

**REDEVELOPMENT AGENCY OF SPANISH FORK CITY**

40 South Main Street  
Spanish Fork Utah 84660  
(801) 804-4500

October 30, 2020

Subject: 2020 Annual Report of the Redevelopment Agency of the  
City of Spanish Fork (RDA). (Utah Code ' 17C-1-603

Dear Taxing Entity;

This letter shall constitute the annual report of the RDA required under Utah ' 17C-1-603. The purpose of this report, in part, is to fulfill the requirements of the Utah State Code. As new reporting requirements were adopted in the legislature, this report facilitates the Redevelopment Agency of Spanish Fork City's (the "Agency" or RDA") compliance with the new code, providing the data necessary to fulfill these new reporting requirements.

It is Spanish Fork City Redevelopment Agency's intent to provide the Taxing Entity Committee (TEC) with this report to avoid the annual TEC meeting held each December. The blue font is the state code. The red font is the RDA's response to the information required.

The Spanish Fork City Redevelopment Agency has the following areas: Two (2) redevelopment project areas (RDA), five (5) economic development project areas (EDA), two (2) community development project area (CDA), and one (1) community reinvestment project area (CRA). The following is an explanation of each project area and its status. Some of the areas are closed. Some of the areas are established but not actively capturing (triggered) tax increment.

**Spanish Fork City Redevelopment Agency:**

***Active:***

|  |  |
|--|--|
| <b><i>North Industrial Redevelopment Project Area (RDA)</i></b>      | <b><i>Active-without increment</i></b> |
| <b><i>Kirby Lane Project Area (RDA)</i></b>                          | <b><i>Active-without increment</i></b> |
| <b><i>Wasatch Wind Community Development Project Area (CDA)</i></b>  | <b><i>Active-without increment</i></b> |
| <b><i>Sierra Bonita Community Development Project Area (CDA)</i></b> | <b><i>Active</i></b>                   |
| <b><i>Krona Community Reinvestment Project Area (CRA)</i></b>        | <b><i>Active-no property tax</i></b>   |

***Not Active or Closed:***

***Spanish Fork Canyon Economic Development Project Area (EDA)***  
***Swenson Economic Development Project Area (EDA)***  
***Gateway Economic Development Project Area (EDA)***  
***Front Mountain Economic Development Project Area (EDA)***  
***North Airport Economic Development Project Area (EDA)***  
***North Park Community Development Project Area (CDA)***  
***Dominguez Community Development Project Area (CDA)***

***North Industrial Redevelopment Project Area (RDA)***

This project area, which is located in the north portion of the city, was created on 10/17/91. The base year for computing tax increment is tax year 1990. Calendar year 1994 was the first year the RDA began receiving the tax increment for the North Industrial Project Area.

This RDA Area is closed as of 12/31/2019 Active without increment. Still spending increment collected in prior years.

***Kirby Lane Project Area (RDA)***

This project area, which is located in the northeast portion of the city, was created on 12/26/91. The base year for computing tax increment is tax year 1991. Calendar year 1995 was the first year that the RDA began receiving the tax increment for the Kirby Lane Project Area.

- (i) an assessment of growth of incremental values for each active project area, including:
  - (A) Base year assessed value; Base year (1991) assessed value was \$3,610,394.
  - (B) Prior year's assessed value; Prior year's (2018) assessed value is \$ 67,958,381  
This year's (2019) assessed value is \$ 77,000,318.  
\$ 9,041,937 increase. 13.3 % increase from 2018 to 2019.
  - (C) Estimated current year assessed value for the project area; Current year's (2019) assessed value is \$ 77,000,318.
  - (D) Narrative description of the relative growth in assessed value within the project area;  
Since its creation in 1991, the assessed value of \$ 3,610,394 has increased to \$ 77,000,318 in value. From 2018 to 2019, the assessed value has increased \$ 9,041,937 or 13.3 %.

