

2016 Annual Report
Redevelopment Agency of Lehi City
October 2016



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Chapter 1 – Background and Overview

This report is prepared for the Redevelopment Agency of Lehi City in accordance with the requirements of Utah Code Section 17C-1-409(9a,9b) which requires a taxing entity committee shall meet at least annually during a project area funds collection period under an urban renewal, an economic development, or a community reinvestment project area budget to review the status of the project area or a taxing entity committee is not required to meet in accordance with subsection 9a if the agency prepares and distributes on or before November 1st of each year a report in accordance with Utah Code Section 17C-1-603. The report must be submitted to the Alpine School District, Utah County Auditor, The State Board of Education, State Tax Commission and any other taxing entity who levies a tax on property from which the agency collects tax increment. The applicable taxing entities are as follows and vary by project area and taxing districts included in each project area:

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

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

- Millpond RDA
- Alpine Highway RDA
- Thanksgiving Park EDA
- Alpine Highway West EDA
- Traverse Mountain CDA
- West Timpanogos CDA

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

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

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

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

- Chapter 1: Background and Overview
- Chapter 2: Millpond Neighborhood RDA
- Chapter 3: Alpine Highway RDA
- Chapter 4: Thanksgiving Park EDA
- Chapter 5: Alpine Highway West EDA
- Chapter 6: Traverse Mountain CDA
- Chapter 7: West Timpanogos CDA

Chapter 2: Millpond Neighborhood RDA

Background Information

The Millpond Neighborhood Development Plan was adopted in 1986 by the Redevelopment Agency of Lehi City (Agency). The payment of the tax increment to the Agency of was “triggered” in 1995. The triggering of the tax increment funds started with tax increment year commencing January 1, 1995 with first payment received the end of 1995. Increment is to be collected for 25 years from when the increment was started. The Agency of has not shown a desire to extend the Millpond Neighborhood RDA, which is set to expire in 2020.

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

Table 2.1 Project Area Description	
Year Established	1986
Initial Year of Tax Increment	1996
Initial Time Frame for Collection	32
Last Year of Tax Increment	2020

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

The project area was originally created to help re-align a frontage road to allow for the widening of Interstate 15 and completion of a full interchange at Main Street in Lehi. It was also determined that some land and buildings weren’t being used to their highest and best use. Project funds would be used to help spur economic development in these areas and ensure long-term economic activity in the core area of the city. This was going to be accomplished by land assembly, infrastructure improvements and promotion of sites for development. The frontage road has been moved and a full interchange has been implemented off Interstate 15 and Lehi Main Street. Other infrastructure has been replaced and installed to include roads, water lines and storm drains to promote development.

Source of Funds – Valuation

Table 2.2: Base Year and Increment Taxable Values	Value
Base Year:	
Total Base Year Value	\$ 5,239,384.00
Prior Year (2015):	
Prior Year (2015) Increment Value	\$ 52,902,845.00
Prior Year (2015) Tax Increment Generated - Agency Share	\$ 418,232.67
Prior Year (2015) Adjusted Tax Increment to Agency	\$ -
Prior Year (2015) Total Assessed Value	\$ 418,232.67
Current Year (2016):	
Current Year (2016) Projected Total Assessed Value	\$ 60,575,759.87

The base year taxable value as reflected by the County Assessor’s Office is \$5,239,384.

Relative Growth in Assessed Value

Total taxable value for the project area has grown from \$5,239,384.00 at the inception of the project to over \$58 million in 2015. That is an increase of over 1,107 percent in value.

The 2014 assessed value of the project area was \$51,532,861. The 2015 taxable value increased to \$58,192,443 due to value increases and development occurring within the project area. The 2016 taxable value is anticipated to increase to \$60,575,759 due to property value increases and project area development.

Tax Increment Uses of Funds

Funds are distributed to the Agency, based on the following distribution formula. Due to this RDA being pre July 1, 1993, the code states the following: for years 1 through 5 – 100%, for years 6 through 10 – 80%, for years 11 through 15 – 75%, for years 16 through 20 – 70% and years 21 through 25 – 60%. Since the first year of tax increment was taken in 1995, the 25th year expires in 2020.

Table 2.3: Tax Entity Contribution

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

For 2015 the Agency received \$418,232.67 in tax increment revenues. Funds have been used to cover infrastructure costs to the project area. This includes partnering with Utah Department of Transportation on road re-alignment, water, sewer, storm drain, curb, and gutter and road improvements.

Benefits Received by Each Taxing Entity

Taxing Entity	Benefits
Utah County	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Alpine School District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Lehi City	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Central Utah Water Conservancy District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.

North Utah Co. Water Conservancy District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Lehi Metropolitan Water District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.

Development Activity

For 2015 there was no infrastructure improvements made to the project area. For 2016 it is anticipated that water lines will be installed, as well as a road connector to increase flow of traffic through a portion of the project area.

Total Area Funds Budgeted Compared to Actual Collected

Taxing Entities	Budgeted Tax Increment	Total Increment Collected	Difference to be Collected
Alpine School District	\$ 4,173,664.71	\$ 2,581,409.31	\$ 1,592,255.39
Lehi City	\$ 1,007,641.91	\$ 623,225.96	\$ 384,415.94
Utah County	\$ 425,117.56	\$ 262,934.98	\$ 162,182.58
Central Utah Water Conservancy District	\$ 178,871.34	\$ 110,631.83	\$ 68,239.52
North Utah Co. Water Conservancy District	\$ 120,440.04	\$ 74,492.10	\$ 45,947.94
Lehi Metropolitan Water District	\$ 56,642.59	\$ 35,033.41	\$ 21,609.18
Total Revenue	\$ 5,962,378.15	\$ 3,687,727.59	\$ 2,274,650.56

Note: 1996 is the first year of increment. There is not a clear breakdown of what each taxing entity has contributed to the increment so an average was created. This RDA is in a haircut provision of 70% and will expire in 2020. There is no intention of extending the RDA at this time.

Area Maps

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

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

Revised Multi-Year Budget

Table 2.4: Project Area Budget, CY 2015 2016

Fiscal Year for Budget	2016	2017
Calendar Year for Increment	2015	2016
Assessed Valuation		
Base Year Taxable Value	\$ 5,289,589.00	\$ 5,289,589.00
Increment Value	\$ 52,902,845.00	\$ 55,336,375.87
Total Taxable Value	\$ 58,192,434.00	\$ 60,625,964.87
Tax Rates		
Utah County	0.00087	0.00087
Alpine School District	0.008177	0.008177
Lehi City	0.00209	0.00209
Central Utah Water Conservancy District	0.000405	0.000405
North Utah Co. Water Conservancy District	0.000024	0.000024
Lehi Metropolitan Water District	0.000011	0.000011
Total	0.011577	0.011577
Taxing Entity Contribution		
Utah County	70%	70%
Alpine School District	70%	70%
Lehi City	70%	70%
Central Utah Water Conservancy District	70%	70%
North Utah Co. Water Conservancy District	70%	70%
Lehi Metropolitan Water District	70%	70%
Increment Tax Revenues to Taxing Entities		
Utah County	\$ 13,807.64	\$ 14,442.79
Alpine School District	\$ 129,775.97	\$ 135,745.66
Lehi City	\$ 33,170.08	\$ 34,695.91
Central Utah Water Conservancy District	\$ 6,427.70	\$ 6,723.37
North Utah Co. Water Conservancy District	\$ 380.90	\$ 398.42
Lehi Metropolitan Water District	\$ 174.58	\$ 182.61
Total	\$ 183,736.87	\$ 192,188.76
Increment Tax Revenues to Agency		
Utah County	\$ 32,217.83	\$ 33,699.85
Alpine School District	\$ 302,810.59	\$ 316,739.88
Lehi City	\$ 77,396.86	\$ 80,957.12
Central Utah Water Conservancy District	\$ 14,997.96	\$ 15,687.87
North Utah Co. Water Conservancy District	\$ 888.77	\$ 929.65
Lehi Metropolitan Water District	\$ 407.35	\$ 426.09
Total	\$ 428,719.36	\$ 448,440.45
Expenditures		

Fund Surplus/Deficit	\$ 104,497.00	\$ 768,000.55
Reserves	\$ 262,500.00	
Millpond RDA Engineering		\$ 320,000.00
Millpond RDA Streets		\$ 700,000.00
Transfer to Outdoor Pool	\$ 70,000.00	\$ 196,441.00
Remaining Increment for Projects	\$ 200,716.36	\$ 0.00

The Agency is working with property owners to install upgraded infrastructure to include water lines and road improvements.

Estimate of Tax Increment for 2016

The estimated amount of tax increment that will be generated in 2016 is \$640,629.21 with \$192,188.76 flowing to the taxing entities.

