

2016

ANNUAL REPORT

EAGLE MOUNTAIN REDEVELOPMENT AGENCY
EAGLE MOUNTAIN, UT

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



LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.

GATEWAY PLAZA BUILDING • 41 N. RIO GRANDE, STE 101 • SALT LAKE CITY, UT 84101
(P) 801-596-0700 • (TF) 800-581-1100 • (F) 801-596-2800 • www.LewisYoung.com



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EXECUTIVE SUMMARY

INTRODUCTION

Lewis Young Robertson & Burningham, Inc (“LYRB”) has been retained by the Redevelopment Agency of Eagle Mountain (the “Agency”) to assist with the management of the Agency’s **Economic Development Project Area #2012-1** and the **Community Development Project Area (Parkside Project)**. LYRB has compiled the various creation and related documents associated with the project areas, created annual and multi-year budgets, and created a proprietary Excel-based software package to manage the Agency’s Project Areas in the future.

The purpose of this report, in part, is to fulfill the requirements of Utah Code section 17C-1-603 – Agency Report. As new reporting requirements were adopted in legislation and became effective in 2011, this report facilitates the Agency’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 project area of the Eagle Mountain EDA and CDA, to which this report is being provided, are summarized in the table below.

Table I.1: RDA Taxing Entities

RDA TAXING ENTITIES	
Christopher Pengra	Eagle Mountain City Mayor
Ifo Pili	Eagle Mountain City Administrator
Rob Smith	Alpine School District
Burt Harvey	Utah County
Bryan Thompson	Utah County Auditor
Natalie Granger	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 RDA, 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 **Economic Development Project Area #2012-1** and the **Community Development Project Area (Parkside CDA)**; including summaries of the current and projected budgets, Project Area growth statistics, and identification of certain concerns/needs.

OVERVIEW OF THE REDEVELOPMENT AGENCY

The Eagle Mountain Redevelopment Agency was created by the Eagle Mountain City Council in accordance with the provision of the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act, Title 17C of Utah Code (UCA 17C).

Originally, under UCA 17C, each project area created by a Redevelopment Agency was classified simply as a Redevelopment Area (RDA). In 1998 and 2006, UCA 17C was expanded to allow the creation of

various types of project areas, including Community Development Area (CDA), Urban Renewal Area (URA), and Economic Development Area (EDA). In 2016, changes were made to UCA 17C putting an end to these three classifications. Going forward all project areas will again be lumped into one category and will be designated as Community Reinvestment Areas (CRA). The Agency has two project areas that triggered in 2016, for which increment will be remitted in 2017. Project Area #2012-1 is classified as an EDA and the Parkside Project area is classified as a CDA.

AUTHORITIES AND POWERS OF THE AGENCY

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

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

GOVERNING BOARD OF TRUSTEES AND STAFF MEMBERS

Table I.2: Board of Trustees

GOVERNING BOARD OF TRUSTEES		
Christopher Pengra	RDA Chairman	Eagle Mountain City Mayor
Adam Bradley	RDA Board Member	Eagle Mountain City Council Member
Stephanie Gricius	RDA Board Member	Eagle Mountain City Council Member
Colby Curtis	RDA Board Member	Eagle Mountain City Council Member
Ben Reaves	RDA Board Member	Eagle Mountain City Council Member
Tom Westmoreland	RDA Board Member	Eagle Mountain City Council Member

Table I.3: Administration & Staff Members

ADMINISTRATION & STAFF MEMBERS	
Ifo Pili	RDA Executive Director

SUMMARY OF REQUESTED FUNDS

In accordance with Utah Code 17C-1-603(3) this report is for informational purposes only, and does 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 (FY 2016) (Ending Dec. 31, 2015)	Tax Year 2016 (FY 2017) (Ending Dec. 31, 2016)	Tax Year 2017 (FY 2018) (Beginning Jan. 1, 2017)
Property Tax Increment			
Parkside CDA	\$ -	\$13,540	\$13,540
#2012-1	-	\$32,046	\$32,046
Total Revenue	\$ -	\$45,586	\$45,586



