



AGENDA
REDEVELOPMENT AGENCY
OF THE CITY OF OREM
December 9, 2014

CALL TO ORDER

APPROVAL OF MINUTES

1. MINUTES of Redevelopment Agency Meeting of November 11, 2014

SCHEDULED ITEMS

2. RESOLUTION – Approve an Interlocal Cooperation Agreement between the Redevelopment Agency of the City of Orem and the Alpine School District

RECOMMENDATION: The Economic Development Division Manager recommends that the Redevelopment Agency of the City of Orem, by resolution, enter into the Interlocal Cooperation Agreement with the Alpine School District.

BACKGROUND: The Redevelopment Agency of the City of Orem desires to enter into this agreement to receive a portion of property tax increment generated within the University Place Community Development Area back from the Alpine School District. Tax Increment arising from the development of the Project may be used to pay for public infrastructure improvements, Agency requested improvements and upgrades, both off-site and on-site improvements, land incentives, desirable Project Area improvements, and other items as approved by the Agency.

Adoption of the Draft Project Area Plan will assist the City of Orem with business attraction and expansion, new job growth, increased tax revenues, and is anticipated to act as a catalyst to future development and reinvestment in the surrounding area.

3. RESOLUTION – Approve an Interlocal Cooperation Agreement between the Redevelopment Agency of the City of Orem and Utah County

RECOMMENDATION: The Economic Development Division Manager recommends that the Redevelopment Agency of the City of Orem, by resolution, enter into the Interlocal Cooperation Agreement with Utah County.

The Redevelopment Agency of the City of Orem desires to enter into this agreement to receive a portion of property tax increment generated within the University Place Community Development Area back from Utah County. Tax Increment arising from the

THE PUBLIC IS INVITED TO PARTICIPATE IN ALL REDEVELOPMENT AGENCY MEETINGS.

If you need a special accommodation to participate in the Redevelopment Agency meeting, please call the City Recorder's Office at least 3 working days prior to the meeting.

(Voice 229-7074)

This agenda is also available on the City's Internet webpage at orem.org

development of the Project may be used to pay for public infrastructure improvements, Agency requested improvements and upgrades, both off-site and on-site improvements, land incentives, desirable Project Area improvements, and other items as approved by the Agency.

4. RESOLUTION – Approving and Adopting the Project Area Budget for the University Place Community Development Project Area Plan

RECOMMENDATION: The Economic Development Division Manager recommends that the Redevelopment Agency of the City of Orem, by resolution, approve and adopt the Project Area Budget for the University Place Community Development Project Area Plan.

BACKGROUND: The Redevelopment Agency of the City of Orem, Utah (Agency) has approved the creation of the University Place Community Development Project Area Plan (Plan) by Resolution RDA-R-2014-0004 establishing a Project Area that includes University Mall. The City Council of the City of Orem has approved the Plan.

The Agency has entered into certain interlocal agreements with the Central Utah Water Conservancy District, the Orem Metropolitan Water District, the Alpine School District, and Utah County (collectively “Taxing Entities”) wherein the Taxing Entities have separately and individually agreed to remit to the Agency annually a portion of the tax increment generated within the Project Area for the purpose of providing funds to the Agency to carry out the Project Area Plan. A summary of the terms of those interlocal agreements are as follows:

Taxing Entity	Agreement Duration	Percent of Increment to Agency
City	20 Years	75%
County	20 Years	75%
School District	20 Years	65%
Water District	20 Years	75%
CUWCD	20 Years	75%

Pursuant to Utah state law, it is now appropriate for the Agency to approve and adopt the Project Area Plan Budget.

ADJOURN AND RECONVENE CITY COUNCIL MEETING

It is expected that the
November 11, 2014,
RDA minutes
will be ready on
Monday, December 8th
and will be added to the
DropBox file then.
The Council will be
notified if/when they are
available.

CITY OF OREM
REDEVELOPMENT AGENCY MEETING
DECEMBER 9, 2014



REQUEST:	RESOLUTION – Approve an Interlocal Cooperation Agreement between the Redevelopment Agency of the City of Orem and the Alpine School District.
APPLICANT:	City of Orem Economic Development Division
FISCAL IMPACT:	\$38,713,892 of future tax increment funds (estimate from the model)

NOTICES:

- Posted in 2 public places
- Posted on City webpage
- Posted on State website
- Faxed to newspapers
- E-mailed to newspapers
- Neighborhood Chair

PREPARED BY: Ryan L. Clark EDD Manager

RECOMMENDATION:

The Economic Development Division Manager recommends that the Redevelopment Agency of the City of Orem, by resolution, enter into the Interlocal Cooperation Agreement with the Alpine School District.

BACKGROUND:

The Redevelopment Agency of the City of Orem desires to enter into this agreement to receive a portion of property tax increment generated within the University Place Community Development Project Area back from the Alpine School District. Tax Increment arising from the development of the Project Area may be used to pay for public infrastructure improvements, Agency requested improvements and upgrades, both off-site and on-site improvements, land incentives, desirable Project Area improvements, and other items as approved by the Agency.

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RESOLUTION NO. _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF OREM, UTAH APPROVING AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE AGENCY AND ALPINE SCHOOL DISTRICT

WHEREAS, pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “Interlocal Act”), and the provisions of Title 17C of the Utah Code as amended, known as the Limited Purpose Government Entities – Community Development and Renewal Agencies Act (the “CDRA Act”), public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into mutually advantageous agreements for joint and cooperative actions, including the sharing of tax and other revenues; and

WHEREAS, the Redevelopment Agency of the City of Orem, Utah (the “Agency”) and the Alpine School District (the “School District”) are “public agencies” for purposes of the Interlocal Act; and

WHEREAS, after careful analysis and consideration of relevant information, the Agency desires to enter into an Interlocal Cooperation Agreement with the School District whereby the School District would remit to the Agency a portion of the property tax increment generated within the University Place Community Development Project Area, (the “Project Area”) which would otherwise flow to the School District, for the purpose of encouraging development activities through the payment for certain public infrastructure, land assembly, and other uses that directly benefit the Project Area as permitted under the CDRA Act; and

WHEREAS, Section 11-13-202.5 of the Interlocal Act requires that certain Interlocal Cooperation Agreements be approved by resolution of the legislative body of a public agency.

THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF OREM, UTAH AS FOLLOWS:

1. The Interlocal Cooperation Agreement between the Agency and the School District, substantially in the form attached hereto as Exhibit A (the “Agreement”), is approved and shall be executed for and on behalf of the Agency by the Chair and countersigned by its Secretary.
2. Pursuant to Section 11-13-202.5 of the Interlocal Act, the Agreement has been submitted to legal counsel of the Agency for review and approved as to form and legality.
3. Pursuant to Section 11-13-209 of the Interlocal Act, a duly executed original counterpart of the Agreement shall be filed immediately with the Secretary, the keeper of records of the Agency.

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4. The Agency is hereby directed to publish or cause to be published a notice of the Agreement in accordance with Section 11-13-219 of the Interlocal Act and make a copy of the Agreement available for public inspection and copying at the Agency’s offices during regular business hours for a period of at least 30 days following publication of the notice.

5. The Agreement shall be effective immediately upon execution.

6. This Resolution shall take effect upon adoption.

PASSED AND APPROVED this 9th day of **December** 2014.

Richard F. Brunst, Jr.
Agency Chairman

ATTEST:

Donna R. Weaver, Secretary

BOARD MEMBERS VOTING “AYE”

BOARD MEMBERS VOTING “NAY”

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EXHIBIT A – INTERLOCAL AGREEMENT

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INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this ____ day of _____, 2014, by and between **THE REDEVELOPMENT AGENCY OF THE CITY OF OREM, UTAH** a community development and renewal agency and political subdivision of the State of Utah (the “Agency”), and **THE APLINE SCHOOL DISTRICT**, a political subdivision of the State of Utah (the “School District”) (collectively the “Parties” or in the singular “Party”) in contemplation of the following facts and circumstances:

- A. **WHEREAS**, the Agency was created and organized pursuant to an ordinance dated August 14, 1984 (O-84-0031) and continues to operate under the provisions of the Limited Purpose Government Entities - Community Development and Renewal Agencies Act, Title 17C of the Utah Code (the “Act”), and is authorized and empowered under the Act to undertake, among other things, various community development activities pursuant to the Act, including, among other things, assisting the City of Orem, Utah (the “City”) in development activities; and
- B. **WHEREAS**, this Agreement is made pursuant to the provisions of the Act and the Interlocal Cooperation Act (Utah Code Title 11, Chapter 13) (the “Interlocal Act”); and
- C. **WHEREAS**, the Agency has created the University Place Community Development Project Area (the “Project Area”), through the adoption of the University Place Community Development Project Area Plan (the “Project Area Plan”), located within the City, which Project Area is described in Exhibit “A” attached hereto and incorporated herein by this reference; and
- D. **WHEREAS**, the Project Area includes the University Mall, which is part of a planned revitalization and redevelopment. The Agency has not entered into any participation or development agreements with developers but anticipates that prior to development of the Project Area, the City and the Agency may enter into one or more Development/Participation Agreements with one or more developer(s) which will provide certain terms and conditions upon which the Project Area will be developed using, in part, increased property taxes, referred to as “Tax Increment” (as that term is defined in the Act), generated from the Project Area; and
- E. **WHEREAS**, historically, the Project Area has generated a total of \$1,590,821 per year in property taxes for the various taxing entities, including the City, Utah County (“County”), the School District, the Central Utah Water Conservancy District (the “CUWCD”), and the Orem Metropolitan Water District (the “Orem Water District”) \$1,123,806 of which is attributed to the School District; and
- F. **WHEREAS**, upon full development as contemplated in the Project Area Plan, property taxes produced by the Project Area for the City, the County, the School District, the CUWCD, and the Orem Water District are projected to total approximately \$6,510,910 per year \$4,599,513 of which would be attributed to the School District; and
- G. **WHEREAS**, the Agency has requested the City, the County, the School District, the CUWCD, and the Orem Water District to participate in the promotion of development in the Project Area by agreeing to remit to the Agency for a specified period of time specified portions of the increased property tax which will be generated by the Project Area; and
- H. **WHEREAS**, the School District and the Agency have determined that it is in the best interests of the School District to provide certain financial assistance through the use of Tax Increment in connection with the development of the Project to carry out the Project Area Plan; and

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- I. **WHEREAS** Utah Code §17C-4-201(1) authorizes the School District to consent to the payment to the Agency of a portion of the School District's share of Tax Increment generated from the Project Area for the purposes set forth therein; and
- J. **WHEREAS**, Utah Code § 11-13-215 further authorizes the School District to share its tax and other revenues with the Agency; and
- K. **WHEREAS**, the Agency has retained Lewis Young Robertson & Burningham, Inc., an independent financial consulting firm with substantial experience regarding community development and tax increment projects across the State of Utah, to prepare the Project Area Plan and to provide a report regarding the need and justification for the remittance of tax increment revenues within the Project Area. A copy of the report is included in the Project Area Plan attached as Exhibit "B"; and
- L. **WHEREAS**, the Project Area Plan has been adopted by the Agency through resolution passed on September 23, 2014 and made effective through Ordinance No. O-2014-0034 passed by the City; and
- M. **WHEREAS**, the Agency has also prepared a draft of the University Place Community Development Project Area Budget (the "Project Area Budget"), a copy of which is attached as Exhibit "C", which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;
- N. **WHEREAS**, the Parties desire to set forth in writing their agreements regarding the nature and timing of such assistance;