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

Exhibit 1.1

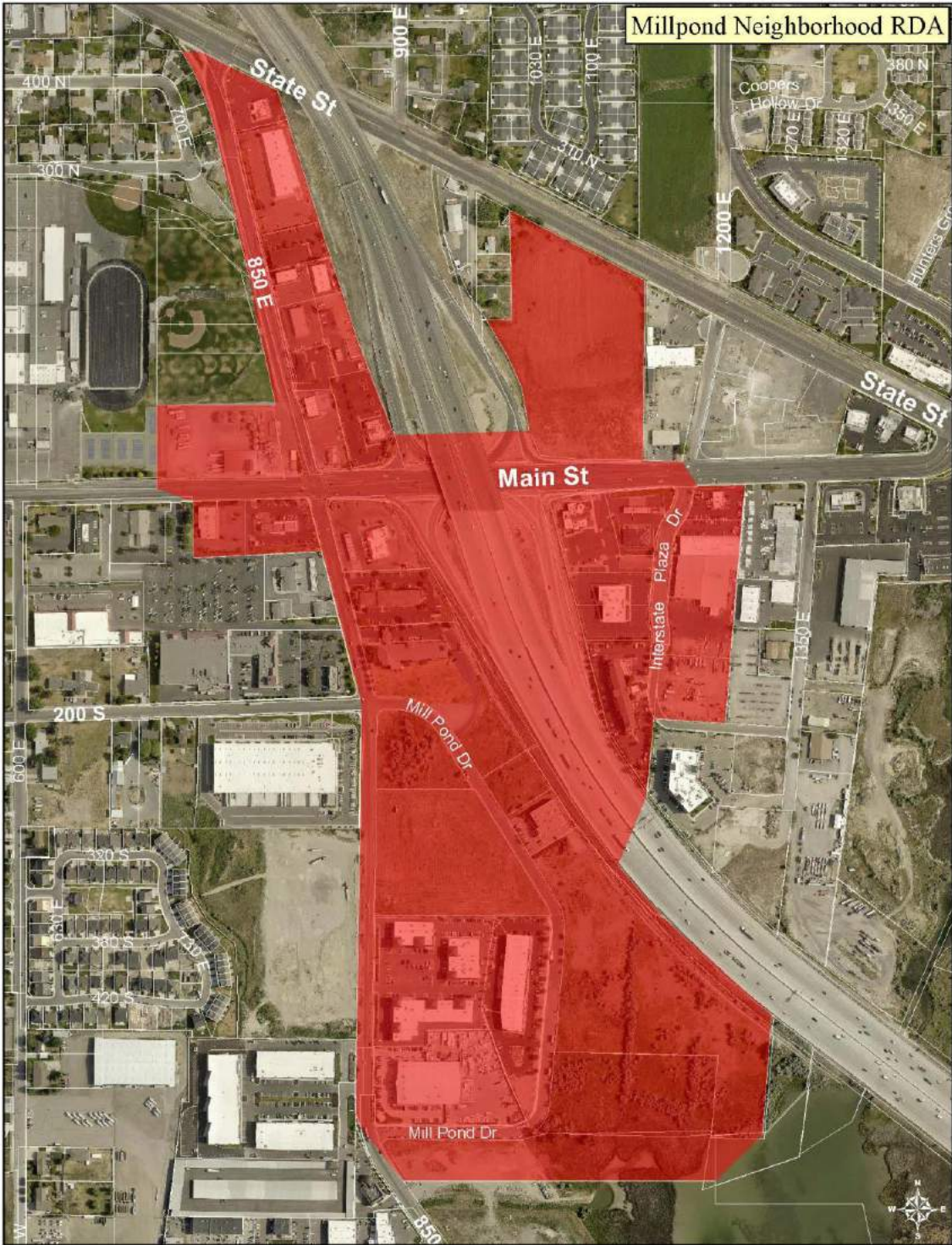
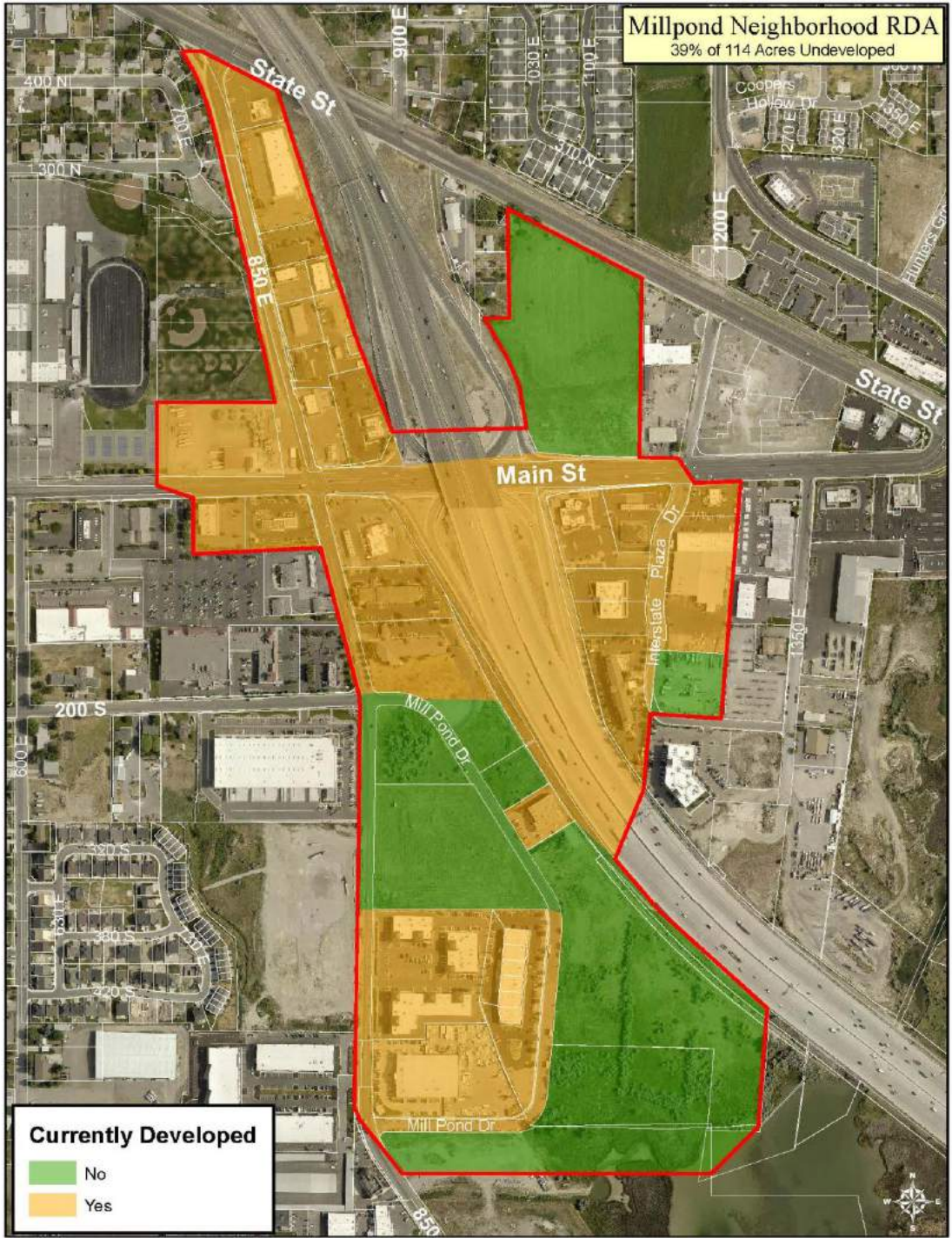


Exhibit 1.2



Chapter 3 – Alpine Highway RDA (Micron)

Background information

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

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

The project area was originally created to attract Micron (now IM Flash) to Lehi City. The original

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

proposal was for 833 acres, but due to state law the project area was cut back to less than 100 acres. It was proposed that Micron would build a 2 million square foot facility to house research and development, fabrication, assembly, testing and distribution of semiconductor memory chips. Upon full buildout the real and personal property was estimated to value \$1.7 billion.

Lehi City wanted to locate Micron in city limits as it would occupy space currently void of infrastructure and create a technology brand.

Sources of Funds – Valuation

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

Table 3.2: Base Year and Increment Taxable Values	Value
Base Year:	
Total Base Year Value	\$ 505,973.00
Prior Year (2015):	
Prior Year (2015) Increment Value	\$ 791,353,870.00
Prior Year (2015) Tax Increment Generated - Agency Share	\$ 9,136,627.00
Prior Year (2015) Adjusted Tax Increment to Agency	\$ -
Prior Year (2015) Total Assessed Value	\$ 9,136,627.00
Current Year (2016):	
Current Year (2016) Projected Total Assessed Value	\$ 791,859,843.00

Relative Growth in Assessed Value

Total taxable value for the Project Area has grown from \$48,780 at the inception of the project to over \$770 million in 2015. That is an increase of over 15,785% percent in value.