GENERAL OVERVIEW OF ALL PROJECT AREAS

Table 1.5: Combined Budget

COMBINED BUDGET – ALL PROJECT AREAS		
REVENUES	FY 2016 TOTALS	REMAINING LIFE*
Property Tax Increment		
Parkside CDA	-	\$123,720
#2012-1	-	\$635,000
Total	-	\$758,720
EXPENDITURES	FY 2016 TOTALS	REMAINING LIFE*
Administration		
Parkside CDA	-	\$6,186
#2012-1	-	\$31,750
Development Incentive Payments		
Parkside CDA	-	\$117,534
#2012-1 (Public Infrastructure)	-	\$603,250
Total Expenditures	-	\$758,720

* Remaining Life includes FY 2016 totals

SECTION 1: OVERVIEW OF THE EDA PROJECT AREA #2012-1

Table 2.1: Project Area Overview

OVERVIEW				
Type EDA	Acreage 674.06	Purpose Economic Development	Taxing District 38	Tax Rate 0.010033
Creation Year FY 2011	Base Year FY 2012	Term 20 Years or when \$635,000 cap is reached	Trigger Year FY 2016	Expiration Year FY 2035
Base Value	TY 2015 Value	Increase	FY 2016 Increment	Remaining Life
\$1,735,520	\$11,946,900	588%	-	20 Years

The Economic Development Project Area #2012-1 was created in September 2012 and is governed by the (a) “Eagle Mountain Economic Development Project Area #2012-1 – Project Area Plan” dated September 19, 2012; and (b) “Eagle Mountain Economic Development Project Area #2012-1 – Project Area Budget” dated September 19, 2012.

The purpose of the Economic Development Project Area #2012-1 was to develop, with possible assistance from the City and in participation with potential developers and property owners, public infrastructure, and the appropriate use of incentives permitted under the Act, to maximize this development as beneficial to the citizens of the City and the surrounding communities. The initial project included bringing a manufacturing business into the area. Since the time of adoption, a new development plan is being pursued and includes the Gateway Park Subdivision concept. The prospective developer anticipates the development of mixed use commercial space for five businesses. In addition to bringing jobs and the indirect benefits to the City associated with the presence of these businesses, this development will directly strengthen the community’s tax base through increasing property and franchise tax revenues. The City is currently in negotiations with the potential developer to sign a development agreement.

The Economic Development Project Area #2012-1 is located entirely within the boundaries of the City and includes approximately 674.06 acres of land. A map of the Project Area is included in **Exhibit B**. The Agency will receive tax increment based upon the schedule outlined below with the caveat that tax increment will end when the RDA has collected \$635,000 or reached 20 years.

Table 2.2: Tax Increment Schedule

Tax Increment Schedule			
Taxing Entity	Percentage	Years	Cap
Utah County	26%	20	\$635,000
Alpine School District	26%	20	
Eagle Mountain	75%	20	
Central Utah Water Conservancy District	26%	20	

RELATIVE GROWTH IN ASSESSED VALUE

Table 2.3: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	COMPARISON YEAR	GROWTH RATE	AAGR
ASSESSED VALUES IN PROJECT AREA				
Annual Growth In Project Area (2016 vs. 2015)	\$11,946,900	\$6,513,500	85%	85%
Lifetime Growth in Project Area (2015 vs. Base)	\$11,946,900	\$1,735,520	588%	90%
ASSESSED VALUES IN EAGLE MOUNTAIN				
Annual Growth in Eagle Mountain (2016 vs. 2015)	\$1,087,475,189	\$951,800,761	14%	14%
Lifetime Growth in Eagle Mountain (2016 vs. 1997 ¹)	\$1,087,475,189	\$14,808,133	7,244%	193%

Table 2.4: Project Area Budget

PROJECT AREA BUDGET	FY 2017-2036	
REVENUES	TOTALS	NPV@5%
Increment	\$635,000	\$397,133
Total Revenue	\$635,000	\$397,133
EXPENDITURES	TOTALS	NPV@5%
Administration	\$31,750	\$18,911
Public Infrastructure	\$603,250	\$359,311
Total Expenditures	\$635,000	\$397,133

OTHER ISSUES

Project Area #2012-1 was initially scheduled to trigger in TY 2015; however, the County did not trigger the project area. As a result the data provided in the 2015 Annual Report was inaccurate. The County triggered the project area in TY 2016.