NOW, THEREFORE, the parties agree as follows:

- 1. **Additional Tax Revenue.** The School District has determined that significant additional property tax revenue (*i.e.*, Tax Increment) will likely be generated by the development of the Project Area as described in further detail in the Project Area Plan and Project Area Budget. Each of the parties acknowledge, however, that the development activity required for the generation of the Tax Increment is not likely to occur within the foreseeable future or to the degree possible or desired without Tax Increment participation in order to induce and encourage such development activity.
- 2. **Offset of Development Costs and Expenses.** The School District has determined that it is in the best interests of the School District to pay specified portions of the Tax Increment to the Agency in order for the Agency to offset costs and expenses which will be incurred by the Agency in the construction and installation of infrastructure improvements and other development related costs needed to serve the Project Area, to the extent permitted by the Act, as amended from time to time.
- 3. **Base Year and Base Year Value.** The base year, for purposes of calculation of the Base Taxable Value (as that term is defined in the Act), shall be 2013, meaning the Base Taxable Value shall, to the extent and in the manner defined by the Act, be equal to the equalized taxable value shown on the 2013 Utah County assessment rolls for all property located within the Project Area (which is currently estimated to be \$129,187,998, but is subject to final adjustment and verification by the School District and Agency).

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4. **Agreement with Developers.** The Agency is authorized to enter into one or more agreements with developers which may provide for the payment of certain amounts of Tax Increment to the developer based upon the developer's meeting of certain performance measures as outlined in said agreement. Such agreement shall be consistent with the terms and conditions of this Agreement, shall require as a condition of the payment to the developer that the developer, or its approved successors in title as owners of the property, shall pay any and all taxes and assessments which shall be assessed against the property in accordance with levies made by applicable municipal entities in accordance with the laws of the State of Utah applicable to such levies.
5. **Payment Trigger.** The first year ("Year One") of payment of Tax Increment from the School District to the Agency shall be determined by the Agency, but shall be no later than 2018. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Twenty.
6. **Total Payment to Agency.** The School District shall remit to the Agency, beginning with property tax receipts in Year One, and continuing through Year Twenty, 65% of the annual Tax Increment generated from the Project Area. The County is authorized and instructed to pay all of the Tax Increment to the Agency annually, and the Agency will then distribute to the School District the 35% portion of the Tax Increment, and the Agency will retain the 65% balance.
7. **Property Tax Increase.** This Agreement provides for the payment of the increase in real and personal property taxes collected from the Project Area by the County that would otherwise accrue to the benefit of the School District. Real and personal property taxes which are the subject of this Agreement shall not include taxes collected from the Project Area by the County, acting in its capacity as the tax collection agency for the School District, which are to be paid to or utilized by abatement districts, special service or improvement districts or other entities for which the County acts as the tax collection agency, nor shall it include any component of real property taxes retained by the County as payment for costs incurred in the collection of real property taxes for itself or other applicable agencies. It is expressly understood that the real property taxes which are the subject of this Agreement are only those real and personal property taxes actually collected from the Project Area.
8. **No Independent Duty.** The School District shall be responsible to remit to the Agency only Tax Increment actually received. The School District shall have no independent duty to pay any amount to the Agency other than the Tax Increment described in paragraph 6 of this Agreement on an annual basis from and including Year One through and including Year Twenty.
9. **Authority to Bind.** Each individual executing this Agreement represents and warrants that such person is authorized to do so, and, that upon executing this Agreement, this Agreement shall be binding and enforceable in accordance with its terms upon the Party for whom such person is acting.
10. **Further Documents and Acts.** Each of the Parties hereto agrees to cooperate in good faith with the others, and to execute and deliver such further documents and perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.
11. **Notices.** Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered to an officer or duly authorized representative of the other Party in person or by Federal Express, private commercial delivery or courier service for next business day delivery, or by United States mail, duly certified or registered (return receipt requested), postage prepaid, and addressed to the Party for whom intended, as follows:

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If to School District:
Alpine School District
Attn: Board of Education
575 North 100 East
American Fork, UT 84003
Facsimile: (801) 610-8560

If to Agency:
Redevelopment Agency of Orem City
Attn: Agency Board
56 N. State Street
Orem, UT 84057
Facsimile: (801) 229-7031

Any Party may from time to time, by written notice to the others as provided above, designate a different address which shall be substituted for that specified above. Notice sent by mail shall be deemed served or delivered seventy-two (72) hours after mailing. Notice by any other method shall be deemed served or delivered upon actual receipt at the address or facsimile number listed above. Delivery of courtesy copies noted above shall be as a courtesy only and failure of any Party to give or receive a courtesy copy shall not be deemed to be a failure to provide notice otherwise properly delivered to a Party to this Agreement.

12. **Entire Agreement.** This Agreement is the final expression of and contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the Party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. This Agreement and its exhibits constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.
13. **No Third Party Benefit.** The Parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the Parties hereto. There are no intended third party beneficiaries to this Agreement.
14. **Construction.** Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of the Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. Unless otherwise indicated, all references to paragraphs and subparagraphs are to this Agreement. In the event the date on which any of the parties is required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.
15. **Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law.