The 2014 assessed value of the project area was \$701,104,485. The 2015 taxable value increased to \$791,859,843 due to value increases and upgrades to personal property/equipment within the facility. The 2016 taxable value is anticipated to remain about the same as 2015, \$791,859,843.

Tax Increment Uses of Funds

Funds are distributed to the Agency based on the following distribution formula. For 12 years, starting in 1995, 100% of tax increment revenues from Utah County, 70% of tax increment from Lehi City and Alpine School District (70% distributed to Micron and 30% returned to Lehi City for reimbursement of infrastructure improvements not to exceed \$15,853,142, with no interest paid). For 20 years, starting in 2008, 100% of tax increment revenues from Utah County, Lehi City and Alpine School District flow to the Agency, with 70% being distributed to Micron and 30% being returned to the taxing entities. Of the 30% being returned to Utah County, Lehi City and Alpine School District, the city and school district receive 46% and the county receives 8%. This formula was based on the percentage of tax rate for each taxing entity in 1995.

Table 3.3: Tax Entity Contribution

	% of increment (or amount) to Agency through 2008	% of increment (or amount) to Agency through 2028
Utah County	100.00%	70.00%
Lehi City	70.00%	70.00%
Alpine School District	100.00%	70.00%
Central Utah Water Conservancy District	100.00%	100.00%
North Utah Co. Water Conservancy District	100.00%	100.00%
Lehi Metropolitan Water District	100.00%	100.00%

For 2015 the Agency received \$9,161,501.66 in tax increment revenues. Of the amount generated, \$6,413,050.53 went to Micron for reimbursement of infrastructure improvements. The total incentive is not to exceed \$73,329,903 (based on principle balance for 2015). The payments made to Micron will primarily cover all interest, with a small amount going to principal annually.

Benefits Received by Each Taxing Entity

Taxing Entity	Benefits
Utah County	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Alpine School District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Lehi City	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.

Central Utah Water Conservancy District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
North Utah Co. Water Conservancy District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Lehi Metropolitan Water District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.

Development Activity

For 2015 there was no improvements made to the land site or buildings. Tax increment received is for debt coverage only. Micron continues to be an employer of choice and employs over 1,000 workers paying a higher than average wage.

Total Area Funds Budgeted Compared to Actual Collected

Taxing Entities	Budgeted Tax Increment	Total Increment Collected	Principle Balance
Alpine School District	\$ 62,428,131.50	\$ 60,102,004.90	\$ 51,330,931.40
Lehi City	\$ 15,071,934.61	\$ 14,510,341.18	\$ 12,392,753.44
Utah County	\$ 6,358,751.11	\$ 6,121,818.50	\$ 5,228,422.01
Central Utah Water Conservancy District	\$ 2,675,491.35	\$ 2,575,800.21	\$ 2,199,897.06
North Utah Co. Water Conservancy District	\$ 1,801,497.51	\$ 1,734,372.14	\$ 1,481,264.02
Lehi Metropolitan Water District	\$ 847,238.93	\$ 815,670.07	\$ 696,634.07
Total Revenue	\$ 89,183,045.00	\$ 85,860,007.00	\$ 73,329,902.00

Note: 1999 is the first year of increment. There is not clear breakdown of what each taxing entity has contributed to the increment so an average was created. The project area will close in 2028 or if the increment max is reached \$73,329,902 (effective July 2016) to include interest.

Area Maps

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

Exhibit 2.2 shows that of the approximately 100 acres 11% is still undeveloped. At this time there is no plans to develop this site, but it is being maintained for future opportunity. IM Flash is looking to expand one of its three existing locations, with Lehi being one of the three options. IM Flash owns another 733 acres surrounding the site which can be used for additional expansion.

Revised Multi-Year Budget

Table 3.4: Project Area Budget, CY 2015-2016

Fiscal Year for Budget	2016	2017
Calendar Year for Increment	2015	2016
Assessed Valuation		
Base Year Taxable Value	\$ 505,973.00	\$ 505,973.00
Increment Value	\$ 791,859,843.00	\$ 791,859,843.00
Total Taxable Value	\$ 791,353,870.00	\$ 791,353,870.00
Tax Rates		
Utah County	0.00087	0.00087
Alpine School District	0.008177	0.008177
Lehi City	0.00209	0.00209
Central Utah Water Conservancy District	0.000405	0.000405
North Utah Co. Water Conservancy District	0.000024	0.000024
Lehi Metropolitan Water District	0.000011	0.000011
Total	0.011577	0.011577
Taxing Entity Contribution		
Utah County	100%	100%
Alpine School District	100%	100%
Lehi City	100%	100%
Central Utah Water Conservancy District	100%	100%
North Utah Co. Water Conservancy District	100%	100%
Lehi Metropolitan Water District	100%	100%
Increment Tax Revenues to Taxing Entities		
Utah County	\$ 219,876.09	\$ 219,876.09
Alpine School District	\$ 1,264,287.52	\$ 1,264,287.52
Lehi City	\$ 1,264,287.52	\$ 1,264,287.52
Central Utah Water Conservancy District	\$ -	\$ -
North Utah Co. Water Conservancy District	\$ -	\$ -
Lehi Metropolitan Water District	\$ -	\$ -
Total	\$ 2,748,451.13	\$ 2,748,451.13
Increment Tax Revenues to Agency		
Utah County	\$ 481,934.51	\$ 481,934.51
Alpine School District	\$ 4,529,630.42	\$ 4,529,630.42
Lehi City	\$ 1,157,748.61	\$ 1,157,748.61
Central Utah Water Conservancy District	\$ 224,348.82	\$ 224,348.82
North Utah Co. Water Conservancy District	\$ 13,294.74	\$ 13,294.74
Lehi Metropolitan Water District	\$ 6,093.42	\$ 6,093.42
Total	\$ 6,413,050.53	\$ 6,413,050.53

Expenditures		
Administration	\$ -	\$ -
Developer Allocation	\$ 6,413,050.53	\$ 6,413,050.53
Remaining Increment for Projects	\$ -	\$ -

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

Estimate of Tax Increment for 2016

The estimated amount of tax increment that will be generated in 2016 is \$9,161,501.66 with \$2,748,451.13 flowing to the taxing entities.

