

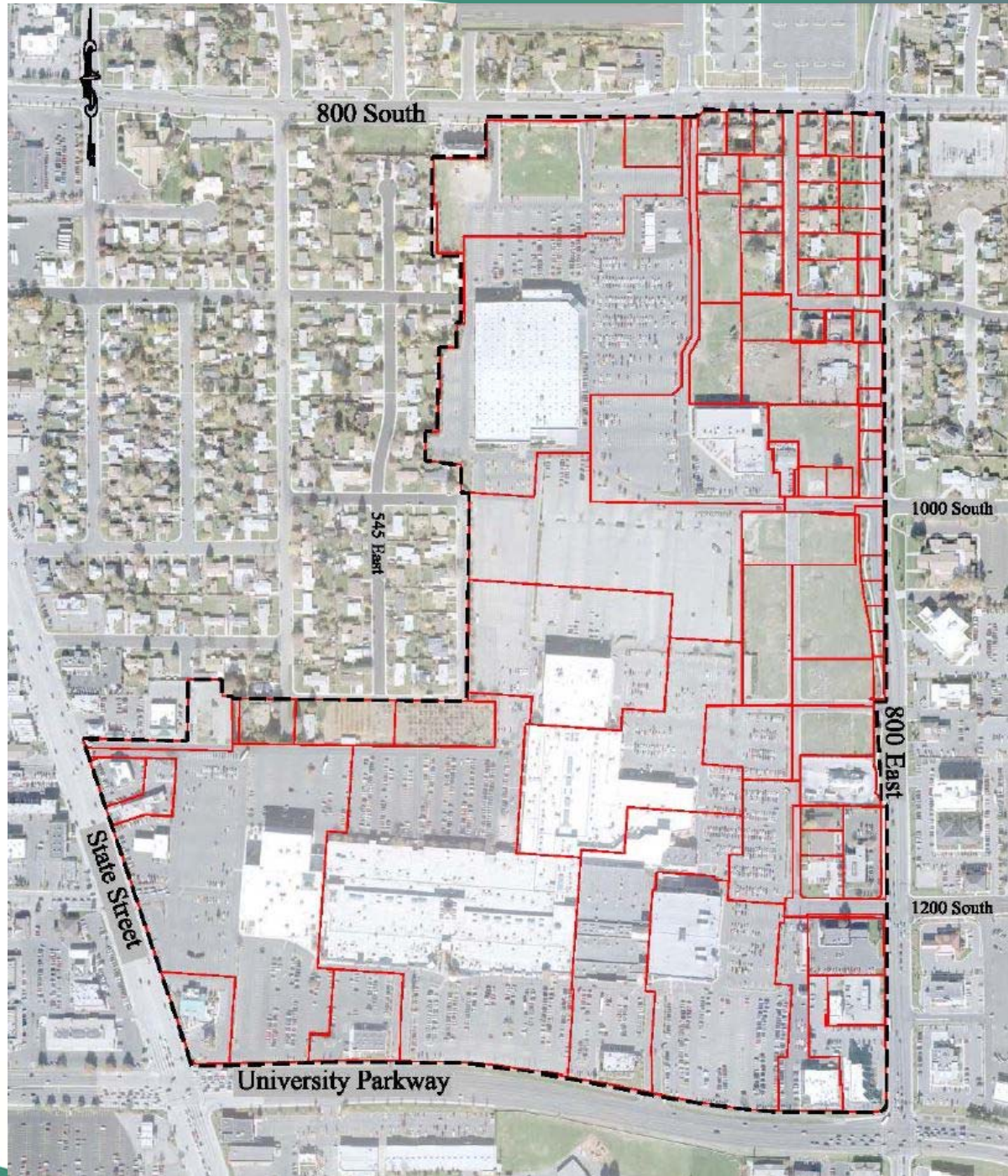


University Place CDA

