

2021

ANNUAL REPORT

REDEVELOPMENT AGENCY OF AMERICAN FORK CITY, UT



NOVEMBER 1ST REPORT

Dated as of October 31, 2021

Prepared by Lewis Young Robertson & Burningham, Inc.

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



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Table of Contents

SECTION 1: EXECUTIVE SUMMARY	3
INTRODUCTION	3
SUMMARY OF REQUESTED FUNDS	6
REQUEST FOR ADDITIONAL TAX INCREMENT	6
GENERAL OVERVIEW OF ALL PROJECT AREAS	8
SECTION 2:	9
OVERVIEW OF THE EAST MAIN RDA PROJECT AREA	9
SOURCES OF FUNDS.....	10
USES OF FUNDS.....	10
DEBT SERVICE OBLIGATIONS.....	10
PROJECT AREA REPORTING AND ACCOUNTABILITY.....	11
NOTABLE DEVELOPMENT AND FUTURE PROJECTS.....	12
FORECASTED PROJECT AREA BUDGET UPDATE.....	13
OTHER ISSUES	13
PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS.....	13
EXHIBIT A.....	18
SECTION 3:	19
OVERVIEW OF THE NORTH VALLEY RDA PROJECT AREA	19
SOURCES OF FUNDS.....	20
USES OF FUNDS.....	20
DEBT SERVICE PAYMENTS	21
DEVELOPER OBLIGATIONS AND INCENTIVES.....	21
PROJECT AREA REPORTING AND ACCOUNTABILITY.....	22
NOTABLE DEVELOPMENT AND FUTURE PROJECTS.....	23
FORECASTED PROJECT AREA BUDGET.....	24
OTHER ISSUES	25
PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS.....	25
EXHIBIT B	30
SECTION 4:	31
OVERVIEW OF THE EGG FARM EDA PROJECT AREA	31
SOURCES OF FUNDS.....	32
USES OF FUNDS.....	33
DEVELOPMENT OBLIGATIONS AND INCENTIVES.....	33
PROJECT AREA REPORTING AND ACCOUNTABILITY.....	34
NOTABLE DEVELOPMENT AND FUTURE PROJECTS.....	36
FORECASTED PROJECT AREA BUDGET UPDATE.....	38
OTHER ISSUES	38
PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS.....	39
EXHIBIT C.....	44

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 Redevelopment Project Area (RDA),
-  North Valley Redevelopment Project Area (RDA), and
-  Egg Farm Economic Development Area (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	
David Bunker	American Fork City
Anna Montoya	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
Lisa Anderson	Central Utah Water Conservancy District
Deborah Jacobson	Utah State Board of Education
Lorraine Austin	Utah State Board of Education
Scott Smith	Utah State Tax Commission

It is important to note that the annual report is currently in a transitioning phase as updated Utah Code section 17C-1-603 states that, beginning in 2022, the annual RDA report will be disseminated only to the Governor’s Office of Economic Opportunity and will be due on or before June 30th of each calendar year. The November 1st deadline will be eliminated and electronic submission of the report to the taxing entities, County Auditor, State Tax Commission, State Board of Education will be replaced with the GOEO database. LYRB will continue to provide the annual RDA report in strict compliance with the requirements laid out in 17C-1-603.

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. Two of the project areas, the East Main RDA and the North Valley RDA, have expired as it relates to Tax Increment collection. However, both areas continue to collect and receive “Additional Tax Increment”, which is often referred to as “haircut” monies which are used to fund certain qualified costs related to recreation and cultural facilities as permitted by Utah Code (17C-1-403(3)(ii)). Additional information regarding haircut collection and uses can be found on page 6.

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 2022 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 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 development impediment study must be performed in the designated area. The Agency then forges an agreement to receive tax increment participation and approval of the development impediment 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
Ryan Hunter	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	
David Bunker	City Administrator
Anna Montoya	Finance 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 2021 (Ending Dec 31, 2021)	Tax Year 2022 (Beginning Jan 1, 2022)
Property Tax Increment		
East Main RDA	\$0	\$0
North Valley RDA	0	0
Egg Farm CDA	1,012,349	1,014,450
Additional Tax Revenue		
East Main RDA	48,859	48,859
North Valley RDA	324,039	324,039
Total Revenue	\$1,409,451	\$1,411,613

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 *Additional Tax Increment Revenue*. 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 Additional Tax Increment 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. The Series 2005 Bonds was paid off in 2019, Additional Tax Increment revenues used to reimburse the Agency for previous payments to the debt service made by the Agency (but not with “Additional Tax Increment” funds), which totaled \$5.8M in principal and \$1.8M in interest. Calculation of total potential Additional Tax Revenues to both areas would amount to a total of \$2.6M, well under what it could collect to pay for the Additional Tax Increment revenue approved projects funded by the Series 2005 Bonds. The obligation was retired in 2019 and no debt service payments were made this year.

GENERAL OVERVIEW OF ALL PROJECT AREAS

Table I.5

COMBINED BUDGET - ALL PROJECT AREAS		
	ACTUAL	PROJECTIONS
REVENUES	TY 2020/FY 2021 TOTALS	REMAINING LIFE (INCLUDES FY 2022 TOTALS)
Property Tax Increment		
East Main RDA	\$-	\$-
North Valley RDA	-	-
Egg Farm CDA	989,423	2,904,793
Additional Tax Revenues Tax Increment		
East Main RDA	42,534	195,435
North Valley RDA	304,616	1,620,196
Interest Revenue		
East Main RDA	578	2,311
North Valley RDA	10,384	51,918
Egg Farm CDA	8,535	25,605
Total Revenue	\$1,356,069	\$4,800,258
EXPENDITURES	FY 2020 TOTALS	REMAINING LIFE (INCLUDES 2020 TOTALS)
RDA Administration		
East Main RDA	\$-	\$-
North Valley RDA	-	-
Egg Farm CDA	15,500	146,093
Developer Incentive Payments		
North Valley RDA	-	-
Egg Farm CDA	291,273	-
Transfer to General Fund		
East Main RDA	-	-
North Valley RDA	-	-
Egg Farm CDA	39,947	-
Public Infrastructure/Other Development Activities		
East Main RDA	43,111	49,436
North Valley RDA	315,000	0
Egg Farm CDA	1,969,160	2,199,932
Affordable Housing Fund		
Egg Farm CDA	-	584,373
Use of Additional Tax Revenues		
East Main RDA	-	148,309
North Valley RDA	-	1,672,114
Total Expenditures	\$2,673,991	\$4,800,258

SECTION 2: OVERVIEW OF THE EAST MAIN RDA PROJECT AREA

Table 2.1

OVERVIEW				
Type RDA	Acreege 26.27 25.84 Developed 0.43 Undeveloped	Purpose Commercial and Industrial Development	Taxing District 60	Tax Rate 0.009539
Creation Year FY 1992	Base Year FY 1992	Term 25 Years	Trigger Year FY 1994	Expiration Year FY 2018* Extended 2025
Base Value \$5,621,532	TY 2020 Value \$21,494,960	Increase 282%	TY 2020 Increment \$46,894 Calculated \$40,103 Received	Remaining Life 4 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 26.27 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. However, a significant area of the Project Area was



vacant at inception. 98.4 percent of the 26.27 acres are now developed. A map of the Project Area is included as Exhibit A.

SOURCES OF FUNDS

Table 2.2

2021 SOURCES OF FUNDS	
Property Tax Increment Calculated	\$-
Additional Tax Increment Revenue Calculated (property tax)	46,894
Tax Increment Actually Collected and Paid ¹	\$40,103
Previous Years Tax Increment Revenue to RDA	2,430
Interest Revenue	578
Total Sources of Funds	\$43,111

Table 2.3

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

* Note that the Alpine School District does not participate in Additional Property Tax Increment Revenue or “Haircut”.

USES OF FUNDS

Table 2.4

2021 USES OF FUNDS	
RDA Administration	\$-
Capital Projects (for Additional Tax Revenue eligible projects)	-
Transfer to General Fund	-
Debt Service Payments (for Additional Tax Revenue eligible projects)	-
Contribution to (Use of) Fund Balance	43,111
Total Uses of Funds	\$43,111

The funds received this year were contributed to the Fund Balance for future projects.

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

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

improvements in American Fork City. Until the obligation was retired in 2019, a portion of the annual tax increment from the East Main Project Area was 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 was 10 percent. This is an Additional Tax Increment 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. Until the obligation was retired last year, the Agency dedicated said Additional Tax Revenue 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 has been and will continue to 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

The total assessed values in the Project Area increased from \$21,494,960 in TY 2019 to \$20,620,139 in TY 2020, an increase in value of 4.2%. The total assessed value in the Project Area has increased from a base year value of \$5,621,532 to the current level of \$21,494,960; an overall increase of 282.4% through the life of the RDA. This translates to an average annual growth rate of 5.1%.