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

Exhibit 2.1

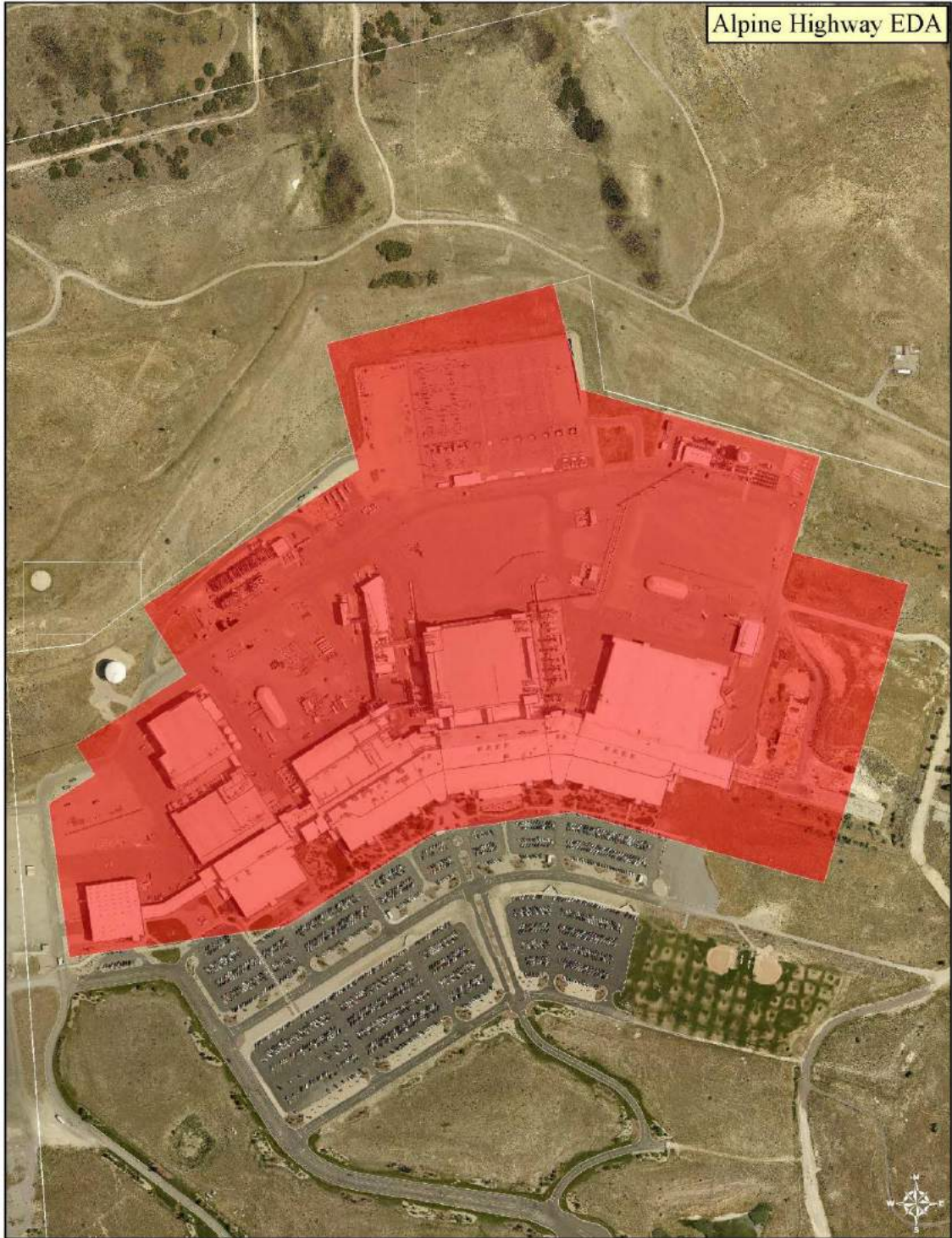


Exhibit 2.2



Chapter 4 – Thanksgiving Park EDA

Background Information

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

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

The project area was created to spur development between Interstate 15 and Thanksgiving Point. The property was relatively flat and void of any infrastructure or structures. It was the intent of the city to grow this area for higher wage job creation. The intended development facilitated the job creation. Since this project was started six, 5-story Class A Office buildings have been completed and occupied.

Table 4.1 Project Area Description	
Year Established	2009
Initial Year of Tax Increment	2010
Initial Time Frame for Collection	14 Years
Last Year of Tax Increment	2024

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

Sources of Funds – Valuation

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

Table 4.2: Base Year and Increment Taxable Values	Value
Base Year:	
Total Base Year Value	\$ 7,098,683.00
Prior Year (2015):	
Prior Year (2015) Increment Value	\$ 90,038,117.00
Prior Year (2015) Tax Increment Generated - Agency Share	\$ 172,703.41
Prior Year (2015) Adjusted Tax Increment to Agency	\$ -
Prior Year (2015) Total Assessed Value	\$ 172,703.41
Current Year (2016):	
Current Year (2016) Projected Total Assessed Value	\$ 99,942,309.87

Relative Growth in Assessed Value

Total taxable value in the project area has grown from \$7,098,683 to over \$90,038,117 in 2016 – an increase of over 710% in value.

In 2014 the assessed value of the project area was \$89,559,201. The 2015 taxable value increased to \$97,682,950 – an increase of 10% in value due to property values increasing. Personal property remained about the same. The 2016 taxable value is anticipated to increase to \$99,942,309.

Tax Increment Uses of Funds

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

Table 4.3: Tax Entity Contribution	
	% of increment (or amount) to Agency through 2024
Alpine School District	15.00%
Utah County	20.00%
Lehi City	20.00%
Northern Utah Water Conservancy District	20.00%
North Utah Co. Water Conservancy District	20.00%
Lehi Metropolitan Water District	20.00%

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

Benefits Received by Each Taxing Entity

Taxing Entity	Benefits
Utah County	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Alpine School District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Lehi City	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Central Utah Water Conservancy District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.

North Utah Co. Water Conservancy District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Lehi Metropolitan Water District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.

Development Activity

Because of this development, the surrounding area has seen a hotel and numerous retail outlets providing services to the office space. This includes restaurants, dry cleaners, a gas station, a printing company and others.

Total Area Funds Budgeted Compared to Actual Collected

Taxing Entities	Budgeted Tax Increment	Total Increment Collected	Difference to be collected
Alpine School District	\$ 1,657,200.70	\$ 421,243.40	\$ 1,235,957.30
Lehi City	\$ 584,173.00	\$ 107,651.75	\$ 476,521.25
Utah County	\$ 318,523.99	\$ 44,790.29	\$ 273,733.70
Central Utah Water Conservancy District	\$ 96,194.25	\$ 21,908.77	\$ 74,285.48
North Utah Co. Water Conservancy District	\$ 7,007.53	\$ 12,345.66	\$ (5,338.13)
Lehi Metropolitan Water District	\$ 2,548.19	\$ 5,665.88	\$ (3,117.69)
Total Revenue	\$ 2,665,647.66	\$ 613,605.74	\$ 2,052,041.92

Note: 2011 is the first year of increment. Budgeted tax increment is for 20 years.

Difference to be collected column is budgeted increment minus total increment collected.

Area Maps

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

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

Revised Multi-Year Budget

Table 4.4: Project Area Budget, CY 2015-2016

Fiscal Year for Budget	2016	2017
Calendar Year for Increment	2015	2016
Assessed Valuation		
Base Year Taxable Value	\$ 7,098,683.00	\$ 7,098,683.00
Increment Value	\$ 92,477,772.00	\$ 99,602,845.00
Total Taxable Value	\$ 99,576,455.00	\$ 106,701,528.00
Tax Rates		

Utah County	0.001	0.001
Alpine School District	0.006937	0.006937
Lehi City	0.001834	0.001834
Central Utah Water Conservancy District	0.000302	0.000302
North Utah Co. Water Conservancy District	0.000022	0.000022
Lehi Metropolitan Water District	0.000008	0.000008
Total	0.010103	0.010103

Taxing Entity Contribution		
Utah County	20%	20%
Alpine School District	15%	15%
Lehi City	20%	20%
Central Utah Water Conservancy District	20%	20%
North Utah Co. Water Conservancy District	20%	20%
Lehi Metropolitan Water District	20%	20%

Increment Tax Revenues to Taxing Entities		
Utah County	\$ 63,046.64	\$ 69,351.30
Alpine School District	\$ 629,601.40	\$ 692,561.54
Lehi City	\$ 151,456.88	\$ 166,602.57
Central Utah Water Conservancy District	\$ 29,349.28	\$ 32,284.21
North Utah Co. Water Conservancy District	\$ 1,739.20	\$ 1,913.12
Lehi Metropolitan Water District	\$ 797.12	\$ 876.83
Total	\$ 875,990.52	\$ 963,589.58

Increment Tax Revenues to Agency		
Utah County	\$ 15,761.66	\$ 17,337.83
Alpine School District	\$ 111,106.13	\$ 122,216.74
Lehi City	\$ 37,864.22	\$ 41,650.64
Central Utah Water Conservancy District	\$ 7,337.32	\$ 8,071.05
North Utah Co. Water Conservancy District	\$ 434.80	\$ 478.28
Lehi Metropolitan Water District	\$ 199.28	\$ 219.21
Total	\$ 172,703.41	\$ 189,973.75

Expenditures		
Administration	\$ 8,635.17	\$ 9,498.69
Developer Allocation	\$ 164,068.24	\$ 180,475.06
Remaining Increment for Projects	\$ -	\$ -

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

Estimate of Tax Increment for 2016

The estimated amount of tax increment that will be generated in 2016 is \$1,153,563.33 with \$963,589.58 flowing to the taxing entities.