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16. **Amendments.** No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing executed by each of the parties hereto.
17. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.
18. **Waivers.** No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.
19. **Governing Law.** This Agreement and the exhibits attached hereto shall be governed by and construed under the laws of the State of Utah. In the event of any dispute hereunder, it is agreed that the sole and exclusive venue shall be in a court of competent jurisdiction in Utah County, Utah, and the Parties hereto agree to submit to the jurisdiction of such court.
20. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that the School District cannot pay and/or that the Agency cannot receive payments of the Project Area Property Tax, declares that the Agency cannot pay the Project Area Property Tax to developers, or takes any other action which has the effect of eliminating or reducing the payments of Project Area Property Tax received by the Agency, then the Agency's obligation to pay the Project Property Tax Payments to developers shall be reduced or eliminated accordingly, and the Agency and the School District shall take such steps as are reasonably required to not permit the payment and/or receipt of the Property Tax to be declared invalid.
21. **No Separate Legal Entity.** No separate legal entity is created by this Agreement.
22. **Duration.** This Agreement shall terminate after the final payment of Tax Increment to the Agency for Year Twenty.
23. **Assignment.** No Party may assign its rights, duties or obligations under this Agreement without the prior written consent first being obtained from all Parties. Notwithstanding the foregoing, such consent shall not be unreasonably withheld or delayed so long as the assignee thereof shall be reasonably expected to be able to perform the duties and obligations being assigned.
24. **Termination.** Upon any termination of this Agreement resulting from the uncured default of any Party, the order of any court of competent jurisdiction, or termination as a result of any legislative action requiring such termination, any funds held by the Agency, and for which the Agency shall not be required to disburse to developers in accordance with the agreements which govern such disbursement, shall be returned to the Party originally remitting same to the Agency and upon such return, and this Agreement shall be deemed terminated and of no further force or effect.
25. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Interlocal Act in connection with this Agreement, the Parties agree as follows:
 - a. This Agreement shall be authorized and adopted by resolution of the legislative body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Interlocal Act;
 - b. This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in

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accordance with the provisions of Section 11-13-202.5(3) of the Interlocal Act;

- c. A duly executed original counterpart of this Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Interlocal Act;
- d. The CEO of the Agency is hereby designated the administrator for all purposes of the Interlocal Act, pursuant to Section 11-13-207 of the Interlocal Act; and
- e. Should a Party to this Agreement desire to terminate this Agreement, in part or in whole, each Party to the Agreement must adopt, by resolution, an amended Interlocal Cooperation Agreement stating the reasons for such termination. Any such amended Interlocal Cooperation Agreement must be in harmony with any development/participation agreement(s) entered into by the Agency as described in this Agreement.
- f. Immediately after execution of this Agreement by both Parties, each of the Parties shall cause to be published notice regarding this Agreement pursuant to Section 11-13-219 of the Interlocal Act.
- g. This Agreement makes no provision for the parties acquiring, holding and disposing of real and personal property used in the joint undertaking as such action is not contemplated as part of this Agreement nor part of the undertaking. Any such provision would be outside the parameters of the current undertaking. However, to the extent that this Agreement may be construed as providing for the acquisition, holding or disposing of real and/or personal property, all such property shall be owned by the Agency upon termination of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day specified above.

School District: ALPINE SCHOOL DISTRICT

Attest:

By: _____
John C. Burton
President, Board of Education

Keeper of Records for the School District

Approved as to form:

Attorney for the School District

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Agency: REDEVELOPMENT AGENCY OF THE CITY OF OREM

Attest:

By: _____
Richard F. Brunst, Jr.
Its: Chair

Secretary

Approved as to form:

Attorney for Agency

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EXHIBIT "A"
to
INTERLOCAL AGREEMENT

Legal Description of Project

An area of real property located in the NE Quarter of Section 26 and the SE Quarter of Section 23, T. 6 S. R 2 E. S.L.B. & M., more particularly described as follows:

Commencing at a point which is S. 89°18'03" E. 142.38 feet along the Section Line and from the North 1/4 Corner of Section 26, T. 6 S., R. 2 E., S.L.B. & M. to the point of beginning, (which point is +/- on the Westerly Right of Way Line of State Street); thence along said Westerly Right of Way Line S. 18°29'52" E, 582.92 feet to the Northerly Right of Way Line +/- of University Parkway; thence along said Northerly Right of Way Line for the next eight calls, N. 88°20'55" E. 489.31 feet; thence S 89°21'02" E. 315.94 feet; thence along a Curve to the Right, the Radius is 766.62 feet, the Arc Length is 177.24 feet, the Chord Bearing is S. 86°40'38" E. the Chord Length is 176.85 feet; thence along a Compound Curve to the Right, the Radius is 10889.46 feet, the Arc Length is 265.96 feet, the Chord Bearing is S. 81°07'54" E. the Chord Length is 265.95 feet; thence S. 78°55'57" E. 202.90 feet; thence along a Curve to the Left, the Radius is 3599.59 feet, the Arc Length is 484.04 feet, the Chord Bearing is S. 81°28'08" E. the Chord Length is 483.68 feet; thence S. 89°37'22" E. 339.25 feet; thence along a curve to the Left, the Radius is 33.72 feet, the Arc Length is 51.39 feet, the Chord Bearing is N. 43°36'28" E. the Chord Length is 46.56 feet; thence along the Westerly side of 800 East Street for the next five calls, N. 0°02'59" E. 981.25 feet; thence West 15.02 feet; thence N. 3°35'49" W. 339.03 feet; thence East 35.20 feet; thence N. 0°23'52" W. 1938.15 feet; thence along the Southerly Right of Way Line +/- of 800 South for the next three calls, N. 88°49'10" W. 602.03 feet; thence S. 30°13'24" W. 25.21 feet; thence West 696.26 feet; thence South 133.07 feet; thence West 176.56 feet; thence South 326.41 feet; thence East 95.74 feet; thence South 219.18 feet; thence West 14.74 feet; thence South 81.45 feet; thence West 56.34 feet; thence S. 1°34'18" W. 277.32 feet; thence West 38.62 feet; thence South 97.40 feet; thence S. 83°14'59" E. 119.41 feet; thence South 90.25 feet; thence S. 85°48'17" E. 26.30 feet; thence S. 0°45'03" W. 685.85 feet; thence N. 89°17'31" W. 773.46 feet; thence N. 0°27'31" W. 7.77 feet; thence N. 88°59'39" W. 33.40 feet; thence N. 0°44'23" W. 53.42 feet; thence N. 89°22'23" W. 111.23 feet; thence S. 0°58'02" W. 203.19 feet; thence N. 88°44'39" W. 344.36 feet to the Easterly Right of Way Line +/- of State Street; thence S. 18°25'51" E. 554.20 feet along said Right of Way Line to the point of beginning.

