

2017 ANNUAL REPORT

REDEVELOPMENT AGENCY OF AMERICAN FORK CITY, UT



NOVEMBER 1ST REPORT

Dated as of October 31, 2017

Prepared by Lewis Young Robertson & Burningham, Inc.

In compliance with Utah Code Section 17C-1-603 and 17C-1-402(9)(b)


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SECTION 1: EXECUTIVE SUMMARY

INTRODUCTION

Lewis Young Robertson & Burningham, Inc. (“LYRB”) has been retained by the Redevelopment Agency of American Fork City (the “Agency”) to assist with the management of the Agency’s three project areas (East Main RDA, North Valley RDA, and Egg Farm EDA). In addition, LYRB is working with the Agency on the creation of two additional project areas, the Patriot Station Community Reinvestment Area (CRA) and the Main Street Community Reinvestment Area (CRA).

LYRB has compiled various creation and related documents associated with the project areas, created annual and multi-year budgets, and created a proprietary Excel-based software package to manage the Agency’s Project Areas in the future.

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

Table 1.1

RDA TAXING ENTITIES	
Kyle Maurer	American Fork City
Adam Olsen	American Fork City
David Bunker	American Fork City
Burt Harvey	Utah County
Rob Smith	Alpine School District
John Jacobs	North Utah Valley Water Conservancy District
Gene Shawcroft	Central Utah Water Conservancy District
JoAnne Dubois	Central Utah Water Conservancy District
Natalie Grange	Utah State Board of Education
Lorraine Austin	Utah State Board of Education
Barry Conover	Utah State Tax Commission

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

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



As the project area budgets, plans, and development agreements are in the process of being prepared and finalized, it is expected that a summary and projection of the Agency's new project areas, the Patriot Station CRA and Main Street CRA Project Areas, will be included in the 2018 annual RDA report.

OVERVIEW OF THE REDEVELOPMENT AGENCY

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

Originally, under the Act, each project area created by a Redevelopment Agency was classified simply as a Redevelopment Area (RDA). In 1998, the Act was expanded to allow the creation of various types of project areas to be used to achieve different outcomes, including Urban Renewal Area (URA) and Economic Development Area (EDA). In 2006, the Act was further modified to provide for an additional project area type, Community Development Area (CDA).

Changes to the Act, made in 2016, put an end to the three aforementioned classifications. Going forward all project areas envisioned and created by a Redevelopment Agency are categorized by a single designation and are known as Community Reinvestment Areas (CRA). Previously created projects will still be subject to the predecessor rules under which they were created and will still be designated as RDAs, URAs, CDAs, and EDAs but new projects will need to conform to the CRA modifications.

CRAs are created under a redevelopment agency. To create a CRA, an agency must first adopt a survey resolution that designates a survey area and authorizes the agency to prepare a project area plan and budget. The draft budget and plan are then created and then the agency must meet the noticing requirements concerning its intent to adopt the plan and budget. Once the agency adopts the draft plan and budget as the final plan and budget after a public hearing, it can then collaborate with the taxing entities. If the agency plans to use eminent domain in the CRA, a blight study must be performed in the designated area. The Agency then forges an agreement to receive tax increment participation and approval of the blight study from a taxing entity committee (TEC). With the potential use of eminent domain and a TEC, the CRA is required to allocate 20% of its tax increment revenue to affordable housing. If the agency does not intend to pursue eminent domain, interlocal agreements for tax increment participation can be entered into with individual taxing entities. No TEC is required. The affordable housing requirement for this approach is only 10% of the CRA's tax increment revenue.

As two of the three active project areas in the American Fork City Redevelopment Agency (East Main and North Valley) were created prior 1998, both of these Project Areas have been classified simply as a Redevelopment Area, or RDA. The third Project Area, Egg Farm, which was created in 2001, has been classified as an EDA. The project areas currently being built, the Patriot Station and Main Street Project Areas, will be CRAs.

AUTHORITIES AND POWERS OF THE AGENCY

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

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

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

GOVERNING BOARD OF TRUSTEES AND STAFF MEMBERS

Table I.2

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

Table I.3

STAFF MEMBERS	
Dave Bunker	City Administrator
Kyle Maurer	Finance Director
Adam Olsen	Planning Director

SUMMARY OF REQUESTED FUNDS

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

Table I.4

ESTIMATE OF TAX INCREMENT TO BE PAID TO THE AGENCY		
	Tax Year 2017 (Ending Dec 31, 2017)	Tax Year 2018 (Beginning Jan 1, 2018)
Property Tax Increment		
East Main RDA	66,807	0
North Valley RDA	582,190	582,190
Egg Farm CDA	725,016	725,736
Haircut Tax Increment		
East Main RDA	13,989	34,973
North Valley RDA	121,909	121,909
Total Revenue	\$1,509,911	\$1,464,808

REQUEST FOR ADDITIONAL TAX INCREMENT

According to Utah Code, 17C-1-403 Tax Increment under a pre-July 1, 1993, Project Area Plan, Therein (17C-1-403(3)(ii)) “*additional tax increment*” also known as “*haircut*” may be used for some or all of the cost of the land for and installation and construction of a recreational facility... or a cultural facility, whether or not the facility is located within a project area, provided:

- a. Construction on the recreational or cultural facility is commenced before December 31, 2005; and
- b. The *additional tax increment* is pledged on or before July 1, 2005, to pay all or some of the recreational or cultural facility.

The Agency has two RDAs created before 1993 that could collect *haircut*. These project areas are the East Main RDA and the North Valley RDA. The Agency met the requirements for the additional tax increment by virtue of:

- a. Commencing construction of the: i) skateboard park, ii) boat harbor improvements in Utah Lake, iii) amphitheater improvements, iv) remodeling old City Hall for cultural arts facility, and v) remodeling City’s fitness center prior to December 31, 2005; and
- b. Pledging the *additional tax increment* on April 19, 2005 (prior to July 1, 2005) to pay some or all of the City’s Sales Tax Revenue Bonds, Series 2005.

In Addition, the two project areas have contributed tax increment to debt service payments for the Series 2005 Sales Tax Revenue Bonds. The Agency, therefore, requests that the County distribute haircut revenues to the two project areas (East Main and North Valley) for Tax Year 2017 and trigger the 7-year extension of both project areas, which sunset in Tax Year 2017 and 2018 respectively. Although the Series 2005 Bonds will be paid off in 2019, *haircut* revenues may be used to reimburse the City and Agency for

previous payments to the debt service, which totals \$5.8M in principal and \$1.8M in interest. Our calculation of total potential haircut revenues to both areas is only \$2.6M, well under what it could collect to pay for the haircut approved projects funded by the Series 2005 Bonds.

GENERAL OVERVIEW OF ALL PROJECT AREAS

Table I.5

COMBINED BUDGET - ALL PROJECT AREAS		
	ACTUAL	PROJECTIONS
REVENUES	TY 2016/FY 2017 TOTALS	REMAINING LIFE (INCLUDES FY 2017 TOTALS)
Property Tax Increment		
East Main RDA	62,882	129,689
North Valley RDA	660,350	1,824,729
Egg Farm CDA	804,306	7,357,279
Haircut Tax Increment		
East Main RDA	0	258,801
North Valley RDA	0	2,377,233
Total Revenue	\$1,527,538	\$9,311,697
EXPENDITURES	FY 2017 TOTALS	REMAINING LIFE (INCLUDES 2017 TOTALS)
RDA Administration		
East Main RDA	786	4,126
North Valley RDA	6,788	65,007
Egg Farm CDA	13,283	486,955
Developer Incentive Payments		
North Valley RDA	35,000	93,135
Egg Farm CDA	389,140	2,248,596
Debt Service Payments		
East Main RDA	47,359	30,811
North Valley RDA	388,341	1,160,382
Public Infrastructure/Other Development Activities		
East Main RDA	14,737	30,811
North Valley RDA	230,221	506,205
Egg Farm CDA	191,495	2,580,591
Affordable Housing Fund		
Egg Farm CDA	210,388	2,105,077
Use of Haircut		
East Main RDA	0	258,801
North Valley RDA	0	2,377,233
Total Expenditures	\$1,527,538	\$11,947,730



In addition to the expenses listed above, the Agency has an additional \$49,050 in expenses for FY 2017. This expense related to the creation of the two new project areas, the Patriot Station and Main Street Community Reinvestment Areas. Once the new CRAs are created, the expenses associated with their creation will be reimbursed to the two project areas supporting their creation. This expense is being split 60/40 between the Egg Farm CDA and the North Valley RDA.

SECTION 2: OVERVIEW OF THE EAST MAIN RDA PROJECT AREA

Table 2.1

OVERVIEW				
<u>Type</u> RDA	<u>Acreage</u> 29.5 29.5 Developed 0 Undeveloped	<u>Purpose</u> Commercial and Industrial Development	<u>Taxing District</u> 60	<u>Tax Rate</u> 0.011222
<u>Creation Year</u> FY 1992	<u>Base Year</u> FY 1992	<u>Term</u> 25 Years	<u>Trigger Year</u> FY 1994	<u>Expiration Year</u> FY 2018*
<u>Base Value</u> \$5,621,532	<u>TY 2016 Value</u> \$16,277,585	<u>Increase</u> 190%	<u>FY 2017 Increment</u> \$71,749 Calculated \$62,882 Received	<u>Remaining Life</u> 1 Years

*The project area is requesting extension for 7 years to receive "Additional Tax Increment" (as defined in the Act) until 2025



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

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

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



SOURCES OF FUNDS

Table 2.2

2017 SOURCES OF FUNDS	
Property Tax Increment Calculated	\$71,749
Reduction from Delinquent Taxes	(8,868)
Total Sources of Funds	\$62,882

Table 2.3

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

USES OF FUNDS

Table 2.4

2017 USES OF FUNDS	
RDA Administration	\$786
Debt Service Payments	47,359
Contribution to (Use of) Fund Balance	14,737
Total Uses of Funds	\$62,882

It is currently planned that funds available for other development activities will be used to for (1) the relocation of the Main Street/State Street intersection at 200 East and (2) a contribution to UDOT for the construction of a signal light at 200 East Main. These improvements are currently in process and are near completion. The cost of these two projects is estimated to be \$147,000.