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

Exhibit 3.1

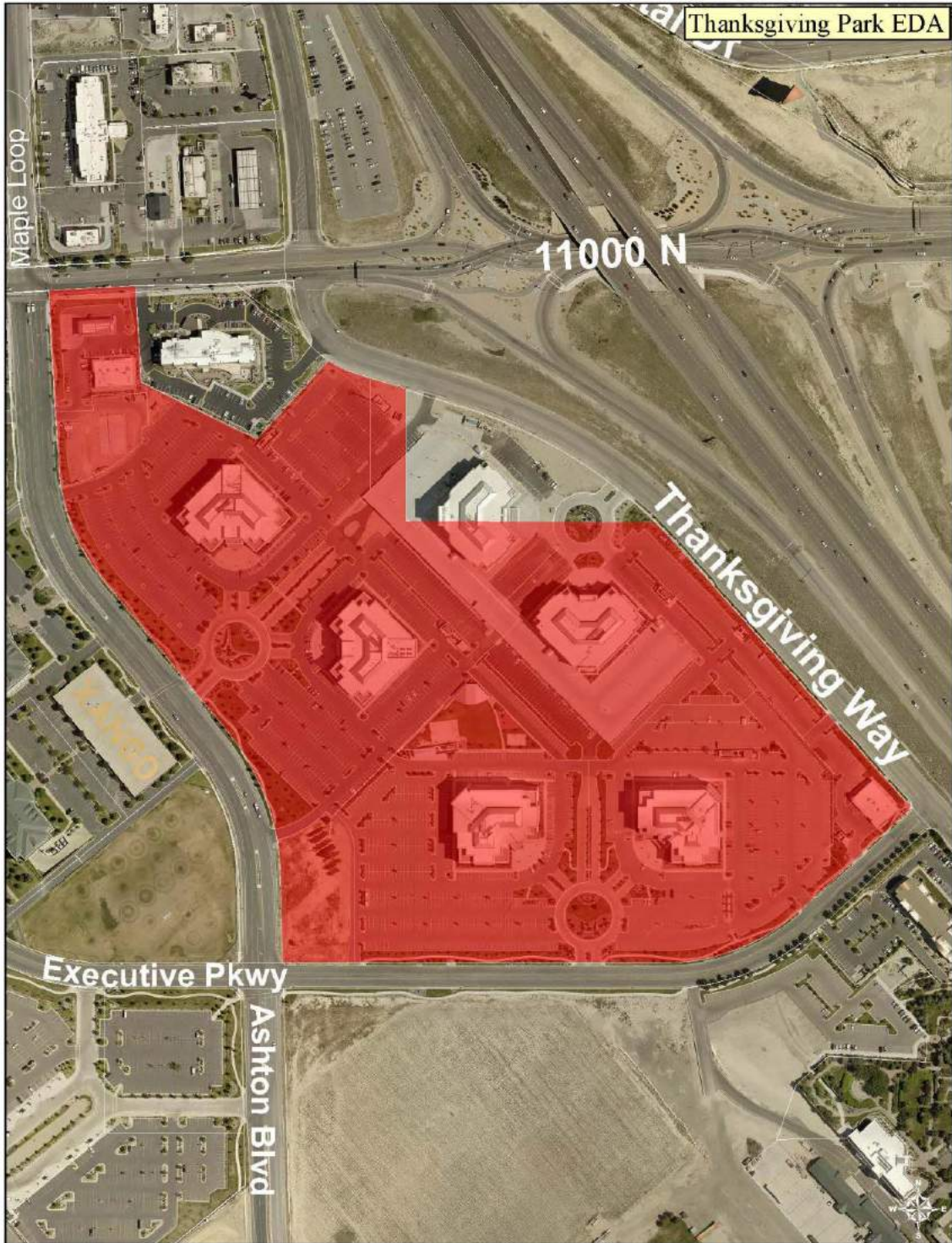
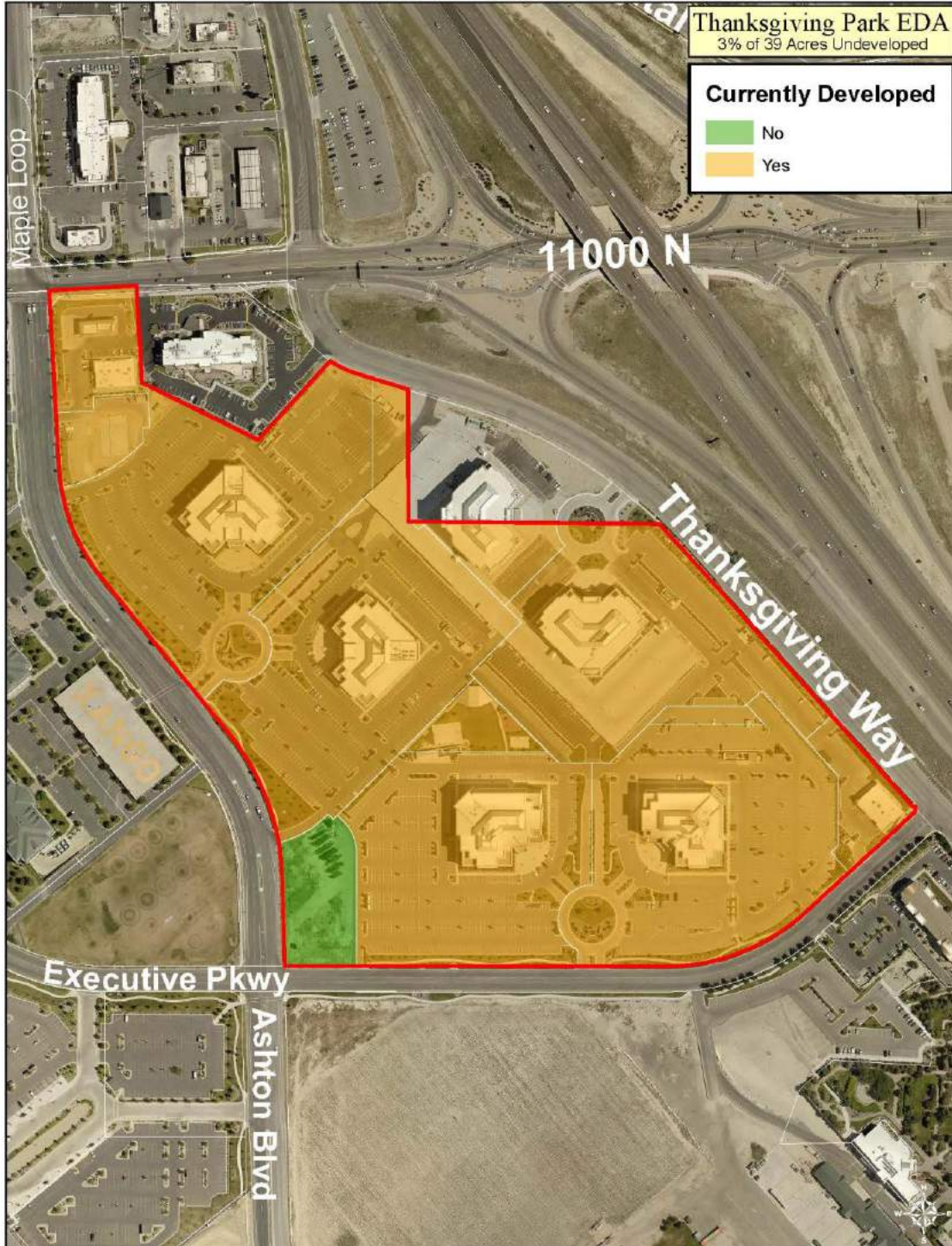


Exhibit 3.2



Chapter 5 – Alpine Highway West EDA

Background Information

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

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

The project area was created to provide an incentive to Adobe, with the expectation that would create employment and spur economic development.

Table 5.1 Project Area Description	
Year Established	2010
Initial Year of Tax Increment	2014
Initial Time Frame for Collection	20 Years
Last Year of Tax Increment	2034

The property was relatively flat and void of any infrastructure or structures. The intended development facilitated the creation and retention higher than average wage jobs. Adobe purchased Omniture in 2009, and all employees were retained and moved to the new facility, in addition to the creation 658 new jobs. Some of these positions were

relocated from other states. Since the project was started, Adobe has completed phase 1 of a proposed 3-phase project. Phase 1 was the largest at 233,000 square feet with phase 2 and 3 being 150,000 square feet apiece.

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

Sources of Funds – Valuation

Table 5.2: Base Year and Increment Taxable Values	Value
Base Year:	
Total Base Year Value	\$ 10,892,500.00
Prior Year (2015):	
Prior Year (2015) Increment Value	\$ 75,054,550.00
Prior Year (2015) Tax Increment Generated - Agency Share	\$ 651,678.97
Prior Year (2015) Adjusted Tax Increment to Agency	\$ -
Prior Year (2015) Total Assessed Value	\$ 651,678.97
Current Year (2016):	
Current Year (2016) Projected Total Assessed Value	\$ 88,573,959.25

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

Relative Growth in Assessed Value

Total taxable value in the project area has grown from \$10,892,500 to over \$80,273,004 in 2015 – an increase of over 736% in value.

In 2014, the assessed value of the project area was \$96,369,092. The 2015 taxable value decreased to \$85,947,050. The decrease was split between personal and real property. Property was most likely re-appraised for tax purposes and the overall value decreased. 2016 taxable value is anticipated to increase to \$88,573,959.

Tax Increment Uses of Funds

Funds are distributed to the Agency, based on the following distribution formula: 75% of tax increment revenue from Alpine School District, Lehi City, Utah County, Central Utah Water Conservancy District, North Utah County Water Conservancy District and Lehi Metropolitan Water District. Of the total tax increment revenue the Agency collects there is a 5% administrative fee taken before the remaining balance is distributed to the developer. The administrative fee does not deduct from the pledged amount of \$17,478,052 million to the developer.