| Assessment of Growth of incremental Values - Kirby Lane RDA Project Area |                   |                         |                |                               |                                |
|--|-------------------|-------------------------|----------------|-------------------------------|--------------------------------|
| Year   | Base Value (1991) | Adjusted Assessed Value | Marginal Value | Value % change from Base Year | Value % change from Prior Year |
| 2017   | \$ 3,610,394      | \$ 53,622,435           | \$ 50,012,041  | 1485%                         | 9.6%                           |
| 2018   | \$ 3,610,394      | \$ 67,958,381           | \$ 64,347,987  | 1882%                         | 26.7%                          |
| 2019   | \$ 3,610,394      | \$ 77,000,318           | \$ 73,389,924  | 2133%                         | 13.3%                          |

- (ii) a description of the amount of tax increment received by the agency and passed through to other taxing entities from each active project area, including:

(A) a comparison of the original forecasted amount of tax increment to actual receipts;

| Kirby Lane RDA Project Area |                |                                      |             | Tax Increment Amount   |                             |   |                                       |
|-----------------------------|----------------|--------------------------------------|-------------|------------------------|-----------------------------|---|---------------------------------------|
| Year                        | Marginal Value | Net of Haircut Provision 60% in 2018 | Tax Rate    | Forecasted (asked for) | Calculated Amount Available | Actual Amount collected and Paid to RDA | Pass Through to other Taxing Entities |
| 2017                        | \$ 50,012,041  | \$ 30,007,225                        | \$ 0.011187 | \$ 300,000             | \$ 329,989                  | \$ 327,420                              | \$ -                                  |
| 2018                        | \$ 64,347,987  | \$ 38,608,792                        | \$ 0.011263 | \$ 300,000             | \$ 427,940                  | \$ 425,573                              | \$ -                                  |
| 2019                        | \$ 73,389,924  | \$ 44,033,954                        | \$ 0.010826 | \$ 425,000             | \$ 469,358                  | \$ 426,026                              | \$ -                                  |

(B) a narrative discussion regarding the use of tax increment;

The Kirby Lane RDA expended \$ 284,021 funds during the 2020 fiscal year. These funds were spent on improvements for Roadways. It is anticipated large expenditures will be incurred in the next fiscal year.

(C) a description of the benefits derived by the taxing entities;

Increased Property Tax Revenues  
 Increased Sales Tax Revenues  
 Increased Job Creation

(iii) a description of activity within each active project area, including:

(A) a narrative of any significant development activity, including infrastructure development, site development, and vertical construction within the project area; and

The Kirby Lane RDA expended \$ 284,021 funds during the 2020 fiscal year. These funds were spent on improvements for Roadways. It is anticipated large expenditures will be incurred in the next fiscal year.

(A) a narrative discussion regarding the status of any agreements for development within the project area;

The RDA is working with the developer (Woodbury) to develop property in the area. It is anticipated to have major commercial retail stores and a regional hospital in the nearby area.

(iv) a revised multi-year tax increment budget related to each active project area, including:

(A) the prior year's tax increment receipts; See Chart below.

(B) the base year value and adjusted base year value, as applicable; See Chart below.

(C) the applicable tax rates within the project area; and See Chart below.

(D) a description of private and public investment within the project area;

Several commercial business have developed and plan several more in the near future. The State of Utah helped in the reconstruction of I-15 and Highway 6 interchange. The new commercial development in the area has created a need to improve the traffic flow within the Kirby Lane RDA project area.