DEBT SERVICE OBLIGATIONS

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

In addition to the tax increment, the project area will also designate "Additional Tax Increment" (as defined in the Act) revenue to pay down the debt service on the bonds. Because the bond revenue was used to construct cultural and recreational facilities before December 31, 2005, making debt services payments to it is an Additional Tax Increment approved purpose. The Agency will dedicate said haircut funds to debt service payments and to reimbursements to the Agency and City for payments already made. By extending the sunset date for the collection of Additional Tax Increment, the Agency will be

able to cover a higher percentage of the cultural and recreational facility costs with these revenues, which was the intent when the bonds were originally issued in April of 2005.

PROJECT AREA REPORTING AND ACCOUNTABILITY

RELATIVE GROWTH IN ASSESSED VALUE

Table 2.5

GROWTH IN ASSESSED VALUES				
ASSESSED VALUES IN PROJECT AREA	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in Project Area (2016 vs. 2015)	\$16,277,585	\$16,210,562	0.4%	0.4%
Lifetime Growth in Project Area (2016 vs. 1992)	\$16,277,585	\$5,621,532	189.6%	4.5%
ASSESSED VALUES IN AMERICAN FORK CITY	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in City (2016 vs. 2015)	\$1,822,190,316	\$1,704,893,548	6.9%	6.9%
Lifetime Growth in City (2016 vs. 1997) *	\$1,822,190,316	\$481,013,414	278.8%	7.3%

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

BENEFITS DERIVED BY TAXING ENTITIES

Table 2.6

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

The taxing entities are currently benefiting from increased assessed values in the Project Area as a portion of tax increment is being returned to the taxing entities. As shown below, the annual tax increment (above the base amount) currently being returned to taxing entities is 189.6% above what would have been realized if assessed values in the Project Area had remained at base year levels. This pass through increment will continue to increase as assessed values rise. The pass through increment will likely be captured by the Agency for the next 8 years in the form of additional tax increment. This does not apply to the school district.

Table 2.7

GROWTH IN TAX INCREMENT				
TAX INCREMENT FROM PROJECT AREA	ORIGINAL BUDGET REVENUES**	Total Tax Increment	BASE YEAR VALUE REVENUES	% ABOVE BASE
Fiscal Year 2017	N/A**	\$119,582	\$63,085	190%
Life Time Revenue (FY 2003 - 2017)*	N/A	\$1,649,646	\$963,947	171%
PASS THROUGH INCREMENT (ABOVE BASE)	ORIGINAL BUDGET REVENUES**	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
Fiscal Year 2017	N/A	\$47,833	\$63,085	76%
Life Time Revenue (FY 2003 - 2017)*	N/A	\$515,482	\$963,947	53%

* Lifetime revenues were calculated using figures from FY 2003 - FY 2016 because tax increment revenue numbers are not available for all years preceding FY 2003.

** The Original Budget is not available for this Project Area.

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

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

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

Table 2.8

NOTABLE BUSINESSES	
5 Buck Pizza	Pizza Hut
7-Eleven	Rocky Mountain Power
AF Collision	Shoff Family Dental
Burger King	Starbucks
CVS Pharmacy	Superior Concrete
Fantastic Sams	The UPS Store
Foundations Insurance	Utah Run
Fresh Market	Whistle Wok
O'Reilly Auto Parts	

Recent improvements also include the rebuilding of 200 East and also Main Street throughout the Project Area. The Main Street/State Street intersection at 200 East was relocated to improve traffic flow through the project area. A signal light was also constructed at 200 East Main. All 29.5 acres of the project area are developed. Thus, the project area is 100% developed.

FORECASTED PROJECT AREA BUDGET UPDATE

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

Table 2.9

PROJECT AREA BUDGET		FY 2018	
REVENUES	TOTALS	NPV @ 5%	
Annual Property Tax Increment	\$ 66,807	\$ 63,626	
Haircut Tax Increment	\$ 13,989	\$ 13,323	
Total Revenue	\$ 80,796	\$ 76,949	
EXPENDITURES	TOTALS	NPV @ 5%	
RDA Administration	\$ 3,340	\$ 3,181	
Other Development Activities	16,074	15,309	
Debt Service Payments	47,393	45,136	
Use of Haircut Revenues	\$ 13,989	\$ 13,323	
Total Expenditures	\$ 80,796	\$ 76,949	

OTHER ISSUES

LYRB has identified two items of concern with regard to the East Main Project Area:

1. Receipt of a portion of the tax increment due to the Agency in the past has been delayed due to the delinquent tax payments associated with property owners. The Agency has and will receive this increment as it is collected by the County. In what has been reviewed of the City's and County's records, it appears that the County is tracking and remitting tax increment as these late tax payments are collected.

LYRB is working with the County to continue to monitor this issue to ensure that delinquent collections are properly tracked and that the appropriate portions continue to be remitted to the Agency over the life of the Project Area. At this point, it is believed that a minimal amount of tax increment, around \$14,500, remains outstanding from prior years and will be remitted to the Agency as it is collected.

2. As mentioned in the "Request for Additional Tax Increment" portion of Section I of this report, the Agency requests that the County distribute additional tax increment to the project area for Tax Year 2017 and trigger the seven year extension of the project area, wherein the area will only collect additional tax increment for the remaining seven years.

The Agency and this project area have met the necessary requirements in UCA 17C-1-403(3)(b)(ii) to receive additional tax increment. The Agency will use the tax increment above the regular scheduled levels for the purpose of repaying the Series 2005 Bonds which was used to construct recreational and cultural projects that commenced prior to December 31, 2005. Haircut funds will also be used to reimburse the City and Agency for prior contributions to the debt service.

The Agency also wishes to extend the life of the project area an additional 7 year and collect 100% of the tax increment for the remaining 7 years. Note that the School District's haircut tax increment may not be allocated to the Agency without the School District's approval. After 32 years total of receiving increment, the project area must sunset.

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

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following four sheets represent:

-  FY 2017 Actuals
-  FY 2018 Projected Budget
-  FY 2017-2018 Projected Multi-Year Budget

East Main RDA Project Area

2017 Annual Budget
October 12, 2017



	2016	2017
Payment Year		
REVENUE:		
TAXABLE VALUATION:		
Total Building Value	\$	7,497,400
Real Property		14,322,200
Personal Property		1,699,810
Centrally Assessed		255,575
Total Assessed Value	\$	16,277,585
Less: Base Year Value		(5,621,532)
Incremental Assessed Value	\$	10,656,053
Tax Rate:		
Utah County		0.0834%
Alpine School District		0.7718%
American Fork City		0.2261%
American Fork Metropolitan Water District		0.0000%
North Utah County Water Conservancy District		0.0023%
Central Utah Water Conservancy District		0.0386%
Less State Assessing & Collecting		0.0000%
Less Local Assessing & Collecting		0.0000%
Less Tax Rate Differential		0.0000%
Total Tax Rate - Area 186:		1.1222%
TAX INCREMENT REVENUES		
Total Tax Increment	\$	119,582
Total Tax Increment:	\$	119,582
Percent of Tax Increment for Project		60%
TAX INCREMENT REVENUES		
Tax Increment to RDA - Calculated	\$	71,749
Tax Increment Actually Collected and Paid ¹	\$	62,772
Previous Years Tax Increment Revenue to RDA		(8,868)
Total Tax Increment Revenue to RDA:	\$	62,882
EXPENDITURES:		
Project Area Budget and Uses of Funds		
Redevelopment Agency Uses		
RDA Administrative Fees @ 5%	\$	786
Reserve Fund/Other Development Activities		14,737
Other Agency Obligations and Indebtedness		
Annual Debt Service on Series 2005 Bonds		
Total Debt Obligations	\$	47,359
TOTAL EXPENDITURES	\$	62,882