	% of increment (or amount) to Agency through 2034
Alpine School District	75.00%
Utah County	75.00%
Lehi City	75.00%
Northern Utah Water Conservancy District	75.00%
North Utah Co. Water Conservancy District	75.00%
Lehi Metropolitan Water District	75.00%

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

Benefits Received by Each Taxing Entity

Taxing Entity	Benefits
Utah County	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Alpine School District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Lehi City	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.

Central Utah Water Conservancy District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
North Utah Co. Water Conservancy District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Lehi Metropolitan Water District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.

Development Activity

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

Total Area Funds Budgeted Compared to Actual Collected

Taxing Entities	Budgeted Tax Increment	Total Increment Collected	Difference to be collected
Alpine School District	\$ 6,750,854.29	\$ 1,513,942.44	\$ 5,236,911.85
Lehi City	\$ 1,601,548.64	\$ 393,519.65	\$ 1,208,028.99
Utah County	\$ 949,828.46	\$ 164,542.78	\$ 785,285.68
Central Utah Water Conservancy District	\$ 358,088.01	\$ 76,268.87	\$ 281,819.14
North Utah Co. Water Conservancy District	\$ 21,485.28	\$ 18,622.77	\$ 2,862.51
Lehi Metropolitan Water District	\$ 8,056.98	\$ 8,515.51	\$ (458.53)
Total Revenue	\$ 9,689,861.66	\$ 2,175,412.01	\$ 7,514,449.65

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

Difference to be collected column is budgeted increment minus total increment collected.

Area Maps

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

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

Revised Multi-Year Budget

Table 5.4: Project Area Budget, CY 2015-2016

Fiscal Year for Budget	2016	2017
Calendar Year for Increment	2015	2016
Assessed Valuation		
Base Year Taxable Value	\$ 10,892,500.00	\$ 10,892,500.00
Increment Value	\$ 75,054,550.00	\$ 77,681,459.25
Total Taxable Value	\$ 85,947,050.00	\$ 88,573,959.25
Tax Rates		
Utah County	0.00087	0.00087
Alpine School District	0.008177	0.008177
Lehi City	0.00209	0.00209
Central Utah Water Conservancy District	0.000405	0.000405
North Utah Co. Water Conservancy District	0.000024	0.000024
Lehi Metropolitan Water District	0.000011	0.000011
Total	0.011577	0.011577
Taxing Entity Contribution		
Utah County	75%	75%
Alpine School District	75%	75%
Lehi City	75%	75%
Central Utah Water Conservancy District	75%	75%
North Utah Co. Water Conservancy District	75%	75%
Lehi Metropolitan Water District	75%	75%
Increment Tax Revenues to Taxing Entities		
Utah County	\$ 16,324.34	\$ 16,895.69
Alpine School District	\$ 153,430.05	\$ 158,800.10
Lehi City	\$ 39,215.95	\$ 40,588.50
Central Utah Water Conservancy District	\$ 7,599.26	\$ 7,865.24
North Utah Co. Water Conservancy District	\$ 450.33	\$ 466.09
Lehi Metropolitan Water District	\$ 206.40	\$ 213.62
Total	\$ 217,226.32	\$ 224,829.24
Increment Tax Revenues to Agency		
Utah County	\$ 48,973.02	\$ 50,687.08
Alpine School District	\$ 460,290.14	\$ 476,400.29
Lehi City	\$ 117,647.84	\$ 121,765.51
Central Utah Water Conservancy District	\$ 22,797.79	\$ 23,595.71
North Utah Co. Water Conservancy District	\$ 1,350.98	\$ 1,398.26
Lehi Metropolitan Water District	\$ 619.20	\$ 640.87
Total	\$ 651,678.97	\$ 674,487.73
Expenditures		

Administration	\$ 19,550.37	\$ 20,234.63
Developer Allocation	\$ 632,128.60	\$ 654,253.10
Remaining Increment for Projects	\$ -	\$ -

The Redevelopment Agency is working with Adobe for the second phase expansion process. The company is still on track to begin phase 2 in 2018 – 2019. All design work and plans are completed and awaiting funding.

Estimate of Tax Increment for 2016

The estimated amount of tax increment that will be generated in 2016 is \$899,316.97, with \$224,829.24 flowing to the taxing entities.

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

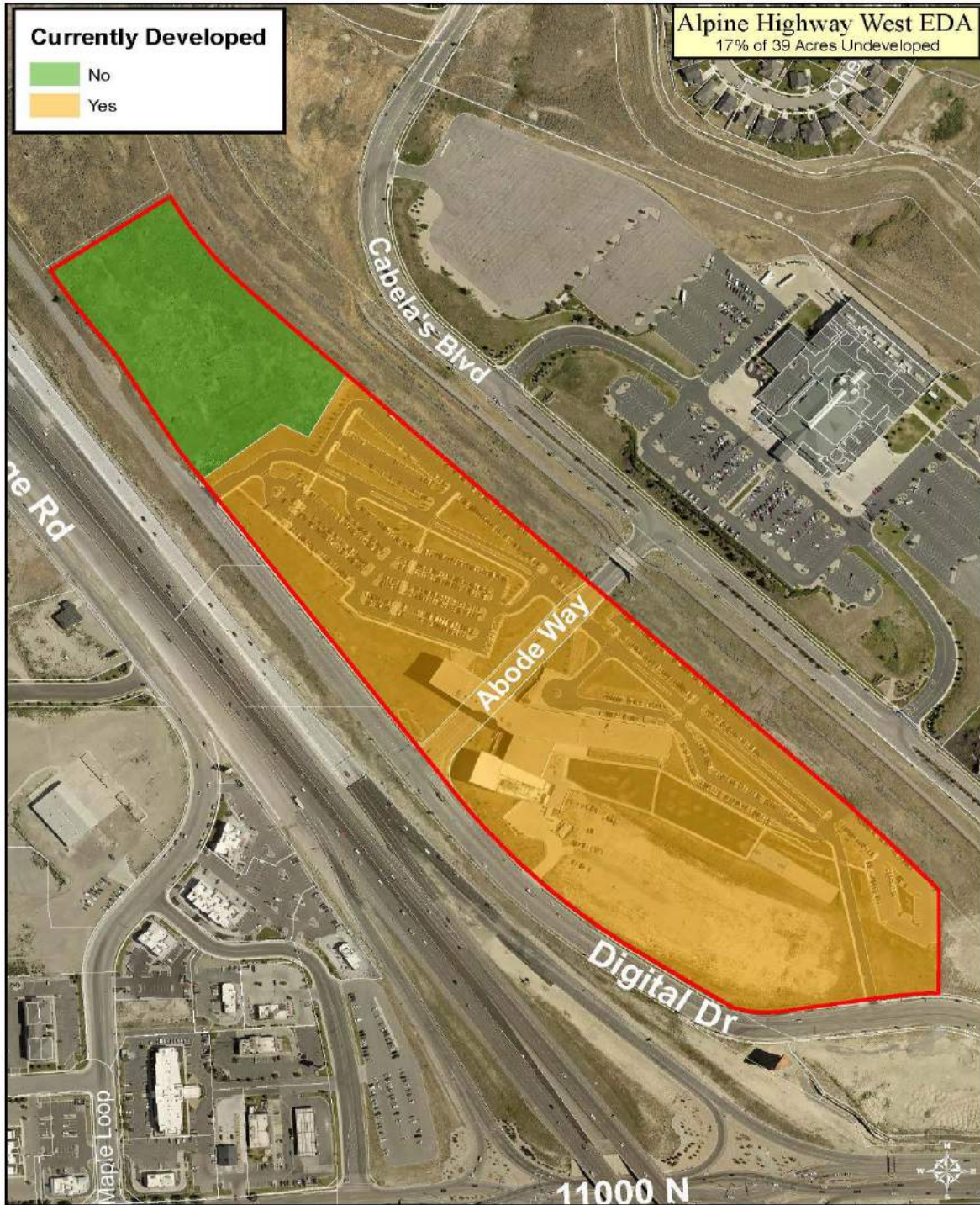
Alpine Highway West EDA Financials

Account Name	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
LEHI CITY GENERAL FUND																					
Capital Projects	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	50,000,000
General Fund	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	1,000,000,000
Special Funds	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	50,000,000
Total LEHI CITY GENERAL FUND	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	1,050,000,000
LEHI CITY SPECIAL FUND																					
Alpine Highway West EDA	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	1,000,000,000
Total LEHI CITY SPECIAL FUND	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	1,000,000,000
TOTAL LEHI CITY FINANCIALS	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000	2,050,000,000

Exhibit 4.1



Exhibit 4.2



Chapter 6 – Traverse Mountain CDA

Background Information

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

The general boundaries of the project area are North of Timpanogos Highway approximately $\frac{3}{4}$ mile between Cabela’s Blvd and Triumph Blvd at the base of Traverse Mountain. There is also a parcel of land on the west side of Cabela’s Blvd and South of Adobe. This property was obtained for freeway signage. The total site is approximately 57 acres, all of which is privately owned and will be used for the development project. No parks or government buildings will be located on the property. There will be public roads built on the property to allow for traffic flow and access to the outlet mall.