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 (TY2020 vs. TY2019)	\$21,494,960	\$20,620,139	4.2%	4.2%
Project Area Life Growth in Project Area (2020 vs. Base)	21,494,960	5,621,532	282.4%	5.1%
ASSESSED VALUES IN AMERICAN FORK CITY	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in American Fork City (TY2020 vs. TY2019)	2,880,281,629	2,601,563,749	10.7%	10.7%
Lifetime Growth in American Fork City (2020 vs. 1997)	2,880,281,629	481,013,414	498.8%	8.5%

* 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 282.4% 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 5 years in the form of additional tax increment. This does not apply to the Alpine 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 2021 (Total Increment Generated)	N/A**	\$151,417	\$53,624	282%
Lifetime Revenue (FY 2003 - 2021) *	N/A	2,041,080	1,076,187	190%
PASS THROUGH INCREMENT (ABOVE BASE)	ORIGINAL BUDGET REVENUES**	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
Fiscal Year 2021	N/A	\$108,883	\$53,624	203%
Lifetime Revenue (FY 2003 - 2021)*	N/A	848,869	1,076,187	79%

* Lifetime revenues were calculated using figures from FY 2003 - FY 2021 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	Swig Drive Thru

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. A Swig Drive Thru was constructed in the existing Fresh Market parking lot.

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		FY2022 - 2025	
REVENUES	FY 2022 TOTAL	THROUGH REMAINING LIFE OF AREA (INCLUDING FY 2022)	
Annual Property Tax Increment	\$ -	\$ -	
Additional Tax Revenue Increment	48,859	195,435	
Interest Revenue	578	2,311	
Total Revenue	\$49,436	\$197,746	
EXPENDITURES	FY 2022 TOTAL	THROUGH REMAINING LIFE OF AREA (INCLUDING FY 2022)	
RDA Administration	\$ -	\$ -	
Contribution to (Use of) Fund Balance	49,436	49,436	
Transfer to General Fund	-	-	
Additional Tax Increment Qualifying Expenses	-	148,309	
Total Expenditures	\$49,436	\$197,746	

OTHER ISSUES

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

- 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 **\$11,682**, remains outstanding from current and 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 three sheets represent:

-  FY 2021 Actuals
-  FY 2022 Projected Budget
-  FY 2023 Projected Budget
-  FY 2022-2025 Projected Multi-Year Budget

East Main RDA Project Area

2021 Actuals
October 5, 2021



Tax Year	2020
Payment Year	2021

REVENUE:	
TAXABLE VALUATION:	
Total Building Value	\$ -
Real Property	19,380,800
Personal Property	1,560,680
Centrally Assessed	553,480
Total Assessed Value	\$ 21,494,960
Less: Base Year Value	(5,621,532)
Incremental Assessed Value	\$ 15,873,428

Tax Rate:	
Utah County	0.0635%
Alpine School District	0.6600%
American Fork City	0.1906%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0016%
Central Utah Water Conservancy District	0.0382%
Total Tax Rate - Area 186:	0.9539%

TAX INCREMENT REVENUES	
Total Tax Increment	\$ 151,417
Additional Tax Increment	\$ 46,894
Interest Revenue	\$ 578
Total Revenue to Project Area	\$ 43,111

Percent of Tax Increment for Project 0%

TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ -
Additional Tax Increment to RDA - Calculated	\$ 46,894
Tax Increment Actually Collected and Paid ¹	\$ 40,103
Previous Years Tax Increment Revenue to RDA	2,430
Interest Revenue	578
Total Tax Increment Revenue to RDA:	\$ 43,111

EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ -
Contribution to (Use of) Fund Balance	43,111
Other Agency Uses	
Transfer to Capital Projects Fund	\$ -
Transfer to Debt Service Fund	\$ -
Use of Additional Tax Increment Funds	
Additional Tax Increment Expenses	\$ -
TOTAL EXPENDITURES	\$ 43,111

East Main RDA Project Area

2022 Annual Budget
October 5, 2021



Tax Year	2021
Payment Year	2022

REVENUE:	
TAXABLE VALUATION:	
Total Building Value	\$ -
Real Property	19,531,900
Personal Property	1,560,680
Centrally Assessed	527,256
Total Assessed Value	\$ 21,619,836
Less: Base Year Value	(5,621,532)
Incremental Assessed Value	\$ 15,998,304

Tax Rate:	
Utah County	0.0977%
Alpine School District	0.6604%
American Fork City	0.1687%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0015%
Central Utah Water Conservancy District	0.0375%
Total Tax Rate - Area 186:	0.9658%

TAX INCREMENT REVENUES	
Total Tax Increment	\$ 154,512
Additional Tax Increment	\$ 48,859
Interest Revenue	\$ 578
Total Revenue to Project Area	\$ 49,436

Percent of Tax Increment for Project 0%

TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ -
Additional Tax Increment to RDA - Calculated	\$ 48,859
Tax Increment Actually Collected and Paid ¹	\$ -
Previous Years Tax Increment Revenue to RDA	-
Interest Revenue	578
Total Tax Increment Revenue to RDA:	\$ 49,436

EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ -
Contribution to (Use of) Fund Balance	49,436
Other Agency Uses	
Transfer to Capital Projects Fund	\$ -
Transfer to Debt Service Fund	\$ -
Use of Additional Tax Increment Funds	
Additional Tax Increment Expenses	\$ -
TOTAL EXPENDITURES	\$ 49,436

East Main RDA Project Area

2023 Annual Budget
October 5, 2021



Tax Year	2022
Payment Year	2023

REVENUE:	
TAXABLE VALUATION:	
Total Building Value	\$ -
Real Property	19,531,900
Personal Property	1,560,680
Centrally Assessed	527,256
Total Assessed Value	\$ 21,619,836
Less: Base Year Value	(5,621,532)
Incremental Assessed Value	\$ 15,998,304

Tax Rate:	
Utah County	0.0977%
Alpine School District	0.6604%
American Fork City	0.1687%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0015%
Central Utah Water Conservancy District	0.0375%
Total Tax Rate - Area 186:	0.9658%

TAX INCREMENT REVENUES	
Total Tax Increment	\$ 154,512
Additional Tax Increment	\$ 48,859
Interest Revenue	\$ 578
Total Revenue to Project Area	\$ 49,436

Percent of Tax Increment for Project	0%
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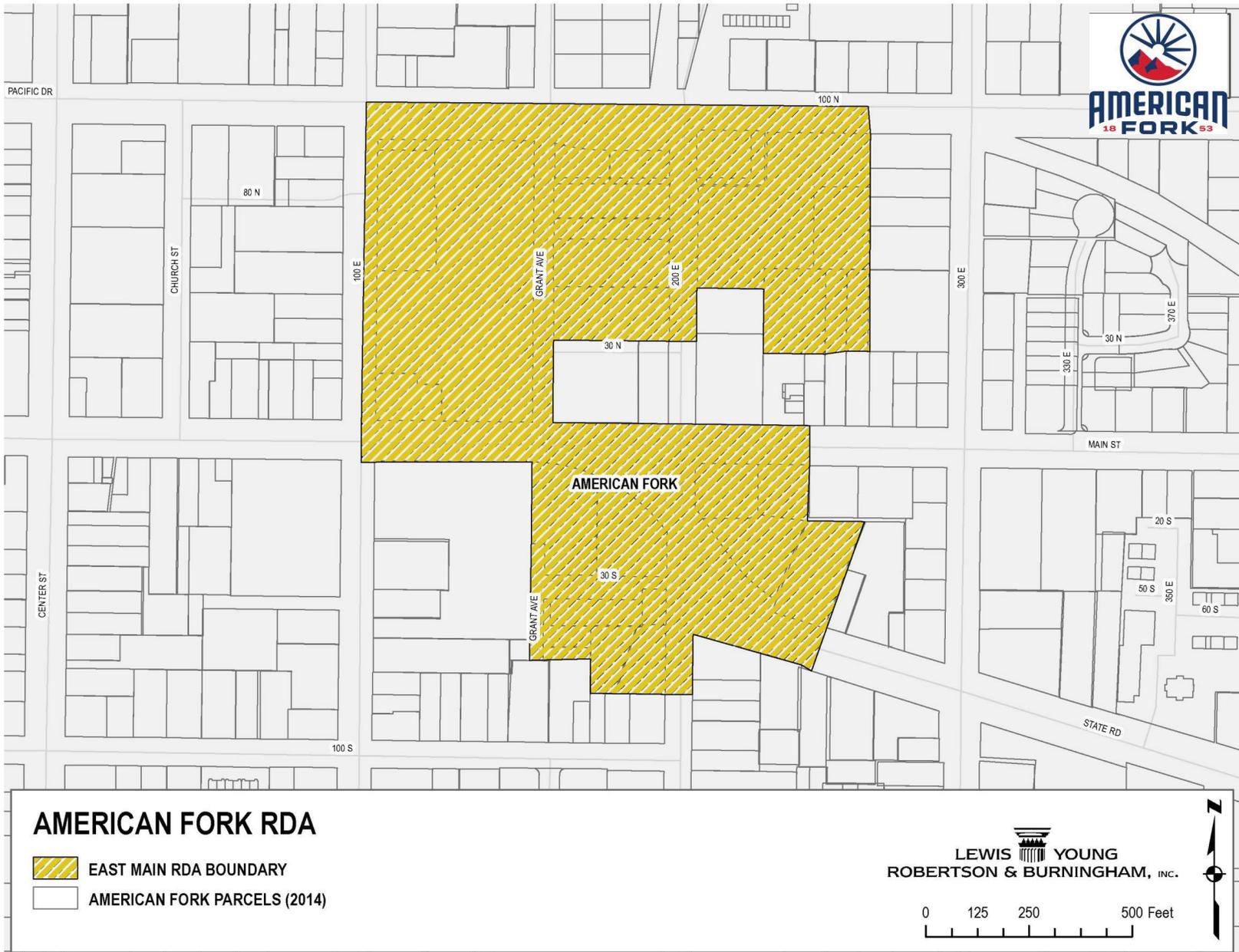
TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ -
Additional Tax Increment to RDA - Calculated	\$ 48,859
Tax Increment Actually Collected and Paid ¹	\$ -
Previous Years Tax Increment Revenue to RDA	-
Interest Revenue	578
Total Tax Increment Revenue to RDA:	\$ 49,436