The Agency requests personal property to be attached to all parcels in the project area including the following parcels:

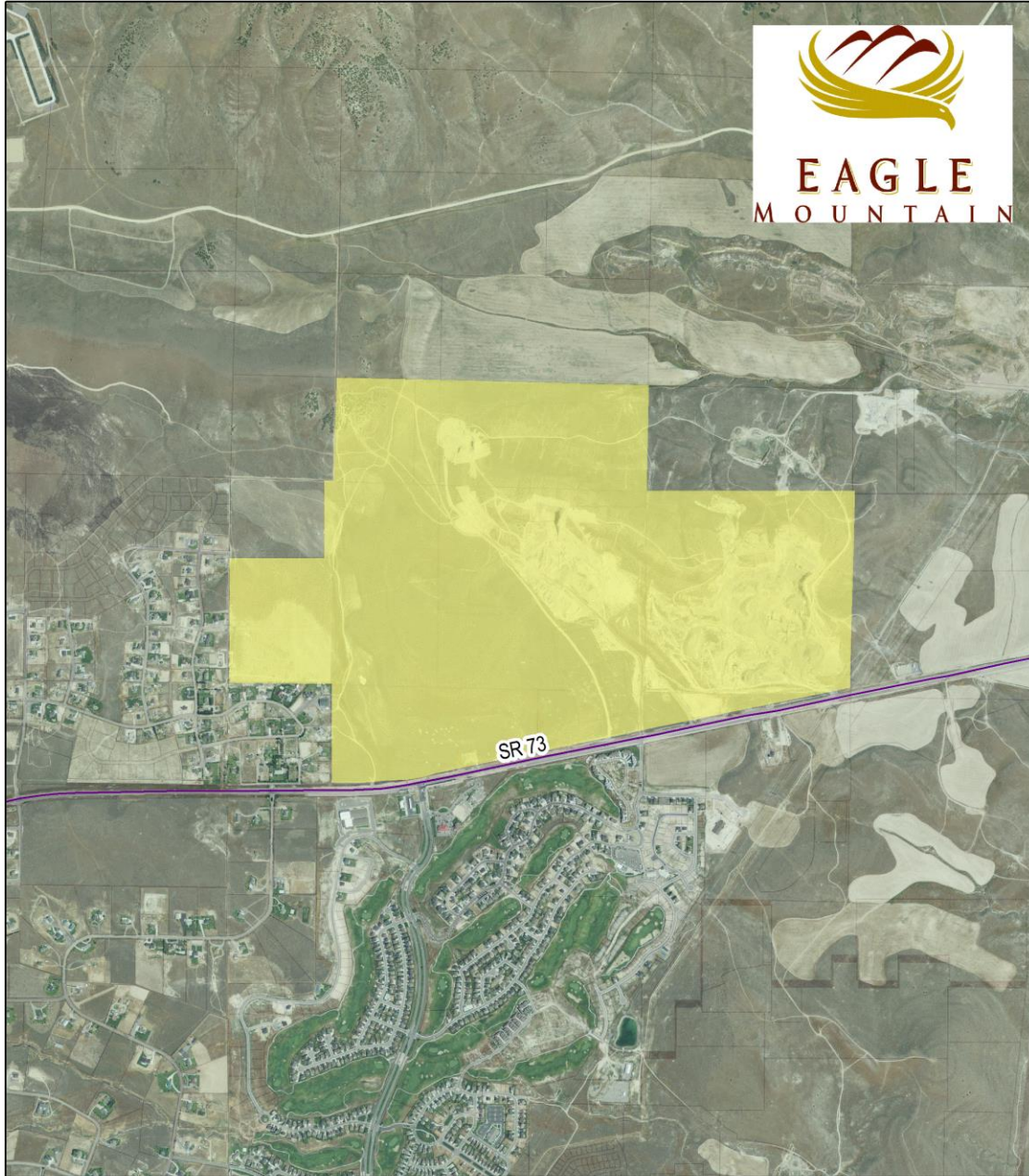
- 40:481:0103
- 40:482:0104

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS


The following page includes a full multi-year budget for Project Area #2012-1 from 2017 to 2036

¹ LYRB used 1997 as a reference point, as it is the earliest year of reliable information available.

