

2018

ANNUAL REPORT

REDEVELOPMENT AGENCY OF AMERICAN FORK CITY, UT



NOVEMBER 1ST REPORT

Dated as of October 31, 2018

Prepared by Lewis Young Robertson & Burningham, Inc.

In compliance with Utah Code Section 17C-1-603


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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-1-603 – 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
Scott Smith	Utah State Tax Commission

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.

- 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		
Brad Frost	Chairman	American Fork City Mayor
Staci Carroll	Vice Chairman	American Fork City Council Member
Barbara Christiansen	Board Member	American Fork City Council Member
Robert Shelton	Board Member	American Fork City Council Member
Clark Taylor	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 2018 (Ending Dec 31, 2018)	Tax Year 2019 (Beginning Jan 1, 2019)
Property Tax Increment		
East Main RDA	\$0	\$0
North Valley RDA	589,210	589,210
Egg Farm CDA	876,100	876,100
Haircut Tax Increment		
East Main RDA	40,003	40,003
North Valley RDA	124,840	124,840
Total Revenue	\$1,630,154	\$1,630,154

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 and “*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, requested that the County distribute haircut revenues to the two project areas (East Main and North Valley) beginning Tax Year 2017 and triggered the 7-year extension of both project areas, which would 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. Calculation of total potential haircut revenues to both areas would only amount to a total of \$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 2017/FY 2018 TOTALS	REMAINING LIFE (INCLUDES FY 2018 TOTALS)
Property Tax Increment		
East Main RDA	\$81,758	\$81,758
North Valley RDA	534,033	1,123,243
Egg Farm CDA	901,637	7,992,056
Haircut Tax Increment		
East Main RDA	14,393	296,314
North Valley RDA	96,428	2,405,976
Interest Revenue		
East Main RDA	750	13,598
North Valley RDA	20,634	185,704
Egg Farm CDA	29,828	268,452
Total Revenue	\$1,679,460	\$12,367,100
EXPENDITURES	FY 2018 TOTALS	REMAINING LIFE (INCLUDES 2018 TOTALS)
RDA Administration		
East Main RDA	\$378	\$378
North Valley RDA	6,415	35,876
Egg Farm CDA	4,457	537,439
Developer Incentive Payments		
North Valley RDA	35,000	58,135
Egg Farm CDA	450,819	1,838,720
Transfer to General Fund		
East Main RDA	2,900	2,900
North Valley RDA	23,200	23,200
Egg Farm CDA	31,900	0
Public Infrastructure/Other Development Activities		
East Main RDA	45,812	48,886
North Valley RDA	201,472	639,406
Egg Farm CDA	394,290	48,886
Affordable Housing Fund		
Egg Farm CDA	50,000	2,181,928
Use of Haircut		
East Main RDA	47,585	339,506
North Valley RDA	385,007	2,958,306
Total Expenditures	\$1,679,460	\$12,367,100

In addition to the expenses listed above, the Agency has an additional \$35,809 in expenses for FY 2018. This expense related to the creation of the Patriot Station Community Reinvestment Areas. Once the new CRA is created, the expenses associated with its creation will be reimbursed by the project area for supporting its creation.

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> 0.010427
<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* Extended 2025
<u>Base Value</u> \$5,621,532	<u>TY 2017 Value</u> \$18,114,751	<u>Increase</u> 222%	<u>FY 2018 Increment</u> \$94,451 Calculated \$96,151 Received	<u>Remaining Life</u> 7 Years*

*The project area requested 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

2018 SOURCES OF FUNDS	
Property Tax Increment Calculated	\$78,160
Additional Property Tax Increment Calculated	16,291
Adjustments in Calculation	1,700
Interest Revenue	750
Total Sources of Funds	\$96,901

Table 2.3

TAX INCREMENT LEVELS	
Years	%
1994 - 1998	100%
1999 - 2003	80%
2004 - 2008	75%
2009 - 2013	70%
2014 - 2018	60% + 40% Haircut
2019 - 2025	0% + 100% Haircut

* Note that the school district does not participate in Additional Property Tax Increment Revenue or “Haircut”.

USES OF FUNDS

Table 2.4

2018 USES OF FUNDS	
RDA Administration	\$378
Capital Projects	45,812
Transfer to General Fund	2,900
Debt Service Payments (for haircut eligible projects)	47,585
Contribution to (Use of) Fund Balance	226
Total Uses of Funds	\$96,901

The expense for capital projects went toward reimbursement for the relocation of the Main Street/State Street intersection at 300 East and for the construction of a signal light at 300 East Main. The Agency estimates that the Project Area will reimburse a total of \$167,393 for these improvements. This year’s payment to support the project was the first of any such payments. The small transfer to the City’s general fund was used to reimburse City staff time on Project Area related projects and professional expenses.

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%. This is a “haircut revenue” qualified use.

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 (2017 vs. 2016)	\$18,114,751	\$16,277,585	11.3%	11.3%
Lifetime Growth in Project Area (2017 vs. 1992)	18,114,751	5,621,532	222.2%	4.8%

ASSESSED VALUES IN AMERICAN FORK CITY	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in City (2017 vs. 2016)	\$2,063,513,146	\$1,822,190,316	13.2%	13.2%
Lifetime Growth in City (2017 vs. 1997) *	2,063,513,146	481,013,414	329.0%	7.6%

* 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**	\$130,267	\$58,616	222%
Life Time Revenue (FY 2003 - 2018)*	N/A	1,745,797	1,022,563	171%
PASS THROUGH INCREMENT (ABOVE BASE)	ORIGINAL BUDGET REVENUES**	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
Fiscal Year 2017	N/A	\$52,107	\$58,616	89%
Life Time Revenue (FY 2003 - 2018)*	N/A	515,482	1,022,563	50%

* Lifetime revenues were calculated using figures from FY 2003 - FY 2017 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. The project area does not contain any residential units and 0 percent of the area is made up of residential development. 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 300 East and Main Street throughout the Project Area. The Main Street/State Street intersection at 300 East was relocated to improve traffic flow through the project area. A signal light was also constructed at 300 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 2019	
REVENUES	TOTALS	NPV @ 5%	
Annual Property Tax Increment	\$0	\$0	
Haircut Tax Increment	40,003	38,099	
Interest Revenue	1,700	1,619	
Total Revenue	\$41,703	\$39,718	
EXPENDITURES	TOTALS	NPV @ 5%	
RDA Administration	\$0	\$0	
Other Development Activities	0	0	
Debt Service Payments	0	0	
Use of Haircut Revenues	41,703	39,718	
Total Expenditures	\$41,703	\$39,718	

OTHER ISSUES

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

- I. 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 \$12,800, remains outstanding from prior years and will be remitted to the Agency as it is collected.