East Main RDA Project Area

2018 Annual Budget
October 20, 2017



Payment Year	2017	2018
REVENUE:		
TAXABLE VALUATION:		
Total Building Value	\$	7,497,400
Real Property		14,322,200
Personal Property		1,699,810
Centrally Assessed		255,575
Total Assessed Value	\$	16,277,585
Less: Base Year Value		(5,621,532)
Incremental Assessed Value	\$	10,656,053
Tax Rate:		
Utah County		0.0779%
Alpine School District		0.7167%
American Fork City		0.2082%
American Fork Metropolitan Water District		0.0000%
North Utah County Water Conservancy District		0.0021%
Central Utah Water Conservancy District		0.0400%
Less State Assessing & Collecting		0.0000%
Less Local Assessing & Collecting		0.0000%
Less Tax Rate Differential		0.0000%
Total Tax Rate - Area 186:		1.0449%
TAX INCREMENT REVENUES		
Total Tax Increment	\$	111,345
Total Tax Increment:	\$	111,345
Percent of Tax Increment for Project		60%
TAX INCREMENT REVENUES		
Tax Increment to RDA - Calculated	\$	66,807
Haircut Tax Increment	\$	13,989
Tax Increment Actually Collected and Paid ¹	\$	66,807
Previous Years Tax Increment Revenue to RDA		-
Total Tax Increment Revenue to RDA:	\$	80,796
EXPENDITURES:		
Project Area Budget and Uses of Funds		
Redevelopment Agency Uses		
RDA Administrative Fees @ 5%	\$	3,340
Reserve Fund/Other Development Activities		16,074
Other Agency Obligations and Indebtedness		
Annual Debt Service on Series 2005 Bonds		
Total Debt Obligations	\$	47,393
Use of Haircut Funds		
Haircut Expenses	\$	13,989
TOTAL EXPENDITURES	\$	80,796

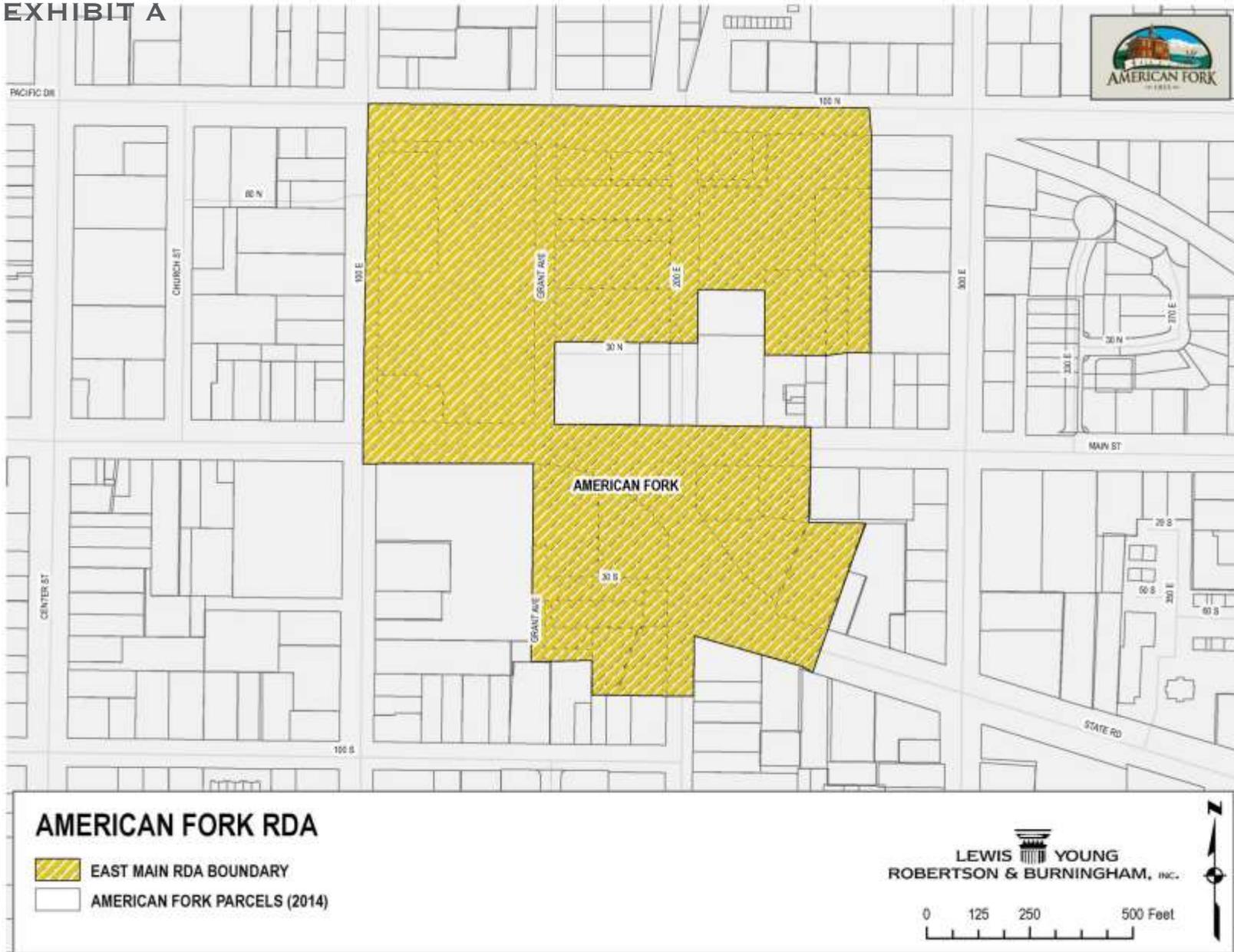
East Main RDA Project Area

Ongoing Budget
Multi-Year Project Area Budget Projections
October 20, 2017



	<==== HISTORIC PROJECTED =====>		Extension							TOTALS	
	Tax Year Payment Year	2016 2017	2017 2018	Year 1 2018 2019	Year 2 2019 2020	Year 3 2019 2020	Year 4 2020 2021	Year 5 2020 2021	Year 6 2021 2022		Year 7 2021 2022
REVENUE:											
TAXABLE VALUATION:											
Real Property	\$ 14,322,200	\$ 14,322,200		\$ 14,322,200	\$ 14,322,200	\$ 14,322,200	\$ 14,322,200	\$ 14,322,200	\$ 14,322,200	\$ 14,322,200	\$ 14,322,200
Personal Property	1,699,810	1,699,810		\$ 1,699,810	\$ 1,699,810	\$ 1,699,810	\$ 1,699,810	\$ 1,699,810	\$ 1,699,810	\$ 1,699,810	\$ 1,699,810
Centrally Assessed	255,575	255,575		\$ 255,575	\$ 255,575	\$ 255,575	\$ 255,575	\$ 255,575	\$ 255,575	\$ 255,575	\$ 255,575
Total Assessed Value	\$ 16,277,585	\$ 16,277,585		\$ 16,277,585	\$ 16,277,585	\$ 16,277,585					
Less: Base Year Value	\$ (5,621,532)	\$ (5,621,532)		\$ (5,621,532)	\$ (5,621,532)	\$ (5,621,532)	\$ (5,621,532)	\$ (5,621,532)	\$ (5,621,532)	\$ (5,621,532)	\$ (5,621,532)
Incremental Assessed Value	\$ 10,656,053	\$ 10,656,053		\$ 10,656,053	\$ 10,656,053	\$ 10,656,053					
Tax Rate:											
Utah County	0.0834%	0.0779%		0.0779%	0.0779%	0.0779%	0.0779%	0.0779%	0.0779%	0.0779%	0.0779%
Alpine School District	0.7718%	0.7167%		0.7167%	0.7167%	0.7167%	0.7167%	0.7167%	0.7167%	0.7167%	0.7167%
American Fork City	0.2261%	0.2082%		0.2082%	0.2082%	0.2082%	0.2082%	0.2082%	0.2082%	0.2082%	0.2082%
American Fork Metropolitan Water District	0.0000%	0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
North Utah County Water Conservancy District	0.0023%	0.0021%		0.0021%	0.0021%	0.0021%	0.0021%	0.0021%	0.0021%	0.0021%	0.0021%
Central Utah Water Conservancy District	0.0386%	0.0400%		0.0400%	0.0400%	0.0400%	0.0400%	0.0400%	0.0400%	0.0400%	0.0400%
Less State Assessing & Collecting	0.0000%	0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Less Local Assessing & Collecting	0.0000%	0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Less Tax Rate Differential	0.0000%	0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Total Tax Rate - Area 186:	1.1222%	1.0449%		1.0449%	1.0449%	1.0449%	0.010449	0.010449	0.010449	0.010449	0.010449
TAX INCREMENT REVENUES											
Total Tax Increment	\$ 119,582	\$ 111,345	\$ 483,649	\$ 111,345	\$ 111,345	\$ 111,345	\$ 111,345	\$ 111,345	\$ 111,345	\$ 111,345	\$ 779,416
Total Tax Increment:	\$ 119,582	\$ 111,345	\$ 483,649	\$ 111,345	\$ 111,345	\$ 779,416					
Percent of Tax Increment for Project											
	60%	60%		0%	0%	0%	0%	0%	0%	0%	0%
TAX INCREMENT REVENUES											
Tax Increment to RDA - Calculated	\$ 71,749.34	\$ 66,807.06	\$ 290,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Haircut Tax Increment		\$ 13,989		\$ 34,973	\$ 34,973	\$ 34,973	\$ 34,973	\$ 34,973	\$ 34,973	\$ 34,973	\$ 244,812
Tax Increment Actually Collected and Paid ¹	\$ 62,772	\$ 66,807	\$ 222,069								\$ -
Previous Years Tax Increment Revenue to RDA	(8,868)	-	11,981								-
Total Tax Increment Revenue to RDA:	\$ 62,882	\$ 80,796	\$ 3,348,806	\$ 34,973	\$ 34,973	\$ 244,812					
EXPENDITURES:											
Project Area Budget and Uses of Funds											
Redevelopment Agency Uses											
RDA Administrative Fees @ 5%	\$ 786	\$ 3,340	\$ 9,793								\$ -
Contribution to (Use of) Fund Balance	14,737	16,074	39,668								-
Other Agency Obligations and Indebtedness											
Annual Debt Service on Series 2005 Bonds											
Total Debt Obligations	47,359	47,393	193,567								\$ -
Use of Haircut Funds											
Haircut Expenses		13,989		\$ 34,973	\$ 34,973	\$ 34,973	\$ 34,973	\$ 34,973	\$ 34,973	\$ 34,973	\$ 244,812
TOTAL EXPENDITURES	\$ 62,882	\$ 80,796	\$ 1,532,741	\$ 34,973	\$ 34,973	\$ 244,812					

EXHIBIT A



SECTION 3: OVERVIEW OF THE NORTH VALLEY RDA PROJECT AREA

Table 3.1

OVERVIEW				
Type RDA	Acreage 125 117 Developed 8 Undeveloped	Purpose Commercial and Industrial Development	Taxing District 60	Tax Rate 0.011222
Creation Year FY 1987	Base Year FY 1986	Term 25 Years	Trigger Year FY 1995	Expiration Year FY 2019*
Base Value \$6,282,698	TY 2016 Value \$99,144,798	Increase 1478%	FY 2017 Increment \$625,259 Calculated \$642,138 Received	Remaining Life 2 Years

*The project area is requesting extension for 7 years to receive “Additional Tax Increment” (as defined in the Act) until 2026.