Utah County Commission
November 25, 2014



UP CDA Area Map





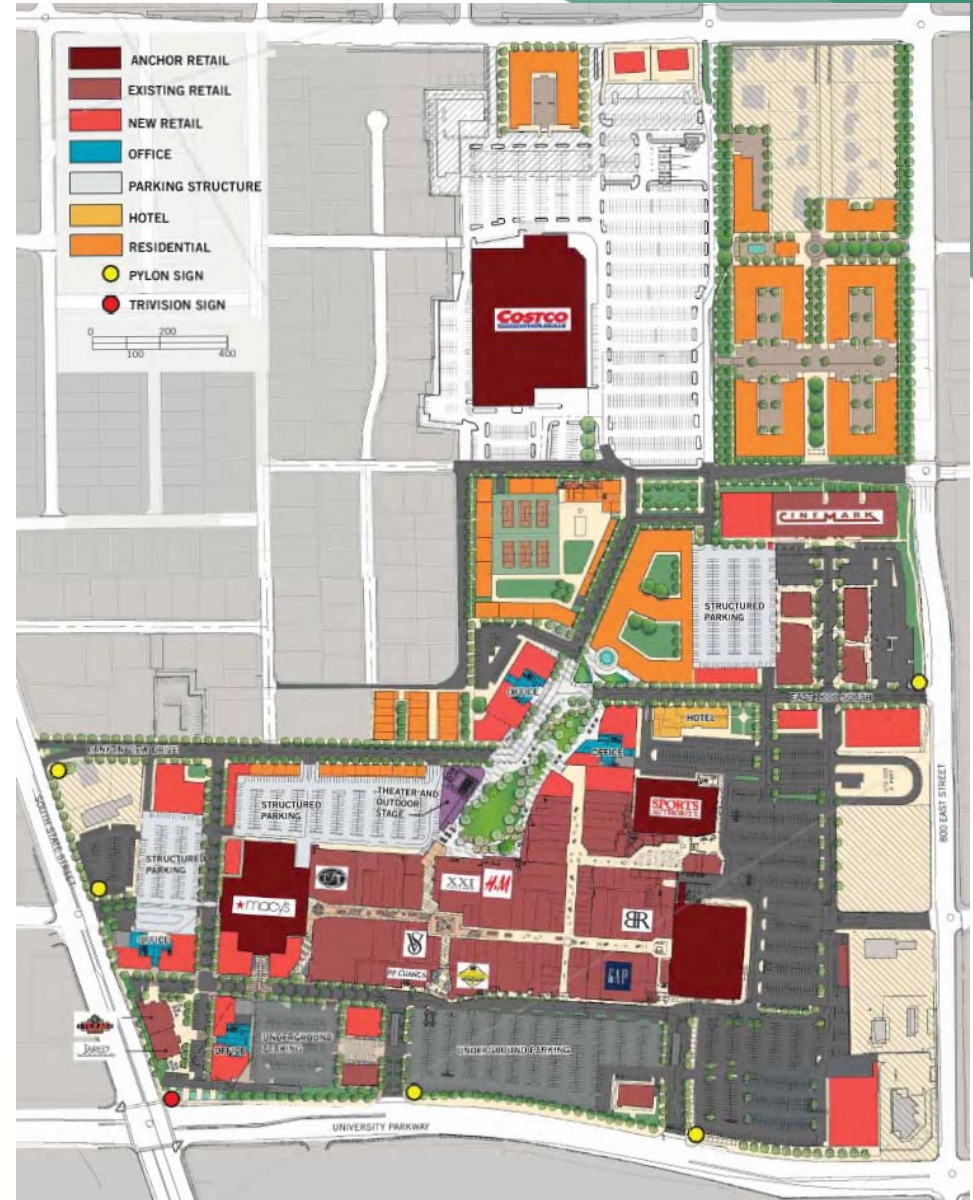
