores. Notable businesses housed in the Project Area include:

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">  Aristotle Academy  BidSync  Brain Garden  DOMO  Echostar Hughes  Elearning Brothers  Exxon Food Mart  Fluke Calibration  Holiday Inn Express & Suites  Idea Sphere  Jamberry  Mylar Disability  Odyssey Charter School | <ul style="list-style-type: none">  Orange Soda  Peppermint Place  Rise Broadband  Standard Plumbing Supply  Sushi House  Taco Bell  TAGS Thrift  ThermoWorks  Torion  Total Computer Solutions  Tri-Phase Electric  TwinLabs  VISA |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Recently, improvements along 860 East consisting of underground power and conduit, curb, gutter, sidewalk, storm drain, and “Welcome to American Fork” signage were completed.

As described earlier in this report, the Agency recently entered into an agreement with Young Living Essential Oils, LC, requiring the Company to provide specified improvements in the Project Area in exchange for the Agency providing certain amounts of tax increment. These developments will primarily involve the building formerly occupied by Cal-Ranch and will include, but are not limited to:

-  Retrofitting of an existing 49,000 square foot building and renovating this building into a Call Center for the Company; and
-  \$2,800,000 of capital investment in the building and related improvements

It is anticipated that the capital investment and improvements will create the equivalent to 300 full-time positions within the Project Area.

In addition, it is anticipated that other future improvements in the Project Area will include (1) roadway construction along Quality Drive consisting of grading, sewer, water, storm drain, curb, gutter, and asphalt, (2) pavement overlay, (3) completion of 620 South, and (4) pavement reconstruction along 600 East. Again, these projects will be completed only as funds are available after the payment of the debt service on the RDA bonds.

Growth within the Project Area has also had a positive impact on development in the surrounding areas. Recent developments in the areas adjacent to the Project Area include Thermoworks (industrial), Harrington Hollow Subdivision (residential), and Sporkland (commercial office space). In addition, the City Council recently approved the concept plan for a development that will include 312 apartment units and 138 townhome units directly north of the Project Area boundary. This development also has a commercial component along 500 E that will likely consist of some restaurant space. This project is still in the planning stage and the developer is expected to propose a more concrete site plan in the near future.

FORECASTED PROJECT AREA BUDGET UPDATE

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

Table 4.9: Project Area Budget

PROJECT AREA BUDGET		FY 2015-2019	
REVENUES		TOTALS	NPV @ 5%
Annual Property Tax Increment		\$2,893,547	\$2,502,054
Previous Years Property Tax Increment		30,169	28,732
Total Revenue		\$2,923,716	\$2,530,787
EXPENDITURES		TOTALS	NPV @ 5%
RDA Administration		\$146,186	\$126,539
Property Tax Incentive to Company		125,000	106,445
Other Development Activities		1,173,687	984,287
Debt Service Payments		1,478,843	1,313,514
Total Expenditures		\$2,923,716	\$2,530,787

OTHER ISSUES

LYRB identified one item of concern with regard to the decline in assessed values in the Project Area over the past year. As mentioned above, it was found that parcels 57:015:0001, 57:035:0032, 57:035:0033, and 57:035:033 each experienced a decline in value of close to 30%. LYRB approached the Utah County Assessor’s office regarding this uncharacteristically sharp drop in value and discovered that the property owner, Utah Lab, LLC, went through the tax appeal process in 2014. The Assessor’s Office confirmed that significant market documentation was provided by the owner and, as a result, the assessed values of these properties were reduced through Stipulation Agreements.



LYRB has not identified any other areas of concern with the North Valley RDA Project Area and believes that, according to the records reviewed, all parties are meeting their respective obligations related to this Project Area.

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following four sheets represent the FY 2015, FY 2016, FY 2017, and FY 2015-2019 multi-year budgets.

North Valley RDA Project Area

2015 Annual Budget
November 1, 2015



	Tax Year Payment Year	2014 2015
REVENUE:		
TAXABLE VALUATION:		
Total Building Value	\$	48,561,900
Real Property		72,060,599
Personal Property		9,830,004
Centerally Assessed		83,101
Total Assessed Value	\$	81,973,704
Less: Base Year Value		(6,282,698)
Incremental Assessed Value	\$	75,691,006
Tax Rate:		
Utah County		0.1149%
Alpine School District		0.8096%
American Fork City		0.2540%
American Fork Metropolitan Water District		0.0000%
North Utah County Water Conservancy District		0.0025%
Central Utah Water Conservancy District		0.0422%
Less State Assessing & Collecting		-0.0220%
Less Local Assessing & Collecting		-0.0013%
Less Tax Rate Differential		0.0000%
Total Tax Rate - Area 186:		1.1999%
TAX INCREMENT REVENUES		
Total Tax Increment	\$	908,216
Total Tax Increment:	\$	908,216
Percent of Tax Increment for Project		60%
TAX INCREMENT REVENUES		
Tax Increment to RDA - Calculated	\$	544,930
Tax Increment Actually Collected and Paid ¹	\$	546,755
Previous Years Tax Increment Revenue to RDA		30,169
Total Tax Increment Revenue to RDA:	\$	576,924
EXPENDITURES:		
Project Area Budget and Uses of Funds		
Redevelopment Agency Uses		
RDA Administrative Fees @ 5%	\$	28,846
Property Tax Incentive to Company		-
Reserve Fund/Other Development Activities		153,678
Other Agency Obligations and Indebtedness		
Annual Debt Service on Series 2005 Bonds		
Principal	\$	379,660
Interest		14,740
Total Debt Obligations	\$	394,400
TOTAL EXPENDITURES	\$	576,924