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



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



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

SOURCES OF FUNDS

Table 3.2

2017 SOURCES OF FUNDS	
Property Tax Increment Calculated	\$625,259
Delinquent Taxes Reduction	(71,918)
Tax Increments Received	553,342
Revenue from Delinquent Taxes from Previous Years	88,796
Interest Earnings	18,213
Total Sources of Funds	\$660,351

Table 3.3

TAX INCREMENT LEVELS	
Years	%
1995 - 1999	100%
2000 - 2004	80%
2005 - 2009	75%
2010 - 2014	70%
2015 - 2019	60%

USES OF FUNDS

Table 3.4

2017 USES OF FUNDS	
RDA Administration	\$6,788
Property Tax Incentive to Company	35,000
Contribution to (Use of) Fund Balance	230,221
Debt Service Payments	388,341
Total Uses of Funds	\$660,350

Previously, the Agency had planned to use funds available for other development activities for the following projects: (1) roadway construction along Quality Drive consisting of grading, sewer, water, storm drain, curb, gutter, and asphalt, (2) pavement overlay, (3) completion of 620 South, and (4) pavement reconstruction along 600 East. The cost associated with these improvements was estimated to be around \$800,000. However, these improvements were recently completed by the City using monies available in the general fund. Going forward, the Agency will look for opportunities to use the funds it has accumulated for other development activities that will spur continued economic development.

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

DEBT SERVICE PAYMENTS

As discussed in the Section 1 of this report, bonds were issued in April 2005 with the proceeds being utilized to fund cultural and recreational improvements in American Fork City. A portion of the annual tax increment from each project area will be used to make the annual debt service payments. The portion of annual debt service payments to be paid from tax increment generated in the North Valley RDA Project Area is 82%.

In addition to the tax increment, the project area will also designate “Additional Tax Increment” (as defined in the Act) revenue to pay down the debt service on the bonds. Because the bond revenue was used to construct cultural and recreational facilities before December 31, 2005, making debt services payments to it is an Additional Tax Increment approved purpose. The Agency will dedicate said haircut funds to debt service payments and to reimbursements to the Agency and City for payments already made. By extending the sunset date for the collection of Additional Tax Increment, the Agency will be able to cover a higher percentage of the cultural and recreational facility costs with these revenues, which was the intent when the bonds were originally issued in April of 2005.

DEVELOPER OBLIGATIONS AND INCENTIVES

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

Tax incentive payments to the Company will be based upon area in the Project Area that has been improved by the Company, referred to above as the “Site”. The Site is currently comprised of parcel #57:023:0004, containing 4.5 acres. The tax incentive payment will be calculated based on the assessed values of both the real and personal property associated with this parcel.

The Agency acknowledges that while 65% of the taxes levied on the Site will be remitted to the Company, the Agency will only receive 60% of the incremental taxes paid and collected within the Project Area. If a shortage exists between the tax increment collected by the Agency and the tax incentive payment due to the Company, the Agency will commit other Agency revenues in order to adequately meet this commitment. Tables 3.5 and 3.6 below illustrate the calculation of the developer incentive payment and the total amount remaining to the developer.

Table 3.5

SOURCES OF DEVELOPMENT INCENTIVE				
FISCAL YEAR	ASSESSED PROPERTY TAXES	65% PROPERTY TAX REMITTANCE	AMOUNT FROM OTHER RDA FUNDS	TOTAL DUE TO COMPANY
2017	\$ 73,602	\$ 47,841	\$0	\$ 35,000

Table 3.6

CAPPED DEVELOPMENT INCENTIVE	
Total Due to Company (Capped Amount)	\$ 125,000
2017 Distribution to Company	35,000
Distributions Remaining	\$ 55,000

PROJECT AREA REPORTING AND ACCOUNTABILITY

RELATIVE GROWTH IN ASSESSED VALUE

Table 3.7

GROWTH IN ASSESSED VALUES				
ASSESSED VALUES IN PROJECT AREA	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in Project Area (2016 vs. 2015)	\$99,144,798	\$87,730,419	13%	13%
Lifetime Growth in Project Area (2016 vs. 1986)	\$99,144,798	\$6,282,698	1478%	12%
ASSESSED VALUES IN AMERICAN FORK CITY	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in City (2016 vs. 2015)	\$1,822,190,316	\$1,704,893,548	6.9%	6.9%
Lifetime Growth in City (2016 vs. 1997) ¹	\$1,822,190,316	\$481,013,414	278.8%	7.3%

BENEFITS TO TAXING ENTITIES

Table 3.8

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

¹ The year 1997 is being used for this comparison because this is the earliest year for which assessed values are available for the City as a whole.

The taxing entities are currently benefiting from increased assessed values in the Project Area as a portion of tax increment is being returned to the taxing entities. As shown below, the annual tax increment (above the base amount) currently being returned to taxing entities is 519% above what would have been realized if assessed values in the Project Area had remained at base year levels (Table 3.9). This pass through increment will continue to increase as assessed values rise. Since FY 2003, the total tax increment (above the base amount) received by the taxing entities is 87% above what would have been realized based on base year levels.

Table 3.9

GROWTH IN TAX INCREMENT				
TAX INCREMENT FROM PROJECT AREA	ORIGINAL BUDGET REVENUES**	Total Tax Increment	BASE YEAR VALUE REVENUES	% ABOVE BASE
Fiscal Year 2017	N/A	\$1,042,098	\$70,504	1478%
Life Time Revenue (FY 2003 - 2017)*	N/A	\$13,615,894	\$1,077,319	1264%
PASS THROUGH INCREMENT (ABOVE BASE)	ORIGINAL BUDGET REVENUES**	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
Fiscal Year 2017	N/A	\$416,839	\$70,504	591%
Life Time Revenue (FY 2003 - 2017)*	N/A	\$932,321	\$1,077,319	87%

* Lifetime revenues have been calculated using figures from FY 2003 - FY 2016 because tax increment revenue numbers are not available for all years preceding FY 2003.

** The Original Budget is not available for this Project Area.

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

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

Table 3.10

NOTABLE BUSINESSES		
Aristotle Academy	Idea Sphere	Taco Bell
BidSync	Jamberry	TAGS Thrift
Brain Garden	Mylar Disability	ThermoWorks
DOMO	Odyssey Charter School	Torion
Echostar Hughes	Orange Soda	Total Computer Solutions
Elearning Brothers	Peppermint Place	Tri-Phase Electric
Exxon Food Market	Rise Broadband	TwinLabs
Fluke Calibration	Standard Plumbing Supply	VISA
Holiday Inn Express & Suites	Sushi House	

As described earlier in this report, the Agency recently entered into an agreement with Young Living Essential Oils, LC, requiring the Company to provide specified improvements in the Project Area in

exchange for the Agency providing certain amounts of tax increment. These developments will primarily involve the building formerly occupied by Cal-Ranch and will include, but are not limited to:

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

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

In addition, recent improvements in the Project Area include those funded by the City through use of the general fund; specifically, (1) roadway construction along Quality Drive consisting of grading, sewer, water, storm drain, curb, gutter, and asphalt, (2) pavement overlay, (3) completion of 620 South, and (4) pavement reconstruction along 600 East.

There have been no site plan approvals since October 2016. There are also no pending approvals within the project area. The Agency, therefore, plans to look for new opportunities to utilize funds that have been set aside for other redevelopment activities to incentivize further economic development in the Project Area. Of the project area’s 125 acres, only 8 are undeveloped. The project area is 93% developed.

Growth within the Project Area has also had a positive impact on development in the surrounding areas. Recent developments in the areas adjacent to the Project Area include Thermoworks (industrial), Harrington Hollow Subdivision (residential), and Sporkland (commercial office space). In addition, currently under construction just north of the Project Area is the Easton Park apartment and townhome development which includes 335 units and a 7 acre park.