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 2018 Actuals
-  FY 2019 Projected Budget
-  FY 2018-2025 Projected Multi-Year Budget

East Main RDA Project Area

2018 Annual Budget
October 29, 2018



Tax Year	2017
Payment Year	2018

REVENUE:	
TAXABLE VALUATION:	
Total Building Value	\$ 7,497,400
Real Property	16,014,500
Personal Property	1,813,767
Centerally Assessed	286,484
Total Assessed Value	\$ 18,114,751
Less: Base Year Value	(5,621,532)
Incremental Assessed Value	\$ 12,493,219

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	0.0378%
Total Tax Rate - Area 186:	1.0427%

TAX INCREMENT REVENUES	
Total Tax Increment	\$ 130,267
Total Tax Increment:	\$ 130,267

Percent of Tax Increment for Project 60%

TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ 78,160
Haircut Tax Increment	\$ 40,003
Tax Increment Actually Collected and Paid ¹	\$ 96,151
Previous Years Tax Increment Revenue to RDA	1,700
Interest Revenue	750
Total Tax Increment Revenue to RDA:	\$ 96,901

EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ 378
Contribution to (Use of) Fund Balance	226
Other Agency Uses	
Transfer to Capital Projects Fund	\$ 45,812
Transfer to General Fund	\$ 2,900
Use of Haircut Funds	
Haircut Expenses	\$ 47,585
TOTAL EXPENDITURES	\$ 96,901

East Main RDA Project Area

2019 Annual Budget

October 29, 2018



Tax Year	2018
Payment Year	2019

REVENUE:	
TAXABLE VALUATION:	
Total Building Value	\$ -
Real Property	16,014,500
Personal Property	1,813,767
Centrally Assessed	286,484
Total Assessed Value	\$ 18,114,751
Less: Base Year Value	(5,621,532)
Incremental Assessed Value	\$ 12,493,219

Tax Rate:	
Utah County	0.0732%
Alpine School District	0.6873%
American Fork City	0.2077%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0019%
Central Utah Water Conservancy District	0.0374%
Total Tax Rate - Area 186:	1.0075%

TAX INCREMENT REVENUES	
Total Tax Increment	\$ 125,869
Total Tax Increment:	\$ 125,869

Percent of Tax Increment for Project	0%
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TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ -
Haircut Tax Increment	\$ 40,003
Tax Increment Actually Collected and Paid ¹	\$ -
Previous Years Tax Increment Revenue to RDA	1,700
Interest Revenue	-
Total Tax Increment Revenue to RDA:	\$ 41,703

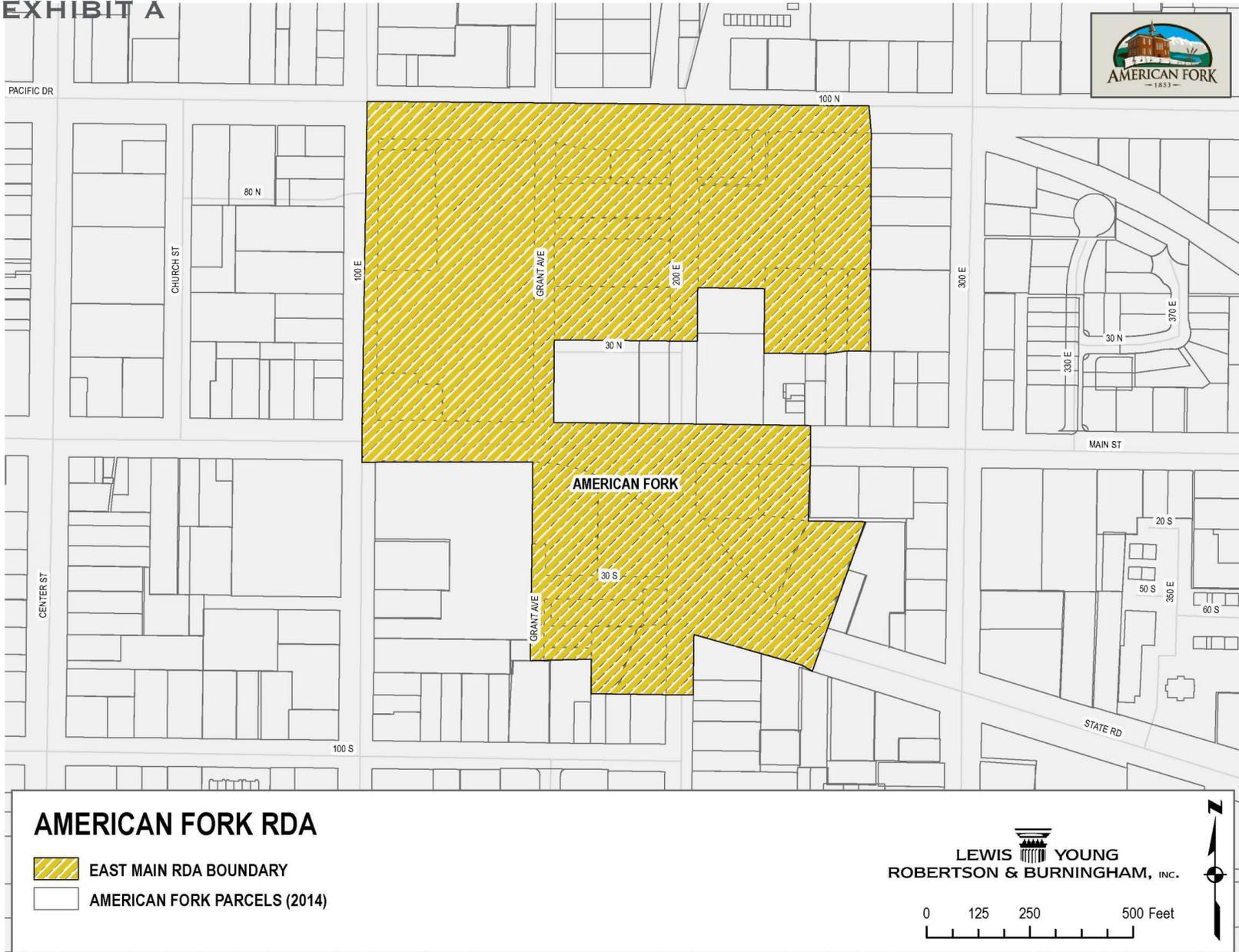
EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ -
Contribution to (Use of) Fund Balance	-
Other Agency Uses	
Transfer to Capital Projects Fund	\$ -
Transfer to General Fund	\$ 41,703
Use of Haircut Funds	
Haircut Expenses	\$ -
TOTAL EXPENDITURES	\$ 41,703