EXHIBIT A: MAP OF PROJECT AREA 2012-1



Eagle Mountain EDA #2012-1

 #2012-1 EDA Boundary

0 0.125 0.25 0.5
Miles

SECTION 2: OVERVIEW OF THE PARKSIDE CDA

Table 2.1: Project Area Overview

OVERVIEW				
Type CDA	Acreage 20.15	Purpose Community Development	Taxing District 38	Tax Rate 0.001915
Creation Year FY 2013	Base Year FY 2012	Term 10 Years or until the \$126,328 for the County and \$500,000 for the City is reached	Trigger Year Proposed FY 2016	Expiration Year Proposed FY 2025
Base Value \$302,100	TY 2016 Value \$9,341,100	Increase 71,167%	FY 2016 Increment -	Remaining Life 10 Years



The Community Development Project Area (Parkside Project) was created in May 2013 and is governed by the (a) “Community Development Project Area Plan” approved June 18, 2013; and (b) “Interlocal Agreement”, dated July 9, 2013 by and between the Redevelopment Agency of Eagle Mountain and Utah County; and (c) “Interlocal Agreement”, dated July 17, 2013 by and between the Redevelopment Agency of Eagle Mountain and Eagle Mountain City.

Development within the Project Area will be held to the highest quality design and construction standards, subject to (1) appropriate elements of the City’s General Plan; (2) the planning and zoning code of the City; (3) other applicable building codes and ordinances of the City; (4) Planning Commission review and recommendations; (5) and Agency review to ensure consistency with this Plan.

All development will be accompanied by site plans, development data, and other appropriate material clearly describing the development, including land coverage, setbacks, heights, off-street parking to be provided, and any other data determined to be necessary or requested by the City or the Agency.

All development shall provide an attractive environment, blend harmoniously with the adjoining areas, and provide for the optimum amount of open space and well-landscaped area in relation to the new buildings. In addition, it shall maintain maximum availability of off-street parking, and comply with the provisions of the Project Area Plan.

The Community Development Project Area is located entirely within the boundaries of the City and includes approximately 144.84 acres of land. The site currently includes a Ridley’s grocery store and an Ace Hardware store. The site was also recently occupied by Domino’s Pizza and Subway restaurants. A map of the Project Area is included in **Exhibit B**.

The Agency intends to use the Project Area tax increment for public infrastructure improvements, land purchase, building renovation or upgrades, certain offsite improvements, and other improvements as approved by the Agency. The Agency will receive tax increment based upon the schedule outlined below:



Table 2.2: Tax Increment Schedule

Tax Increment Schedule				
Taxing Entity	Percentage	Years	No. of Years	Cap
Utah County	50%	Year 1-3	10	\$126,328
	40%	Year 4		
	30%	Year 5		
	25%	Year 6-10		
Eagle Mountain	100%	Year 1-10	10	\$500,000

RELATIVE GROWTH IN ASSESSED VALUE

Table 2.3: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	COMPARISON YEAR	GROWTH RATE	AAGR
ASSESSED VALUES IN PROJECT AREA				
Annual Growth In Project Area (2016 vs. 2015)	\$9,341,100	\$7,309,219	28%	28%
Lifetime Growth in Project Area (2015 vs. Base)	\$9,341,100	\$302,100	2992%	136%
ASSESSED VALUES IN EAGLE MOUNTAIN				
Annual Growth in Eagle Mountain (2016 vs. 2015)	\$1,087,475,189	\$951,800,761	14%	14%
Lifetime Growth in Eagle Mountain (2016 vs. 1997 ²)	\$1,087,475,189	\$14,808,133	7,244%	193%

Table 2.4: Project Area Budget

PROJECT AREA BUDGET	FY 2017-2026	
	TOTALS	NPV@5%
REVENUES		
Increment	\$123,720	\$96,361
Total Revenue	\$123,720	\$96,361
EXPENDITURES		
Administration	\$6,186	\$4,818
Public Infrastructure	\$117,534	\$91,543
Total Expenditures	\$123,720	\$96,361

² LYRB used 1997 as a reference point, as it is the earliest year of reliable information available.