North Valley RDA Project Area

2016 Annual Budget
November 1, 2015



Tax Year	2015
Payment Year	2016
REVENUE:	
TAXABLE VALUATION:	
Total Building Value	\$ 51,689,200
Real Property	77,862,200
Personal Property	9,830,004
Centerally Assessed	83,101
Total Assessed Value	\$ 87,775,305
Less: Base Year Value	(6,282,698)
Incremental Assessed Value	\$ 81,492,607
Tax Rate:	
Utah County	0.1149%
Alpine School District	0.8096%
American Fork City	0.2540%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0025%
Central Utah Water Conservancy District	0.0422%
Less State Assessing & Collecting	-0.0220%
Less Local Assessing & Collecting	-0.0013%
Less Tax Rate Differential	0.0000%
Total Tax Rate - Area 186:	1.1999%
TAX INCREMENT REVENUES	
Total Tax Increment	\$ 977,830
Total Tax Increment:	\$ 977,830
Percent of Tax Increment for Project 60%	
TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ 586,698
Tax Increment Actually Collected and Paid ¹	\$ 586,698
Previous Years Tax Increment Revenue to RDA	-
Total Tax Increment Revenue to RDA:	\$ 586,698
EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ 29,335
Property Tax Incentive to Company	35,000
Reserve Fund/Other Development Activities	167,217
Other Agency Obligations and Indebtedness	
Annual Debt Service on Series 2005 Bonds	
Principal	\$ 342,760
Interest	12,386
Total Debt Obligations	\$ 355,146
TOTAL EXPENDITURES	\$ 586,698

North Valley RDA Project Area

2017 Annual Budget
November 1, 2015



Tax Year	2016
Payment Year	2017
REVENUE:	
TAXABLE VALUATION:	
Total Building Value	\$ 51,689,200
Real Property	77,862,200
Personal Property	9,830,004
Centrally Assessed	83,101
Total Assessed Value	\$ 87,775,305
Less: Base Year Value	(6,282,698)
Incremental Assessed Value	\$ 81,492,607
Tax Rate:	
Utah County	0.1149%
Alpine School District	0.8096%
American Fork City	0.2540%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0025%
Central Utah Water Conservancy District	0.0422%
Less State Assessing & Collecting	-0.0220%
Less Local Assessing & Collecting	-0.0013%
Less Tax Rate Differential	0.0000%
Total Tax Rate - Area 186:	1.1999%
TAX INCREMENT REVENUES	
Total Tax Increment	\$ 977,830
Total Tax Increment:	\$ 977,830
Percent of Tax Increment for Project 60%	
TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ 586,698
Tax Increment Actually Collected and Paid ¹	\$ 586,698
Previous Years Tax Increment Revenue to RDA	-
Total Tax Increment Revenue to RDA:	\$ 586,698
EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ 29,335
Property Tax Incentive to Company	35,000
Reserve Fund/Other Development Activities	138,914
Other Agency Obligations and Indebtedness	
Annual Debt Service on Series 2005 Bonds	
Principal	\$ 373,800
Interest	9,649
Total Debt Obligations	\$ 383,449
TOTAL EXPENDITURES	\$ 586,698

North Valley RDA Project Area

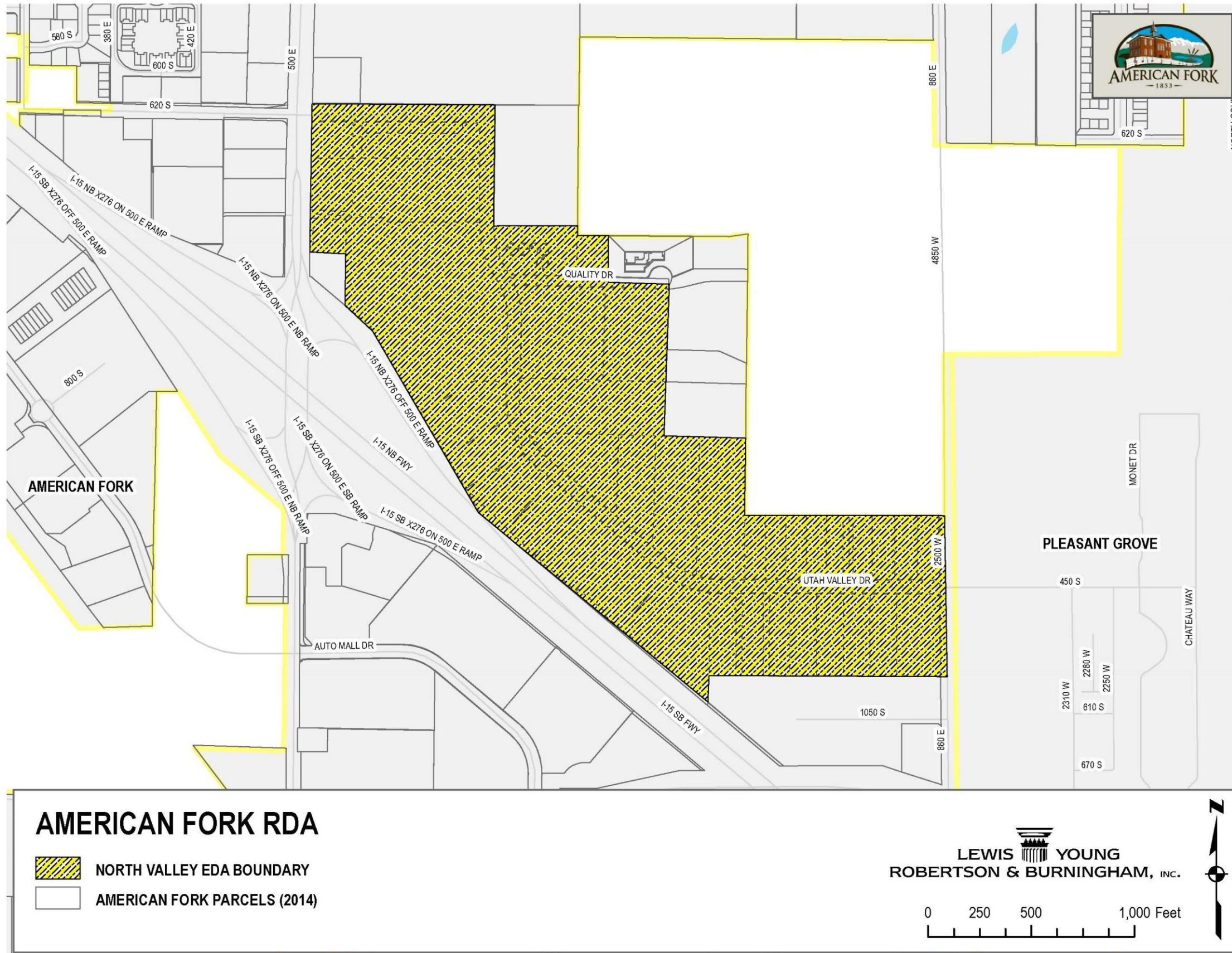
Ongoing Budget
Multi-Year Project Area Budget Projections
November 1, 2015