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

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

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

Sources of Funds – Valuation

Table 6.2: Base Year and Increment Taxable Values	Value
Base Year:	
Total Base Year Value	\$ 12,460,687.00
Prior Year (2015):	

Prior Year (2015) Increment Value	\$ 38,206,313.00
Prior Year (2015) Tax Increment Generated - Agency Share	\$ 352,112.00
Prior Year (2015) Adjusted Tax Increment to Agency	\$ -
Prior Year (2015) Total Assessed Value	\$ 352,112.00
Current Year (2016):	
Current Year (2016) Projected Total Assessed Value	\$ 52,959,378.78

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

Relative Growth in Assessed Value

Total taxable value in the project area has grown from \$12,460,687 to over \$50,711,860 in 2015 – an increase of over 406% in value.

In 2014, the assessed value of the project area was \$45,008,000. In 2015, the assessed value of the project area increased to \$50,711,860. The majority of the increase was due to an increase in real property values. The 2016 taxable value is anticipated to increase to \$52,959,378.

Tax Increment Uses of Funds

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

Table 6.3: Tax Entity Contribution	
	% of increment (or amount) to Agency through 2034
Alpine School District	75.00%
Utah County	75.00%
Lehi City	100.00%
Northern Utah Water Conservancy District	75.00%
North Utah Co. Water Conservancy District	75.00%
Lehi Metropolitan Water District	75.00%

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

Benefits Received by Each Taxing Entity

Taxing Entity	Benefits
Utah County	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Alpine School District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Lehi City	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Central Utah Water Conservancy District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
North Utah Co. Water Conservancy District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Lehi Metropolitan Water District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.

Development Activity

The Traverse Mountain Outlet Mall has become a premier shopping destination. This center brings in regional dollars from a 60-mile circumference that are spent in Utah County. There is also a symbiotic relationship with Cabela's, with customers will frequenting both retail centers. Lastly, this development has created a regional synergy in attracting customers from outside the county that has a positive impact on other retail centers.

Total Area Funds Budgeted Compared to Actual Collected

Taxing Entities	Budgeted Tax Increment	Total Increment Collected	Difference to be collected
Alpine School District	\$ -	\$ 505,696.50	\$ (505,696.50)
Lehi City	\$ 2,961,184.58	\$ 169,395.13	\$ 2,791,789.45
Utah County	\$ 1,060,778.78	\$ 55,130.92	\$ 1,005,647.86
Central Utah Water Conservancy District	\$ 394,512.25	\$ 25,550.46	\$ 368,961.79
North Utah Co. Water Conservancy District	\$ 24,364.18	\$ 3,458.09	\$ 20,906.09
Lehi Metropolitan Water District	\$ 11,245.00	\$ 1,575.08	\$ 9,669.92
Total Revenue	\$ 4,452,084.79	\$ 760,806.19	\$ 3,691,278.60

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

Difference to be collected column is budgeted increment minus total increment collected.

Area Maps

Exhibit 5.1 shows the CDA area for the project as it was defined in the 2012 plan. There has been no additions or subtractions from the site.

Exhibit 5.2 shows that of the approximately 70 acres, 27% is still undeveloped. In order to continue collecting TIF, Traverse Mountain Outlet Mall has to complete a phase 2 and 3 multi-level parking garage. The parking garages will be developed as the mall continues to build out. The mall is currently just under 90% full. Once the facility is greater than 95% full, they will look to sign contracts and start on an addition.

Revised Multi-Year Budget

Table 6.4: Project Area Budget, CY 2015-2016

Fiscal Year for Budget	2016	2017
Calendar Year for Increment	2015	2016
Assessed Valuation		
Base Year Taxable Value	\$ 12,460,687.00	\$ 12,460,687.00
Increment Value	\$ 38,251,173.00	\$ 40,498,691.00
Total Taxable Value	\$ 50,711,860.00	\$ 52,959,378.00
Tax Rates		
Utah County	0.00087	0.00087
Alpine School District	0.008177	0.008177
Lehi City	0.00209	0.00209
Central Utah Water Conservancy District	0.000405	0.000405
North Utah Co. Water Conservancy District	0.000024	0.000024
Lehi Metropolitan Water District	0.000011	0.000011
Total	0.011577	0.011577
Taxing Entity Contribution		
Utah County	75%	75%
Alpine School District	0%	0%
Lehi City	100%	100%
Central Utah Water Conservancy District	75%	75%
North Utah Co. Water Conservancy District	75%	75%
Lehi Metropolitan Water District	75%	75%
Increment Tax Revenues to Taxing Entities		
Utah County	\$ 8,319.63	\$ 8,677.37
Alpine School District	\$ 78,194.96	\$ 81,557.34
Lehi City	\$ -	\$ -
Central Utah Water Conservancy District	\$ 3,872.93	\$ 4,039.47
North Utah Co. Water Conservancy District	\$ 229.51	\$ 239.38
Lehi Metropolitan Water District	\$ 105.19	\$ 109.71
Total	\$ 90,722.22	\$ 94,623.27
Increment Tax Revenues to Agency		
Utah County	\$ 24,958.89	\$ 26,032.12
Alpine School District	\$ 234,584.88	\$ 244,672.03
Lehi City	\$ 79,944.95	\$ 83,382.58

Central Utah Water Conservancy District	\$ 11,618.79	\$ 12,118.40
North Utah Co. Water Conservancy District	\$ 688.52	\$ 718.13
Lehi Metropolitan Water District	\$ 315.57	\$ 329.14
Total	\$ 352,111.60	\$ 367,252.40
Expenditures		
Administration	\$ 17,605.58	\$ 18,362.62
Developer Allocation	\$ 334,506.02	\$ 348,889.78
Remaining Increment for Projects	\$ -	\$ -

The Agency is working with the developer to attract other retail interests in the outlet mall and surrounding area. The mall is re-inventing itself through marketing and promotions. Due to the growth Utah County and Lehi City have seen in the last few years, it creates a story and reason for tenants to be located at the outlet mall. The hope is the mall will be ready to expand in FY 2018 with stores open in 2019.

Estimate of Tax Increment for 2016

The estimated amount of tax increment that will be generated in 2016 is \$461,875.67 with \$94,623.27 flowing to the taxing entities.