Containing 133.6 Acres more or less.

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EXHIBIT "B"
To
INTERLOCAL AGREEMENT

Project Area Plan

INTENTIONALLY OMITTED

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EXHIBIT "C"
To
INTERLOCAL AGREEMENT

Project Area Budget

INTENTIONALLY OMITTED

CITY OF OREM
REDEVELOPMENT AGENCY MEETING
DECEMBER 9, 2014



REQUEST:	RESOLUTION – Approve an Interlocal Cooperation Agreement between the Redevelopment Agency of the City of Orem and Utah County.
APPLICANT:	City of Orem Economic Development Division
FISCAL IMPACT:	\$6,465,039 of future tax increment funds (estimate from the model)

NOTICES:

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- Posted on City webpage
- Posted on State website
- Faxed to newspapers
- E-mailed to newspapers
- Neighborhood Chair

PREPARED BY: Ryan L. Clark EDD Manager

RECOMMENDATION:

The Economic Development Division Manager recommends that the Redevelopment Agency of the City of Orem, by resolution, enter into the Interlocal Cooperation Agreement with Utah County.

BACKGROUND:

The Redevelopment Agency of the City of Orem desires to enter into this agreement to receive a portion of property tax increment generated within the University Place Community Development Project Area back from Utah County. Tax Increment arising from the development of the Project Area may be used to pay for public infrastructure improvements, Agency requested improvements and upgrades, both off-site and on-site improvements, land incentives, desirable Project Area improvements, and other items as approved by the Agency.

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RESOLUTION NO. _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF OREM, UTAH APPROVING AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE AGENCY AND UTAH COUNTY

WHEREAS, pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “Interlocal Act”), and the provisions of Title 17C of the Utah Code as amended, known as the Limited Purpose Government Entities – Community Development and Renewal Agencies Act (the “CDRA Act”), public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into mutually advantageous agreements for joint and cooperative actions, including the sharing of tax and other revenues; and

WHEREAS, the Redevelopment Agency of the City of Orem, Utah (the “Agency”) and Utah County (the “County”) are “public agencies” for purposes of the Interlocal Act; and

WHEREAS, after careful analysis and consideration of relevant information, the Agency desires to enter into an Interlocal Cooperation Agreement with the County whereby the County would remit to the Agency a portion of the property tax increment generated within the University Place Community Development Project Area, (the “Project Area”) which would otherwise flow to the County, for the purpose of encouraging development activities through the payment for certain public infrastructure, land assembly, and other uses that directly benefit the Project Area as permitted under the CDRA Act; and

WHEREAS, Section 11-13-202.5 of the Interlocal Act requires that certain Interlocal Cooperation Agreements be approved by resolution of the legislative body of a public agency.

THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF OREM, UTAH AS FOLLOWS:

1. The Interlocal Cooperation Agreement between the Agency and the County, substantially in the form attached hereto as Exhibit A (the “Agreement”), is approved and shall be executed for and on behalf of the Agency by the Chair and countersigned by its Secretary.
2. Pursuant to Section 11-13-202.5 of the Interlocal Act, the Agreement has been submitted to legal counsel of the Agency for review and approved as to form and legality.
3. Pursuant to Section 11-13-209 of the Interlocal Act, a duly executed original counterpart of the Agreement shall be filed immediately with the Secretary, the keeper of records of the Agency.

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4. The Agency is hereby directed to publish or cause to be published a notice of the Agreement in accordance with Section 11-13-219 of the Interlocal Act and make a copy of the Agreement available for public inspection and copying at the Agency's offices during regular business hours for a period of at least 30 days following publication of the notice.

5. The Agreement shall be effective immediately upon execution.

6. This Resolution shall take effect upon adoption.

PASSED, APPROVED and ORDERED PUBLISHED this 9th day of December 2014.

Richard F. Brunst, Jr., Agency Chair

ATTEST:

Donna R. Weaver, Secretary

BOARD MEMBERS VOTING "AYE"

BOARD MEMBERS VOTING "NAY"

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EXHIBIT A – INTERLOCAL AGREEMENT

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INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this ____ day of _____, 2014, by and between **THE REDEVELOPMENT AGENCY OF THE CITY OF OREM, UTAH** a community development and renewal agency and political subdivision of the State of Utah (the “Agency”), and **UTAH COUNTY**, a political subdivision of the State of Utah (the “County”) (collectively the “Parties” or in the singular “Party”) in contemplation of the following facts and circumstances:

- A. **WHEREAS**, the Agency was created and organized pursuant to an ordinance dated August 14, 1984 (O-84-0031) and continues to operate under the provisions of the Limited Purpose Government Entities - Community Development and Renewal Agencies Act, Title 17C of the Utah Code (the “Act”), and is authorized and empowered under the Act to undertake, among other things, various community development activities pursuant to the Act, including, among other things, assisting the City of Orem, Utah (the “City”) in development activities; and
- B. **WHEREAS**, this Agreement is made pursuant to the provisions of the Act and the Interlocal Cooperation Act (Utah Code Title 11, Chapter 13) (the “Interlocal Act”); and
- C. **WHEREAS**, the Agency has created the University Place Community Development Project Area (the “Project Area”), through the adoption of the University Place Community Development Project Area Plan (the “Project Area Plan”), located within the City, which Project Area is described in Exhibit “A” attached hereto and incorporated herein by this reference; and
- D. **WHEREAS**, the Project Area contains the University Mall, which is anticipated to be revitalized, with encouragement and planning by the Agency, into residential, retail, hotel, and office uses. The Agency has not entered into any participation or development agreements with developers but anticipates that prior to development of the Project Area, the City and the Agency may enter into one or more Development/Participation Agreements with one or more developer(s) which will provide certain terms and conditions upon which the Project Area will be developed using, in part, increased property taxes, referred to as “Tax Increment” (as that term is defined in the Act), generated from the Project Area; and
- E. **WHEREAS**, historically, the Project Area has generated a total of \$1,590,821 per year in property taxes for the various taxing entities, including the City, the County, Alpine School District (the “School District”), the Central Utah Water Conservancy District (the “CUWCD”), and the Orem Metropolitan Water District (the “Orem Water District”); and
- F. **WHEREAS**, upon full development as contemplated in the Project Area Plan, property taxes produced by the Project Area for the City, the County, the School District, the CUWCD, and the Orem Water District are projected to total approximately \$6,510,910 per year; and
- G. **WHEREAS**, the Agency has requested the City, the County, the School District, the CUWCD, and the Orem Water District to participate in the promotion of development in the Project Area by agreeing to remit to the Agency for a specified period of time specified portions of the increased property tax which will be generated by the Project Area; and
- H. **WHEREAS**, the County and the Agency have determined that it is in the best interests of the County to provide certain financial assistance through the use of Tax Increment in connection with the development of the Project to carry out the Project Area Plan; and

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- I. **WHEREAS** Utah Code §17C-4-201(1) authorizes the County to consent to the payment to the Agency of a portion of the County's share of Tax Increment generated from the Project Area for the purposes set forth therein; and
- J. **WHEREAS**, Utah Code § 11-13-215 further authorizes the County to share its tax and other revenues with the Agency; and
- K. **WHEREAS**, the Agency has retained Lewis Young Robertson & Burningham, Inc., an independent financial consulting firm with substantial experience regarding community development and tax increment projects across the State of Utah, to prepare the Project Area Plan and to provide a report regarding the need and justification for the remittance of tax increment revenues within the Project Area. A copy of the report is included in the Project Area Plan attached as Exhibit "B"; and
- L. **WHEREAS**, the Project Area Plan has been adopted by the Agency through resolution passed on September 23, 2014 and made effective through Ordinance No. O-2014-0034 passed by the City; and
- M. **WHEREAS**, the Agency has also prepared a draft of the University Place Community Development Project Area Budget (the "Project Area Budget"), a copy of which is attached as Exhibit "C", which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;
- N. **WHEREAS**, the Parties desire to set forth in writing their agreements regarding the nature and timing of such assistance;

NOW, THEREFORE, the parties agree as follows:

- 1. **Additional Tax Revenue.** The County has determined that significant additional property tax revenue (*i.e.*, Tax Increment) will likely be generated by the development of the Project Area as described in further detail in the Project Area Plan and Project Area Budget. Each of the parties acknowledge, however, that the development activity required for the generation of the Tax Increment is not likely to occur within the foreseeable future or to the degree possible or desired without Tax Increment participation in order to induce and encourage such development activity.
- 2. **Offset of Development Costs and Expenses.** The County has determined that it is in the best interests of the residents of the County to pay specified portions of the Tax Increment to the Agency in order for the Agency to offset costs and expenses which will be incurred by the Agency in the construction and installation of infrastructure improvements and other development related costs needed to serve the Project Area, to the extent permitted by the Act, as amended from time to time.
- 3. **Base Year and Base Year Value.** The base year, for purposes of calculation of the Base Taxable Value (as that term is defined in the Act), shall be 2013, meaning the Base Taxable Value shall, to the extent and in the manner defined by the Act, be equal to the equalized taxable value shown on the 2013 Utah County assessment rolls for all property located within the Project Area (which is currently estimated to be \$129,187,998, but is subject to final adjustment and verification by the County and Agency).