	←===== HISTORIC PROJECTED =====→						
	Tax Year Payment Year	2014 2015	2015 2016	2016 2017	2017 2018	2018 2019	TOTALS
REVENUE:							
TAXABLE VALUATION:							
Total Building Value	\$	48,561,900	\$ 51,689,200	\$ 51,689,200	\$ 51,689,200	\$ 51,689,200	
Total Land Value	\$	23,498,699	\$ 26,173,000	\$ 26,173,000	\$ 26,173,000	\$ 26,173,000	
Real Property	\$	72,060,599	\$ 77,862,200	\$ 77,862,200	\$ 77,862,200	\$ 77,862,200	
Personal Property		9,830,004	9,830,004	9,830,004	9,830,004	9,830,004	
Centerally Assessed		83,101	83,101	83,101	83,101	83,101	
Total Assessed Value	\$	81,973,704	\$ 87,775,305	\$ 87,775,305	\$ 87,775,305	\$ 87,775,305	
Less: Base Year Value	\$	(6,282,698)	\$ (6,282,698)	\$ (6,282,698)	\$ (6,282,698)	\$ (6,282,698)	
Incremental Assessed Value	\$	75,691,006	\$ 81,492,607	\$ 81,492,607	\$ 81,492,607	\$ 81,492,607	
Tax Rate:							
Utah County		0.1149%	0.1149%	0.1149%	0.1149%	0.1149%	
Alpine School District		0.8096%	0.8096%	0.8096%	0.8096%	0.8096%	
American Fork City		0.2540%	0.2540%	0.2540%	0.2540%	0.2540%	
North Utah County Water Conservancy District		0.0025%	0.0025%	0.0025%	0.0025%	0.0025%	
Central Utah Water Conservancy District		0.0422%	0.0422%	0.0422%	0.0422%	0.0422%	
Less State Assessing & Collecting		-0.0220%	-0.0220%	-0.0220%	-0.0220%	-0.0220%	
Less Local Assessing & Collecting		-0.0013%	-0.0013%	-0.0013%	-0.0013%	-0.0013%	
Less Tax Rate Differential		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
Total Tax Rate - Area 186:		1.1999%	1.1999%	1.1999%	1.1999%	1.1999%	
TAX INCREMENT REVENUES							
Total Tax Increment	\$	908,216	\$ 977,830	\$ 977,830	\$ 977,830	\$ 977,830	\$ 4,819,536
Total Tax Increment:	\$	908,216	\$ 977,830	\$ 977,830	\$ 977,830	\$ 977,830	\$ 4,819,536
Percent of Tax Increment for Project							
		60%	60%	60%	60%	60%	
TAX INCREMENT REVENUES							
Tax Increment to RDA - Calculated	\$	544,930	\$ 586,698	\$ 586,698	\$ 586,698	\$ 586,698	\$ 2,891,721
Tax Increment Actually Collected and Paid ¹	\$	546,755	\$ 586,698	\$ 586,698	\$ 586,698	\$ 586,698	\$ 2,893,547
Previous Years Tax Increment Revenue to RDA		30,169	-	-	-	-	30,169
Total Tax Increment Revenue to RDA:	\$	576,924	\$ 586,698	\$ 586,698	\$ 586,698	\$ 586,698	\$ 2,923,716
EXPENDITURES:							
Project Area Budget and Uses of Funds							
Redevelopment Agency Uses							
RDA Administrative Fees @ 5%	\$	28,846	\$ 29,335	\$ 29,335	\$ 29,335	\$ 29,335	\$ 146,186
Property Tax Incentive to Company		-	35,000	35,000	35,000	20,000	125,000
Reserve Fund/Other Development Activities		153,678	167,217	138,914	176,516	537,363	1,173,687
Other Agency Obligations and Indebtedness							
Annual Debt Service on Series 2005 Bonds							
Principal		379,660	342,760	373,800	340,870	-	1,437,090
Interest		14,740	12,386	9,649	4,977	-	41,753
Total Debt Obligations		394,400	355,146	383,449	345,847	-	1,478,843
TOTAL EXPENDITURES	\$	576,924	\$ 586,698	\$ 586,698	\$ 586,698	\$ 586,698	\$ 2,923,716

Note 1: Tax increment actually paid to the Agency is based on actual collections. As the County collects previous years tax increment, it is remitted to the Agency in the current year.

EXHIBIT C: MAP OF THE NORTH VALLEY RDA PROJECT AREA



SECTION 4: OVERVIEW OF THE EGG FARM EDA PROJECT AREA

Table 5.1: Project Area Overview

OVERVIEW				
<u>Type</u> EDA	<u>Acreage</u> 97	<u>Purpose</u> Commercial Development	<u>Taxing District</u> 60	<u>Tax Rate</u> 0.011999
<u>Creation Year</u> FY 2001	<u>Base Year</u> FY 1999	<u>Term</u> 24 Years	<u>Trigger Year</u> FY 2005	<u>Expiration Year*</u> FY 2028
<u>Base Value</u> \$705,802	<u>TY 2014 Value</u> \$63,730,588	<u>Increase</u> 8,930%	<u>FY 2015 Increment</u> \$622,437	<u>Remaining Life</u> Up to 13 Years

* The expiration year of 2028 may be adjusted depending upon whether or not maximum tax increment levels are reached prior to 2028, as outlined in the Amended Project Area Budget.