FORECASTED PROJECT AREA BUDGET

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

Table 3.11

PROJECT AREA BUDGET		FY 2018 - 2019	
REVENUES	TOTALS	NPV @ 5%	
Annual Property Tax Increment	\$1,164,379	\$1,082,530	
Additional Tax Increment (“Haircut”)	243,819	226,680	
Total Revenue	\$1,408,198	\$1,309,210	
EXPENDITURES	TOTALS	NPV @ 5%	
RDA Administration	\$58,219	\$54,126	
Property Tax Incentive to Company	58,135	54,317	
Other Development Activities	275,984	256,432	
Debt Service Payments	772,041	717,654	
Haircut Expenses	243,819	226,680	
Total Expenditures	\$1,408,198	\$1,309,210	

OTHER ISSUES

LYRB has identified three items of concern with regard to the North Valley RDA Project Area:

1. LYRB is working with the County to continue to monitor the issue of delinquent taxes that reduce the amount received by the Agency. LYRB will ensure that delinquent collections are properly tracked and that the appropriate portions continue to be remitted to the Agency over the life of the Project Area. At this point, it is understood that at least \$74,185 remains outstanding from prior years and will be remitted to the Agency as it is collected.
2. As mentioned in the “Request for Additional Tax Increment” portion of Section I of this report, the Agency requests that the County distribute additional tax increment to the project area for Tax Year 2017 and trigger the seven year extension of the project area, wherein the area will only collect additional tax increment for the remaining seven years.

The Agency and this project area have met the necessary requirements in UCA 17C-1-403(3)(b)(ii) to receive additional tax increment and provided the requisite documentation to the County. The Agency will use the tax increment above the regular scheduled levels for the purpose of repaying the Series 2005 Bonds which was used to construct recreational and cultural projects that commenced prior to December 31, 2005. Haircut funds will also be used to reimburse the City and Agency for prior contributions to the debt service.

The Agency wishes to extend the life of the project area an additional 7 year and collect 100% of the tax increment for the remaining 7 years. Note that the School District’s haircut tax increment may not be allocated to the Agency without the School District’s approval. After 32 years total of receiving increment, the project area must sunset.

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

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following four sheets represent:

-  FY 2017 Actual Budget
-  FY 2018 Projected Budget
-  FY 2019 Projected Budget
-  FY 2017-2019 Projected Multi-Year Budget

Tax Year Payment Year		2016 2017
REVENUE:		
TAXABLE VALUATION:		
Real Property	\$	87,764,000
Personal Property		11,180,225
Centrally Assessed		200,573
Total Assessed Value	\$	99,144,798
Base Year Value		(6,282,698)
Total Incremental Assessed Value	\$	92,862,100
Tax Rate:		
Utah County		0.0834%
Alpine School District		0.7718%
American Fork City		0.2261%
North Utah Water Conservancy District		0.0023%
Central Utah Water Conservancy District		0.0386%
Less State Assessing & Collecting		0.0000%
Less Local Assessing & Collecting		0.0000%
Total Tax Rate		1.1222%
TAX INCREMENT REVENUES		
Total Tax Increment		1,042,098
Total Tax Increment	\$	1,042,098
Percent of Property Tax Increment for Project		60%
TOTAL TAX INCREMENT REVENUE		
Total Calculated Tax Increment Due to Project Area	\$	625,259
Total Tax Increment Actually Collected and Paid		553,341
Prior Year Tax Increment Revenue to RDA		-
TOTAL TAX INCREMENT REVENUE TO RDA	\$	660,350
EXPENDITURES:		
Project Area Budget and Use of Funds		
Redevelopment Agency Uses		
RDA Administration @ 5%	\$	6,788
Property Tax Incentive to Company		35,000
Other Development Activities		230,221
Other Agency Obligations and Indebtedness		
Annual Debt Service on Series 2005 Bonds		
Total Debt Obligations	\$	388,341
Total Expenditures	\$	660,350

North Valley RDA Project Area

2018 Projected Budget
October 20, 2017



Tax Year	2017
Payment Year	2018
REVENUE:	
TAXABLE VALUATION:	
Real Property	\$ 87,764,000
Personal Property	11,180,225
Centrally Assessed	200,573
Total Assessed Value	\$ 99,144,798
Base Year Value	(6,282,698)
Total Incremental Assessed Value	\$ 92,862,100
Tax Rate:	
Utah County	0.0779%
Alpine School District	0.7167%
American Fork City	0.2082%
North Utah Water Conservancy District	0.0021%
Central Utah Water Conservancy District	0.0400%
Less State Assessing & Collecting	0.0000%
Less Local Assessing & Collecting	0.0000%
Total Tax Rate	1.0449%
TAX INCREMENT REVENUES	
Total Tax Increment	970,316
Total Tax Increment	\$ 970,316
Percent of Property Tax Increment for Project	60%
TOTAL TAX INCREMENT REVENUE	
Total Calculated Tax Increment Due to Project Area	\$ 582,190
Total Tax Increment Actually Collected and Paid	582,190
Prior Year Tax Increment Revenue to RDA	-
Haircut Revenue ("Additional Tax Increment")	121,909
TOTAL TAX INCREMENT REVENUE TO RDA	\$ 704,099
EXPENDITURES:	
Project Area Budget and Use of Funds	
Redevelopment Agency Uses	
RDA Administration @ 5%	\$ 29,109
Property Tax Incentive to Company	35,000
Other Development Activities	134,631
Other Agency Obligations and Indebtedness	
Annual Debt Service on Series 2005 Bonds	
Total Debt Obligations	\$ 383,449
Use of Haircut ("Additional Tax Increment")	
Haircut Expense	\$ 121,909
Total Expenditures	\$ 704,099

North Valley RDA Project Area

2019 Projected Budget
October 20, 2017



	2018	2019
REVENUE:		
TAXABLE VALUATION:		
Real Property	\$	87,764,000
Personal Property		11,180,225
Centrally Assessed		200,573
Total Assessed Value	\$	99,144,798
Base Year Value		(6,282,698)
Total Incremental Assessed Value	\$	92,862,100
Tax Rate:		
Utah County		0.0779%
Alpine School District		0.7167%
American Fork City		0.2082%
North Utah Water Conservancy District		0.0021%
Central Utah Water Conervancy District		0.0400%
Less State Assessing & Collecting		0.0000%
Less Local Assessing & Collecting		0.0000%
Total Tax Rate		1.0449%
TAX INCREMENT REVENUES		
Total Tax Increment		970,316
Total Tax Increment	\$	970,316
Percent of Property Tax Increment for Project		60%
TOTAL TAX INCREMENT REVENUE		
Total Calculated Tax Increment Due to Project Area	\$	582,190
Total Tax Increment Actually Collected and Paid		582,190
Prior Year Tax Increment Revenue to RDA		-
Haircut Revenue ("Additional Tax Increment")		121,909
TOTAL TAX INCREMENT REVENUE TO RDA	\$	704,099
EXPENDITURES:		
Project Area Budget and Use of Funds		
Redevelopment Agency Uses		
RDA Administration @ 5%	\$	29,109
Property Tax Incentive to Company		23,135
Other Development Activities		141,353
Other Agency Obligations and Indebtedness		
Annual Debt Service on Series 2005 Bonds		
Total Debt Obligations	\$	388,592
Use of Haircut ("Additional Tax Increment")		
Haircut Expense	\$	121,909
Total Expenditures	\$	704,099