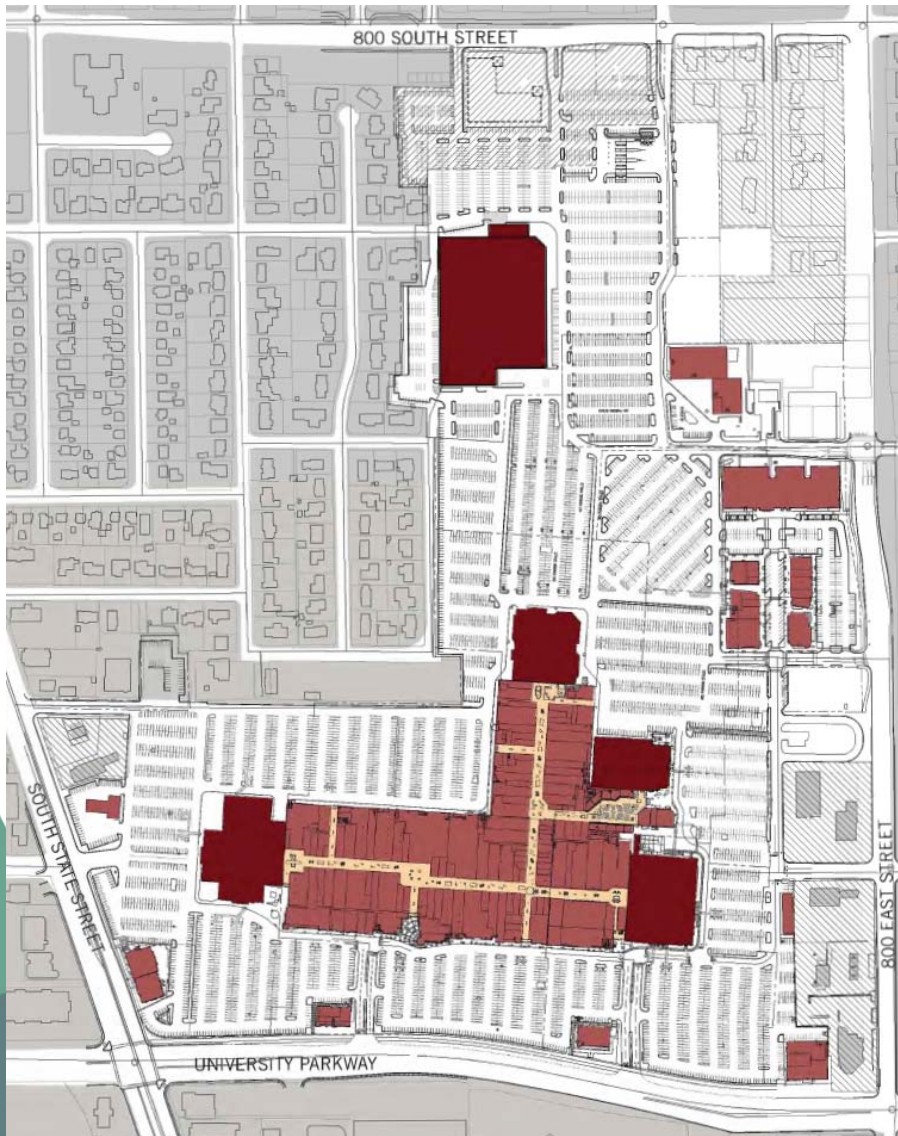
Project Highlights