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4. **Agreement with Developers.** The Agency is authorized to enter into one or more agreements with developers which may provide for the payment of certain amounts of Tax Increment to the developer based upon the developer's meeting of certain performance measures as outlined in said agreement. Such agreement shall be consistent with the terms and conditions of this Agreement, shall require as a condition of the payment to the developer that the developer, or its approved successors in title as owners of the property, shall pay any and all taxes and assessments which shall be assessed against the property in accordance with levies made by applicable municipal entities in accordance with the laws of the State of Utah applicable to such levies.
5. **Payment Trigger.** The first year ("Year One") of payment of Tax Increment from the County to the Agency shall be determined by the Agency, but shall be no later than 2018. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Twenty.
6. **Total Payment to Agency.** The County shall pay to the Agency, beginning with property tax receipts in Year One, and continuing through Year Twenty, 75% of the County's annual Tax Increment generated from the Project Area. The County will retain the remaining 25% of the annual Tax Increment generated from the Project Area.
7. **Property Tax Increase.** This Agreement provides for the payment of the increase in real and personal property taxes collected from the Project Area by the County that would otherwise accrue to the benefit of the County. Real and personal property taxes which are the subject of this Agreement shall not include taxes collected from the Project Area by the County, acting in its capacity as the tax collection agency for the County, which are to be paid to or utilized by abatement districts, special service or improvement districts or other entities for which the County acts as the tax collection agency, nor shall it include any component of real property taxes retained by the County as payment for costs incurred in the collection of real property taxes for itself or other applicable agencies. It is expressly understood that the real property taxes which are the subject of this Agreement are only those real and personal property taxes actually collected by the County from the Project Area.
8. **No Independent Duty.** The County shall be responsible to remit to the Agency only Tax Increment actually received by the County. The County shall have no independent duty to pay any amount to the Agency other than the Tax Increment described in paragraph 6 of this Agreement on an annual basis from and including Year One through and including Year Twenty.
9. **Authority to Bind.** Each individual executing this Agreement represents and warrants that such person is authorized to do so, and, that upon executing this Agreement, this Agreement shall be binding and enforceable in accordance with its terms upon the Party for whom such person is acting.
10. **Further Documents and Acts.** Each of the Parties hereto agrees to cooperate in good faith with the others, and to execute and deliver such further documents and perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.
11. **Notices.** Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered to an officer or duly authorized representative of the other Party in person or by Federal Express, private commercial delivery or courier service for next business day delivery, or by United States mail, duly certified or registered (return receipt requested), postage prepaid, and addressed to the Party for whom intended, as follows:

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If to County:
Utah County
Attn: Board of County Commissioners
100 E. Center Street
Provo, UT 84606
Facsimile: (801) 851-8136

If to Agency:
Redevelopment Agency of Orem City
Attn: Agency Board
56 N. State Street
Orem, UT 84057
Facsimile: (801) 229-7031

Any Party may from time to time, by written notice to the others as provided above, designate a different address which shall be substituted for that specified above. Notice sent by mail shall be deemed served or delivered seventy-two (72) hours after mailing. Notice by any other method shall be deemed served or delivered upon actual receipt at the address or facsimile number listed above. Delivery of courtesy copies noted above shall be as a courtesy only and failure of any Party to give or receive a courtesy copy shall not be deemed to be a failure to provide notice otherwise properly delivered to a Party to this Agreement.

12. **Entire Agreement.** This Agreement is the final expression of and contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the Party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. This Agreement and its exhibits constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.
13. **No Third Party Benefit.** The Parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the Parties hereto. There are no intended third party beneficiaries to this Agreement.
14. **Construction.** Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of the Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. Unless otherwise indicated, all references to paragraphs and subparagraphs are to this Agreement. In the event the date on which any of the parties is required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.
15. **Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law.
16. **Amendments.** No addition to or modification of any provision contained in this Agreement shall be

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effective unless fully set forth in writing executed by each of the parties hereto.

17. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.
18. **Waivers.** No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.
19. **Governing Law.** This Agreement and the exhibits attached hereto shall be governed by and construed under the laws of the State of Utah. In the event of any dispute hereunder, it is agreed that the sole and exclusive venue shall be in a court of competent jurisdiction in Utah County, Utah, and the Parties hereto agree to submit to the jurisdiction of such court.
20. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that the County cannot pay and/or that the Agency cannot receive payments of the Project Area Property Tax, declares that the Agency cannot pay the Project Area Property Tax to developers, or takes any other action which has the effect of eliminating or reducing the payments of Project Area Property Tax received by the Agency, then the Agency's obligation to pay the Project Property Tax Payments to developers shall be reduced or eliminated accordingly, and the Agency and the County shall take such steps as are reasonably required to not permit the payment and/or receipt of the Property Tax to be declared invalid.
21. **No Separate Legal Entity.** No separate legal entity is created by this Agreement.
22. **Duration.** This Agreement shall terminate after the final payment of Tax Increment to the Agency for Year Twenty.
23. **Assignment.** No Party may assign its rights, duties or obligations under this Agreement without the prior written consent first being obtained from all Parties. Notwithstanding the foregoing, such consent shall not be unreasonably withheld or delayed so long as the assignee thereof shall be reasonably expected to be able to perform the duties and obligations being assigned.
24. **Termination.** Upon any termination of this Agreement resulting from the uncured default of any Party, the order of any court of competent jurisdiction, or termination as a result of any legislative action requiring such termination, any funds held by the Agency, and for which the Agency shall not be required to disburse to developers in accordance with the agreements which govern such disbursement, shall be returned to the Party originally remitting same to the Agency and upon such return, and this Agreement shall be deemed terminated and of no further force or effect.
25. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Interlocal Act in connection with this Agreement, the Parties agree as follows:
 - a. This Agreement shall be authorized and adopted by resolution of the legislative body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Interlocal Act;
 - b. This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5(3) of the Interlocal Act;

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- c. A duly executed original counterpart of this Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Interlocal Act;
- d. The CEO of the Agency is hereby designated the administrator for all purposes of the Interlocal Act, pursuant to Section 11-13-207 of the Interlocal Act; and
- e. Should a Party to this Agreement desire to terminate this Agreement, in part or in whole, each Party to the Agreement must adopt, by resolution, an amended Interlocal Cooperation Agreement stating the reasons for such termination. Any such amended Interlocal Cooperation Agreement must be in harmony with any development/participation agreement(s) entered into by the Agency as described in this Agreement.
- f. Immediately after execution of this Agreement by both Parties, each of the Parties shall cause to be published notice regarding this Agreement pursuant to Section 11-13-219 of the Interlocal Act.
- g. This Agreement makes no provision for the parties acquiring, holding and disposing of real and personal property used in the joint undertaking as such action is not contemplated as part of this Agreement nor part of the undertaking. Any such provision would be outside the parameters of the current undertaking. However, to the extent that this Agreement may be construed as providing for the acquisition, holding or disposing of real and/or personal property, all such property shall be owned by the Agency upon termination of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the day specified above.