East Main RDA Project Area

	<===== HISTORIC		PROJECTED =====>							TOTALS
	Tax Year Payment Year	2017 2018	TOTALS	2018 2019	2019 2020	2019 2021	2020 2022	2020 2023	2021 2024	
REVENUE:										
TAXABLE VALUATION:										
Real Property	\$	16,014,500		\$ 16,014,500	\$ 16,014,500	\$ 16,014,500	\$ 16,014,500	\$ 16,014,500	\$ 16,014,500	\$ 16,014,500
Personal Property		1,813,767		\$ 1,813,767	\$ 1,813,767	\$ 1,813,767	\$ 1,813,767	\$ 1,813,767	\$ 1,813,767	\$ 1,813,767
Centerally Assessed		286,484		\$ 286,484	\$ 286,484	\$ 286,484	\$ 286,484	\$ 286,484	\$ 286,484	\$ 286,484
Total Assessed Value	\$	18,114,751		\$ 18,114,751						
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)
Incremental Assessed Value	\$	12,493,219		\$ 12,493,219						
Tax Rate:										
Utah County		0.000779		0.000732	0.000732	0.000732	0.000732	0.000732	0.000732	0.000732
Alpine School District		0.007167		0.006873	0.006873	0.006873	0.006873	0.006873	0.006873	0.006873
American Fork City		0.002082		0.002077	0.002077	0.002077	0.002077	0.002077	0.002077	0.002077
American Fork Metropolitan Water District		-		-	-	-	-	-	-	-
North Utah County Water Conservancy District		0.000021		0.000019	0.000019	0.000019	0.000019	0.000019	0.000019	0.000019
Central Utah Water Conservancy District		0.000378		0.000374	0.000374	0.000374	0.000374	0.000374	0.000374	0.000374
Less State Assessing & Collecting		-		-	-	-	-	-	-	-
Less Local Assessing & Collecting		-		-	-	-	-	-	-	-
Less Tax Rate Differential		-		-	-	-	-	-	-	-
Total Tax Rate - Area 186:		0.010427		0.010075						
TAX INCREMENT REVENUES										
Total Tax Increment	\$	130,267	\$ 502,571	\$ 125,869	\$ 125,869	\$ 125,869	\$ 125,869	\$ 125,869	\$ 125,869	\$ 125,869
Total Tax Increment:	\$	130,267	\$ 502,571	\$ 125,869						
Percent of Tax Increment for Project										
		60%		0%	0%	0%	0%	0%	0%	0%
TAX INCREMENT REVENUES										
Tax Increment to RDA - Calculated	\$	78,160	\$ 301,542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Haircut Tax Increment	\$	16,291		\$ 40,003	\$ 40,003	\$ 40,003	\$ 40,003	\$ 40,003	\$ 40,003	\$ 40,003
Tax Increment Actually Collected and Paid ¹	\$	96,151	\$ 251,413							
Previous Years Tax Increment Revenue to RDA		1,700	13,681	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700	\$ 1,700
Total Tax Increment Revenue to RDA:	\$	96,151	\$ 3,364,161	\$ 41,703						
Interest Revenue	\$	750								
Total Revenue to Project Area	\$	96,901		\$ 41,703						
EXPENDITURES:										
Redevelopment Agency Uses										
RDA Administrative Fees @ 5%	\$	378	\$ 6,831							\$ 378
Contribution to (Use of) Fund Balance		226	23,820							\$ 226
Other Agency Uses										
Transfer to Capital Projects Fund		45,812								\$ 45,812
Transfer to General Fund		2,900		\$ 41,703	\$ 41,703	\$ 41,703	\$ 39,384			\$ 167,393
Total Debt Obligations			\$ 146,174							
Use of Haircut Funds										
Haircut Expenses		47,585						\$ 41,703	\$ 41,703	\$ 41,703
TOTAL EXPENDITURES	\$	96,901	\$ 1,548,846	\$ 41,703	\$ 41,703	\$ 41,703	\$ 39,384	\$ 41,703	\$ 41,703	\$ 41,703

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 0.010427
Creation Year FY 1987	Base Year FY 1986	Term 25 Years	Trigger Year FY 1995	Expiration Year FY 2019* Extended 2026
Base Value \$6,282,698	TY 2017 Value \$103,753,362	Increase 1551%	FY 2018 Increment \$736,898 Calculated \$630,461 Received	Remaining Life 8 Years*

*The project area requested 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 at the end of this section as Exhibit B.

SOURCES OF FUNDS

Table 3.2

2018 SOURCES OF FUNDS	
Property Tax Increment Calculated	\$609,796
Additional Property Tax Increment Calculated	127,102
Delinquent Taxes Reduction	(106,437)
Tax Increments Received	630,461
Interest Earnings	20,634
Total Sources of Funds	\$651,094

Table 3.3

TAX INCREMENT LEVELS	
Years	%
1995 - 1999	100%
2000 - 2004	80%
2005 - 2009	75%
2010 - 2014	70%
2015 - 2019	60% + 40% Haircut
2020 - 20206	0% + 100% Haircut

* Note that Additional Property Tax Increment, or “Haircut” is not collected from the School District.

USES OF FUNDS

Table 3.4

2018 USES OF FUNDS	
RDA Administration	\$6,415
Property Tax Incentive to Company	35,000
Contribution to (Use of) Fund Balance	201,472
Transfer to General Fund	23,200
Debt Service Payments	385,007
Total Uses of Funds	\$651,094

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 I 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%. Payments made to the debt service are haircut eligible expenses.

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
2018	\$69,242	\$45,007	\$0	\$35,000

Table 3.6

CAPPED DEVELOPMENT INCENTIVE	
Total Due to Company (Capped Amount)	\$ 125,000
2018 Distribution to Company	35,000
Distributions Remaining	\$ 23,135

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 (2017 vs. 2016)	\$103,753,362	\$99,144,798	4.6%	4.6%
Lifetime Growth in Project Area (2017 vs. 1986)	103,753,362	6,282,698	1551.4%	12.4%
ASSESSED VALUES IN AMERICAN FORK CITY	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in City (2017 vs. 2016)	2,063,513,146	1,822,190,316	13.2%	13.2%
Lifetime Growth in City (2017 vs. 1997) ¹	2,063,513,146	481,013,414	329.0%	8.0%

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

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 621% 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 86% above what would have been realized based on base year levels.