The Egg Farm EDA Project Area was created in October 17, 2000 and is governed by the “Egg Farm Economic Development Plan” dated September 8, 2000 as well as the “Official Amended Project Area Budget” dated October 24, 2013. These documents define the duration and use of property tax generated within the Project Area as well as conditions and obligations by the Agency and each participating tax entity.

The purpose of the Egg Farm EDA Project Area is the incentivizing of commercial development in American Fork City, including the attraction of major employers and developers willing to invest private capital into new businesses which will provide additional jobs and broaden the tax base of the community. This commercial development in the Project Area is to be facilitated through the following actions:



- ☐ Remove impediments to land disposition and development through assembly of land into reasonably sized and shaped parcels necessary for economic development served by improved public utilities, infrastructure improvements, and new public or private facilities.
- ☐ Eliminate environmental deficiencies, irregular lot subdivision, improper drainage, overcrowding or underutilization of real property.
- ☐ Achieve an environment reflecting a high level of concern for architectural, landscape and urban design principals, developed through encouragement, guidance, appropriate controls, and financial and professional assistance to owner participants and developers.
- ☐ Promote and market the Project Area for economic development complimentary to existing businesses and industries, or would enhance the economic base of the City through diversification.
- ☐ Provide utilities, streets, curbs, sidewalks, parking areas, landscape areas, and other infrastructure improvements as appropriate and as necessary.
- ☐ Provide improved public streets and road access to and within the Project Area to facilitate better traffic and pedestrian circulation, reduce traffic hazards, and to promote air quality.
- ☐ Ensure compatible relationships among land uses and quality standards for development, such that the area functions as a unified and viable center of economic activity for the City.

The Project Area lies entirely within American Fork City and includes approximately 97 acres of property located along the west side of I-15 from 1100 South to approximately 1500 South, and is bound on the west by the Southern Pacific Railroad tracks. The Project Area is zoned for both commercial and industrial use. A map of the Project Area is included as Exhibit D.

SOURCES OF FUNDS

Table 5.2: Sources of Funds

2015 SOURCES OF FUNDS	
2015 Property Tax Increment Collected and Paid to Agency ⁷	\$564,523
Previous Years Tax Increment Paid in 2015	57,914
Total Sources of Funds	\$622,437

Table 5.3: Tax Increment Levels

TAX INCREMENT LEVELS	
Years	%
2005-2028	75%

⁷ Utah County remits tax increment to the Agency only to the point that it has been collected from property owners. Thus, although the Agency may be entitled to \$567,176 in annual tax increment for FY 2015, the County remits to the Agency the portion that has been collected, which totals \$564,523. In the same vein, the County also remits any additional tax increment that has been collected from property owners for prior year delinquencies. For FY 2015, this is represented by the \$57,914 figure outlined above.

The Project Area was originally intended to draw property tax increment beginning with the taxes collected in 2004 and remitted to the Agency in 2005 and continue for 24 years with the final tax increment being collected in 2027 and remitted to the Agency in 2028. However, the Project Area Budget was amended in 2013 and now includes a provision outlining that the Project Area will receive tax increment for 24 years or until the total tax increment received by the Agency after tax year 2012 reaches a cap of \$9,262,291, whichever occurs first.

USES OF FUNDS

Table 5.4: Uses of Funds

2015 USES OF FUNDS	
RDA Administration	\$31,122
Affordable Housing Fund (20%)	124,487
Public Infrastructure (25%)	155,609
Developer Infrastructure Reimbursement – Principal	246,526
Developer Infrastructure Reimbursement – Interest @ 2.5%	64,692
Total Uses of Funds	\$622,437

Table 5.5: Allocation of Tax Increment Funds

ALLOCATION OF TAX INCREMENT FUNDS	
Uses of Funds	Allocation
RDA Administration	5%
Affordable Housing Fund	20%
Public Infrastructure	25%
Developer Infrastructure Reimbursement	50%
Total	100%

Reimbursements for Developer Infrastructure Improvements consist of a principal payment, along with interest calculated at a rate of 2.5%.

It is planned that the amounts available for Public Infrastructure Costs will be used for property purchase, roadway construction, and improvements to culinary water, pressurized irrigation, and storm drain systems which are estimated to cost \$500,000. A detail of these planned improvements is given later in this report.

DEVELOPMENT OBLIGATIONS AND INCENTIVES

As outlined in the Agreement for Private Development of Land (ADL), the Agency agreed to reimburse the land owner for the costs of certain infrastructure improvements and developments that would create jobs in the Project Area. Tax increment is to be used for this reimbursement in an amount of \$3,245,944 plus interest at a rate of 2.5%. Table 5.5 above shows the uses of tax increment funds by the Agency, 50 percent of which is dedicated to reimbursing the Developer for infrastructure improvements until all obligations are satisfied.

The Amended Project Area Budget adopted in 2013 also shows that the Agency may be able to accelerate payments to the Developer with the last payment estimated to take place in 2022. The acceleration of repayment to the Developer will provide a benefit to the Agency as it will retain the full 75% of tax increment generated, allowing the Agency to fund additional infrastructure improvements. This will serve to further enhance the Project Area until it expires in either tax year 2027 or when the total amount of tax increment received by the Agency after tax year 2012 reaches \$9,262,291.

To this point, a total of \$904,790 in principal has been repaid to the Developer. These payments are outlined in the table below, along with projected payments for FY 2015 through FY 2022.

