



Redevelopment
Agency
TEL 801 852 6160
351 W CENTER ST
PO BOX 1849
PROVO, UT 84603

November 12, 2015

Mr. Burt Harvey
Utah County Auditor's Office
100 East Center, Room 3600
Provo, UT 84606

RE: Estimate of Property Taxes to be Paid Pursuant to Section 17-C-1-603, Utah Code Annotated, 1953 as Amended

Pursuant to Section 17-C-1-603, Utah Code Annotated, 1953 as amended, the Redevelopment Agency of Provo City herewith submits the following report:

- (a) Estimates of the portion of property taxes to be paid to the Agency pursuant to Section 17-C-1-603 (a), for the calendar year ending December 31, 2015:

CBD	\$ 935,000
RDA #4	\$1,025,000
South University	\$ 125,000
Financial Center	\$ 385,000
Mt. Vista	<u>\$ 110,000</u>
	<u>\$2,580,000</u>

Estimates of the portion of the property taxes to be paid to the Agency pursuant to Section 17-C-1-603 (a), for the calendar year ending December 31, 2015, in connection with the construction of a cultural facility:

CBD	\$ 275,000
RDA #4	\$ 145,000
South University	<u>\$ 21,000</u>
	<u>\$ 441,000</u>

- (b) An estimate of the portion of property taxes to be paid the Agency, pursuant to Section 17-C-1-603 (b), for the calendar year beginning next January 1, 2017:

CBD	\$ 0
RDA #4	\$1,260,000
South University	\$ 175,000
Financial Center	\$ 475,000
Mt. Vista	<u>\$ 200,000</u>
	<u>\$ 2,110,000</u>

Estimates of the portion of the property taxes to be paid to the Agency pursuant to Section 17-C-1-603 (b), for the calendar year beginning January 1, 2014 in connection with the construction of a cultural facility:

CBD	\$ 320,000
RDA #4	\$ 185,000
South University	<u>\$ 45,000</u>
	<u>\$ 550,000</u>

(c) Narrative description of each active project area within the Agency's boundaries (i.e., each project area in which tax increment currently is being paid):

Central Business District (CBD) Redevelopment Project Area

This project area includes 20 city blocks in the heart of Provo's traditional downtown. Redevelopment projects in this area have included the Provo Marriott Hotel, Nu Skin headquarters, the Covey Center for the Arts, Provo Town Square adaptive reuse, the Wells Fargo Financial Center, and numerous other projects over several decades.

Redevelopment Project Area #4

This project area at the south end of Provo's University Avenue business district is comprised mainly of the Provo Towne Centre Mall area.

South University Avenue Redevelopment Project Area

The South University area is made up of most of the blocks fronting on University Avenue between the Central Business District and the Provo Towne Centre Mall. It also includes a few other adjacent blocks.

Financial Center Community Development Project Area

Provo's first community development project area, this CDA comprises a fraction of a city block lining University Avenue between 100 and 200 North and was established to bring about the development of the Zions Bank Financial Center on the block.

(d) Narrative description of any significant activity related to each active project area that occurred during the immediately preceding year:

CBD Area

Agency staff has had numerous negotiations with the State of Utah about the construction of a new Courts facility. This would be part of a larger overall redevelopment of four blocks in the project area, including some Agency-owned property. That project is expected to be finalized with construction starting in early 2016. Construction continues on the Provo City Temple by the Church of Jesus Christ of Latter-day Saints in the CBD Project Area on the site of the Church's historic tabernacle, which was destroyed by fire in December 2011. The temple project is not making use of Redevelopment Agency tools, but it will be a significant boost the Provo's downtown redevelopment objectives. Project completion is expected in 2015 and the temple will have an open house in early 2016.

63 East Center, a new building consisting of 41 apartments with ground floor retail in the east end of the Project Area, opened this year. This development, on land purchased from the Redevelopment Agency, will also rely on a parking structure financed by the Redevelopment Agency in 2003 to satisfy their parking obligations.

Liberty Partners, another apartment project in the Project Area, started construction on a mixed-use project consisting of 8,000 square feet of retail space and 140 apartment units, so on land the developer purchased from the RDA. Construction should be complete in 2016.

Other smaller redevelopment efforts also happened in the CBD. Most of these involve federally-funded grants for building facade upgrades to complement the activities Provo is undertaking under Title 17C.

Project Area #4

This area saw no significant new activity in 2015.

South University Avenue Area

Although the new LDS temple will be located in the CBD Project Area, part of the temple site will extend into the South University Area. The Redevelopment Agency sold the Church land in South University for this purpose.

Utah Transit Authority began service to its new Provo Front Runner Station, which is in the Project Area. UTA is beginning negotiations for the private development of a portion of this site. Several other transit oriented developments (TOD's) are also in the planning stages just outside of the Project Area.

Financial Center Area

Although Zions Bank is the largest occupant of the Zions Bank Financial Center, the building also contains for-lease retail and office space.

Mountain Vista CDA

Provo City and the Redevelopment Agency have agreed to the sale of parcels for two commercial developments in this CDA, in addition to the AC Label production facility which began operations in 2012.

(e) Summary description of the overall project timeline for each active project area:

CBD Area

The CBD Area is on course to cease generating regular tax increment following the 2015 tax year.

Project Area # 4

Contractual obligations in Area #4 are anticipated to continue using all available tax increment through the 2023 tax year, after which regular tax increment will cease.

South University Avenue Area

The South University Area is on course to cease generating regular tax increment following the 2025 tax year.

Financial Center Area

Contractual obligations for tax increment in the Financial Center Area extend through the 2021 tax year.

Mountain Vista CDA

Mountain Vista, by interlocal agreement with the four taxing entities, will make tax increment available to purchasers-developers of land, on a predetermined declining scale through the 2020 tax year.

“Additional” Increment

Additional increment from the CBD, South University Avenue, and #4 project areas is being used in conformance with 17C-1-406 to service bonds issued for the development of a cultural facility, the Covey Center for the Arts. It is anticipated that bond payments will draw on additional increment through 2026.

Sincerely,



David B. Walter
Director, Redevelopment Agency of Provo City