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 Debt Service Fund	\$ -
Use of Additional Tax Increment Funds	
Additional Tax Increment Expenses	\$ 49,436
TOTAL EXPENDITURES	\$ 49,436



East Main RDA Project Area

Tax Year Payment Year	<===== HISTORIC			PROJECTED =====>				TOTALS
	2018 2019	2019 2020	2020 2021	2021 2022	2022 2023	2023 2024	2024 2025	
REVENUE:								
TAXABLE VALUATION:								
Real Property	\$ 17,072,200	\$ 18,551,600	\$ 19,380,800	\$ 19,531,900	\$ 19,531,900	\$ 19,531,900	\$ 19,531,900	
Personal Property	\$ 1,835,939	\$ 1,584,099	\$ 1,560,680	\$ 1,560,680	\$ 1,560,680	\$ 1,560,680	\$ 1,560,680	
Centrally Assessed	\$ 383,485	\$ 484,440	\$ 553,480	\$ 527,256	\$ 527,256	\$ 527,256	\$ 527,256	
Total Assessed Value	\$ 19,091,624	\$ 20,620,139	\$ 21,494,960	\$ 21,619,836	\$ 21,619,836	\$ 21,619,836	\$ 21,619,836	
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)	
Incremental Assessed Value	\$ 13,470,092	\$ 14,998,607	\$ 15,873,428	\$ 15,998,304	\$ 15,998,304	\$ 15,998,304	\$ 15,998,304	
Tax Rate:								
Utah County	0.000732	0.000672	0.000635	0.000977	0.000977	0.000977	0.000977	
Alpine School District	0.006873	0.006498	0.006600	0.006604	0.006604	0.006604	0.006604	
American Fork City	0.002077	0.002027	0.001906	0.001687	0.001687	0.001687	0.001687	
North Utah County Water Conservancy District	0.000019	0.000017	0.000016	0.000015	0.000015	0.000015	0.000015	
Central Utah Water Conservancy District	0.000374	0.000378	0.000382	0.000375	0.000375	0.000375	0.000375	
Total Tax Rate - Area 186:	0.010075	0.009592	0.009539	0.009658	0.009658	0.009658	0.009658	
TAX INCREMENT REVENUES								
Total Tax Increment	\$ 135,711	\$ 143,867	\$ 151,417	\$ 154,512	\$ 154,512	\$ 154,512	\$ 154,512	\$ 618,046
Total Tax Increment:	\$ 135,711	\$ 143,867	\$ 151,417	\$ 154,512	\$ 154,512	\$ 154,512	\$ 154,512	\$ 618,046
Percent of Tax Increment for Project								
	0%	0%	0%	0%	0%	0%	0%	
TAX INCREMENT REVENUES								
Tax Increment to RDA - Calculated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Tax Increment	\$ 43,163	\$ 46,406	\$ 46,894	\$ 48,859	\$ 48,859	\$ 48,859	\$ 48,859	\$ 195,435
Tax Increment Actually Collected and Paid ¹	43163	41,712	40,103					\$ -
Deliquent/Prior Years Tax Increment	\$ 8,472	\$ 2,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Tax Increment Revenue to RDA:	\$ 43,163	\$ 50,184	\$ 42,534	\$ 48,859	\$ 48,859	\$ 48,859	\$ 48,859	\$ 195,435
Interest Revenue	\$ 690	\$ 763	\$ 578	\$ 2,311				
Total Revenue to Project Area	\$ 43,853	\$ 50,947	\$ 43,111	\$ 49,436	\$ 49,436	\$ 49,436	\$ 49,436	\$ 197,746
EXPENDITURES:								
Redevelopment Agency Uses								
RDA Administrative Fees @ 5%								\$ -
Contribution to (Use of) Fund Balance		50947.42	\$ 43,111	\$ 49,436				\$ 49,436
Other Agency Uses								
Transfer to Capital Projects Fund	\$ 8,520							\$ -
Transfer to Debt Service Fund	35333							\$ -
Transfer to General Fund				\$ -				\$ -
Total Debt Obligations								\$ -
Use of Additional Tax Increment Funds								
Additional Tax Increment Expenses					\$ 49,436	\$ 49,436	\$ 49,436	\$ 148,309
TOTAL EXPENDITURES	\$ 43,853	\$ 50,947	\$ 43,111	\$ 49,436	\$ 49,436	\$ 49,436	\$ 49,436	\$ 197,746



SECTION 3: OVERVIEW OF THE NORTH VALLEY RDA PROJECT AREA

Table 3.1

OVERVIEW				
<u>Type</u> RDA	<u>Acreage</u> 99.23 85.76 Developed 13.47 Undeveloped	<u>Purpose</u> Commercial and Industrial Development	<u>Taxing District</u> 60	<u>Tax Rate</u> 0.009539
<u>Creation Year</u> FY 1987	<u>Base Year</u> FY 1986	<u>Term</u> 25 Years	<u>Trigger Year</u> FY 1995	<u>Expiration Year</u> FY 2019* Extended 2026
<u>Base Value</u> \$6,282,698	<u>TY 2020 Value</u> \$114,728,273	<u>Increase</u> 1,726%	<u>FY 2021 Increment</u> \$320,429 Calculated \$299,846 Received	<u>Remaining Life</u> 5 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 99 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

TY2020 SOURCES OF FUNDS	
Property Tax Increment Calculated	\$0
Additional Tax Increment Revenue Calculated (property tax)	320,429
Delinquent Taxes Reduction	(20,583)
Tax Increment Revenue Received	299,846
Previous Years Tax Increment Revenue to RDA	4,771
Interest Earnings	10,384
Total Sources of Funds	\$315,000

Table 3.3

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

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

USES OF FUNDS

Table 3.4

TY2020 USES OF FUNDS	
RDA Administration	\$0
Property Tax Incentive to Company	0
Development Activities	0
Contribution to (Use of) Fund Balance	315,000
Transfer to General Fund	0
Debt Service Payments	0
Additional Tax Increment Revenue (“Haircut”) for Qualifying Projects	0
Total Uses of Funds	\$315,000

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 was used to make the annual debt service payments. In prior years, the portion of annual debt service payments paid from tax increment generated in the North Valley RDA Project Area was 82%; however, the obligation was retired and no debt service payment was made this year. Payments made to the debt service are Additional Tax Increment eligible expenses.

In addition to the tax increment, the project area also designated 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. Until the obligation was retired last year, the Agency dedicated said Additional Tax Revenue 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 has been and will continue to 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 last year, in FY 2019, the Agency 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 were not to exceed an annual amount of \$35,000 or a total aggregated amount of \$125,000.

Tax incentive payments to the Company were based upon area in the Project Area that has been improved by the Company, referred to above as the “Site”. The Site is comprised of parcel #57:023:0004, containing 4.5 acres. The tax incentive payments were calculated based on the assessed values of both the real and personal property associated with this parcel. Tables 3.5 illustrates the total amount paid to the developer. The 2019 payment to the Developer of \$23,135 reached the capped amount of \$125,000 and no more is due to the company.