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.

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 2018	N/A	\$1,016,327	\$65,510	1551%
Life Time Revenue (FY 2003 - 2018)*	N/A	14,632,221	1,072,325	1365%
PASS THROUGH INCREMENT (ABOVE BASE)	ORIGINAL BUDGET REVENUES**	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
Fiscal Year 2017	N/A	\$406,531	\$65,510	621%
Life Time Revenue (FY 2003 - 2018)*	N/A	922,013	1,072,325	86%

* 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. The project area does not contain any residential units and 0 percent of the area is made up of residential development. 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 2019 - 2020	
REVENUES	TOTALS	NPV @ 5%	
Annual Property Tax Increment	\$589,210	\$559,750	
Additional Tax Increment ("Haircut")	124,840	118,598	
Interest Revenue	20,634	19,602	
Total Revenue	\$734,684	\$697,950	
EXPENDITURES	TOTALS	NPV @ 5%	
RDA Administration	\$29,461	27,987	
Property Tax Incentive to Company	23,135	21,978	
Other Development Activities	293,497	21,978	
Haircut Expenses/Debt Service Payments	338,592	369,162	
Total Expenditures	\$734,684	\$697,950	

OTHER ISSUES

LYRB has identified one item of concern with regard to the North Valley RDA Project Area:

- I. 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 \$180,622 remains outstanding from prior years and will be remitted to the Agency as it is collected.

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 2018 Actual Budget
-  FY 2019 Projected Budget
-  FY 2020 Projected Budget
-  FY 2018-2026 Projected Multi-Year Budget

North Valley RDA Project Area

2018 Projected Budget

October 20, 2017



Tax Year Payment Year	2017 2018
REVENUE:	
TAXABLE VALUATION:	
Real Property	\$ 90,804,400
Personal Property	12,710,817
Centrally Assessed	238,145
Total Assessed Value	\$ 103,753,362
Base Year Value	(6,282,698)
Total Incremental Assessed Value	\$ 97,470,664
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	0.0378%
Less State Assessing & Collecting	0.0000%
Less Local Assessing & Collecting	0.0000%
Total Tax Rate	1.0427%
TAX INCREMENT REVENUES	
Total Tax Increment	1,016,327
Total Tax Increment	\$ 1,016,327
Percent of Property Tax Increment for Project	60%
TOTAL TAX INCREMENT REVENUE	
Total Calculated Tax Increment Due to Project Area	\$ 609,796
Haircut Revenue ("Additional Tax Increment")	127,102
Interest Revenue	20,634
Prior Year Tax Increment Revenue to RDA	-
Revenues Not Collected	(106,437)
Total Tax Increment Actually Collected and Paid	630,461
TOTAL TAX INCREMENT REVENUE TO RDA	\$ 651,094
EXPENDITURES:	
Project Area Budget and Use of Funds	
Redevelopment Agency Uses	
RDA Administration @ 5%	\$ 6,415
Property Tax Incentive to Company	35,000
Other Development Activities	201,472
Other Agency Obligations and Indebtedness	
Transfer to General Fund	\$ 23,200
Use of Haircut ("Additional Tax Increment")	
Haircut Expense	\$ 385,007
Total Expenditures	\$ 651,094

North Valley RDA Project Area

2019 Projected Budget
October 20, 2017



Tax Year Payment Year	2018 2019
REVENUE:	
TAXABLE VALUATION:	
Real Property	\$ 90,804,400
Personal Property	12,710,817
Centrally Assessed	238,145
Total Assessed Value	\$ 103,753,362
Base Year Value	(6,282,698)
Total Incremental Assessed Value	\$ 97,470,664
Tax Rate:	
Utah County	0.0732%
Alpine School District	0.6873%
American Fork City	0.2077%
North Utah Water Conservancy District	0.0019%
Central Utah Water Conservancy District	0.0374%
Less State Assessing & Collecting	0.0000%
Less Local Assessing & Collecting	0.0000%
Total Tax Rate	1.0075%
TAX INCREMENT REVENUES	
Total Tax Increment	982,017
Total Tax Increment	\$ 982,017
Percent of Property Tax Increment for Project	60%
TOTAL TAX INCREMENT REVENUE	
Total Calculated Tax Increment Due to Project Area	\$ 589,210
Haircut Revenue ("Additional Tax Increment")	124,840
Interest Revenue	20,634
Prior Year Tax Increment Revenue to RDA	-
Revenues Not Collected	-
Total Tax Increment Actually Collected and Paid	-
TOTAL TAX INCREMENT REVENUE TO RDA	\$ 734,684
EXPENDITURES:	
Project Area Budget and Use of Funds	
Redevelopment Agency Uses	
RDA Administration @ 5%	\$ 29,461
Property Tax Incentive to Company	23,135
Other Development Activities	293,497
Other Agency Obligations and Indebtedness	
Transfer to General Fund	\$ -
Use of Haircut ("Additional Tax Increment")	
Haircut Expense	\$ 388,592
Total Expenditures	\$ 734,684