| <b>Kirby Lane RDA Project Area</b>           |   |                   |               |
|--|---|-------------------|---------------|
|  | Calendar Tax Year                         | FY 2020           | FY 2021       |
| <b>Assesed Valuation</b>                     |   | <b>Actuals</b>    | <b>Budget</b> |
|  | Total Taxable Value                       | \$ 77,000,318     | RDA Closed    |
|  | Base Year (1991)                          | \$ (3,610,394)    |               |
|  | Incremental Marginal Value                | \$ 73,389,924     |               |
| <b>Tax Rate</b>                              |   | 0.010826          |               |
| <b>Tax Increment and Participation Rates</b> |   |                   |               |
|  | Gross Tax Increment                       | \$ 794,519        |               |
|  | Haircut Rate                              | 60%               |               |
|  | Tax Increment Calculated                  | \$ 469,358        |               |
|  | Tax Increment Requested                   | \$ 425,000        |               |
|  | Tax Increment Actually Collected and Paid | \$ 426,026        |               |
| <b>Project Area Budget</b>                   |   |                   |               |
| <b>REVENUES</b>                              |   |                   |               |
|  | Property Tax Increment - Current yr.      | \$ 426,026        |               |
|  | Property Tax Increment - Prior yrs.       |                   |               |
|  | Miscellaneous Income                      | \$ -              |               |
|  | Use of Beginning Fund Balance             | \$ -              |               |
|  | <b>Total Revenues</b>                     | <b>\$ 426,026</b> |               |
| <b>EXPENDITURES</b>                          |   |                   |               |
|  | Administration                            | \$ -              |               |
|  | Professional Services                     | \$ -              |               |
|  | Infrastructure                            | \$ 284,021        |               |
|  | Developer Incentives                      |                   |               |
|  | Debt Service                              |                   |               |
|  | Payments to Other Taxing Entities         |                   |               |
|  | Sundry                                    |                   |               |
|  | Budget increase to Fund Balance           | \$ 142,005        |               |
|  | <b>Total Expenditures</b>                 | <b>\$ 426,026</b> |               |
|  |   | \$ -              | \$ -          |

(v) an estimate of the tax increment to be paid to the agency for the calendar years ending December 31 and beginning the next January 1; and

The estimate of the portion of property taxes to be paid to the RDA for the calendar year beginning January 1, 2020 = \$ 0.00. The RDA will NOT need any increment for the 2020 calendar year. This RDA Area is Closed 2020

***Spanish Fork Canyon Economic Development Project Area (EDA)***

This EDA area was closed in 2004.

***Swenson Economic Development Project Area (EDA)***

This EDA area was closed in 2013.

***Gateway Economic Development Project Area (EDA)***

This EDA area was active for several years but it closed in 2008.

***Front Mountain Economic Development Project Area (EDA)***

This project area, which is located in the east portion of Spanish Fork, was created on 3/21/06. The base year for computing tax increment is tax year 2005. The RDA will not be receiving the tax increment at this time for the Front Mountain Economic Development Project Area.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year ending December 31, 2020 = \$ 0.00.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year beginning January 1, 2021 = \$ 0.00.

***North Airport Economic Development Project Area (EDA)***

This project area, which is located in the north portion of Spanish Fork, was created on 4/18/06. The base year for computing tax increment is tax year 2005. The RDA will not be receiving the tax increment at this time for the North Airport Economic Development Project Area.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year ending December 31, 2020 = \$ 0.00.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year beginning January 1, 2021 = \$ 0.00.

***North Park Community Development Project Area (CDA)***

This project area, which is located in the north portion of Spanish Fork, was created on 2/20/07. The base year for computing tax increment is tax year 2006. The RDA will not be receiving the tax increment at this time for the North Park Community Development Project Area. There is a development agreement with a developer and commercial retailer. These agreements are being met without using property tax increment.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year ending December 31, 2020 = \$ 0.00.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year beginning January 1, 2021 = \$ 0.00.

### ***Wasatch Wind Community Development Project Area (CDA)***

This project area, which is located in the East portion of Spanish Fork, was created on 7/16/07. The base year for computing tax increment is tax year 2006. Calendar year 2009 will be the first year the RDA began receiving the tax increment for the Wasatch Wind Community Development Project Area (CDA).

**This RDA area is not collecting any more increment. It will spend funds collected in prior years and held in fund balance. Closed 2019**

### ***Dominguez Community Development Project Area (CDA)***

This project area, which is located in the north portion of Spanish Fork, was created on 12/18/07. The base year for computing tax increment is tax year 2007. The RDA will not be receiving the tax increment at this time for the Dominguez Community Development Project Area.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year ending December 31, 2020 = \$ 0.00.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year beginning January 1, 2021 = \$ 0.00.

### ***Sierra Bonita Community Development Project Area (CDA)***

This project area, which is located in the North portion of Spanish Fork, was created on 11/28/14. The base year for computing tax increment is tax year 2014. Calendar year 2017 will be the first year the RDA began receiving the tax increment for the Sierra Bonita Community Development Project Area (CDA). 2017 is the first year of capturing tax increment.