2017 ANNUAL REPORT

REDEVELOPMENT AGENCY OF AMERICAN FORK CITY, UT



North Valley RDA Project Area

Ongoing Budget
Multi-Year Project Area Budget Projections
October 20, 2017

				Extension								
<==== HISTORIC PROJECTED =====>				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7		
Tax Year	2016	2017	2018	TOTALS	2019	2020	2020	2021	2021	2022	2022	TOTALS
Payment Year	2017	2018	2019		2020	2021	2021	2022	2022	2023	2023	
REVENUE:												
TAXABLE VALUATION:												
Real Property	\$ 87,764,000	\$ 87,764,000	\$ 87,764,000		\$ 87,764,000	\$ 87,764,000	\$ 87,764,000	\$ 87,764,000	\$ 87,764,000	\$ 87,764,000	\$ 87,764,000	
Personal Property	11,180,225	11,180,225	11,180,225		11,180,225	11,180,225	11,180,225	11,180,225	11,180,225	11,180,225	11,180,225	
Centrally Assessed	200,573	200,573	200,573		200,573	200,573	200,573	200,573	200,573	200,573	200,573	
Total Assessed Value	\$ 99,144,798	\$ 99,144,798	\$ 99,144,798		\$ 99,144,798							
Base Year Value	(6,282,698)	(6,282,698)	(6,282,698)		(6,282,698)	(6,282,698)	(6,282,698)	(6,282,698)	(6,282,698)	(6,282,698)	(6,282,698)	
Total Incremental Assessed Value	\$ 92,862,100	\$ 92,862,100	\$ 92,862,100		\$ 92,862,100							
Tax Rate:												
Utah County	0.0834%	0.0779%	0.0779%		0.0779%	0.0779%	0.0779%	0.0779%	0.0779%	0.0779%	0.0779%	
Alpine School District	0.7718%	0.7167%	0.7167%		0.7167%	0.7167%	0.7167%	0.7167%	0.7167%	0.7167%	0.7167%	
American Fork City	0.2261%	0.2082%	0.2082%		0.2082%	0.2082%	0.2082%	0.2082%	0.2082%	0.2082%	0.2082%	
North Utah Water Conservancy District	0.0023%	0.0021%	0.0021%		0.0021%	0.0021%	0.0021%	0.0021%	0.0021%	0.0021%	0.0021%	
Central Utah Water Conservancy District	0.0386%	0.0400%	0.0400%		0.0400%	0.0400%	0.0400%	0.0400%	0.0400%	0.0400%	0.0400%	
Less State Assessing & Collecting	0.0000%	0.0000%	0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
Less Local Assessing & Collecting	0.0000%	0.0000%	0.0000%		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
Total Tax Rate	1.1222%	1.0449%	1.0449%		1.0449%							
TAX INCREMENT REVENUES												
Total Tax Increment	1,042,098	970,316	970,316	3,946,909	\$ 970,316	\$ 970,316	\$ 970,316	\$ 970,316	\$ 970,316	\$ 970,316	\$ 970,316	
Total Tax Increment	\$ 1,042,098	\$ 970,316	\$ 970,316	\$ 3,946,909	\$ 970,316							
Percent of Property Tax Increment for Project	60%	60%	60%		0%	0%	0%	0%	0%	0%	0%	
TOTAL TAX INCREMENT REVENUE												
Total Calculated Tax Increment Due to Project Area	\$ 625,259	\$ 582,189.65	\$ 582,190	\$ 1,164,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Interest Earnings	\$ 18,213											
Truant Taxes	\$ (71,918)											
Total Tax Increment Actually Collected and Paid	\$ 553,342	582,190	582,190	1,164,379								
Prior Year Tax Increment Revenue to RDA	\$ 88,796	-	-									
Haircut Revenue ("Additional Tax Increment")		121,909	121,909	243,819	\$ 304,773	\$ 304,773	\$ 304,773	\$ 304,773	\$ 304,773	\$ 304,773	\$ 304,773	\$ 2,133,414
TOTAL TAX INCREMENT REVENUE TO RDA	\$ 660,351	\$ 704,099	\$ 704,099	\$ 1,408,198	\$ 304,773	\$ 2,133,414						
EXPENDITURES:												
Project Area Budget and Use of Funds												
Redevelopment Agency Uses												
RDA Administration @ 5%	\$ 6,788	\$ 29,109	\$ 29,109	\$ 58,219								
Young Living Agreement	35,000	35,000	23,135	\$ 58,135								
Contribution to (Use of) Fund Balance	230,222	134,631	141,353	\$ 275,984								
Other Agency Obligations and Indebtedness												
Annual Debt Service on Series 2015 Sales Tax Ref. Bonds												
Total Debt Obligations	\$ 388,341	\$ 383,449	\$ 388,592	\$ 772,041								
Use of Haircut ("Additional Tax Increment")												
Haircut Expense		\$ 121,909	\$ 121,909		\$ 304,773	\$ 304,773	\$ 304,773	\$ 304,773	\$ 304,773	\$ 304,773	\$ 304,773	\$ 2,133,414
Total Expenditures	\$ 660,351	\$ 704,099	\$ 704,099	\$ 1,408,198	\$ 304,773	\$ 2,133,414						

EXHIBIT B



SECTION 4: OVERVIEW OF THE EGG FARM EDA PROJECT AREA

Table 4.1

OVERVIEW				
Type EDA	Acreage 97 91 Developed 6 Undeveloped	Purpose Commercial Development	Taxing District 60	Tax Rate 0.011222
Creation Year FY 2001	Base Year FY 1999	Term 24 Years	Trigger Year FY 2005	Expiration Year * FY 2028
Base Value \$705,802	TY 2016 Value \$93,131,388	Increase 13095%	FY 2017 Increment \$777,900 Calculated \$778,279 Received	Remaining Life Up to 11 Years

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



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

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



- ☞ Remove impediments to land disposition and development through assembly of land into reasonably sized and shaped parcels necessary for economic development served by improved public utilities, infrastructure improvements, and new public or private facilities.
- ☞ Eliminate environmental deficiencies, irregular lot subdivision, improper drainage, overcrowding or underutilization of real property.
- ☞ Achieve an environment reflecting a high level of concern for architectural, landscape and urban design principals, developed through encouragement, guidance, appropriate controls, and financial and professional assistance to owner participants and developers.
- ☞ Promote and market the Project Area for economic development complimentary to existing businesses and industries, or would enhance the economic base of the City through diversification.
- ☞ Provide utilities, streets, curbs, sidewalks, parking areas, landscape areas, and other infrastructure improvements as appropriate and as necessary.
- ☞ Provide improved public streets and road access to and within the Project Area to facilitate better traffic and pedestrian circulation, reduce traffic hazards, and to promote air quality.
- ☞ Ensure compatible relationships among land uses and quality standards for development, such that the area functions as a unified and viable center of economic activity for the City.
- ☞ The Project Area lies entirely within American Fork City and includes approximately 97 acres of property located along the west side of I-15 from 1100 South to approximately 1500 South, and is bound on the west by the Southern Pacific Railroad tracks. The Project Area is zoned for both commercial and industrial use. A map of the Project Area is included as Exhibit C.

SOURCES OF FUNDS

Table 4.2

2017 SOURCES OF FUNDS	
Calculated Tax Increment	\$777,900
Property Tax Increment Collected and Paid to Agency	777,900
Previous Years Tax Increment Paid in 2016 ²	379
Interest Earnings	26,027
Total Sources of Funds	\$804,306

Table 4.3

TAX INCREMENT LEVELS	
Years	%
2005 - 2028	75%

The Project Area was originally intended to draw property tax increment beginning with the taxes collected in 2004 and remitted to the Agency in 2005 and continue for 24 years with the final tax increment being collected in 2027 and remitted to the Agency in 2028. However, the Project Area Budget was amended in 2013 and currently includes a provision outlining that the Project Area will receive tax

² Utah County remits tax increment to the Agency only to the point that it has been collected from property owners. Thus, although the Agency may be entitled to \$730,638 in annual tax increment for FY 2016, the County remits to the Agency the portion that has been collected, as well as any additional tax increment that has been collected from property owners for prior year delinquencies. For FY 2016, this is represented by the \$135 figure outlined above.

increment for 24 years or until the total tax increment received by the Agency after tax year 2012 reaches a cap of \$9,262,291, whichever occurs first.

Since tax year 2012, a total of \$3,285,808 in tax increment has been remitted to the Agency, leaving \$6,552,973 to be paid to the Agency before the cap is reached. It is currently projected that the cap will be reached with increment paid to the Agency in fiscal year 2026 (for taxes collected in tax year 2025) and that the Project Area will expire at that time.

USES OF FUNDS

Table 4.4

2017 USES OF FUNDS	
RDA Administration	\$13,283
Affordable Housing (20%)	210,388
Public Infrastructure (25%)	191,495
Developer Infrastructure Debt Service Payment	389,140
Total Uses of Funds	\$804,306

Table 4.5

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

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

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

DEVELOPMENT OBLIGATIONS AND INCENTIVES

As outlined in the Agreement for Private Development of Land (ADL), the Agency agreed to reimburse the land owner for the costs of certain infrastructure improvements and developments that would create jobs in the Project Area. Tax increment is to be used for this reimbursement in an amount of \$3,245,944 plus interest at a rate of 2.5%. Table 4.5 above shows the uses of tax increment funds by the Agency, 50-percent of which is dedicated to reimbursing the Developer for infrastructure improvements until all obligations are satisfied.

The Amended Project Area Budget adopted in 2013 also shows that the Agency may be able to accelerate payments to the Developer with the last payment estimated to take place in 2022. The acceleration of repayment to the Developer will provide a benefit to the Agency as it will retain the full 75% of tax increment generated, allowing the Agency to fund additional infrastructure improvements. This will serve

to further enhance the Project Area until it expires in either tax year 2026 or when the total amount of tax increment received by the Agency after tax year 2012 reaches \$9,262,291.

To this point, a total of \$1,520,245 in principal has been repaid to the Developer. These payments are outlined in the table below, along with projected payments for FY 2016 through FY 2022.

Table 4.6

DEVELOPER PRINCIPAL PAYMENT SCHEDULE	
2005	(5,012)
2006	4,126
2007	4,962
2008	8,080
2009	59,705
2010	96,638
2011	99,437
2012	102,295
2013	105,228
2014	182,803
2015	217,569
2016	306,854
2017	337,559
Total Principal Payments to Developer 2005 Through 2017	\$1,520,245
2018	319,365
2019	327,710
2020	336,273
2021	345,062
2022	397,288
Total Principal Payments to Developer 2018 Through 2022	\$1,725,699
Grand Total to be Paid to Developer (Capped Amount)	\$3,245,944

PROJECT AREA REPORTING AND ACCOUNTABILITY

The projections in the amended multi-year budget adopted by the Agency in 2013 differ dramatically from those contained in the original budget due to adjustments that have been made based on actual development and assessed values through 2013. This is best illustrated in Table 4.10.

RELATIVE GROWTH IN ASSESSED VALUE

Table 4.7

GROWTH IN ASSESSED VALUES				
ASSESSED VALUES IN PROJECT AREA	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in Project Area (2016 vs. 2015)	\$93,131,388	\$82,998,720	12%	12%
Lifetime Growth in Project Area (2016 vs. 1999)	\$93,131,388	\$705,802	13095%	33%
ASSESSED VALUES IN AMERICAN FORK CITY	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in City (2016 vs. 2015)	\$1,822,190,316	\$1,704,893,548	7%	7%
Lifetime Growth in City (2016 vs. 1999)	\$1,822,190,316	\$618,527,099	195%	7%

BENEFITS TO TAXING ENTITIES

Table 4.8

BENEFITS TO TAXING ENTITIES
Increased Property Tax Revenues
Increased Sales Tax Revenues
Creation of high quality jobs spurred by commercial development
Higher growth in tax based compared to non-incentivized areas
- The lifetime AAGR for the Project Area is five times that of non-incentivized areas

The most significant benefit to the taxing entities will be realized when the life of the Project Area expires. Although the Project Area was originally intended to expire in tax year 2027, the amended budget allows for the early termination of the Project Area which is currently projected to be tax year 2025. This projected early termination will provide the taxing entities with three extra years of tax increment based on the full assessed value of the Project Area.