OTHER ISSUES

The Agency requests personal property to be attached to all parcels in the project area including the following parcels:

- 49:755:0001
- 49:755:0005

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following page includes a full multi-year budget for the Parkside Project Area from 2017 to 2026

DRAFT

Parkside CDA

Ongoing Budget

Updated 10.19.16

Multi-Year Project Area Budget Projections



Tax Year
Payment Year

REVENUES
TAXABLE VALUATION:
Real Property
Personal Property
Centrally Assessed
Total Assessed Value
Less: Base Year Value ⁵
Incremental Assessed Value
Tax Rate:
Utah County
Eagle Mountain City
Total Tax Rate:
Participation Rate
Utah County
Eagle Mountain City
TAX INCREMENT REVENUES
Utah County
Eagle Mountain City
Total Property Tax for Project Area Budget
EXPENDITURES
Developer Incentive Fund (Major Retailor TIF Agreement) 95%
CDA Administration 5%
Total Uses
Pass Through Increment
Utah County
Eagle Mountain City
Total Pass-through

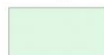
	1	2	3	4	5	6	7	8	9	10
2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Real Property	7,309,219	9,341,100	9,341,100	9,341,100	9,341,100	9,341,100	9,341,100	9,341,100	9,341,100	9,341,100
Personal Property	-	-	-	-	-	-	-	-	-	-
Centrally Assessed	-	-	-	-	-	-	-	-	-	-
Total Assessed Value	7,309,219	9,341,100	9,341,100	9,341,100	9,341,100	9,341,100	9,341,100	9,341,100	9,341,100	9,341,100
Less: Base Year Value ⁵	302,100	302,100	302,100	302,100	302,100	302,100	302,100	302,100	302,100	302,100
Incremental Assessed Value	7,007,119	9,039,000	9,039,000	9,039,000	9,039,000	9,039,000	9,039,000	9,039,000	9,039,000	9,039,000
Utah County	0.000870	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834
Eagle Mountain City	0.001118	0.001081	0.001081	0.001081	0.001081	0.001081	0.001081	0.001081	0.001081	0.001081
Total Tax Rate:	0.001988	0.001915	0.001915	0.001915	0.001915	0.001915	0.001915	0.001915	0.001915	0.001915
Utah County	0%	50%	50%	50%	40%	30%	25%	25%	25%	25%
Eagle Mountain City	0%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Utah County	-	3,769	3,769	3,769	3,015	2,262	1,885	1,885	1,885	1,885
Eagle Mountain City	-	9,771	9,771	9,771	9,771	9,771	9,771	9,771	9,771	9,771
Total Property Tax for Project Area Budget	-	13,540	13,540	13,540	12,787	12,033	11,656	11,656	11,656	11,656
Developer Incentive Fund (Major Retailor TIF Agreement) 95%	-	12,863	12,863	12,863	12,147	11,431	11,073	11,073	11,073	11,073
CDA Administration 5%	-	677	677	677	639	602	583	583	583	583
Total Uses	-	13,540	13,540	13,540	12,787	12,033	11,656	11,656	11,656	11,656
Utah County	-	3,769	3,769	3,769	4,523	5,277	5,654	5,654	5,654	5,654
Eagle Mountain City	-	-	-	-	-	-	-	-	-	-
Total Pass-through	-	3,769	3,769	3,769	4,523	5,277	5,654	5,654	5,654	5,654

TOTALS	NPV@ 5%	Cap
26,008	20,911	126,328
97,712	75,450	500,000
123,720	96,361	626,328
117,534	91,543	
6,186	4,818	
123,720	96,361	

EXHIBIT B: MAP OF PARKSIDE CDA



Eagle Mountain Parkside CDA

 Parkside CDA Boundary

0 125 250 500 Feet



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