(i) an assessment of growth of incremental values for each active project area, including:

(A) Base year assessed value; Base year (2014) assessed value was \$ 11,193,573.

(B) Prior year's assessed value; Prior year's (2018) assessed value is \$ 17,730,067.  
Current year's (2019) assessed value is \$ 20,463,319.  
Change from 2018 to 2019 is \$ 2,733,252.

(C) Estimated current year assessed value for the project area; Current year's (2019) assessed value is \$ 20,463,319.

(D) Narrative description of the relative growth in assessed value within the project area;

Since its creation in 2014, the assessed value of \$ 11,193,573 has increased to \$ 20,463,319 in value. From 2018 to 2019, the assessed value is \$ 2,733,252. 15.4%

| Year | Base Value (2006) | Adjusted Assessed Value | Marginal Value | Value % change from Base Year | Value % change from Prior Year |
|------|-------------------|-------------------------|----------------|-------------------------------|--------------------------------|
| 2017 | \$ 11,193,573     | \$ 17,723,772           | \$ 6,530,199   | 158%                          | N/A                            |
| 2018 | \$ 11,193,573     | \$ 17,730,067           | \$ 6,536,494   | 158%                          | 0.0%                           |
| 2019 | \$ 11,193,573     | \$ 20,463,319           | \$ 9,269,746   | 183%                          | 15.4%                          |

(ii) a description of the amount of tax increment received by the agency and passed through to other taxing entities from each active project area, including:

(A) a comparison of the original forecasted amount of tax increment to actual receipts;

| Sierra Bonita CDA |                |                                 |                         | Tax Increment Amount   |                             |   | Pass Through to other Taxing Entities |
|-------------------|----------------|---------------------------------|-------------------------|------------------------|-----------------------------|---|---------------------------------------|
| Year              | Marginal Value | Net of Haircut Provision (100%) | Tax Rate (varying rate) | Forecasted (asked for) | Calculated Amount Available | Actual Amount collected and Paid to RDA |                                       |
| 2017              | \$ 6,530,199   | \$ 6,530,199                    | \$ 0.011187             | \$ 200,000             | \$ 67,399                   | \$ 67,399                               | \$ 18,567                             |
| 2108              | \$ 6,536,494   | \$ 6,536,494                    | \$ 0.011592             | \$ 200,000             | \$ 69,746                   | \$ 69,754                               | \$ 19,020                             |
| 2019              | \$ 9,269,746   | \$ 9,269,746                    | \$ 0.011134             | \$ 80,000              | \$ 95,082                   | \$ 95,085                               | \$ 25,953                             |

(B) a narrative discussion regarding the use of tax increment;

The Sierra Bonita CDA spent \$ 92,032 during the 2019 fiscal year.

These payments were contractual payments to other taxing entities and incentive payment to the developer (Young Living).

|                      |           |
|----------------------|-----------|
| Young Living         | \$ 66,080 |
| Nebo School District | \$ 25,952 |

(C) a description of the benefits derived by the taxing entities;

Increased Property Tax Revenues

(iii) a description of activity within each active project area, including:

(A) a narrative of any significant development activity, including infrastructure development, site development, and vertical construction within the project area; and

New infrastructure was constructed over the past several years.

(B) a narrative discussion regarding the status of any agreements for development within the project area; No changes to current agreements. Current agreements are being complied with.

(iv) a revised multi-year tax increment budget related to each active project area, including:

(A) the prior year's tax increment receipts; See Chart below.