Table 5.6: Developer Payment Schedule

DEVELOPER PRINCIPAL PAYMENT SCHEDULE	
2005	\$(5,012)
2006	4,126
2007	4,962
2008	8,080
2009	59,705
2010	96,638
2011	99,437
2012	102,295
2013	105,228
2014	182,803
2015	246,526
Total Principal Payments to Developer Through 2015	\$904,790
Projected Payments	
2016	313,588
2017	332,687
2018	352,600
2019	373,360
2020	394,997
2021	417,544
2022	156,378
Total Projected Principal Payments Through 2022	\$2,341,154
Grand Total to be Paid to Developer (Capped Amount)	\$3,245,944

PROJECT AREA REPORTING AND ACCOUNTABILITY

COMPARISON OF FORECASTED AND ACTUAL TAX INCREMENT

Table 5.7: Realization of Tax Increment

REALIZATION OF TAX INCREMENT	ORIGINAL/ AMENDED BUDGET	ACTUAL BUDGET & CURRENT PROJECTION	% OF PROJECTION
TAX INCREMENT GENERATED IN PROJECT AREA			
Comparison to Original Budget			
Property Tax Increment – FY 2015	\$357,455	\$622,437	174%
Property Tax Increment – FY 2005 – 2015	\$3,871,958	\$3,814,694	99%
Projected Property Tax Increment – FY 2005 - 2026	\$8,009,784	\$12,056,403	151%
Comparison to Amended Budget			
Property Tax Increment – FY 2015	\$624,739	\$622,437	99%
Projected Property Tax Increment – FY 2005 - 2026	\$11,726,367	\$12,056,403	103%

The projections in the amended multi-year budget adopted by the Agency in 2013 differ dramatically from those contained in the original budget due to adjustments that have been made based on actual development and assessed values through 2013.

RELATIVE GROWTH IN ASSESSED VALUE

Table 5.8: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
ASSESSED VALUES IN PROJECT AREA				
Annual Growth in Project Area (2014 vs. 2013)	\$63,730,588	\$54,868,618	16.2%	16.2%
Lifetime Growth in Project Area (2014 vs. 1999)	\$63,730,588	\$705,802	8,930%	35.0%
ASSESSED VALUES IN AMERICAN FORK CITY				
Annual Growth in American Fork City (2014 vs. 2013)	\$1,563,159,186	\$1,424,178,291	9.8%	9.8%
Lifetime Growth in American Fork City (2014 vs. 1999)	\$1,563,159,186	\$618,527,099	153%	6.4%

BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 5.9: Benefits to Taxing Entities

BENEFITS TO TAXING ENTITIES
*Increased Property Tax Revenues
*Increased Sales Tax Revenues
*Creation of high quality jobs spurred by commercial development
*Higher growth in tax base compared to non-incentivized areas
- Current AAGR for the Project Area is more than <u>five times</u> that of non-incentivized areas

The most significant benefit to the taxing entities will be realized when the life of the Project Area expires. Although the Project Area was originally intended to expire in tax year 2027, the amended budget allows for the early termination of the Project Area which is currently projected to be tax year 2024. This projected early termination will provide the taxing entities with three extra years of tax increment based on the full assessed value of the Project Area.

The table below shows the approximate benefit to the taxing entities of receiving 100% of tax increment after the Agency cap is reached in tax year 2024. Outlined therein is the original 25% of tax increment, as well as the additional 75% of tax increment that will be received by the taxing entities over these two years.

It is important to point out that this projected expiration year may be adjusted depending on when total tax increment amounts paid to the Agency after tax year 2012 reach \$9,262,291.

Table 5.10: Benefit to Taxing Entities of Early Project Termination

PROJECTED TAX INCREMENT REVENUES: EXPIRATION OF PROJECT AREA IN TY 2024		
ENTITY	ORIGINAL 25% TAX INCREMENT	ADDITIONAL 75% TAX INCREMENT
Utah County	\$78,854	\$236,562
Alpine School District	696,946	2,090,840
American Fork City	218,657	655,970
North Utah County Water Conservancy District	2,152	6,456
Central Utah Water Conservancy District	36,328	108,984
Total	\$1,032,937	\$3,098,812












Currently, the taxing entities are benefiting from increased assessed values in the Project Area as a portion of tax increment is being returned to the taxing entities. As shown below, the annual tax increment (above the base amount) currently being returned to taxing entities is 2,232% above what would have been realized if assessed values in the Project Area had remained at base year levels. This pass through increment will continue to increase as assessed values rise. Since FY 2005, the total tax increment (above the base amount) received by the taxing entities is 1,619% above what would have been realized based on base year levels.

Table 5.11: Growth in Tax Increment

GROWTH IN TAX INCREMENT	ORIGINAL BUDGET REVENUES	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
TAX INCREMENT FROM PROJECT AREA				
Fiscal Year 2015	\$476,594	\$756,234	\$8,469	8,930%
Lifetime Revenue (FY 2005-2015)	\$5,162,611	\$5,816,003	\$89,798	6,477%
PASS THROUGH INCREMENT (ABOVE BASE)				
Fiscal Year 2015	\$119,149	\$189,095	\$8,469	2,232%
Lifetime Revenue (FY 2005-2015)	\$1,290,653	\$1,454,001	\$89,798	1,619%

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

The Egg Farm EDA Project Area was created with the intent of incentivizing commercial development in American Fork City. The financing of infrastructure improvements has spurred the development of the North Pointe Business Park, which has housed some of the first high-tech businesses in northern Utah County. This development has served as a magnet for other high-tech companies in the valley. Notable businesses located in the Project Area include:

- | | |
|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
|  AMP Security |  Marketecture |
|  CED |  Morinda |
|  Certiport |  Novarad |
|  Coldwell Banker Commercial |  Power Innovations |
|  Franson Civil Engineering |  Rain International |
|  Henry Schein Practice Solutions | |

The City has approved the expansion of Morinda, and Roderick Enterprises, the developer behind the North Pointe Business Park, is expected to propose Phase II of that project soon.

Recently, construction was completed on an office building located at 1220 South 630 East, providing a significant boost in values in the Project Area. This property came on the tax rolls in tax year 2014 with an assessed value of \$8,480,700, and the value is expected to be at \$16,764,500 in tax year 2015. Another new office building, located at 584 East 100 South, will come on the tax rolls in 2015 and is currently valued at \$12,249,100. With the completion of these two projects, the Project Area is expected to realize a substantial increase in total assessed value in TY 2015, which will translate to a significant increase in tax increment revenues in FY 2016.