- 700,000 square feet (sf) of new Class A Office*
- 70,000 sf new Hotel
- 400,000 sf new retail (less 175,000 sf of existing retail to be demolished)
- 1,250,000 sf new multifamily residential
- 10 year build-out

*This will double the current Class A Office inventory in the City of Orem



Before & After Site Plan





Looking East





Looking West





Interior View



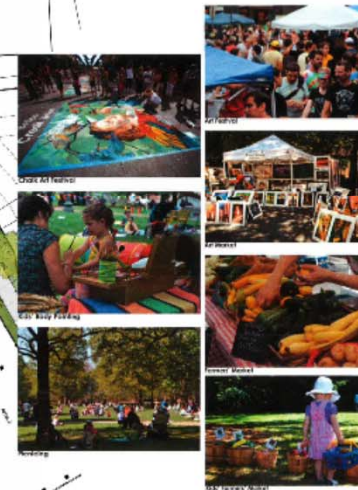


The Park

Confidential

A New Dynamic Place for Family Work-Life Balance

Welcome to *The Orchard*, Utah County's premier urban park featuring an outdoor stage, large digital screens for outdoor viewing, multiple water features, an outdoor and indoor children's play area, activity kiosks and more



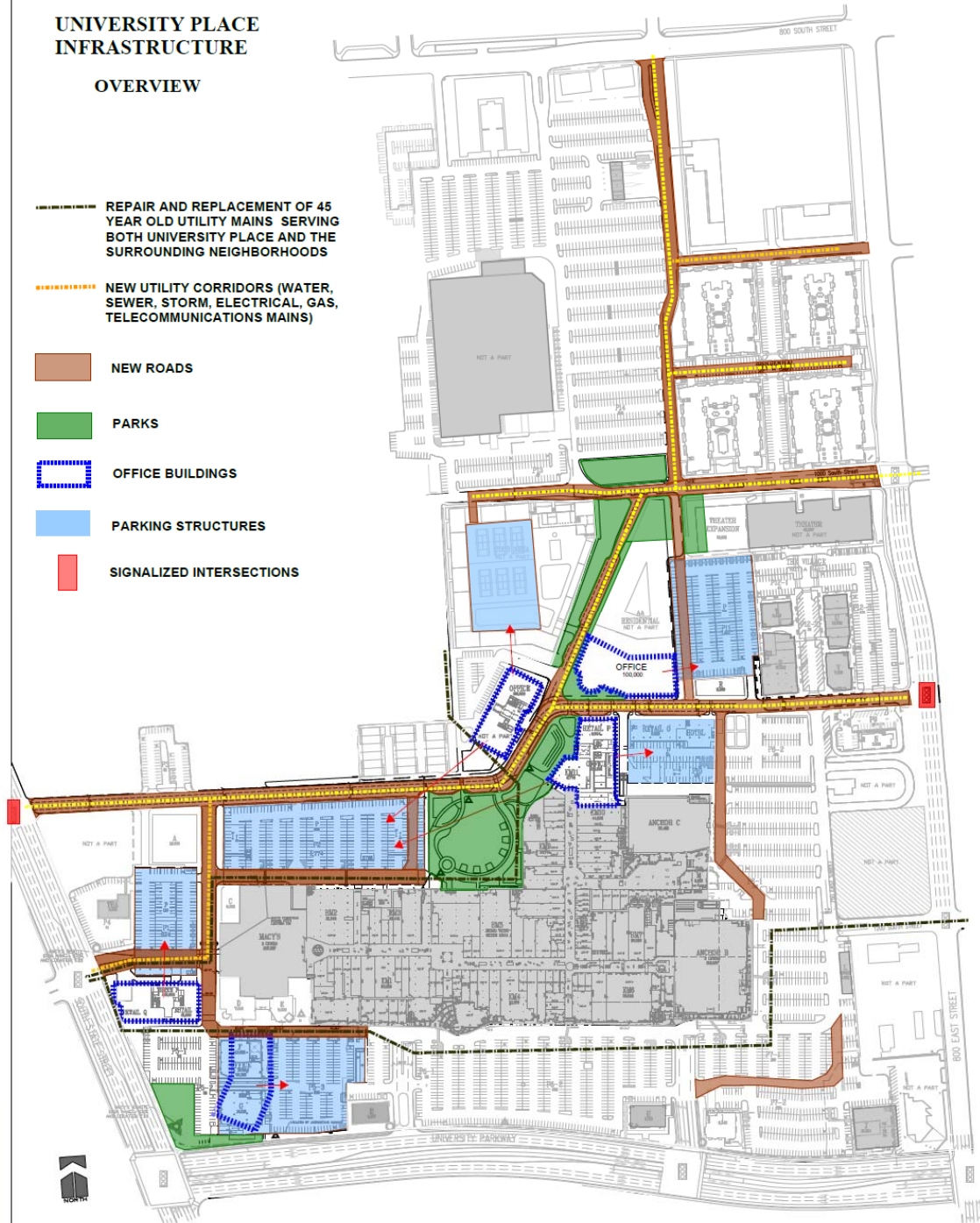


Infrastructure

UNIVERSITY PLACE INFRASTRUCTURE

OVERVIEW

- REPAIR AND REPLACEMENT OF 45 YEAR OLD UTILITY MAINS SERVING BOTH UNIVERSITY PLACE AND THE SURROUNDING NEIGHBORHOODS
- NEW UTILITY CORRIDORS (WATER, SEWER, STORM, ELECTRICAL, GAS, TELECOMMUNICATIONS MAINS)
- NEW ROADS
- PARKS
- OFFICE BUILDINGS
- PARKING STRUCTURES
- SIGNALIZED INTERSECTIONS





Why a CDA?