North Valley RDA Project Area

2020 Projected Budget
October 20, 2017



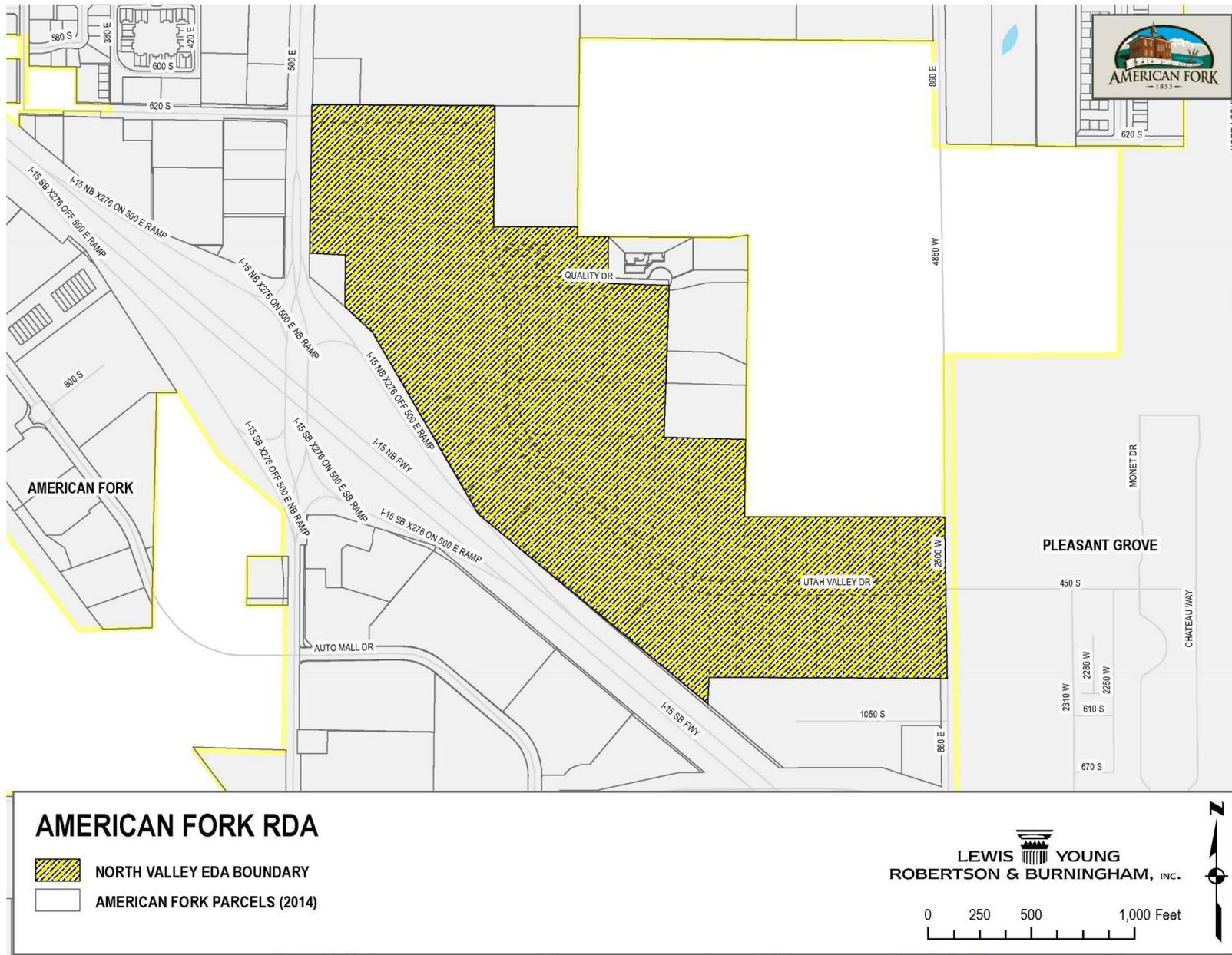
Tax Year Payment Year	2019 2020
REVENUE:	
TAXABLE VALUATION:	
Real Property	\$ 90,804,400
Personal Property	12,710,817
Centrally Assessed	238,145
Total Assessed Value	\$ 103,753,362
Base Year Value	(6,282,698)
Total Incremental Assessed Value	\$ 97,470,664
Tax Rate:	
Utah County	0.0732%
Alpine School District	0.6873%
American Fork City	0.2077%
North Utah Water Conservancy District	0.0019%
Central Utah Water Conervancy District	0.0374%
Less State Assessing & Collecting	0.0000%
Less Local Assessing & Collecting	0.0000%
Total Tax Rate	1.0075%
TAX INCREMENT REVENUES	
Total Tax Increment	982,017
Total Tax Increment	\$ 982,017
Percent of Property Tax Increment for Project 60%	
TOTAL TAX INCREMENT REVENUE	
Total Calculated Tax Increment Due to Project Area	\$ -
Haircut Revenue ("Additional Tax Increment")	312,101
Interest Revenue	20,634
Prior Year Tax Increment Revenue to RDA	-
Revenues Not Collected	-
Total Tax Increment Actually Collected and Paid	312,101
TOTAL TAX INCREMENT REVENUE TO RDA	\$ 332,735
EXPENDITURES:	
Project Area Budget and Use of Funds	
Redevelopment Agency Uses	
RDA Administration @ 5%	\$ -
Property Tax Incentive to Company	-
Other Development Activities	-
Other Agency Obligations and Indebtedness	
Transfer to General Fund	\$ -
Use of Haircut ("Additional Tax Increment")	
Haircut Expense	\$ 332,735
Total Expenditures	\$ 332,735

North Valley RDA Project Area

Ongoing Budget
Multi-Year Project Area Budget Projections
October 20, 2018

				Extension							TOTALS
	<==== HISTORIC PROJECTED =====>			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
	2017	2018	TOTALS	2019	2020	2020	2021	2021	2022	2022	
Tax Year	2017	2018	TOTALS	2019	2020	2020	2021	2021	2022	2022	TOTALS
Payment Year	2018	2019		2020	2021	2022	2023	2024	2025	2026	
REVENUE:											
TAXABLE VALUATION:											
Real Property	\$ 90,804,400	\$ 90,804,400		\$ 90,804,400	\$ 90,804,400	\$ 90,804,400	\$ 90,804,400	\$ 90,804,400	\$ 90,804,400	\$ 90,804,400	
Personal Property	12,710,817	12,710,817		12,710,817	12,710,817	12,710,817	12,710,817	12,710,817	12,710,817	12,710,817	
Centrally Assessed	238,145	238,145		238,145	238,145	238,145	238,145	238,145	238,145	238,145	
Total Assessed Value	\$ 103,753,362	\$ 103,753,362		\$ 103,753,362							
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)	
Total Incremental Assessed Value	\$ 97,470,664	\$ 97,470,664		\$ 97,470,664							
Tax Rate:											
Utah County	0.0779%	0.0732%		0.0732%	0.0732%	0.0732%	0.0732%	0.0732%	0.0732%	0.0732%	
Alpine School District	0.7167%	0.6873%		0.6873%	0.6873%	0.6873%	0.6873%	0.6873%	0.6873%	0.6873%	
American Fork City	0.2082%	0.2077%		0.2077%	0.2077%	0.2077%	0.2077%	0.2077%	0.2077%	0.2077%	
North Utah Water Conservancy District	0.0021%	0.0019%		0.0019%	0.0019%	0.0019%	0.0019%	0.0019%	0.0019%	0.0019%	
Central Utah Water Conservancy District	0.0378%	0.0374%		0.0374%	0.0374%	0.0374%	0.0374%	0.0374%	0.0374%	0.0374%	
Less State Assessing & Collecting	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%	
Total Tax Rate	1.0427%	1.0075%		1.0075%							
TAX INCREMENT REVENUES											
Total Tax Increment	1,016,327	982,017	4,004,620	\$ 982,017							
Total Tax Increment	\$ 1,016,327	\$ 982,017	\$ 4,004,620	\$ 982,017							
Percent of Property Tax Increment for Project	60%	60%		0%	0%	0%	0%	0%	0%	0%	
TOTAL TAX INCREMENT REVENUE											
Tax Increment Revenue											
Additional Tax Increment (Haircut)											
Total Calculated Tax Increment Due to Project Area	\$ 609,796	\$ 589,210	\$ 1,199,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,199,006
Haircut Revenue ("Additional Tax Increment")	127,102	124,840	251,942	312,101	\$ 2,436,650						
Revenues Not Collected	(106,437)										
Total Tax Increment Actually Collected and Paid	630,461		630,461								
TOTAL TAX INCREMENT REVENUE TO RDA	\$ 630,461	\$ 714,051	\$ 251,942	\$ 312,101	\$ 2,184,707						
Interest Revenue											
Interest Revenue	\$ 20,634	\$ 20,634		\$ 20,634	\$ 20,634	\$ 20,634	\$ 20,634	\$ 20,634	\$ 20,634	\$ 20,634	\$ 185,704
Total Revenue to Project Area	\$ 651,094	\$ 734,684									
EXPENDITURES:											
Project Area Budget and Use of Funds											
Redevelopment Agency Uses											
RDA Administration @ 5%	\$ 6,415	\$ 29,461	\$ 35,876								\$ 35,876
Young Living Agreement	35,000	23,135	58,135								\$ 58,135
Contribution to (Use of) Fund Balance	201,472	293,497	494,969								\$ 494,969
Other Agency Obligations and Indebtedness											
Transfer to General Fund	23,200										\$ 23,200
Total Debt Obligations			\$ -								\$ -
Use of Haircut ("Additional Tax Increment")											
Haircut Expense	\$ 385,007	\$ 388,592		\$ 312,101	\$ 312,101	\$ 312,101	\$ 312,101	\$ 312,101	\$ 312,101	\$ 312,101	\$ 2,958,306
Total Expenditures	\$ 651,094	\$ 734,684	\$ 1,385,779	\$ 312,101	\$ 2,184,707						