Table 3.5

CAPPED DEVELOPMENT INCENTIVE	
Amount Received Prior to 2019 Distribution	\$101,865
2019 Distribution to Company	\$23,135
Total Distributed	\$125,000
Total Distributions Remaining	\$-

PROJECT AREA REPORTING AND ACCOUNTABILITY

The Project Area contains 0 residential units. The following table highlights residential development within the project area.

Table 3.6: Housing Acreage

Residential Development in North Valley RDA		
	Acreage	Percentage
Housing Acreage	0	0%
Non-Housing Acreage	99.23	100%
Total	99.23	100%

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 (TY2020 vs. TY2019)	\$114,728,273	\$111,353,189	3.0%	3.0%
Project Area Life Growth in Project Area (2020 vs. Base)	114,728,273	6,282,698	1,726.1%	11.4%
ASSESSED VALUES IN AMERICAN FORK CITY	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in American Fork City (TY2020 vs. TY2019)	2,880,281,629	2,601,563,749	10.7%	10.7%
Lifetime Growth in City (2020 vs. 1997) ²	2,880,281,629	481,013,414	498.8%	8.5%

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 1,726% 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 187% above what would have been realized based on base year levels.

² 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 2021	N/A	\$1,034,462	\$59,931	1,726%
Life Time Revenue (FY 2003 - 2021)*	N/A	16,424,016	1,251,287	1,313%
PASS THROUGH INCREMENT (ABOVE BASE)	ORIGINAL BUDGET REVENUES**	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
Fiscal Year 2021	N/A	\$714,034	\$59,931	1,191%
Life Time Revenue (FY 2003 - 2021)*	N/A	2,336,342	1,251,287	187%

* Lifetime revenues have been calculated using figures from FY 2003 - FY 2021 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	Built Works

As described earlier in this report, the Agency had 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 were completed. The improvements were focused on the building formerly occupied by Cal-Ranch and included:

- ☞ 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, improvements from prior years 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.

The Company, Built Works, relocated to within the project area and renovated the former Twin Labs facility.

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 99.23 acres, 13.47 acres are undeveloped. The project area is 86.4% developed.

Growth within the Project Area has also had a positive impact on development in the surrounding areas. Development in recent years 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		FY2022 - 2026	
REVENUES	FY 2022 TOTAL	THROUGH REMAINING LIFE OF AREA (INCLUDING FY 2022)	
Annual Property Tax Increment	\$-	\$-	
Additional Tax Increment ("Haircut")	324,039	1,620,196	
Interest Revenue	10,384	51,918	
Total Revenue	\$334,423	\$1,672,114	
EXPENDITURES	FY 2022 TOTAL	THROUGH REMAINING LIFE OF AREA (INCLUDING FY 2022)	
RDA Administration	\$-	\$-	
Contribution to (Use of) Fund Balance	-	-	
Other Development Activities	-	-	
Additional Tax Revenue Qualified Expenses/Debt Service Payments	334,423	1,672,114	
Total Expenditures	\$334,423	\$1,672,114	

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 **\$91,459** 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 three sheets represent:

-  FY 2021 Actuals
-  FY 2022 Projected Budget
-  FY 2023 Projected Budget
-  FY 2016-2026 Projected Multi-Year Budget

North Valley RDA Project Area

2021 Actuals
October 2021



Tax Year	2020
Payment Year	2021

REVENUE:

TAXABLE VALUATION:	
Real Property	\$ 103,315,700
Personal Property	11,014,752
Centrally Assessed	397,821
Total Assessed Value	\$ 114,728,273
Base Year Value	(6,282,698)
Total Incremental Assessed Value	\$ 108,445,575

Tax Rate:	
Utah County	0.0635%
Alpine School District	0.6600%
American Fork City	0.1906%
North Utah Water Conservancy District	0.0016%
Central Utah Water Conservancy District	0.0382%
Less State Assessing & Collecting	0.0000%
Less Local Assessing & Collecting	0.0000%
Total Tax Rate	0.9539%

TAX INCREMENT REVENUES	
Total Tax Increment	1,034,462
Total Tax Increment	\$ 1,034,462

Percent of Property Tax Increment for Project 0%

TOTAL TAX INCREMENT REVENUE	
Total Calculated Tax Increment Due to Project Area	\$ -
Haircut Revenue ("Additional Tax Increment")	320,429
Revenues Not Collected	(20,583)
Prior Year Tax Increment Revenue to RDA	4,771
Total Tax Increment Actually Collected and Paid	299,846
Interest Revenue	10,384
TOTAL REVENUE TO RDA	\$ 315,000

EXPENDITURES:

Project Area Budget and Use of Funds	
Redevelopment Agency Uses	
RDA Administration @ 5%	\$ -
Property Tax Incentive to Company	-
Other Development Activities	-
Contribution to (Use of) Fund Balance	315,000
Other Agency Obligations and Indebtedness	
Annual Debt Service on Series 2005 Bonds	\$ -
Total Debt Obligations	\$ -
Use of Haircut ("Additional Tax Increment")	
Additional Tax Increment Qualifying Projects	\$ -
Total Expenditures	\$ 315,000

North Valley RDA Project Area

2022 Projected Budget
October 2021



Tax Year	2021
Payment Year	2022

REVENUE:

TAXABLE VALUATION:	
Real Property	\$ 100,985,700
Personal Property	11,014,752
Centrally Assessed	385,477
Total Assessed Value	\$ 112,385,929
Base Year Value	(6,282,698)
Total Incremental Assessed Value	\$ 106,103,231

Tax Rate:	
Utah County	0.0977%
Alpine School District	0.6604%
American Fork City	0.1687%
North Utah Water Conservancy District	0.0015%
Central Utah Water Conservancy District	0.0375%
Less State Assessing & Collecting	0.0000%
Less Local Assessing & Collecting	0.0000%
Total Tax Rate	0.9658%

TAX INCREMENT REVENUES	
Total Tax Increment	1,024,745
Total Tax Increment	\$ 1,024,745

Percent of Property Tax Increment for Project 0%

TOTAL TAX INCREMENT REVENUE	
Total Calculated Tax Increment Due to Project Area	\$ -
Haircut Revenue ("Additional Tax Increment")	324,039
Revenues Not Collected	-
Prior Year Tax Increment Revenue to RDA	-
Total Tax Increment Actually Collected and Paid	-
Interest Revenue	10,384
TOTAL REVENUE TO RDA	\$ 334,423

EXPENDITURES:

Project Area Budget and Use of Funds	
Redevelopment Agency Uses	
RDA Administration @ 5%	\$ -
Property Tax Incentive to Company	-
Other Development Activities	-
Contribution to (Use of) Fund Balance	-
Other Agency Obligations and Indebtedness	
Annual Debt Service on Series 2005 Bonds	\$ -
Total Debt Obligations	\$ -
Use of Haircut ("Additional Tax Increment")	
Additional Tax Increment Qualifying Projects	\$ 334,423
Total Expenditures	\$ 334,423

North Valley RDA Project Area

2023 Projected Budget
October 2021



Tax Year	2022
Payment Year	2023

REVENUE:

TAXABLE VALUATION:	
Real Property	\$ 100,985,700
Personal Property	11,014,752
Centrally Assessed	385,477
Total Assessed Value	\$ 112,385,929
Base Year Value	(6,282,698)
Total Incremental Assessed Value	\$ 106,103,231

Tax Rate:	
Utah County	0.0977%
Alpine School District	0.6604%
American Fork City	0.1687%
North Utah Water Conservancy District	0.0015%
Central Utah Water Conservancy District	0.0375%
Less State Assessing & Collecting	0.0000%
Less Local Assessing & Collecting	0.0000%
Total Tax Rate	0.9658%

TAX INCREMENT REVENUES	
Total Tax Increment	1,024,745
Total Tax Increment	\$ 1,024,745

Percent of Property Tax Increment for Project 0%

TOTAL TAX INCREMENT REVENUE	
Total Calculated Tax Increment Due to Project Area	\$ -
Haircut Revenue ("Additional Tax Increment")	324,039
Revenues Not Collected	-
Prior Year Tax Increment Revenue to RDA	-
Total Tax Increment Actually Collected and Paid	-
Interest Revenue	10,384
TOTAL REVENUE TO RDA	\$ 334,423

EXPENDITURES:

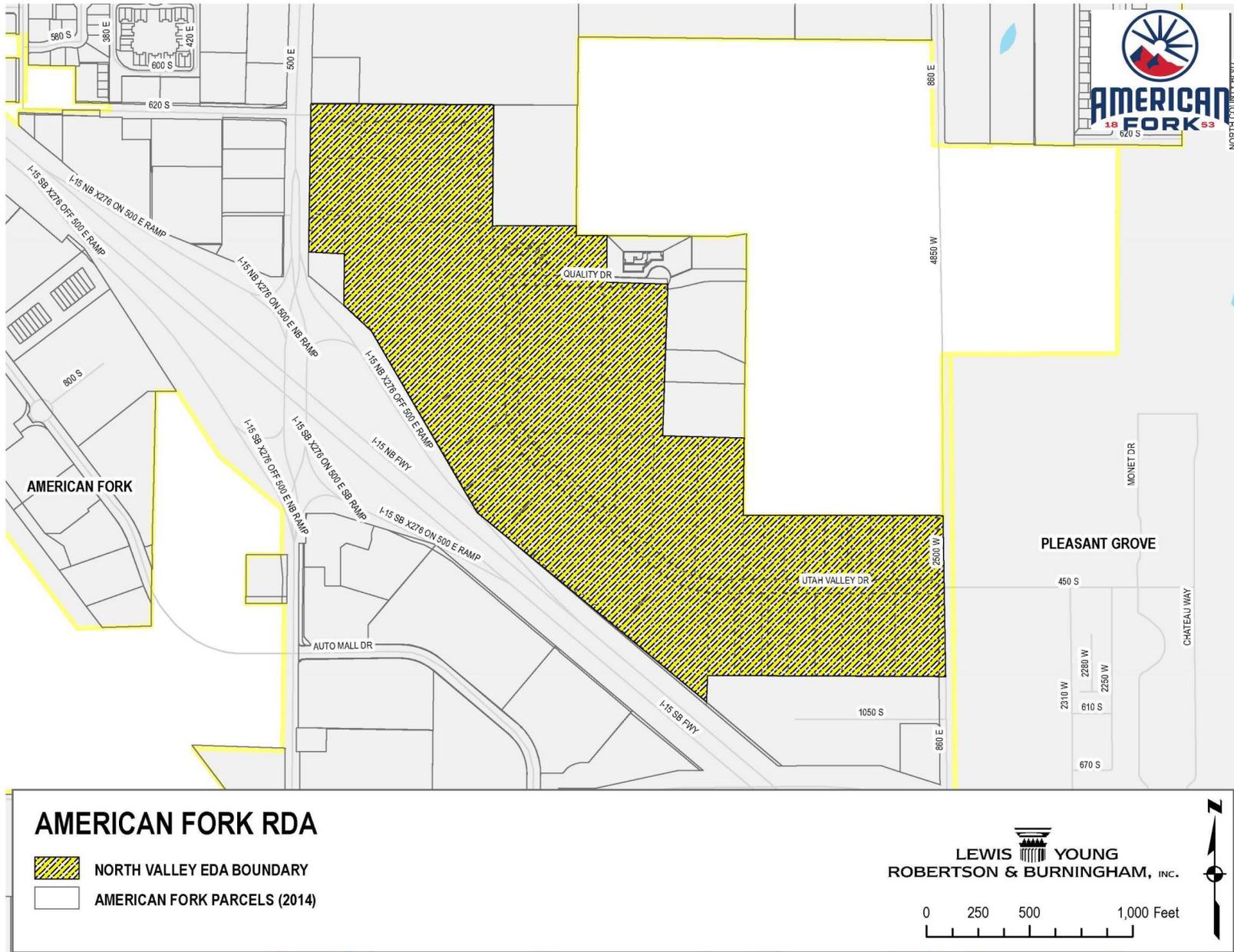
Project Area Budget and Use of Funds	
Redevelopment Agency Uses	
RDA Administration @ 5%	\$ -
Property Tax Incentive to Company	-
Other Development Activities	-
Contribution to (Use of) Fund Balance	-
Other Agency Obligations and Indebtedness	
Annual Debt Service on Series 2005 Bonds	\$ -
Total Debt Obligations	\$ -
Use of Haircut ("Additional Tax Increment")	
Additional Tax Increment Qualifying Projects	\$ 334,423
Total Expenditures	\$ 334,423

North Valley RDA Project Area

Ongoing Budget
Multi-Year Project Area Budget Projections
October 2021

	Extension											TOTALS	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7						
Tax Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
Payment Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026		
REVENUE:													
TAXABLE VALUATION:													
Real Property	\$ 77,257,800	\$ 87,764,000	\$ 90,804,400	\$ 85,852,500	\$ 98,611,900	\$ 103,315,700	\$ 100,985,700	\$ 100,985,700	\$ 100,985,700	\$ 100,985,700	\$ 100,985,700	\$ 100,985,700	
Personal Property	10,389,028	11,180,225	12,710,817	11,156,935	12,310,765	11,014,752	11,014,752	11,014,752	11,014,752	11,014,752	11,014,752	11,014,752	
Centrally Assessed	83,591	200,573	238,145	343,592	430,524	397,821	385,477	385,477	385,477	385,477	385,477	385,477	
Total Assessed Value	\$ 87,730,419	\$ 99,144,798	\$ 103,753,362	\$ 97,353,027	\$ 111,353,189	\$ 114,728,273	\$ 112,385,929						
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)	(6,282,698)	(6,282,698)	
Total Incremental Assessed Value	\$ 81,447,721	\$ 92,862,100	\$ 97,470,664	\$ 91,070,329	\$ 105,070,491	\$ 108,445,575	\$ 106,103,231						
Tax Rate:													
Utah County	0.0870%	0.0834%	0.0779%	0.0732%	0.0672%	0.0635%	0.0977%	0.0977%	0.0977%	0.0977%	0.0977%	0.0977%	
Alpine School District	0.8177%	0.7718%	0.7167%	0.6873%	0.6498%	0.6600%	0.6604%	0.6604%	0.6604%	0.6604%	0.6604%	0.6604%	
American Fork City	0.2362%	0.2261%	0.2082%	0.2077%	0.2027%	0.1906%	0.1687%	0.1687%	0.1687%	0.1687%	0.1687%	0.1687%	
North Utah Water Conservancy District	0.0024%	0.0023%	0.0021%	0.0019%	0.0017%	0.0016%	0.0015%	0.0015%	0.0015%	0.0015%	0.0015%	0.0015%	
Central Utah Water Conservancy District	0.0405%	0.0386%	0.0378%	0.0374%	0.0378%	0.0382%	0.0375%	0.0375%	0.0375%	0.0375%	0.0375%	0.0375%	
Less State Assessing & Collecting	0.0000%	0.0000%	0.0000%	0.0000%	0.0167%	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%	
Total Tax Rate	1.1838%	1.1222%	1.0427%	1.0075%	0.9759%	0.9539%	0.9658%	0.9658%	0.9658%	0.9658%	0.9658%	0.9658%	
TAX INCREMENT REVENUES													
Total Tax Increment	964,178	1,042,098	1,016,327	917,534	1,025,383	1,034,462	1,024,745	1,024,745	1,024,745	1,024,745	1,024,745	1,024,745	
Total Tax Increment	\$ 964,178	\$ 1,042,098	\$ 1,016,327	\$ 917,534	\$ 1,025,383	\$ 1,034,462	\$ 1,024,745						
Percent of Property Tax Increment for Project													
	60%	60%	60%	60%	0%	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	\$ 578,507	\$ 625,259	\$ 609,796	\$ 550,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Haircut Revenue ("Additional Tax Increment")				127,102	116,643	325,088	324,039	324,039	324,039	324,039	324,039	324,039	\$ 1,620,196
Revenues Not Collected			(106,437)	(84,548)	(4,349)	(20,583)							\$ -
Previous Years Tax Increment Revenue to RDA					24,777	4,771							\$ -
Total Tax Increment Actually Collected and Paid	487,443	553,342	630,461	751,711	320,739	299,846							\$ -
TOTAL TAX INCREMENT REVENUE TO RDA	\$ 13,611	\$ 660,351	\$ 630,461	\$ 751,711	\$ 345,515	\$ 304,616	\$ 324,039	\$ 1,620,196					
Interest Revenue			\$ 20,634	\$ 39,000	\$ 33,798	\$ 10,384	\$ 10,384	\$ 10,384	\$ 10,384	\$ 10,384	\$ 10,384	\$ 10,384	\$ 51,918
Total Revenue to Project Area	\$ 13,611	\$ 660,351	\$ 651,094	\$ 790,711	\$ 379,313	\$ 315,000	\$ 334,423	\$ 1,672,114					
EXPENDITURES:													
Project Area Budget and Use of Funds													
Redevelopment Agency Uses													
RDA Administration @ 5%	\$ 681	\$ 6,788	\$ 6,415	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Young Living Agreement	31,865	35,000	35,000	23,135	-	-	-	-	-	-	-	-	-
Development Activities				182,936									
Contribution to (Use of) Fund Balance	(413,335)	230,222	201,472	78,612	379,313	315,000							
Other Agency Obligations and Indebtedness													
Transfer to General Fund			23,200	34,543									
Total Debt Obligations	\$ 394,400	\$ 388,341	\$ -	\$ 355,009									
Use of Haircut ("Additional Tax Increment")													
Additional Tax Increment Qualifying Projects			\$ 385,007	\$ 107,476			\$ 334,423	\$ 334,423	\$ 334,423	\$ 334,423	\$ 334,423	\$ 334,423	\$ 1,672,114
Total Expenditures	\$ 13,611	\$ 660,351	\$ 651,094	\$ 790,711	\$ 379,313	\$ 315,000	\$ 334,423	\$ 1,672,114					