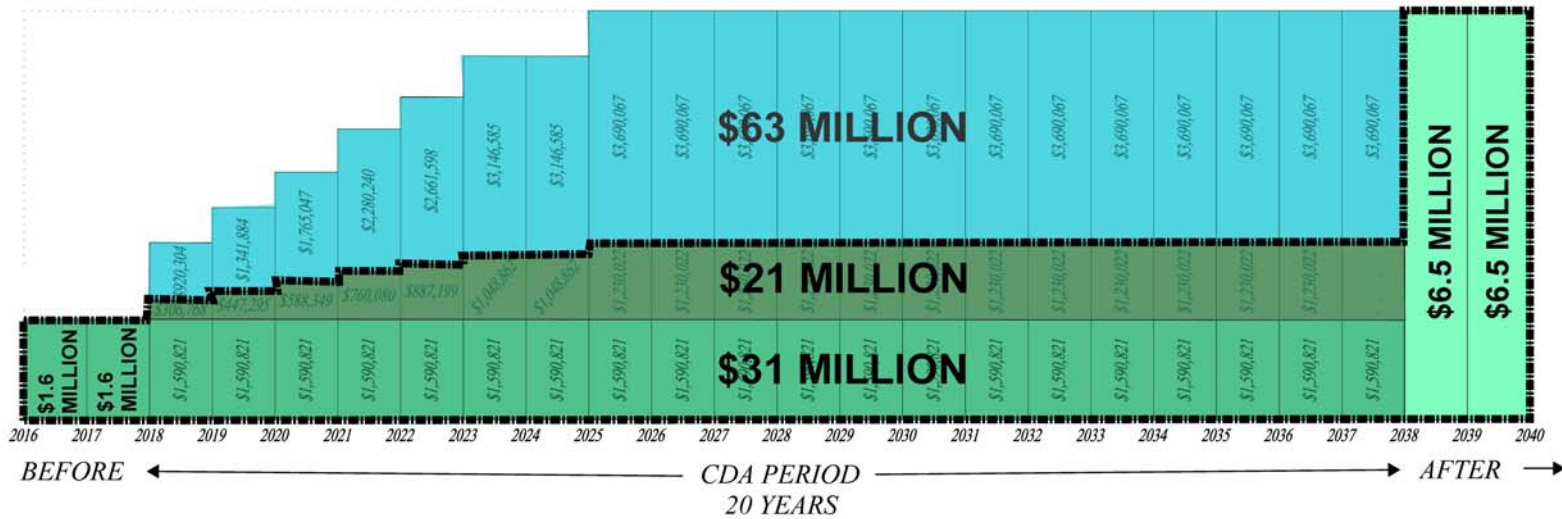
- Redevelopment is costly. A project is difficult to “pencil” when costs for demolition of existing buildings and existing site infrastructure, major infrastructure improvements, and utility relocations are required.
- Tax Increment Financing (TIF) is required to level the playing field between redevelopment and greenfield development.
- The CDA allows taxing agencies to partner with Woodbury to create a project that would not be feasible without public participation.
- TIF helps lease rates to compete with other parts of the county.
- Investing a portion of future tax money creates, in the end, a larger return for all taxing entities.