EXHIBIT B



SECTION 4: OVERVIEW OF THE EGG FARM EDA PROJECT AREA

Table 4.1

OVERVIEW				
<u>Type</u> EDA	<u>Acreage</u> 97 91 Developed 6 Undeveloped	<u>Purpose</u> Commercial Development	<u>Taxing District</u> 60	<u>Tax Rate</u> 0.010427
<u>Creation Year</u> FY 2001	<u>Base Year</u> FY 1999	<u>Term</u> 24 Years	<u>Trigger Year</u> FY 2005	<u>Expiration Year *</u> FY 2028
<u>Base Value</u> \$705,802	<u>TY 2017 Value</u> \$116,296,961	<u>Increase</u> 16377%	<u>FY 2018 Increment</u> \$901,637 Calculated \$901,637 Received	<u>Remaining Life</u> Up to 10 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 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

2018 SOURCES OF FUNDS	
Calculated Tax Increment	\$903,952
Property Tax Increment Collected and Paid to Agency	901,637
Uncollected Tax Increment ²	(2,315)
Interest Earnings	29,828
Total Sources of Funds	\$931,465

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 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 \$4,213,093 in tax increment has been remitted to the Agency, leaving \$5,049,198 to be paid to the Agency before the cap is reached. It is currently projected that the cap will

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 \$903,952 in annual tax increment for FY 2018, 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 2018, this is represented by the \$(2,315) figure outlined above.

be reached with increment paid to the Agency in fiscal year 2024 (for taxes collected in tax year 2023) and that the Project Area will expire at that time.

USES OF FUNDS

Table 4.4

2018 USES OF FUNDS	
RDA Administration	\$4,457
Affordable Housing (20%)	50,000
Public Infrastructure (25%)	31,900
Developer Infrastructure Debt Service Payment	450,819
Future Development Activities	394,290
Total Uses of Funds	\$931,465

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 \$1,927,920 in principal has been repaid to the Developer. These payments are outlined in the table below, along with projected payments for FY 2019 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
2018	407,676
Total Principal Payments to Developer 2005 Through 2018	\$1,927,922
2019	405,099
2020	416,599
2021	428,427
2022	67,897
Total Principal Payments to Developer 2019 Through 2022	\$1,318,022
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 (2017 vs. 2016)	\$116,296,961	\$93,131,388	25%	25%
Lifetime Growth in Project Area (2017 vs. 1999)	116,296,961	705,802	16377%	35%
ASSESSED VALUES IN AMERICAN FORK CITY	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in City (2017 vs. 2016)	\$2,063,513,146	\$1,822,190,316	13%	13%
Lifetime Growth in City (2017 vs. 1999)	2,063,513,146	618,527,099	234%	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	\$65,428	\$196,285
Alpine School District	614,330	1,842,990
American Fork City	185,649	556,946
North Utah County Water Conservancy District	1,698	5,095
Central Utah Water Conservancy District	33,429	100,288
Total	900,534	2,701,603

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 16,377% 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 35%.

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 2018	\$938,660	\$1,205,269	\$7,359	28.4%	16377%
Life Time Revenue (FY 2005 - 2018)	12,455,554	9,014,539	112,739	-27.6%	7996%
PASS THROUGH INCREMENT (ABOVE BASE)	ORIGINAL BUDGET REVENUES	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE	ACTUAL % ABOVE BASE
Fiscal Year 2018	234,665	301,317	7,359	28.4%	4094%
Life Time Revenue (FY 2005 - 2018)	2,366,390	2,253,635	112,739	-4.8%	1999%

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 project area does not contain any residential units and 0 percent of the area is made up of residential development. 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	

In 2016, Roderick Enterprises, the developer behind the North Pointe Business Park, received approval for a new 200,000 square foot office warehouse structure. Their phase II was recently completed. Another large office warehouse structure, estimated to be 100,000 square feet, was constructed last year.

The Project Area has realized a 25% increase in total assessed value from TY 2016 to TY 2017, stemming from the completion of additional office buildings.

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 1500 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 2019 - 2025	
REVENUES	TOTALS	NPV @ 5%	
Annual Property Tax Increment	\$6,193,293	\$5,116,200	
Interest Revenue	208,796	172,596	
Total Revenue	\$6,402,088	\$5,288,795	
EXPENDITURES	TOTALS	NPV @ 5%	
RDA Administration	309,665	255,810	
Affordable Housing Fund (20%)	1,238,659	1,023,240	
Public Infrastructure (25%)	1,548,323	1,279,050	
Developer Infrastructure Reimbursement - Principal	1,318,022	1,189,627	
Developer Infrastructure Reimbursement - Interest @ 2.5%	69,879	64,198	
Other Development Activities	1,917,540	1,476,871	
Total Expenditures	\$6,402,088	\$5,288,795	

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 \$4,900, 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.