EXHIBIT B



SECTION 4: OVERVIEW OF THE EGG FARM EDA PROJECT AREA

Table 4.1

OVERVIEW				
Type EDA	Acreage 91.31 79.18 Developed 12.13 Undeveloped	Purpose Commercial Development	Taxing District 60	Tax Rate 0.009539
Creation Year FY 2001	Base Year FY 1999	Term 24 Years	Trigger Year FY 2005	Expiration Year * FY 2028
Base Value \$705,802	TY 2020 Value \$141,649,554	Increase 19,969%	FY 2021 Increment \$1,008,716 Calculated \$988,764 Received	Remaining Life Up to 7 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 on 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 91 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

FY2021 SOURCES OF FUNDS	
Calculated Tax Increment	\$1,008,716
Uncollected Tax Increment	660
Property Tax Increment Collected and Paid to Agency	988,764
Interest Earnings	8,535
Total Sources of Funds	\$997,958

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 \$6,357,498 in tax increment has been remitted to the Agency, leaving \$2,904,793 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 2024 (for taxes collected in tax year 2023 at a participation rate of 65% and not 75%) and that the Project Area will expire at that time.

USES OF FUNDS

Table 4.4

FY2021 USES OF FUNDS	
RDA Administration	\$15,500
Affordable Housing (20%)	-
Public Infrastructure (25%)	341,091
Developer Infrastructure Debt Service Payment	291,273
Transfer to General Fund	39,947
Future Development Activities	1,628,069
Total Uses of Funds	\$2,315,880

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. This year, \$341,091 was spent on public infrastructure projects, including the following: \$329,008 for the 860 East reconstruction project; \$5,028 for widening 1100 South, and \$7,055 for widening 1500 South. A detail of these planned improvements is given later in this report.

The City adopted a resolution to reimburse itself for previously constructed affordable housing projects and related infrastructure. Many of these projects were completed using federal grants that required City matches. The City intends to reimburse and pay the required matches with the affordable housing tax increment funds received from the Egg Farm EDA. These funds will be applied to projects which are qualifying affordable housing projects, as defined in the State Code.

DEVELOPMENT OBLIGATIONS AND INCENTIVES

As outlined in the Agreement for Private Development of Land (ADL), the Agency agreed to reimburse the landowner 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 allowed the Agency to accelerate payments to the Developer. The last payment was made in TY2020. 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 \$3,245,944 in principal has been repaid to the Developer. These payments are outlined in the table below.

Table 4.6

DEVELOPER CONSTRUCTED INFRASTRUCTURE AND IMPROVEMENTS					
Tax Year	Beginning Balance	Principal	Interest	Total P+I	Ending Balance
2004	3,245,944	(5,012)	81,149	76,137	3,250,956
2005	3,250,956	4,126	81,274	85,400	3,246,829
2006	3,246,829	4,962	81,171	86,133	3,241,867
2007	3,241,867	8,080	81,047	89,127	3,233,787
2008	3,233,787	59,705	80,845	140,550	3,174,082
2009	3,174,082	96,638	79,352	175,990	3,077,444
2010	3,077,444	99,437	76,936	176,373	2,978,007
2011	2,978,007	102,295	74,450	176,745	2,875,712
2012	2,875,712	105,228	71,893	177,121	2,770,484
2013	2,770,484	182,803	69,262	252,065	2,587,681
2014	2,587,681	334,080	64,692	398,772	2,253,600
2015	2,253,600	308,979	56,340	365,319	1,944,622
2016	1,944,622	340,713	48,616	389,329	1,603,908
2017	1,604,098	410,716	40,102	450,819	1,193,381
2018	1,193,381	453,458	29,835	483,292	739,924
2019	739,924	455,755	18,498	474,253	284,169
2020	284,169	284,169	7,104	291,273	-
2021	-	-	-	-	-
2022	-	-	-	-	-
2023	-	-	-	-	-
TOTALS:		3,245,944	1,042,565	4,288,509	

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 (TY2020 vs. TY2019)	\$141,649,554	\$132,762,594	7%	7%
Project Area Life Growth in Project Area (2020 vs. Base)	141,649,554	705,802	19,969%	37%
ASSESSED VALUES IN AMERICAN FORK CITY	CURRENT YEAR	PRIOR YEAR/ BASE YEAR	GROWTH RATE	AAGR
Annual Growth in American Fork City (TY2020 vs. TY2019)	2,880,281,629	2,601,563,749	10.7%	10.7%
Lifetime Growth in City (2019 vs. 1999)	2,880,281,629	618,527,099	366%	9%

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 2023. 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 2023. 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 once the cap of \$9,262,291 is reached.

Table 4.9

FY 2024 – 2028 PROJECTED TAX INCREMENT REVENUES BASED ON EXPIRATION OF PROJECT AREA IN TY 2023		
ENTITY	ORIGINAL 25% TAX INCREMENT	ADDITIONAL 75% TAX INCREMENT
Utah County	\$172,175.38	\$516,526.15
Alpine School District	1,163,813.95	3,491,441.84
American Fork City	297,297.72	891,893.15
North Utah County Water Conservancy District	2,643.43	7,930.29
Central Utah Water Conservancy District	66,085.74	198,257.22
Total	\$1,702,016	\$5,106,049

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 19,969% 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 9%, while the project area’s rate has been 37%.

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 2021 (Total Increment)	\$1,026,532	\$1,344,462	6,733	31.0%	19,969%
Life Time Revenue (FY 2005 - 2021)	12,455,554	12,916,857	133,471	3.7%	9,678%
PASS THROUGH INCREMENT (ABOVE BASE)	ORIGINAL BUDGET REVENUES	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE	ACTUAL % ABOVE BASE
Fiscal Year 2021	\$256,633	\$335,747	\$6,733	30.8%	4,678%
Life Time Revenue (FY 2005 - 2021)	3,113,889	3,228,845	133,471	3.7%	2,419%

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 four years ago.

The Project Area has realized a \$8.89 million increase in total assessed value from TY 2019 to TY 2020, stemming from the completion of additional office buildings.

Of the project area’s 91.31 acres, 79.18 are developed, making the project area 86.7% 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. Of the capital improvement projects listed above, this year, \$329,008 was spent on the 860 East reconstruction project. \$7,055 was also spent on the widening of 1500 South project. 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 2022 - 2025
REVENUES	FY 2022 BUDGET	THROUGH REMAINING LIFE OF AREA (INCLUDING FY 2022)
Annual Property Tax Increment	\$1,012,349	\$2,904,793
Interest Revenue	8,535	25,605
Total Revenue	\$1,020,884	\$2,930,398
EXPENDITURES	FY 2022 TOTAL	THROUGH REMAINING LIFE OF AREA (INCLUDING FY 2022)
RDA Administration	\$50,617	\$146,093
Affordable Housing Fund (20%)	202,470	584,373
Public Infrastructure (25%)	253,087	730,466
Developer Infrastructure Reimbursement - Principal	-	-
Developer Infrastructure Reimbursement - Interest @ 2.5%	-	-
Transfer to General Fund	-	-
Other Development Activities	514,709	1,469,466
Total Expenditures	\$1,020,884	\$2,930,398

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 an estimated tax increment amount of approximately **\$79,825** remains outstanding from current and 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 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 sheets represent:

-  FY 2021 Actual Budget
-  FY 2022 Projected Budget
-  FY 2023 Projected Budget
-  FY 2005-2028 Projected Multi-Year Budget

Egg Farm Economic Development Project Area

2021 Actuals
October 6, 2021



Tax Year	2020
Payment Year	2021

REVENUE:	
TAXABLE VALUATION:	
Real Property	\$ 131,969,200
Personal Property	9,280,975
Centrally Assessed	399,379
Total Assessed Value	\$ 141,649,554
Less: Base Year Value	(705,802)
Incremental Assessed Value	\$ 140,943,752