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

Exhibit 5.1

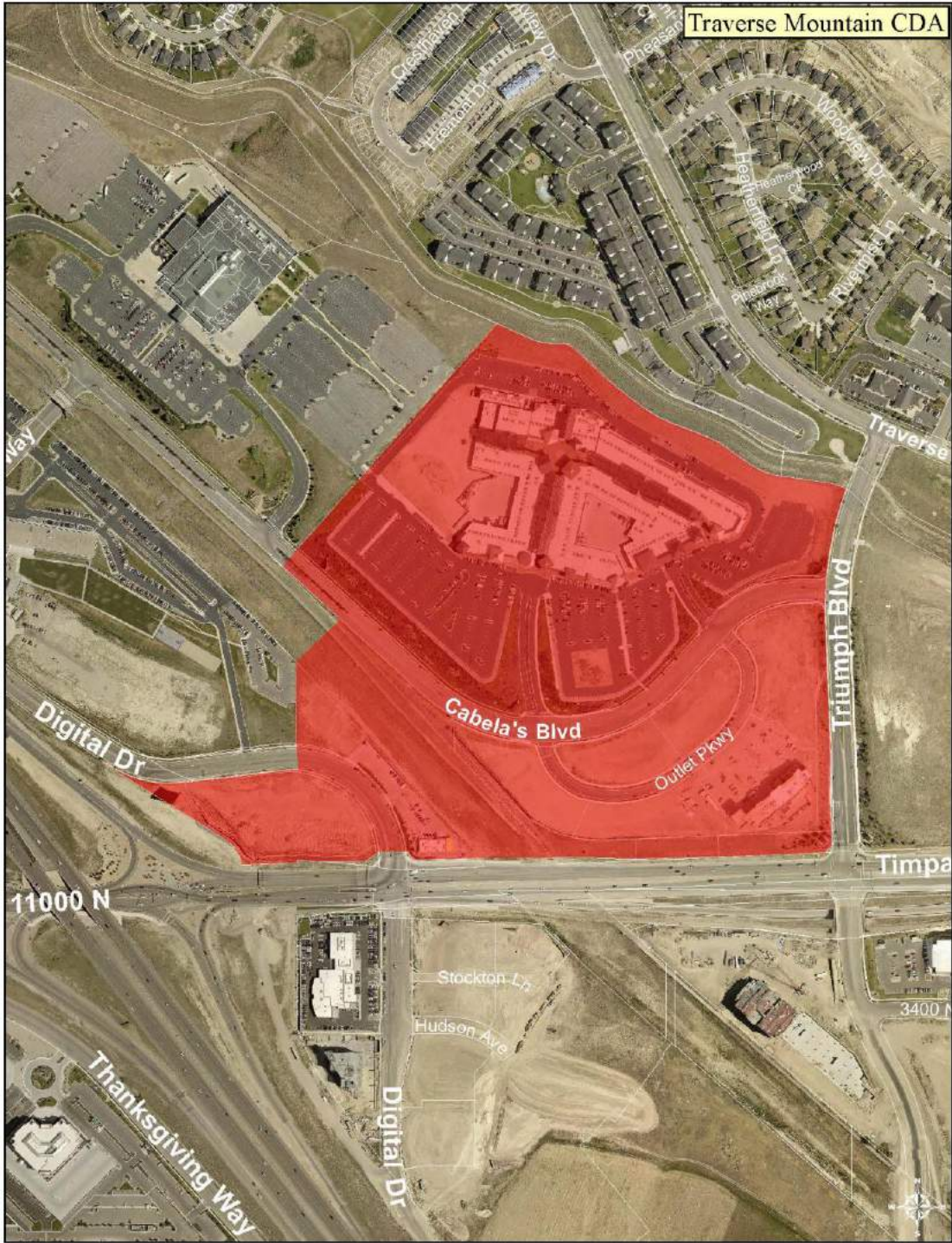


Exhibit 5.2



Chapter 7 – West Timpanogos CDA

Background Information

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

The general boundaries of the project area start at Timpanogos Highway and go north approximately $\frac{3}{4}$ miles between Morning Glory Road or 1200 West and 1350 West. The total site is about 81 acres, all of which is privately owned and will be used for the development project. No public roads, parks or government buildings will be located on the property.

Table 7.1 Project Area Description	
Year Established	2012
Initial Year of Tax Increment	2015
Initial Time Frame for Collection	20 Years
Last Year of Tax Increment	2035

The project area was created to provide an incentive to Traverse Mountain Commercial Venture to facilitate development of Class A Office space, with Xactware will occupying one of the buildings. Xactware is an Orem-based company that is expanding into a corporate office space. The intent is to lease the full building but occupy a portion and sublease the remaining portion until such time as they move into the lease space. The developer's obligation was to build a 250,000 square foot facility to be occupied by Xactware. The intent of the development is to have six 250,000 square foot facilities on the project site which will be an employment driver for Lehi City.

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

Sources of Funds – Valuation

Table 7.2: Base Year and Increment Taxable Values	Value
Base Year:	
Total Base Year Value	\$ 6,448,875.00
Prior Year (2015):	
Prior Year (2015) Increment Value	\$ 45,160,175.00
Prior Year (2015) Tax Increment Generated - Agency Share	\$ 168,763.73
Prior Year (2015) Adjusted Tax Increment to Agency	\$ -
Prior Year (2015) Total Assessed Value	\$ 168,763.73
Current Year (2016):	

Current Year (2016) Projected Total Assessed Value	\$ 53,363,757.70
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The base year value as reflected by the County Assessor's Office (2013) is \$6,448,875.

Relative Growth in Assessed Value

Total taxable value in the project area has grown from \$6,448,875 to over \$51,609,050 in 2015 – an increase of over 800% in value.

There was no 2014 value to compare to as 2015 was the base year value for this project. In 2015 the assessed value of the project area was \$51,609,050. The 2016 taxable value is anticipated to increase to \$53,636,757.

Tax Increment Uses of Funds

Funds are distributed to the Agency based on the following distribution formula: 50% of tax increment revenue from Utah County, Lehi City, Central Utah Water Conservancy District, North Utah County Water Conservancy District and Lehi Metropolitan Water District. Alpine School District is providing 25% to the tax increment revenue. Of the total tax increment revenue the Agency collects, there is a 3% administrative fee taken before the remaining balance is distributed to the developer. The administrative fee does not deduct from the pledged tax increment amount of \$19,557,363 million to the developer.

Table 7.3: Tax Entity Contribution	
	% of increment (or amount) to Agency through 2035
Alpine School District	25.00%
Utah County	50.00%
Lehi City	50.00%
Northern Utah Water Conservancy District	50.00%
North Utah Co. Water Conservancy District	50.00%
Lehi Metropolitan Water District	50.00%

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

Benefits Received by Each Taxing Entity

Taxing Entity	Benefits
Utah County	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Alpine School District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.

Lehi City	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Central Utah Water Conservancy District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
North Utah Co. Water Conservancy District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.
Lehi Metropolitan Water District	Increase in Property Value; Higher Wage Employment Opportunities; Increment Tax Revenue to Taxing Entities; Increase in Surrounding Property Value Through Improvements.

Development Activity

The Traverse Mountain Commercial Development has constructed two buildings, Xactware and Ancestry.com. The third building is underway, but it is not known if the building is pre-leased or being built on speculation. Under current market conditions, most technology-based companies want to see the physical building before leasing. This has led to more speculation building as the Class A Office space market has grown.

Total Area Funds Budgeted Compared to Actual Collected

Taxing Entities	Budgeted Tax Increment	Total Increment Collected	Difference to be collected
Alpine School District	\$ 7,397,701.35	\$ 92,140.02	\$ 7,305,561.33
Lehi City	\$ 4,332,364.75	\$ 47,101.05	\$ 4,285,263.70
Utah County	\$ 1,937,413.40	\$ 19,606.66	\$ 1,917,806.74
Central Utah Water Conservancy District	\$ 762,563.23	\$ 9,127.23	\$ 753,436.00
North Utah Co. Water Conservancy District	\$ 48,602.93	\$ 540.87	\$ 48,062.06
Lehi Metropolitan Water District	\$ 21,787.52	\$ 247.90	\$ 21,539.62
Total Revenue	\$ 14,500,433.18	\$ 168,763.73	\$ 14,331,669.45

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

Difference to be collected column is budgeted increment minus total increment collected.

Area Maps

Exhibit 6.1 shows the CDA area for the project as it was defined in the 2014 plan. There has been no additions or subtractions from the site.

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

Revised Multi-Year Budget

Table 7.4: Project Area Budget, CY 2015-2016

Fiscal Year for Budget	2016	2017
Calendar Year for Increment	2015	2016
Assessed Valuation		
Base Year Taxable Value	\$ 6,448,875.00	\$ 6,448,875.00
Increment Value	\$ 45,159,525.00	\$ 46,914,882.70
Total Taxable Value	\$ 51,608,400.00	\$ 53,363,757.70
Tax Rates		
Utah County	0.00087	0.00087
Alpine School District	0.008177	0.008177
Lehi City	0.00209	0.00209
Central Utah Water Conservancy District	0.000405	0.000405
North Utah Co. Water Conservancy District	0.000024	0.000024
Lehi Metropolitan Water District	0.000011	0.000011
Total	0.011577	0.011577
Taxing Entity Contribution		
Utah County	50%	50%
Alpine School District	25%	25%
Lehi City	50%	50%
Central Utah Water Conservancy District	50%	50%
North Utah Co. Water Conservancy District	50%	50%
Lehi Metropolitan Water District	50%	50%
Increment Tax Revenues to Taxing Entities		
Utah County	\$ 19,606.66	\$ 20,449.75
Alpine School District	\$ 276,420.06	\$ 288,306.12
Lehi City	\$ 47,101.05	\$ 49,126.40
Central Utah Water Conservancy District	\$ 9,127.23	\$ 9,519.70
North Utah Co. Water Conservancy District	\$ 540.87	\$ 564.13
Lehi Metropolitan Water District	\$ 247.90	\$ 258.56
Total	\$ 353,043.77	\$ 368,224.65
Increment Tax Revenues to Agency		
Utah County	\$ 19,606.66	\$ 20,273.29
Alpine School District	\$ 92,140.02	\$ 95,272.78
Lehi City	\$ 47,101.05	\$ 48,702.49
Central Utah Water Conservancy District	\$ 9,127.23	\$ 9,437.56
North Utah Co. Water Conservancy District	\$ 540.87	\$ 559.26
Lehi Metropolitan Water District	\$ 247.90	\$ 256.33
Total	\$ 168,763.73	\$ 174,501.70
Expenditures		

Administration	\$ 8,438.19	\$ 8,725.08
Developer Allocation	\$ 160,325.54	\$ 165,776.61
Remaining Increment for Projects	\$ -	\$ -

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

Estimate of Tax Increment for 2016

The estimated amount of tax increment that will be generated in 2016 is \$542,726.35 with \$368,224.65 flowing to the taxing entities.

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

Exhibit 6.1



Exhibit 6.2