Planned improvements in the Project Area, and their associated costs, to the extent that sufficient tax increment funds are available, are outlined in the table below:

Table 5.12: Qualified Improvements within Project Area

CAPITAL IMPROVEMENTS WITHIN PROJECT AREA		
PRIORITY	PROJECT	COST*
1	Property Purchase	\$393,000
2	Reconstruction of 860 East	\$500,000
3	Widening of 630 East	\$250,000
4	Widening of 1300 East	\$360,000
5	Widening of 1500 South **	\$2,986,066
6	Widening of Sam White Lane	\$1,643,987
7	Culinary Water: 16" New Water Line	\$192,664
8	Pressurized Irrigation: 12" Pipe	\$142,768
9	Storm drain pipe	\$589,671
Total		\$7,048,156

* The cost only includes the cost of infrastructure in the Project Area, not necessarily for the entire project.

** Alpine School District will benefit directly from improvements planned for 1500 South as school buses use this road extensively.

The map of the Project Area shown in Exhibit D outlines the location of these proposed improvements.

The Agency/City plans to fund these improvements using both tax increment revenues and impact fee revenues. Tax increment will be used first, followed by impact fees, which may not be available until 2023 according to the schedule of improvements shown in the current impact fee study. The City may be able to receive some revenues from Mountainland Association of Governments (“MAG”) for the widening of 1500 South, but this is yet to be discussed with MAG. If tax increment revenues are not sufficient to fund these projects, the City will be forced to wait until impact fees are available, revenues are received from MAG, or a developer agrees to construct the improvements.

The areas surrounding the boundaries of the Project Area have also experienced growth in connection with development within the Project Area. Most recently, Ken Garff Ford opened an auto dealership adjacent to the Project Area.

FORECASTED PROJECT AREA BUDGET UPDATE

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

Table 5.13: Project Area Budget

PROJECT AREA BUDGET		FY 2015-2026	
REVENUES		TOTALS	NPV @ 5%
Annual Property Tax Increment		\$8,806,232	\$6,569,041
Prior Years Property Tax Increment		57,914	55,156
Total Revenue		\$8,864,145	\$6,624,197
EXPENDITURES		TOTALS	NPV @ 5%
RDA Administration		\$598,415	\$428,707
Affordable Housing Fund (20%)		2,393,658	1,714,829
Public Infrastructure (25%)		2,992,073	2,143,537
Developer Infrastructure Reimbursement – Principal		2,587,681	2,086,567
Developer Infrastructure Reimbursement – Interest @ 2.5%		292,319	250,557
Total Expenditures		\$8,864,145	\$6,624,197

OTHER ISSUES

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

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following four sheets represent the FY 2015, FY 2016, FY 2017 and FY 2015-2028 multi-year budgets.

Egg Farm Economic Development Project Area

2015 Annual Budget
November 1, 2015



Tax Year	2014
Payment Year	2015
REVENUE:	
TAXABLE VALUATION:	
Real Property	\$ 60,810,200
Personal Property	2,640,598
Centrally Assessed	279,790
Total Assessed Value	\$ 63,730,588
Less: Base Year Value	(705,802)
Incremental Assessed Value	\$ 63,024,786
Tax Rate:	
Utah County	0.1149%
Alpine School District	0.8096%
American Fork City	0.2540%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0025%
Central Utah Water Conservancy District	0.0422%
Less State Assessing & Collecting	-0.0220%
Less Local Assessing & Collecting	-0.0013%
Less Tax Rate Differential	0.0000%
Total Tax Rate - Area 186:	1.1999%
TAX INCREMENT REVENUES	
Total Tax Increment	\$ 756,234
Total Tax Increment:	\$ 756,234
Percent of Tax Increment for Project	75%
TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ 567,176
Tax Increment Actually Collected and Paid ¹	\$ 564,523
Previous Years Tax Increment Revenue to RDA	57,914
Total Tax Increment Revenue to RDA:	\$ 622,437
EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ 31,122
Affordable Housing Fund @ 20%	124,487
Public Infrastructure Costs/Agency @ 25%	155,609
Other Agency Obligations and Indebtedness	
Developer Infrastructure Reimbursement ²	
Principal	246,526
Interest (@ 2.5%)	64,692
Total Debt Obligations	311,218
TOTAL EXPENDITURES	\$ 622,437

Egg Farm Economic Development Project Area

2016 Annual Budget
November 1, 2015



Tax Year	2015
Payment Year	2016

REVENUE:	
TAXABLE VALUATION:	
Real Property	\$ 80,485,000
Personal Property	2,640,598
Centrally Assessed	279,790
Total Assessed Value	\$ 83,405,388
Less: Base Year Value	(705,802)
Incremental Assessed Value	\$ 82,699,586

Tax Rate:	
Utah County	0.1149%
Alpine School District	0.8096%
American Fork City	0.2540%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0025%
Central Utah Water Conservancy District	0.0422%
Less State Assessing & Collecting	-0.0220%
Less Local Assessing & Collecting	-0.0013%
Less Tax Rate Differential	0.0000%
Total Tax Rate - Area 186:	1.1999%

TAX INCREMENT REVENUES	
Total Tax Increment	\$ 992,312
Total Tax Increment:	\$ 992,312

Percent of Tax Increment for Project	75%
---------------------------------------------	------------

TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ 744,234
Tax Increment Actually Collected and Paid ¹	\$ 744,234
Previous Years Tax Increment Revenue to RDA	-
Total Tax Increment Revenue to RDA:	\$ 744,234

EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ 37,212
Affordable Housing Fund @ 20%	148,847
Public Infrastructure Costs/Agency @ 25%	186,059
Other Agency Obligations and Indebtedness	
Developer Infrastructure Reimbursement ²	
Principal	313,588
Interest (@ 2.5%)	58,529
Total Debt Obligations	372,117
TOTAL EXPENDITURES	\$ 744,234