The table below shows the approximate benefit to the taxing entities of receiving 100% of tax increment after the Agency cap is reached in tax year 2025. Outlined therein is the original 25% of tax increment, as well as the additional 75% of tax increment that will be received by the taxing entities over these two years.

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

Table 4.9

2025 – 2027 PROJECTED TAX INCREMENT REVENUES BASED ON EXPIRATION OF PROJECT AREA IN TY 2024		
ENTITY	ORIGINAL 25% TAX INCREMENT	ADDITIONAL 75% TAX INCREMENT
Utah County	36,422	109,265
Alpine School District	335,088	1,005,265
American Fork City	97,342	292,027
North Utah County Water Conservancy District	982	2,946
Central Utah Water Conservancy District	18,702	56,105
Total	\$488,536	\$1,465,608

Currently, the taxing entities are benefiting from increased assessed values in the Project Area as a portion of tax increment is being returned to the taxing entities. As shown below, the annual tax increment (above the base amount) currently being returned to taxing entities is 13,095% above what would have been realized if assessed values in the Project Area had remained at base year levels. This pass through increment will continue to increase as assessed values rise. Since 1999 the taxable value within the City (excluding project areas) has grown at an average annual rate of 7%, while the project area’s rate has been 33%.

Table 4.10

GROWTH IN TAX INCREMENT					
TAX INCREMENT FROM PROJECT AREA	ORIGINAL BUDGET	ACTUAL REVENUE	BASE YEAR VALUE REVENUES	% ABOVE BASE	ACTUAL % ABOVE BASE
Fiscal Year 2017	\$911,059	\$1,037,200	\$7,921	13.8%	13095%
Life Time Revenue (FY 2005 - 2017)	\$11,429,023	\$7,809,270	\$105,380	-31.7%	7411%
PASS THROUGH INCREMENT (ABOVE BASE)	ORIGINAL BUDGET REVENUES	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE	ACTUAL % ABOVE BASE
Fiscal Year 2017	\$227,765	\$259,300	\$7,921	13.8%	3274%
Life Time Revenue (FY 2005 - 2017)	\$2,131,725	\$1,952,318	\$105,380	-8.4%	1853%

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

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

Table 4.11

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

Last year, Roderick Enterprises, the developer behind the North Pointe Business Park, received approval for a new 200,000 square foot office warehouse structure. Currently, their phase II is under construction. The project is nearing completion. Another large office warehouse structure, estimated to be 100,000 square feet, is also under construction.

In addition, Morinda recently remodeled its building to accommodate its use as company headquarters and has expanded its parking lot in connection with this remodel.

New construction has included the completion of the office building located at 1220 South 630 East in 2013, providing a significant boost in values in the Project Area. The assessed value of this property when it came on the tax rolls in tax year 2014 was \$8,480,700. This increased to \$16,764,500 in tax year 2015 and is expected to reach \$17,061,600 in tax year 2016. A second new office building, located at 584 East 100 South, came on the tax rolls in 2015 and is currently valued at \$12,249,100.

The Project Area has realized a 12% increase in total assessed value from TY 2015 to TY 2016, stemming from the completion of these two office buildings.

The of the project area's 97 acres, 91 are developed, making the project area 94% developed.

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

Table 4.12

CAPITAL IMPROVEMENTS WITHIN PROJECT AREA		
PRIORITY	PROJECT	COST*
1	Property Purchase	393,000
2	Reconstruction of 860 East	500,000
3	Widening of 630 East	250,000
4	Widening of 1300 East	360,000
5	Widening of 1500 South **	2,986,066
6	Widening of Sam White Lane	1,643,987
7	Culinary Water: 16" New Water Line	192,664
8	Pressurized Irrigation: 12" Pipe	142,768
9	Storm Drain Pipe	589,671
Total		\$7,058,156

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

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

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

The Agency/City plans to fund these improvements using both tax increment revenues and impact fee revenues. Tax increment will be used first, followed by impact fees, which may not be available until 2023 according to the schedule of improvements shown in the current impact fee study. The City may be able to receive some revenues from Mountainland Association of Governments (“MAG”) for the widening of I500 South, but this is yet to be discussed with MAG. If tax increment revenues are not sufficient to fund these projects, the City will be forced to wait until impact fees are available, revenues are received from MAG, or a developer agrees to construct the improvements.

The areas surrounding the boundaries of the Project Area have also experienced growth in connection with development within the Project Area.

FORECASTED PROJECT AREA BUDGET UPDATE

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

Table 4.13

PROJECT AREA BUDGET		FY 2018 - 2025	
REVENUES		TOTALS	NPV @ 5%
Annual Property Tax Increment		\$6,552,973	\$5,173,422
Total Revenue		\$6,552,973	\$5,173,422
EXPENDITURES		TOTALS	NPV @ 5%
RDA Administration		\$473,672	\$360,090
Affordable Housing Fund (20%)		1,894,689	1,440,359
Public Infrastructure (25%)		2,325,156	1,766,596
Developer Infrastructure Reimbursement - Principal		1,725,699	1,487,054
Developer Infrastructure Reimbursement - Interest @ 2.5%		133,757	119,322
Total Expenditures		\$6,552,973	\$5,173,422

OTHER ISSUES

LYRB would like to point out that, as is the case in the Agency’s other Project Areas, the receipt of a portion of the tax increment due to the Agency has been delayed due to the delinquent tax payments associated with property owners. The Agency has and will receive this increment as it is collected by the County and it appears that the County is tracking and remitting tax increment as these late tax payments are collected.

LYRB is working with the County to continue to monitor this issue to ensure that delinquent collections are properly tracked and that the appropriate portions continue to be remitted to the Agency over the life of the Project Area. Currently, it is understood that a minimal amount of tax increment, around \$2,600, remains outstanding from prior years and will be remitted to the Agency as it is collected.

All tax increment collections and payments to the Agency will end at the expiration of the Project Area in FY 2028. Delinquent tax increment collected beyond this date will be forfeited by the Agency.

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

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following four sheets represent:

-  FY 2017 Actual Budget
-  FY 2018 Projected Budget
-  FY 2019 Projected Budget
-  FY 2017-2028 Projected Multi-Year Budget

Egg Farm Economic Development Project Area

2017 Actual Budget
October 12, 2017



	Tax Year Payment Year	2016 2017
REVENUE:		
TAXABLE VALUATION:		
Real Property	\$	90,156,600
Personal Property		2,650,071
Centrally Assessed		324,717
Total Assessed Value	\$	93,131,388
Less: Base Year Value		(705,802)
Incremental Assessed Value	\$	92,425,586
Tax Rate:		
Utah County		0.0834%
Alpine School District		0.7718%
American Fork City		0.2261%
American Fork Metropolitan Water District		0.0000%
North Utah County Water Conservancy District		0.0023%
Central Utah Water Conservancy District		0.0386%
Less State Assessing & Collecting		0.0000%
Less Local Assessing & Collecting		0.0000%
Less Tax Rate Differential		0.0000%
Total Tax Rate - Area 186:		1.1222%
TAX INCREMENT REVENUES		
Total Tax Increment	\$	1,037,200
Total Tax Increment:	\$	1,037,200
Percent of Tax Increment for Project		75%
TAX INCREMENT REVENUES		
Tax Increment to RDA - Calculated	\$	777,900
Tax Increment Actually Collected and Paid ¹	\$	778,279
Previous Years Tax Increment Revenue to RDA		379
Total Tax Increment Revenue to RDA:	\$	804,306
EXPENDITURES:		
Project Area Budget and Uses of Funds		
Redevelopment Agency Uses		
RDA Administrative Fees @ 5%	\$	13,283
Affordable Housing Fund @ 20%		210,388
Public Infrastructure Costs/Agency @ 25%		191,495
Other Agency Obligations and Indebtedness		
Developer Infrastructure Reimbursement ²		
Principal		337,559
Interest (@ 2.5%)		51,581
Total Debt Obligations		389,140
TOTAL EXPENDITURES	\$	804,306

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

Egg Farm Economic Development Project Area

2018 Annual Budget

October 12, 2017



Tax Year	2017
Payment Year	2018

REVENUE:	
TAXABLE VALUATION:	
Real Property	\$ 90,156,600
Personal Property	2,729,573
Centerally Assessed	334,459
Total Assessed Value	\$ 93,220,632
Less: Base Year Value	(705,802)
Incremental Assessed Value	\$ 92,514,830

Tax Rate:	
Utah County	0.0779%
Alpine School District	0.7167%
American Fork City	0.2082%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0021%
Central Utah Water Conservancy District	0.0400%
Less State Assessing & Collecting	0.0000%
Less Local Assessing & Collecting	0.0000%
Less Tax Rate Differential	0.0000%
Total Tax Rate - Area 186:	1.0449%

TAX INCREMENT REVENUES	
Total Tax Increment	\$ 966,687
Total Tax Increment:	\$ 966,687