Table 4.12 identifies capital improvement projects planned for the area, including the projects’ estimated costs and their priority. The Agency and City are planning to create a Capital Facilities Financing Plan (“CFFP”) in FY 2019. The CFFP will create a more detailed and accurate plan for capital improvements throughout the City and specifically within this Project Area. The CFFP will provide specifics for the capital projects’ timing, costs, revenue available to fund the projects, and priority. The Agency is also

contemplating loaning revenues from this Project Area to other project areas. The costs and benefits to any inter-agency loans will be considered prior to providing any inter-agency loan monies.

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 2018 Actual Budget
-  FY 2019 Projected Budget
-  FY 2020 Projected Budget
-  FY 2018-2028 Projected Multi-Year Budget

Egg Farm Economic Development Project Area

2018 Annual Budget
October 15, 2018



	Tax Year Payment Year	2017 2018
REVENUE:		
TAXABLE VALUATION:		
Real Property	\$	104,544,600
Personal Property		11,396,779
Centerally Assessed		355,582
Total Assessed Value	\$	116,296,961
Less: Base Year Value		(705,802)
Incremental Assessed Value	\$	115,591,159

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		0.0378%
Less State Assessing & Collecting		0.0000%
Less Local Assessing & Collecting		0.0000%
Less Tax Rate Differential		0.0000%
Total Tax Rate - Area 186:		1.0427%

TAX INCREMENT REVENUES		
Total Tax Increment	\$	1,205,269
Total Tax Increment:	\$	1,205,269

Percent of Tax Increment for Project 75%

TAX INCREMENT REVENUES		
Tax Increment to RDA - Calculated	\$	903,952
Tax Increment Actually Collected and Paid ¹	\$	901,637
Previous Years Tax Increment Revenue to RDA		(2,315)
Interest Revenue		29,828
Total Revenue to Project Area	\$	931,465

EXPENDITURES:		
Project Area Budget and Uses of Funds		
Redevelopment Agency Uses		
RDA Administrative Fees @ 5%	\$	4,457
Affordable Housing Fund @ 20%		50,000
Public Infrastructure Costs/Agency @ 25%		31,900
Other Agency Obligations and Indebtedness		
Developer Infrastructure Reimbursement ²		
Principal		407,676
Interest (@ 2.5%)		43,142
Total Debt Obligations		450,819
Excess for Agency Use		394,290
TOTAL EXPENDITURES	\$	931,465

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 15, 2018



	Tax Year Payment Year	2018 2019
REVENUE:		
TAXABLE VALUATION:		
Real Property	\$	104,544,600
Personal Property		11,738,682
Centrally Assessed		366,249
Total Assessed Value	\$	116,649,532
Less: Base Year Value		(705,802)
Incremental Assessed Value	\$	115,943,730
Tax Rate:		
Utah County		0.0732%
Alpine School District		0.6873%
American Fork City		0.2077%
American Fork Metropolitan Water District		0.0000%
North Utah County Water Conservancy District		0.0019%
Central Utah Water Conservancy District		0.0374%
Less State Assessing & Collecting		0.0000%
Less Local Assessing & Collecting		0.0000%
Less Tax Rate Differential		0.0000%
Total Tax Rate - Area 186:		1.0075%
TAX INCREMENT REVENUES		
Total Tax Increment	\$	1,168,133
Total Tax Increment:	\$	1,168,133
Percent of Tax Increment for Project		75%
TAX INCREMENT REVENUES		
Tax Increment to RDA - Calculated	\$	876,100
Tax Increment Actually Collected and Paid ¹	\$	876,100
Previous Years Tax Increment Revenue to RDA		-
Interest Revenue		29,828
Total Revenue to Project Area	\$	905,928
EXPENDITURES:		
Project Area Budget and Uses of Funds		
Redevelopment Agency Uses		
RDA Administrative Fees @ 5%	\$	43,805
Affordable Housing Fund @ 20%		175,220
Public Infrastructure Costs/Agency @ 25%		219,025
Other Agency Obligations and Indebtedness		
Developer Infrastructure Reimbursement ²		
Principal		405,099
Interest (@ 2.5%)		32,951
Total Debt Obligations		438,050
Excess for Agency Use		29,828
TOTAL EXPENDITURES	\$	905,928

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

2020 Annual Budget
October 15, 2018



	Tax Year Payment Year	2019 2020
REVENUE:		
TAXABLE VALUATION:		
Real Property	\$	104,544,600
Personal Property		12,090,843
Centrally Assessed		377,237
Total Assessed Value	\$	117,012,680
Less: Base Year Value		(705,802)
Incremental Assessed Value	\$	116,306,878
Tax Rate:		
Utah County		0.0732%
Alpine School District		0.6873%
American Fork City		0.2077%
American Fork Metropolitan Water District		0.0000%
North Utah County Water Conservancy District		0.0019%
Central Utah Water Conservancy District		0.0374%
Less State Assessing & Collecting		0.0000%
Less Local Assessing & Collecting		0.0000%
Less Tax Rate Differential		0.0000%
Total Tax Rate - Area 186:		1.0075%
TAX INCREMENT REVENUES		
Total Tax Increment	\$	1,171,792
Total Tax Increment:	\$	1,171,792
Percent of Tax Increment for Project		75%
TAX INCREMENT REVENUES		
Tax Increment to RDA - Calculated	\$	878,844
Tax Increment Actually Collected and Paid ¹	\$	878,844
Previous Years Tax Increment Revenue to RDA		-
Interest Revenue		29,828
Total Revenue to Project Area	\$	908,672
EXPENDITURES:		
Project Area Budget and Uses of Funds		
Redevelopment Agency Uses		
RDA Administrative Fees @ 5%	\$	43,942
Affordable Housing Fund @ 20%		175,769
Public Infrastructure Costs/Agency @ 25%		219,711
Other Agency Obligations and Indebtedness		
Developer Infrastructure Reimbursement ²		
Principal		416,599
Interest (@ 2.5%)		22,823
Total Debt Obligations		439,422
Excess for Agency Use		29,828
TOTAL EXPENDITURES	\$	908,672