Tax Rate:	
Utah County	0.0635%
Alpine School District	0.6600%
American Fork City	0.1906%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0016%
Central Utah Water Conservancy District	0.0382%
Less State Assessing & Collecting	0.0000%
Less Local Assessing & Collecting	0.0000%
Less Tax Rate Differential	0.0000%
Total Tax Rate - Area 186:	0.9539%

TAX INCREMENT REVENUES	
Total Tax Increment	\$ 1,344,462
Total Tax Increment:	\$ 1,344,462

Percent of Tax Increment for Project	75%
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TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ 1,008,716
Tax Increment Actually Collected and Paid ¹	\$ 988,764
Previous Years Tax Increment Revenue to RDA	660
Interest Revenue	8,535
Total Revenue to RDA:	997,958

EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ 15,500
Affordable Housing Fund @ 20%	-
Public Infrastructure Costs/Agency @ 25%	341,091
Other Agency Obligations and Indebtedness	
Developer Infrastructure Reimbursement ²	
Principal	284,169
Interest (@ 2.5%)	7,104
Total Debt Obligations	291,273
Transfer to GF	39,947
Excess for Agency Use/Use of EDA's Fund Balance	1,628,069
TOTAL EXPENDITURES	\$ 2,315,880

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

2022 Annual Budget
October 6, 2021



Tax Year	2021
Payment Year	2022

REVENUE:	
TAXABLE VALUATION:	
Real Property	\$ 130,794,500
Personal Property	9,280,975
Centrally Assessed	389,942
Total Assessed Value	\$ 140,465,417
Less: Base Year Value	(705,802)
Incremental Assessed Value	\$ 139,759,615

Tax Rate:	
Utah County	0.0977%
Alpine School District	0.6604%
American Fork City	0.1687%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0015%
Central Utah Water Conservancy District	0.0375%
Less State Assessing & Collecting	0.0000%
Less Local Assessing & Collecting	0.0000%
Less Tax Rate Differential	0.0000%
Total Tax Rate - Area 186:	0.9658%

TAX INCREMENT REVENUES	
Total Tax Increment	\$ 1,349,798
Total Tax Increment:	\$ 1,349,798

Percent of Tax Increment for Project 75%

TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ 1,012,349
Tax Increment Actually Collected and Paid ¹	\$ 1,012,349
Previous Years Tax Increment Revenue to RDA	-
Interest Revenue	8,535
Total Revenue to RDA:	1,020,884

EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ 50,617
Affordable Housing Fund @ 20%	202,470
Public Infrastructure Costs/Agency @ 25%	253,087
Other Agency Obligations and Indebtedness	
Developer Infrastructure Reimbursement ²	
Principal	-
Interest (@ 2.5%)	-
Total Debt Obligations	-
Transfer to GF	-
Excess for Agency Use/Use of EDA's Fund Balance	514,709
TOTAL EXPENDITURES	\$ 1,020,884

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

2023 Annual Budget
October 6, 2021



Tax Year	2022
Payment Year	2023

REVENUE:	
TAXABLE VALUATION:	
Real Property	\$ 130,794,500
Personal Property	9,559,404
Centrally Assessed	401,640
Total Assessed Value	\$ 140,755,545
Less: Base Year Value	(705,802)
Incremental Assessed Value	\$ 140,049,743

Tax Rate:	
Utah County	0.0977%
Alpine School District	0.6604%
American Fork City	0.1687%
American Fork Metropolitan Water District	0.0000%
North Utah County Water Conservancy District	0.0015%
Central Utah Water Conservancy District	0.0375%
Less State Assessing & Collecting	0.0000%
Less Local Assessing & Collecting	0.0000%
Less Tax Rate Differential	0.0000%
Total Tax Rate - Area 186:	0.9658%

TAX INCREMENT REVENUES	
Total Tax Increment	\$ 1,352,600
Total Tax Increment:	\$ 1,352,600

Percent of Tax Increment for Project 75%

TAX INCREMENT REVENUES	
Tax Increment to RDA - Calculated	\$ 1,014,450
Tax Increment Actually Collected and Paid ¹	\$ 1,014,450
Previous Years Tax Increment Revenue to RDA	-
Interest Revenue	8,535
Total Revenue to RDA:	1,022,985

EXPENDITURES:	
Project Area Budget and Uses of Funds	
Redevelopment Agency Uses	
RDA Administrative Fees @ 5%	\$ 51,149
Affordable Housing Fund @ 20%	204,597
Public Infrastructure Costs/Agency @ 25%	255,746
Other Agency Obligations and Indebtedness	
Developer Infrastructure Reimbursement ²	
Principal	-
Interest (@ 2.5%)	-
Total Debt Obligations	-
Transfer to GF	-
Excess for Agency Use/Use of EDA's Fund Balance	511,493
TOTAL EXPENDITURES	\$ 1,022,985

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.