UP Property Tax Revenue Model

OREM CDA

A PORTION OF THE NEW PROPERTY TAX REVENUE IS SET ASIDE FOR INVESTMENT IN INFRASTRUCTURE DURING THE 20 YEAR CDA PERIOD



- BASE YEAR PROPERTY TAX REVENUES TO TAXING AUTHORITIES
- NEW PROPERTY TAX REVENUES TO TAXING AUTHORITIES DURING THE CDA
- POST CDA ANNUAL TAX REVENUES
- TOTAL PROPERTY TAX REVENUES TO TAXING AUTHORITIES
- PROPERTY TAXES SET ASIDE FOR INVESTMENT IN INFRASTRUCTURE



Utah County Property Tax

20 Year CDA

Annual Property Tax Base (\$162,648 x 20 Years)	\$3,252,954
<u>25% CDA Pass Through on New Growth</u>	<u>\$2,155,013</u>
Total County Property Tax Revenue	\$5,407,967
75% New Growth Returned to the CDA for Infrastructure	\$6,465,039



Utah County Property Tax

- Annual Property Tax Base 2014 \$162,648
- After 20-year CDA \$665,684
- Increase of \$503,036 Annually



Why is this Project Important for Orem

- Orem is the second most densely populated city in the State of Utah with 4,852 persons per square mile.
- The Mayor and City Council is concerned that the community is starting to decline as it matures. A community that fails to grow can also face dire consequences. As a result, efforts are being made to preserve Orem.
- Eight of eleven Alpine School District Title I schools are in Orem.
- Orem is reaching build-out conditions. The city is currently 95% built-out.
- There is very little vacant land left for development. For Orem, redevelopment is the future.



Why is this Project Important for Orem

- Over the past few years, companies that have started in Orem have left the city because there has not been room to grow. Doterra, Adobe, and Xactware are examples of this trend. These companies all located in new developments that were constructed using tax increment financing. Orem has lost almost 2,000 jobs during this time.
- The University Mall opened in 1973. For over 40 years, the mall has been, and continues to be, an economic engine for Orem and Utah County.
- The area around the mall is responsible for 27% of all city sales tax revenue. The noted sales tax numbers also greatly benefits Utah County. This is what provides for parks, fire, police, streets, and other general fund programs.
- For almost two years, the city has worked with Woodbury to develop a new master plan and zone for the University Mall to help ensure the mall will provide an additional 40 years of positive economic impact and growth for the city and Utah County as a whole.



Economic Development Strategic Plan

- Increasing assessed values is a solution for stabilizing tax revenues in Orem.
- Redeveloping the mall with office and residential uses increases assessed values and reinforces future success for the mall site.
- Reinvestment leads to additional tax revenue over the next 40 years for all taxing entities—revenue that will not exist without the CDA.



Opportunity

- No commercial development in Utah County surpasses University Mall in population size within a five mile radius.
- Now and projected through 2040.

	Population			
	2015	2020	2030	2040
Thanksgiving Point				
1 Mile	7,793	9,063	10,976	12,763
3 Miles	37,944	46,071	65,874	85,448
5 Miles	100,839	119,240	157,390	194,218
American Fork Retail				
1 Mile	8,498	9,485	10,565	11,464
3 Miles	69,039	75,719	84,875	91,662
5 Miles	140,396	153,906	176,521	195,166
Technology Park				
1 Mile	14,848	14,926	14,853	14,804
3 Miles	93,239	95,378	98,689	99,831
5 Miles	176,877	183,927	197,305	208,395
Geneva Road				
1 Mile	10,377	10,800	11,648	12,472
3 Miles	89,869	94,253	104,929	113,834
5 Miles	185,312	194,189	210,490	223,283
University Mall				
1 Mile	19,032	19,199	19,413	19,658
3 Miles	154,297	157,937	164,416	167,940
5 Miles	227,652	235,460	254,457	267,043
Downtown Provo				
1 Mile	33,703	33,717	33,826	33,756
3 Miles	116,006	118,173	124,813	128,092
5 Miles	174,898	180,755	195,751	204,421
Provo Towne Center				
1 Mile	3,672	3,809	4,398	4,499
3 Miles	76,888	78,765	85,895	89,303
5 Miles	154,737	162,375	179,793	188,850



UP CDA Economic Multiplier Analysis

UNIVERSITY PLACE CDA

IMPACT REPORT

Measuring the direct, indirect, and induced impacts on the local and regional economy.

As reported by the financial service firm
Lewis Young Robertson & Burningham, Inc.

NEW JOBS CREATED



The University Place development will result in the creation of 4,010 jobs in the Orem and regional economy.