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

Ongoing Budget
Multi-Year Project Area Budget Projections
October 15, 2018



	<==== HISTORIC		PROJECTED =====>											
	Tax Year 2017	2018	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	TOTALS
	Payment Year 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
REVENUE:														
TAXABLE VALUATION:														
Real Property	\$ 104,544,600	\$ 104,544,600	\$ 104,544,600	\$ 104,544,600	\$ 104,544,600	\$ 104,544,600	\$ 104,544,600	\$ 104,544,600	\$ 104,544,600	\$ 104,544,600	\$ 104,544,600	\$ 104,544,600	\$ 104,544,600	
Personal Property	11,396,779	11,738,682	12,090,843	12,453,568	12,827,175	13,211,990	13,608,350	14,016,601	14,437,099	14,870,212	15,316,318			
Centrally Assessed	355,582	366,249	377,237	388,554	400,211	412,217	424,584	437,321	450,441	463,954	477,872			
Total Assessed Value	\$ 116,296,961	\$ 116,649,532	\$ 117,012,680	\$ 117,386,722	\$ 117,771,986	\$ 118,168,807	\$ 118,577,534	\$ 118,998,522	\$ 119,432,139	\$ 119,878,765	\$ 120,338,790			
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	\$ 115,591,159	\$ 115,943,730	\$ 116,306,878	\$ 116,680,920	\$ 117,066,184	\$ 117,463,005	\$ 117,871,732	\$ 118,292,720	\$ 118,726,337	\$ 119,172,963	\$ 119,632,988			
Tax Rate:														
Utah County	0.0779%	0.0732%	0.0732%	0.0732%	0.0732%	0.0732%	0.0732%	0.0732%	0.0732%	0.0732%	0.0732%	0.0732%	0.0732%	
Alpine School District	0.7167%	0.6873%	0.6873%	0.6873%	0.6873%	0.6873%	0.6873%	0.6873%	0.6873%	0.6873%	0.6873%	0.6873%	0.6873%	
American Fork City	0.2082%	0.2077%	0.2077%	0.2077%	0.2077%	0.2077%	0.2077%	0.2077%	0.2077%	0.2077%	0.2077%	0.2077%	0.2077%	
North Utah County Water Conservancy District	0.0021%	0.0019%	0.0019%	0.0019%	0.0019%	0.0019%	0.0019%	0.0019%	0.0019%	0.0019%	0.0019%	0.0019%	0.0019%	
Central Utah Water Conservancy District	0.0378%	0.0374%	0.0374%	0.0374%	0.0374%	0.0374%	0.0374%	0.0374%	0.0374%	0.0374%	0.0374%	0.0374%	0.0374%	
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%	
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%	
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%	
Total Tax Rate - Area 186:	1.0427%	1.0075%	1.0075%	1.0075%										
TAX INCREMENT REVENUES														
Total Tax Increment	\$ 1,205,269	\$ 1,168,133	\$ 1,171,792	\$ 1,175,560	\$ 1,179,442	\$ 1,183,440	\$ 1,187,558	\$ 1,191,799	\$ 1,196,168	\$ 1,200,668	\$ 1,205,302	\$ 1,209,936	\$ 1,214,570	\$ 20,874,400
Total Tax Increment:	\$ 1,205,269	\$ 1,168,133	\$ 1,171,792	\$ 1,175,560	\$ 1,179,442	\$ 1,183,440	\$ 1,187,558	\$ 1,191,799	\$ 1,196,168	\$ 1,200,668	\$ 1,205,302	\$ 1,209,936	\$ 1,214,570	\$ 20,874,401
Percent of Tax Increment for Project	75%	0%	0%	0%	0%									
TAX INCREMENT REVENUES														
Tax Increment to RDA - Calculated	\$ 903,952	\$ 876,100	\$ 878,844	\$ 881,670	\$ 884,581	\$ 887,580	\$ 890,668	\$ 893,849	\$ 897,126	\$ -	\$ -	\$ -	\$ -	\$ 7,994,370
Interest Earnings														\$ -
Tax Increment Actually Collected and Paid ¹	\$ 901,637	\$ 876,100	\$ 878,844	\$ 881,670	\$ 884,581	\$ 887,580	\$ 890,668	\$ 893,849	\$ 897,126	\$ -	\$ -	\$ -	\$ -	\$ 7,992,056
Previous Years Tax Increment Revenue to RDA	(2,315)	-	-	-	-	-	-	-	-	-	-	-	-	46,270
Total Tax Increment Revenue to RDA:	\$ 901,637	\$ 876,100	\$ 878,844	\$ 881,670	\$ 884,581	\$ 887,580	\$ 890,668	\$ 893,849	\$ 897,126	\$ -	\$ -	\$ -	\$ -	\$ 13,059,856
Interest Revenue	\$ 29,828	\$ 29,828	\$ 29,828	\$ 268,452										
Total Revenue to Project Area	\$ 931,465	\$ 905,928	\$ 908,672	\$ 911,498	\$ 914,409	\$ 917,408	\$ 920,496	\$ 923,677	\$ 926,954	\$ -	\$ -	\$ -	\$ -	\$ 8,260,507
EXPENDITURES:														
Project Area Budget and Uses of Funds														
Redevelopment Agency Uses														
RDA Administrative Fees @ 5%	\$ 4,457	\$ 43,805	\$ 43,942	\$ 44,084	\$ 44,229	\$ 44,379	\$ 44,533	\$ 44,692	\$ 44,856	\$ -	\$ -	\$ -	\$ -	\$ 358,978
Affordable Housing Fund @ 20%	50,000	175,220	175,769	176,334	176,916	177,516	178,134	178,770	179,425	-	-	-	-	\$ 1,468,084
Public Infrastructure Costs/Agency @ 25%	31,900	219,025	219,711	220,418	221,145	221,895	222,667	223,462	224,281	-	-	-	-	\$ 1,804,505
Estimated BTSAF Reimbursement														
Developer Infrastructure Reimbursement														
Principal	407,676	405,099	416,599	428,427	67,897	-	-	-	-	-	-	-	-	1,725,699
Interest (@ 2.5%)	43,142	32,951	22,823	12,408	1,697	-	-	-	-	-	-	-	-	113,022
Total Debt Obligations	450,819	438,050	439,422	440,835	69,595	-	-	-	-	-	-	-	-	\$ 1,838,720
Excess for Agency Use	394,290	29,828	29,828	29,828	402,524	473,618	475,162	476,753	478,391	-	-	-	-	2,790,221
Excess (Developer didn't meet threshold requirements)		-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 931,465	\$ 905,928	\$ 908,672	\$ 911,498	\$ 914,409	\$ 917,408	\$ 920,496	\$ 923,677	\$ 926,954	\$ -	\$ -	\$ -	\$ -	\$ 8,260,507

EXHIBIT C