Egg Farm Economic Development Project Area

2017 Annual Budget
November 1, 2015



Tax Year	2016
Payment Year	2017

REVENUE:	
TAXABLE VALUATION:	
Real Property	\$ 82,899,550
Personal Property	2,719,816
Centrally Assessed	288,184
Total Assessed Value	\$ 85,907,550
Less: Base Year Value	(705,802)
Incremental Assessed Value	\$ 85,201,748

Tax Rate:	
Utah County	0.1149%
Alpine School District	0.8096%
American Fork City	0.2540%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0025%
Central Utah Water Conservancy District	0.0422%
Less State Assessing & Collecting	-0.0220%
Less Local Assessing & Collecting	-0.0013%
Less Tax Rate Differential	0.0000%
Total Tax Rate - Area 186:	1.1999%

TAX INCREMENT REVENUES	
Total Tax Increment	\$ 1,022,336
Total Tax Increment:	\$ 1,022,336

Percent of Tax Increment for Project	75%
---------------------------------------------	------------

TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ 766,752
Tax Increment Actually Collected and Paid ¹	\$ 766,752
Previous Years Tax Increment Revenue to RDA	-
Total Tax Increment Revenue to RDA:	\$ 766,752

EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ 38,338
Affordable Housing Fund @ 20%	153,350
Public Infrastructure Costs/Agency @ 25%	191,688
Other Agency Obligations and Indebtedness	
Developer Infrastructure Reimbursement ²	
Principal	332,687
Interest (@ 2.5%)	50,689
Total Debt Obligations	383,376
TOTAL EXPENDITURES	\$ 766,752

Egg Farm Economic Development Project Area

Ongoing Budget
Multi-Year Project Area Budget Projections
November 1, 2015



	==== HISTORIC PROJECTED =====															TOTALS
Tax Year Payment Year	2014 2015	2015 2016	2016 2017	2017 2018	2018 2019	2019 2020	2020 2021	2021 2022	2022 2023	2023 2024	2024 2025	2025 2026	2026 2027	2027 2028		
REVENUE:																
TAXABLE VALUATION:																
Real Property	\$ 60,810,200	\$ 80,485,000	\$ 82,899,550	\$ 85,386,537	\$ 87,948,133	\$ 90,586,577	\$ 93,304,174	\$ 96,103,299	\$ 98,986,398	\$ 101,955,990	\$ 105,014,670	\$ 108,165,110	\$ 111,410,063	\$ 114,752,365		
Personal Property	2,640,598	2,640,598	2,719,816	2,801,410	2,885,453	2,972,016	3,061,177	3,153,012	3,247,602	3,345,031	3,445,381	3,548,743	3,655,205	3,764,861		
Centrally Assessed	279,790	279,790	288,184	296,829	305,734	314,906	324,353	334,084	344,106	354,430	365,062	376,014	387,295	398,914		
Total Assessed Value	\$ 63,730,588	\$ 83,405,388	\$ 85,907,550	\$ 88,484,776	\$ 91,139,319	\$ 93,873,499	\$ 96,689,704	\$ 99,590,395	\$ 102,578,107	\$ 105,655,450	\$ 108,825,114	\$ 112,089,867	\$ 115,452,563	\$ 118,916,140		
Less: Base Year Value	-(705,802)	-(705,802)	-(705,802)	-(705,802)	-(705,802)	-(705,802)	-(705,802)	-(705,802)	-(705,802)	-(705,802)	-(705,802)	-(705,802)	-(705,802)	-(705,802)		
Incremental Assessed Value	\$ 63,024,786	\$ 82,699,586	\$ 85,201,748	\$ 87,778,974	\$ 90,433,517	\$ 93,167,697	\$ 95,983,902	\$ 98,884,593	\$ 101,872,305	\$ 104,948,648	\$ 108,119,312	\$ 111,384,065	\$ 114,746,761	\$ 118,210,338		
Tax Rate:																
Utah County	0.1149%	0.1149%	0.1149%	0.1149%	0.1149%	0.1149%	0.1149%	0.1149%	0.1149%	0.1149%	0.1149%	0.1149%	0.1149%	0.1149%		
Alpine School District	0.8096%	0.8096%	0.8096%	0.8096%	0.8096%	0.8096%	0.8096%	0.8096%	0.8096%	0.8096%	0.8096%	0.8096%	0.8096%	0.8096%		
American Fork City	0.2540%	0.2540%	0.2540%	0.2540%	0.2540%	0.2540%	0.2540%	0.2540%	0.2540%	0.2540%	0.2540%	0.2540%	0.2540%	0.2540%		
North Utah County Water Conservancy District	0.0025%	0.0025%	0.0025%	0.0025%	0.0025%	0.0025%	0.0025%	0.0025%	0.0025%	0.0025%	0.0025%	0.0025%	0.0025%	0.0025%		
Central Utah Water Conservancy District	0.0422%	0.0422%	0.0422%	0.0422%	0.0422%	0.0422%	0.0422%	0.0422%	0.0422%	0.0422%	0.0422%	0.0422%	0.0422%	0.0422%		
Less State Assessing & Collecting	-0.0220%	-0.0220%	-0.0220%	-0.0220%	-0.0220%	-0.0220%	-0.0220%	-0.0220%	-0.0220%	-0.0220%	-0.0220%	-0.0220%	-0.0220%	-0.0220%		
Less Local Assessing & Collecting	-0.0013%	-0.0013%	-0.0013%	-0.0013%	-0.0013%	-0.0013%	-0.0013%	-0.0013%	-0.0013%	-0.0013%	-0.0013%	-0.0013%	-0.0013%	-0.0013%		
Less Tax Rate Differential	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%		
Total Tax Rate - Area 186:	1.1999%	1.1999%	1.1999%	1.1999%	1.1999%	1.1999%	1.1999%	1.1999%	1.1999%	1.1999%	1.1999%	1.1999%	1.1999%	1.1999%		
TAX INCREMENT REVENUES																
Total Tax Increment	\$ 756,234	\$ 992,312	\$ 1,022,336	\$ 1,053,260	\$ 1,085,112	\$ 1,117,919	\$ 1,151,711	\$ 1,186,516	\$ 1,222,366	\$ 1,259,291	\$ 1,297,324	\$ 1,336,497	\$ 1,376,846	\$ 1,418,406	\$ 16,276,130	
Total Tax Increment:	\$ 756,234	\$ 992,312	\$ 1,022,336	\$ 1,053,260	\$ 1,085,112	\$ 1,117,919	\$ 1,151,711	\$ 1,186,516	\$ 1,222,366	\$ 1,259,291	\$ 1,297,324	\$ 1,336,497	\$ 1,376,846	\$ 1,418,406	\$ 16,276,130	
Percent of Tax Increment for Project																
	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	0%	0%	0%		
TAX INCREMENT REVENUES																
Tax Increment to RDA - Calculated	\$ 567,176	\$ 744,234	\$ 766,752	\$ 789,945	\$ 813,834	\$ 838,439	\$ 863,783	\$ 889,887	\$ 916,774	\$ 944,468	\$ 972,993	\$ -	\$ -	\$ -	\$ 9,108,286	
Tax Increment Actually Collected and Paid ¹	\$ 564,523	\$ 744,234	\$ 766,752	\$ 789,945	\$ 813,834	\$ 838,439	\$ 863,783	\$ 889,887	\$ 916,774	\$ 944,468	\$ 673,592	\$ -	\$ -	\$ -	\$ 8,806,232	
Previous Years Tax Increment Revenue to RDA	57,914	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ 57,914	
Total Tax Increment Revenue to RDA:	\$ 622,437	\$ 744,234	\$ 766,752	\$ 789,945	\$ 813,834	\$ 838,439	\$ 863,783	\$ 889,887	\$ 916,774	\$ 944,468	\$ 673,592	\$ -	\$ -	\$ -	\$ 8,864,145	
EXPENDITURES:																
Project Area Budget and Uses of Funds																
Redevelopment Agency Uses																
RDA Administrative Fees @ 5%	\$ 31,122	\$ 37,212	\$ 38,338	\$ 39,497	\$ 40,692	\$ 41,922	\$ 43,189	\$ 44,497	\$ 45,844	\$ 47,233	\$ 48,665	\$ -	\$ -	\$ -	\$ 598,415	
Affordable Housing Fund @ 20%	124,487	148,847	153,350	157,989	162,767	167,688	172,757	177,980	183,356	188,986	194,770	-	-	-	2,393,658	
Public Infrastructure Costs/Agency @ 25%	155,609	186,059	191,688	197,486	203,458	209,610	215,946	222,467	229,174	236,069	243,154	-	-	-	2,992,073	
Other Agency Obligations and Indebtedness																
Developer Infrastructure Reimbursement																
Principal	246,526	313,588	332,687	352,600	373,360	394,997	417,544	441,000	465,378	0	-	-	-	-	2,587,681	
Interest (@ 2.5%)	64,692	58,529	50,689	42,372	33,557	24,223	14,348	3,909	0	-	-	-	-	-	292,319	
Total Debt Obligations	311,218	372,117	383,376	394,972	406,917	419,220	431,892	444,378	465,378	0	-	-	-	-	2,880,000	
TOTAL EXPENDITURES	\$ 622,437	\$ 744,234	\$ 766,752	\$ 789,945	\$ 813,834	\$ 838,439	\$ 863,783	\$ 889,887	\$ 916,774	\$ 944,468	\$ 673,592	\$ -	\$ -	\$ -	\$ 8,864,145	