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

TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ 725,016
Tax Increment Actually Collected and Paid ¹	\$ 725,016
Previous Years Tax Increment Revenue to RDA	-
Total Tax Increment Revenue to RDA:	\$ 725,016

EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ 36,251
Affordable Housing Fund @ 20%	145,003
Public Infrastructure Costs/Agency @ 25%	181,254
Other Agency Obligations and Indebtedness	
Developer Infrastructure Reimbursement ²	
Principal	319,365
Interest (@ 2.5%)	43,142
Total Debt Obligations	362,508
TOTAL EXPENDITURES	\$ 725,016

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



Egg Farm Economic Development Project Area

2019 Annual Budget
October 12, 2017



	Tax Year	2018
	Payment Year	2019

REVENUE:	
TAXABLE VALUATION:	
Real Property	\$ 90,156,600
Personal Property	2,811,460
Centrally Assessed	344,492
Total Assessed Value	\$ 93,312,553
Less: Base Year Value	(705,802)
Incremental Assessed Value	\$ 92,606,751

Tax Rate:	
Utah County	0.0779%
Alpine School District	0.7167%
American Fork City	0.2082%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0021%
Central Utah Water Conservancy District	0.0400%
Less State Assessing & Collecting	0.0000%
Less Local Assessing & Collecting	0.0000%
Less Tax Rate Differential	0.0000%
Total Tax Rate - Area 186:	1.0449%

TAX INCREMENT REVENUES	
Total Tax Increment	\$ 967,648
Total Tax Increment:	\$ 967,648

Percent of Tax Increment for Project 75%

TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ 725,736
Tax Increment Actually Collected and Paid ¹	\$ 725,736
Previous Years Tax Increment Revenue to RDA	-
Total Tax Increment Revenue to RDA:	\$ 725,736

EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ 36,287
Affordable Housing Fund @ 20%	145,147
Public Infrastructure Costs/Agency @ 25%	181,434
Other Agency Obligations and Indebtedness	
Developer Infrastructure Reimbursement ²	
Principal	327,710
Interest (@ 2.5%)	35,158
Total Debt Obligations	362,868
TOTAL EXPENDITURES	\$ 725,736

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



2017 ANNUAL REPORT

REDEVELOPMENT AGENCY OF AMERICAN FORK CITY, UT



Egg Farm Economic Development Project Area

Ongoing Budget
Multi-Year Project Area Budget Projection
October 12, 2017

End of Agency
Payments to Developer

End of Project Area



	<===== HISTORIC	PROJECTED =====>													TOTALS
	Tax Year 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028		
	Payment Year 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028			
REVENUE:															
TAXABLE VALUATION:															
Real Property	\$ 90,156,600	\$ 90,156,600	\$ 90,156,600	\$ 90,156,600	\$ 90,156,600	\$ 90,156,600	\$ 90,156,600	\$ 90,156,600	\$ 90,156,600	\$ 90,156,600	\$ 90,156,600	\$ 90,156,600	\$ 90,156,600	\$ 90,156,600	
Personal Property	2,650,071	2,729,573	2,811,460	2,895,804	2,982,678	3,072,159	3,164,323	3,259,253	3,357,031	3,457,742	3,561,474	3,668,318	3,668,318		
Centrally Assessed	324,717	334,459	344,492	354,827	365,472	376,436	387,729	399,361	411,342	423,682	436,392	449,484	449,484		
Total Assessed Value	\$ 93,131,388	\$ 93,220,632	\$ 93,312,553	\$ 93,407,231	\$ 93,504,750	\$ 93,605,195	\$ 93,708,652	\$ 93,815,214	\$ 93,924,972	\$ 94,038,024	\$ 94,154,466	\$ 94,274,402	\$ 94,274,402		
Less: Base Year Value	\$ (705,802)	\$ (705,802)	\$ (705,802)	\$ (705,802)	\$ (705,802)	\$ (705,802)	\$ (705,802)	\$ (705,802)	\$ (705,802)	\$ (705,802)	\$ (705,802)	\$ (705,802)	\$ (705,802)		
Incremental Assessed Value	\$ 92,425,586	\$ 92,514,830	\$ 92,606,751	\$ 92,701,429	\$ 92,798,948	\$ 92,899,393	\$ 93,002,850	\$ 93,109,412	\$ 93,219,170	\$ 93,332,222	\$ 93,448,664	\$ 93,568,600	\$ 93,568,600		
Tax Rate:															
Utah County	0.0834%	0.0779%	0.0779%	0.0779%	0.0779%	0.0779%	0.0779%	0.0779%	0.0779%	0.0779%	0.0779%	0.0779%	0.0779%	0.0779%	
Alpine School District	0.7718%	0.7167%	0.7167%	0.7167%	0.7167%	0.7167%	0.7167%	0.7167%	0.7167%	0.7167%	0.7167%	0.7167%	0.7167%	0.7167%	
American Fork City	0.2261%	0.2082%	0.2082%	0.2082%	0.2082%	0.2082%	0.2082%	0.2082%	0.2082%	0.2082%	0.2082%	0.2082%	0.2082%	0.2082%	
North Utah County Water Conservancy District	0.0023%	0.0021%	0.0021%	0.0021%	0.0021%	0.0021%	0.0021%	0.0021%	0.0021%	0.0021%	0.0021%	0.0021%	0.0021%	0.0021%	
Central Utah Water Conservancy District	0.0386%	0.0400%	0.0400%	0.0400%	0.0400%	0.0400%	0.0400%	0.0400%	0.0400%	0.0400%	0.0400%	0.0400%	0.0400%	0.0400%	
Less State Assessing & Collecting	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
Less Local Assessing & Collecting	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
Less Tax Rate Differential	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
Total Tax Rate - Area 186:	1.1222%	1.0449%													
TAX INCREMENT REVENUES															
Total Tax Increment	\$ 1,037,200	\$ 966,687	\$ 967,648	\$ 968,637	\$ 969,656	\$ 970,706	\$ 971,787	\$ 972,900	\$ 974,047	\$ 975,228	\$ 976,445	\$ 977,698	\$ 977,698	\$ 18,500,711	
Total Tax Increment:	\$ 1,037,200	\$ 966,687	\$ 967,648	\$ 968,637	\$ 969,656	\$ 970,706	\$ 971,787	\$ 972,900	\$ 974,047	\$ 975,228	\$ 976,445	\$ 977,698	\$ 977,698	\$ 18,500,711	
Percent of Tax Increment for Project	75%	0%	0%	0%	0%										
TAX INCREMENT REVENUES															
Tax Increment to RDA - Calculated	\$ 777,899.94	\$ 725,016	\$ 725,736	\$ 726,478	\$ 727,242	\$ 728,029	\$ 728,840	\$ 729,675	\$ 730,535	\$ 731,421.30	\$ -	\$ -	\$ -	\$ 12,409,926	
Interest Earnings	\$ 26,027														
Tax Increment Actually Collected and Paid ¹	\$ 778,279	\$ 725,016	\$ 725,736	\$ 726,478	\$ 727,242	\$ 728,029	\$ 728,840	\$ 729,675	\$ 730,535	\$ 731,421	\$ -	\$ -	\$ -	\$ 11,546,540	
Previous Years Tax Increment Revenue to RDA	379	-	-	-	-	-	-	-	-	-	-	-	-	\$ 48,585	
Total Tax Increment Revenue to RDA:	\$ 804,306	\$ 725,016	\$ 725,736	\$ 726,478	\$ 727,242	\$ 728,029	\$ 728,840	\$ 729,675	\$ 730,535	\$ 731,421	\$ -	\$ -	\$ -	\$ 11,620,773	
EXPENDITURES:															
Project Area Budget and Uses of Funds															
Redevelopment Agency Uses															
RDA Administrative Fees @ 5%	\$ 13,283	\$ 36,251	\$ 36,287	\$ 36,324	\$ 36,362	\$ 36,401	\$ 72,884	\$ 72,968	\$ 73,054	\$ 73,142	\$ -	\$ -	\$ -	\$ 700,130	
Affordable Housing Fund @ 20%	210,388	145,003	145,147	145,296	145,448	145,606	291,536	291,870	292,214	292,569	-	-	-	\$ 2,957,776	
Public Infrastructure Costs/Agency @ 25%	191,495	181,254	181,434	181,619	181,811	182,007	364,420	364,838	365,268	365,711	-	-	-	\$ 3,625,730	
Estimated BTSAF Reimbursement															
Developer Infrastructure Reimbursement															
Principal	337,559	319,365	327,710	336,273	345,062	397,288	-	-	-	-	-	-	-	3,245,944	
Interest (@ 2.5%)	51,581	43,142	35,158	26,966	18,559	9,932	-	-	-	-	-	-	-	1,085,938	
Total Debt Obligations	389,140	362,508	362,868	363,239	363,621	407,220	-	-	-	-	-	-	-	\$ 4,331,881	
Excess for Agency Use							364,420	364,838	365,268	365,711	-	-	-	1,460,236	
Excess (Developer didn't meet threshold requirements)											-	-	-	48,462	
TOTAL EXPENDITURES	\$ 804,306	\$ 725,016	\$ 725,736	\$ 726,478	\$ 727,242	\$ 771,235	\$ 728,840	\$ 729,675	\$ 730,535	\$ 731,421	\$ -	\$ -	\$ -	\$ 11,663,979	

EXHIBIT C