The University Place development will add an annual
412 million
dollars to the local economy.

By the Numbers . . .

The University Place CDA is the answer for keeping Orem a prosperous community



For every 2 jobs the CDA creates, a 3rd indirect job is created in Utah County



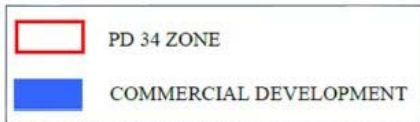
For every dollar created within the CDA, an additional \$0.46 of economic activity will be created in Utah County



When complete, the CDA will create over \$151 million in additional labor income in Utah County



Halo Effect



- The past 40 years created a retail “Halo Effect” along Orem’s key corridors.
- The City anticipates the next 40 years will create a “Halo Effect” of redevelopment and mixed-use along the same corridors.



Letter of Support from GOED



Governor's Office of Economic Development

BUSINESS • TOURISM • FILM

State of Utah

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

Q. VAL HALE
Executive Director

September 3, 2014

To the members of Orem City and the University Place development team:

As Executive Director of the Utah Governor's Office of Economic Development ("GOED"), I am pleased to see additional proposed investment in the heart of Utah Valley at the University Mall, and look forward to its growth into a University Place.

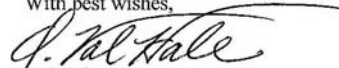
We commend you for your vision associated with the University Place redevelopment. GOED recognizes the relevance of the University Parkway and State Street commercial corridors, and the impact this area has on the Utah County and state economy. Focused and planned redevelopment and investment in these established corridors has merit and will benefit the economic development of surrounding communities and the state at large. Our Office also recognizes the positive impacts in promoting innovation, entrepreneurship and sustained investment in the areas that surround the educational core of Utah Valley University and Brigham Young University.

We are excited to see new Class-A office of the scale and quality presented in your master plan and feel that these new office buildings will serve as a unique and exciting addition to our statewide corporate real estate portfolio. We recognize the need for focused investment in infrastructure to accommodate the urban nature of these office buildings and the associated density. Local leaders should be commended for having the vision to make these investments using the economic tools provided under state and local law.

GOED supports the objectives and goals stated in the Draft Project Area Plan for the University Place Community Development Area (CDA) dated August 2014, including addressing the needed infrastructure improvements in order to foster and accelerate economic development, stimulate job development and promote the use of transit and the walkability of the area.

Our Office looks forward to many more years of success and smart growth that the University Place redevelopment has the potential to incite for our statewide community and in particular the communities surrounding the project.

With best wishes,


Val Hale
Executive Director



60 East South Temple, Third Floor • Salt Lake City, Utah 84111 • (801) 538-8680 • business.utah.gov



Letter of Support from UVU

UVU

UTAH VALLEY UNIVERSITY

OFFICE of THE PRESIDENT

September 30, 2014

Mayor Richard Brunst and City Council
Orem City
56 North State Street
Orem, UT 84057

Dear Mayor Brunst and City Council Members,

I wanted to commend Orem City for its actions this week approving the proposed University Place CDA by a 5-1 margin. This project will bolster job growth and bring important economic development to Orem City and the Utah Valley community at large.

We at Utah Valley University have followed the University Mall redevelopment initiative closely as it has unfolded over the last few years. With our campus located along University Parkway, we have a vested interest in the continued improvement of the area. We recognize the positive impact this development will have on our students, faculty, and staff who live in the area and will benefit from its continued development.

The University Place project will help the community attract new businesses in technology and other sectors. Additionally, other new opportunities at the site will improve our students' chances of obtaining high-paying jobs and staying in the area as they complete their educational goals. We believe that the plans for University Place, including new Class-A office space, new civic space and other improvements, are exemplary of the type of development that will help our community grow and provide additional opportunities for those at UVU.

We are pleased to be located in a city that is supportive of its local businesses, is proactively seeking out sensible economic development initiatives, and is willing to make the necessary investments to foster economic growth. We look forward to the future University Place in Orem, and are proud to work with the City as it achieves its goals to meet the needs of our community.

Best,

A handwritten signature in black ink, appearing to read "Matthew Holland".

Matthew Holland
President