Note 1: Tax increment actually paid to the Agency is based on actual collections. As the County collects previous years tax increment, it is remitted to the Agency in the current year.

KEY ASSUMPTIONS:

- Indirect Development Costs from Original Project Area Budget (Oct. 2000). These infrastructure improvements were to be reimbursed by the Agency to the Developer according to an Agreement to Development Land (ADL). These costs carry a 2.50% per annum interest cost.
- The tax increment trigger date is 2004 and this Amended Project Area Budget assumes 75% participation for all taxing entities for 24 years or until the total tax increment received by the Agency after TY 2012 equals \$9,262,291. This allows the City to meet its obligations to the developer including interest carry costs.
- This Amended Project Area Budget assumes a growth rate of three percent starting in TY 2015.
- Based on incremental value assumptions, Agency Obligations can be accelerated prior to the 24 year expiration. In this model the Agency obligations related to debt will expire in TY 2022. This is consistent with the October 17, 2000 American Fork Egg Farm Economic Development Project Taxing Agency Committee Meeting Minutes, whereby a resolution was approved to consider accelerating Agency obligations with excess tax increment prior to the 24 year expiration.
- Original Budget contemplated that the Amount Retained by Taxing Entities would be \$2.9 million, whereas the revised budget projects that this amount will be \$4.2 million.
- Tax increment years 2009-2012 provided greater available revenue to the Agency than the Agency actually used and requested. Thus, there is an approximately \$850,000 difference between available tax increment and requested tax increment.

KEY BUDGET CONFIRMATIONS AND REVISIONS:

- Resolution clarifying the Project Area Budget to be 75% to Agency and 25% pass-thru to the taxing entities with a cap in the tax increment revenue received by the Agency after tax year 2012 of \$9,262,291.
- Resolution clarifying that the "trigger-date" of tax increment was TY 2004, which will allow the Project Area Budget to go from TY 2004 thru TY 2027 (24 years) or until the total amount of tax increment received by the Agency after tax year 2012 equals \$9,262,291.
- Resolution adopting the Amended Project Area Budget as the Official Project Area Budget. Since the contemplated Project Budget Expenses were incurred to facilitate the development and the purposes of the creation of the EDA have been met, the Agency would request the annual consideration of excess tax increment be removed in order to facilitate accelerating the Agency's obligations.

EXHIBIT D: MAP OF THE EGG FARM EDA PROJECT AREA