- (B) the base year value and adjusted base year value, as applicable; See Chart below.
- (C) the applicable tax rates within the project area; and See Chart below.
- (A) a description of private and public investment within the project area;

Young Living built onto their building and expanded the size of their operations.



| <b>Sierra Bonita CDA Project Area</b>     |  |                 |                 |
|---|--|-----------------|-----------------|
| Calander Tax Year                         |  | FY 2020         | FY 2021         |
| Assesed Valuation                         |  | Actuals         | Budget          |
| Total Taxable Value                       |  | \$ 20,463,319   | \$ 20,463,319   |
| Base Year (2014)                          |  | \$ (11,193,573) | \$ (11,193,573) |
| Incremental Marginal Value                |  | \$ 9,269,746    | \$ 9,269,746    |
| Tax Rate                                  |  | 0.011134        | 0.011134        |
| Tax Increment and Participation Rates     |  |                 |                 |
| Gross Tax Increment                       |  | \$ 95,082       | \$ 95,082       |
| Haircut Rate                              |  | 100%            | 100%            |
| Tax Increment Calculated                  |  | \$ 95,082       | \$ 95,082       |
| Tax Increment Requested                   |  | \$ 80,000       | \$ 100,000      |
| Tax Increment Actually Collected and Paid |  | \$ 95,085       |                 |
| <b>Project Area Budget</b>                |  |                 |                 |
| <b>REVENUES</b>                           |  |                 |                 |
| Property Tax Increment - Current yr.      |  | \$ 95,085       | \$ 100,000      |
| Property Tax Increment - Prior yrs.       |  | \$ -            | \$ -            |
| Miscellaneous Income                      |  | \$ -            | \$ -            |
| Use of Beginning Fund Balance             |  | \$ -            | \$ -            |
| Total Revenues                            |  | \$ 95,085       | \$ 100,000      |
| <b>EXPENDITURES</b>                       |  |                 |                 |
| Administration                            |  |                 | \$ -            |
| Professional Services                     |  |                 | \$ 5,000        |
| Infrastructure                            |  | \$ -            |                 |
| Developer Incentives                      |  | \$ 66,080       | \$ 65,000       |
| Debt Service                              |  |                 |                 |
| Payments to Other Taxing Entities         |  | \$ 25,952       | \$ 30,000       |
| Sundry                                    |  |                 |                 |
| Budget increase to Fund Balance           |  | \$ 3,053        | \$ -            |
| Total Expenditures                        |  | \$ 95,085       | \$ 100,000      |
|   |  | \$ -            | \$ -            |

(v) an estimate of the tax increment to be paid to the agency for the calendar years ending December 31 and beginning the next January 1; and

The estimate of the portion of property taxes to be paid to the RDA for the calendar year ending December 31, 2020 = \$ 100,000.00. The RDA will need all of the increment that is available during the 2020 calendar year in order to pay incurred debt.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year beginning January 1, 2021 = \$ 120,000.00. The RDA will need all of the increment that is available during the 2021 calendar year in order to pay incurred debt.

***Krona Community Reinvestment Agency (CRA)***

This project area, which is located in the north portion of Spanish Fork, was created on 4/18/2017. The base year for computing tax increment is tax year 2017. The RDA will not be receiving the tax increment at this time for the Krona CRA. There is a development agreement with a developer and commercial retailer. These agreements are being met **without using property tax increment.**

The estimate of the portion of property taxes to be paid to the RDA for the calendar year ending December 31, 2020 = \$ 0.00.

The estimate of the portion of property taxes to be paid to the RDA for the calendar year beginning January 1, 2021 = \$ 0.00.



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Seth Perrins, Executive Director  
Redevelopment Agency of Spanish Fork City

## Mailing Address:

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Spanish Fork, Utah 84660

Utah County Commissioners  
Utah County Building  
100 East Center  
Provo, Utah 84601

City of Spanish Fork  
Mayor  
40 South Main  
Spanish Fork, Utah 84660

Central Utah Water Conservancy District  
Chairman of the Board  
1426 East 750 North STE 400  
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Provo, Utah 84606

State Tax Commission  
Property Tax Division - RDA  
210 North 1950 West  
Salt Lake City, Utah 84134

# SPANISH FORK RDA'S/CDA'S/EDA'S



1 Inch = 4,685 Feet

- North Industrial RDA
- Sierra Bonita CDA
- Dominguez CDA
- North Park CDA
- Kirby Lane RDA
- Wasatch Wind CDA
- North Airport EDA
- Front Mountain EDA
- Cloeed EDA



GEOGRAPHIC INFORMATION SYSTEMS

**SPANISH FORK CITY GIS**  
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 801.804.4570 (Interns)  
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