2021 ANNUAL REPORT

REDEVELOPMENT AGENCY OF AMERICAN FORK CITY, UT



Egg Farm Economic Development Project Area

Ongoing Budget
Multi-Year Project Area Budget Projections
October 6, 2021



Tax Year Payment Year	2004 2005	2005 2006	2006 2007	2007 2008	2008 2009	2009 2010	2010 2011	2011 2012	2012 2013	2013 2014	2014 2015	2015 2016	2016 2017	2017 2018	2018 2019	2019 2020	2020 2021	<===== HISTORIC =====>		PROJECTED =====>		2023	2024	2025	2026	2027	2028	FY22-25 TOTALS
REVENUE:																												
TAXABLE VALUATION:																												
Real Property	\$ 13,700,132	\$ 18,304,469	\$ 18,851,481	\$ 28,341,892	\$ 40,065,052	\$ 60,728,500	\$ 54,979,383	\$ 52,711,711	\$ 52,339,239	\$ 52,242,340	\$ 60,810,200	\$ 80,485,000	\$ 90,156,600	\$ 104,544,600	\$ 118,590,600	\$ 122,433,000	\$ 131,969,200	\$ 130,794,500	\$ 130,794,500	\$ 130,794,500	\$ 130,794,500	\$ 130,794,500	\$ 130,794,500	\$ 130,794,500	\$ 130,794,500	\$ 130,794,500	\$ 130,794,500	
Personal Property	5,435,158	4,685,471	4,787,994	-	-	5,982,820	5,659,353	5,104,570	7,219,087	2,575,825	2,640,598	2,204,672	2,650,071	11,396,779	9,919,807	9,933,848	9,280,975	9,280,975	9,559,404	9,846,186	10,141,572	10,445,819	10,759,194	11,081,970	11,408,746	11,737,522		
Centrally Assessed	-	-	-	-	-	13,338	-	56,480	63,932	50,453	279,790	309,048	324,717	355,582	350,834	395,746	399,379	389,942	401,640	413,689	426,100	438,883	452,050	465,611	478,772	491,923		
Total Assessed Value	\$ 19,135,290	\$ 22,989,940	\$ 23,639,475	\$ 28,341,892	\$ 40,065,052	\$ 66,724,658	\$ 60,638,736	\$ 57,872,761	\$ 59,622,258	\$ 54,868,618	\$ 63,730,588	\$ 82,998,720	\$ 93,131,388	\$ 116,296,961	\$ 128,861,241	\$ 132,762,594	\$ 141,649,554	\$ 140,465,417	\$ 140,755,545	\$ 141,054,376	\$ 141,362,172	\$ 141,679,202	\$ 142,005,743	\$ 142,342,081	\$ 142,678,919	\$ 143,014,767		
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)	\$ (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	\$ 18,429,488	\$ 22,284,138	\$ 22,933,673	\$ 27,636,090	\$ 39,359,250	\$ 66,018,856	\$ 59,932,934	\$ 57,166,959	\$ 58,916,456	\$ 54,162,816	\$ 63,024,786	\$ 82,292,918	\$ 92,425,586	\$ 115,591,159	\$ 128,155,439	\$ 132,056,792	\$ 140,943,752	\$ 139,759,615	\$ 140,049,743	\$ 140,348,574	\$ 140,656,370	\$ 140,973,400	\$ 141,299,941	\$ 141,636,279	\$ 141,973,167	\$ 142,309,965		
Marginal Value - Real Property																	131,263,398											
Marginal Value - Personal Property	(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)	(6,282,698)	(6,282,698)	(6,282,698)	(6,282,698)	(6,282,698)	(6,282,698)	9,280,975											
Marginal Value - Centrally Assessed																	399,379											
Tax Rate:																												
Utah County	0.1425%	0.1391%	0.1262%	0.1000%	0.1105%	0.1203%	0.1294%	0.1342%	0.1324%	0.1259%	0.1149%	0.0870%	0.0834%	0.0779%	0.0732%	0.0672%	0.0635%	0.0977%	0.0977%	0.0977%	0.0977%	0.0977%	0.0977%	0.0977%	0.0977%	0.0977%	0.0977%	
Alpine School District	0.8119%	0.8082%	0.6883%	0.6937%	0.7057%	0.7541%	0.6812%	0.6937%	0.7057%	0.8495%	0.8096%	0.8177%	0.7718%	0.7167%	0.6873%	0.6498%	0.6600%	0.6604%	0.6604%	0.6604%	0.6604%	0.6604%	0.6604%	0.6604%	0.6604%	0.6604%	0.6604%	
American Fork City	0.2298%	0.2276%	0.2731%	0.2213%	0.2426%	0.2423%	0.2630%	0.2794%	0.2812%	0.2750%	0.2540%	0.2362%	0.2261%	0.2082%	0.2077%	0.2027%	0.1906%	0.1687%	0.1687%	0.1687%	0.1687%	0.1687%	0.1687%	0.1687%	0.1687%	0.1687%	0.1687%	
North Utah County Water Conservancy District	0.0035%	0.0033%	0.0028%	0.0022%	0.0022%	0.0024%	0.0026%	0.0028%	0.0029%	0.0028%	0.0025%	0.0024%	0.0023%	0.0021%	0.0019%	0.0017%	0.0016%	0.0015%	0.0015%	0.0015%	0.0015%	0.0015%	0.0015%	0.0015%	0.0015%	0.0015%	0.0015%	
Central Utah Water Conservancy District	0.0353%	0.0040%	0.0357%	0.0302%	0.0286%	0.0400%	0.0421%	0.0436%	0.0455%	0.0446%	0.0422%	0.0405%	0.0386%	0.0378%	0.0374%	0.0378%	0.0382%	0.0375%	0.0375%	0.0375%	0.0375%	0.0375%	0.0375%	0.0375%	0.0375%	0.0375%	0.0375%	
Less State Assessing & Collecting	-0.0180%	-0.0173%	-0.0139%	-0.0121%	-0.0121%	-0.0142%	-0.0162%	-0.0172%	-0.0168%	-0.0158%	-0.0220%	0.0000%	0.0000%	0.0000%	0.0000%	0.0167%	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	-0.0180%	-0.0178%	-0.0044%	-0.0036%	-0.0175%	-0.0183%	-0.0024%	-0.0027%	-0.0029%	-0.0095%	-0.0013%	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%	0.0000%	0.0000%	
Less Tax Rate Differential	-0.0983%	-0.0683%	-0.0705%	-0.1042%	-0.0455%	-0.0082%	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%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	
Total Tax Rate - Area 186:	1.0887%	1.0788%	1.0373%	0.9275%	1.0145%	1.1184%	1.2405%	1.3213%	1.3251%	1.2725%	1.1999%	1.1838%	1.1222%	1.0427%	1.0075%	0.9759%	0.9539%	0.9658%	0.9658%	0.9658%	0.9658%	0.9658%	0.9658%	0.9658%	0.9658%	0.9658%		
TAX INCREMENT REVENUES																												
Total Tax Increment	\$ 200,642	\$ 240,401	\$ 237,891	\$ 256,325	\$ 399,300	\$ 738,355	\$ 743,468	\$ 755,347	\$ 780,702	\$ 689,222	\$ 756,234	\$ 974,184	\$ 1,037,200	\$ 1,205,269	\$ 1,291,166	\$ 1,266,689	\$ 1,344,462	\$ 1,349,798	\$ 1,352,600	\$ 1,355,487	\$ 1,358,459	\$ 1,361,521	\$ 1,364,675	\$ 1,367,923	\$ 1,371,171	\$ 1,374,419	\$ 5,416,345	
Total Tax Increment:	\$ 200,642	\$ 240,401	\$ 237,891	\$ 256,325	\$ 399,300	\$ 738,355	\$ 743,468	\$ 755,347	\$ 780,702	\$ 689,222	\$ 756,234	\$ 974,184	\$ 1,037,200	\$ 1,205,269	\$ 1,291,166	\$ 1,266,689	\$ 1,344,462	\$ 1,349,798	\$ 1,352,600	\$ 1,355,487	\$ 1,358,459	\$ 1,361,521	\$ 1,364,675	\$ 1,367,923	\$ 1,371,171	\$ 1,374,419	\$ 5,416,345	
Percent of Tax Increment for Project	75%	75%	75%	75%	75%	75%	75%	75%	65%	0%	0%	0%	0%	0%														
TAX INCREMENT REVENUES																												
Tax Increment to RDA - Calculated	\$ 150,481	\$ 180,301	\$ 178,418	\$ 192,244	\$ 299,475	\$ 553,766	\$ 557,601	\$ 566,510	\$ 585,526	\$ 516,916	\$ 567,176	\$ 730,638	\$ 777,900	\$ 903,952	\$ 968,375	\$ 950,017	\$ 1,008,716	\$ 1,012,349	\$ 1,014,450	\$ 877,994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,904,793	
Interest Earnings													\$ 26,027															\$ -
Tax Increment Actually Collected and Paid ¹	\$ 164,747	\$ 206,983	\$ 177,000	\$ 202,888	\$ 300,000	\$ 351,980	\$ 352,746	\$ 353,490	\$ 354,242	\$ 456,059	\$ 564,523	\$ 730,630	\$ 778,279	\$ 901,637	\$ 967,229	\$ 895,484	\$ 988,764	\$ 1,012,349	\$ 1,014,450	\$ 877,994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,904,793	
Previous Years Tax Increment Revenue to RDA										48,071	135	379	(2,315)	(1,146)	(54,532)	660											\$ -	
Total Tax Increment Revenue to RDA:	\$ 164,747	\$ 206,983	\$ 177,000	\$ 202,888	\$ 300,000	\$ 351,980	\$ 352,746	\$ 353,490	\$ 354,242	\$ 504,130	\$ 564,523	\$ 730,765	\$ 804,306	\$ 901,637	\$ 967,229	\$ 895,484	\$ 989,423	\$ 1,012,349	\$ 1,014,450	\$ 877,994	\$ -	\$ 2,904,793						
Increment Collected since TY2013										\$ 504,130	\$ 1,068,653	\$ 1,799,418	\$ 2,603,724	\$ 3,505,361	\$ 4,472,590	\$ 5,368,075	\$ 6,357,498	\$ 7,369,847	\$ 8,384,297	\$ 9,262,291								
Interest Revenue																												
													\$ 29,828	\$ 58,254	\$ 48,111	\$ 8,535	\$ 8,535	\$ 8,535	\$ 8,535	\$ 8,535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,605	
Total Revenue to Project Area													\$ 931,465	\$ 1,025,483	\$ 943,595	\$ 997,958	\$ 1,020,884	\$ 1,022,985	\$ 886,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,930,398	
EXPENDITURES:																												
Project Area Budget and Uses of Funds																												
Redevelopment Agency Uses																												
RDA Administrative Fees @ 5%	\$ 8,237	\$ 10,349	\$ 8,850	\$ 10,144	\$ 15,000	\$ 17,599	\$ 17,637	\$ 17,675	\$ 17,712	\$ 25,207	\$ 28,226	\$ 36,538	\$ 13,283	\$ 4,457	\$ 8,000	\$ 10,500	\$ 15,500	\$ 50,617	\$ 51,149	\$ 44,326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,093	
Affordable Housing Fund @ 20%	32,949	41,397	35,400	40,578	60,000	70,396	70,549	70,698	70,848	100,826	112,905	146,153	210,388	50,000	193,446	-	-	202,470	204,597	177,306	-	-	-	-	-	-	584,373	
Public Infrastructure Costs/Agency @ 25%	41,187	51,746	44,250	50,722	75,000	87,995	88,187	88,373	88,561	126,033	141,131	182,691	191,495	31,900	280,484	52,993	341,091	253,087	255,746	221,632	-	-	-	-	-	-	730,466	
Estimated BTSAF Reimbursement																												
Developer Infrastructure Reimbursement																												
Principal	(5,012)	4,126	4,962	8,080	59,705	96,638	99,437	102,295	105,228	182,803	334,080	308,979	340,713	413,035	453,520	455,819	284,169	-	-	-	-	-	-	-	-	-	-	
Interest (@ 2.5%)	81,149	81,274	81,171	81,047	80,845	79,352	76,936	74,450	71,893	69,262	64,692	56,340	48,616	40,098	29,772	18,434	7,104	-	-	-	-	-	-	-	-	-	-	
Total Debt Obligations	76,137	85,400	86,133	89,127	140,550	175,990	176,373	176,745	177,121	252,065	398,772																	

EXHIBIT C