County: UTAH COUNTY

Attest:

By: _____
Gary J. Anderson
County Commission Chairman

County Recorder

Approved as to form:

Attorney for the County

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Agency: REDEVELOPMENT AGENCY OF THE CITY OF OREM

Attest:

By: _____
Richard F. Brunst, Jr.
Its: Chair

Secretary

Approved as to form:

Attorney for Agency

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EXHIBIT "A"
to
INTERLOCAL AGREEMENT

Legal Description of Project

An area of real property located in the NE Quarter of Section 26 and the SE Quarter of Section 23, T. 6 S. R. 2 E. S.L.B. & M., more particularly described as follows:

Commencing at a point which is S. 89°18'03" E. 142.38 feet along the Section Line and from the North 1/4 Corner of Section 26, T. 6 S., R. 2 E., S.L.B. & M. to the point of beginning, (which point is +/- on the Westerly Right of Way Line of State Street); thence along said Westerly Right of Way Line S. 18°29'52" E, 582.92 feet to the Northerly Right of Way Line +/- of University Parkway; thence along said Northerly Right of Way Line for the next eight calls, N. 88°20'55" E. 489.31 feet; thence S 89°21'02" E. 315.94 feet; thence along a Curve to the Right, the Radius is 766.62 feet, the Arc Length is 177.24 feet, the Chord Bearing is S. 86°40'38" E. the Chord Length is 176.85 feet; thence along a Compound Curve to the Right, the Radius is 10889.46 feet, the Arc Length is 265.96 feet, the Chord Bearing is S. 81°07'54" E. the Chord Length is 265.95 feet; thence S. 78°55'57" E. 202.90 feet; thence along a Curve to the Left, the Radius is 3599.59 feet, the Arc Length is 484.04 feet, the Chord Bearing is S. 81°28'08" E. the Chord Length is 483.68 feet; thence S. 89°37'22" E. 339.25 feet; thence along a curve to the Left, the Radius is 33.72 feet, the Arc Length is 51.39 feet, the Chord Bearing is N. 43°36'28" E. the Chord Length is 46.56 feet; thence along the Westerly side of 800 East Street for the next five calls, N. 0°02'59" E. 981.25 feet; thence West 15.02 feet; thence N. 3°35'49" W. 339.03 feet; thence East 35.20 feet; thence N. 0°23'52" W. 1938.15 feet; thence along the Southerly Right of Way Line +/- of 800 South for the next three calls, N. 88°49'10" W. 602.03 feet; thence S. 30°13'24" W. 25.21 feet; thence West 696.26 feet; thence South 133.07 feet; thence West 176.56 feet; thence South 326.41 feet; thence East 95.74 feet; thence South 219.18 feet; thence West 14.74 feet; thence South 81.45 feet; thence West 56.34 feet; thence S. 1°34'18" W. 277.32 feet; thence West 38.62 feet; thence South 97.40 feet; thence S. 83°14'59" E. 119.41 feet; thence South 90.25 feet; thence S. 85°48'17" E. 26.30 feet; thence S. 0°45'03" W. 685.85 feet; thence N. 89°17'31" W. 773.46 feet; thence N. 0°27'31" W. 7.77 feet; thence N. 88°59'39" W. 33.40 feet; thence N. 0°44'23" W. 53.42 feet; thence N. 89°22'23" W. 111.23 feet; thence S. 0°58'02" W. 203.19 feet; thence N. 88°44'39" W. 344.36 feet to the Easterly Right of Way Line +/- of State Street; thence S. 18°25'51" E. 554.20 feet along said Right of Way Line to the point of beginning.

Containing 133.6 Acres more or less.

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EXHIBIT "B"
To
INTERLOCAL AGREEMENT

Project Area Plan

[INTENTIONALLY OMITTED]

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EXHIBIT "C"
To
INTERLOCAL AGREEMENT

Project Area Budget

[INTENTIONALLY OMITTED]

CITY OF OREM
REDEVELOPMENT AGENCY MEETING
 DECEMBER 9, 2014



REQUEST:	RESOLUTION – Approving and Adopting the Project Area Budget for the University Place Community Development Project Area Plan.
APPLICANT:	City of Orem Economic Development Division
FISCAL IMPACT:	\$57,277,129 of future tax increment funds (estimate from the model)

NOTICES:

- Posted in 2 public places
- Posted on City webpage
- Posted on State website
- Faxed to newspapers
- E-mailed to newspapers
- Neighborhood Chair

PREPARED BY:
 Ryan L. Clark
 EDD Manager

RECOMMENDATION:

The Economic Development Division Manager recommends that the Redevelopment Agency of the City of Orem, by resolution, approve and adopt the Project Area Budget for the University Place Community Development Project Area Plan.

BACKGROUND:

The Redevelopment Agency of the City of Orem, Utah (Agency) has approved the creation of the University Place Community Development Project Area Plan (Plan) by Resolution RDA-R-2014-0004 establishing a Project Area that includes University Mall. The City Council of the City of Orem has approved the Plan.

The Agency has entered into certain interlocal agreements with the City of Orem, the Central Utah Water Conservancy District, the Orem Metropolitan Water District, the Alpine School District, and Utah County (collectively “Taxing Entities”) wherein the Taxing Entities have separately and individually agreed to remit to the Agency annually a portion of the tax increment generated within the Project Area for the purpose of providing funds to the Agency to carry out the Project Area Plan. A summary of the terms of those interlocal agreements are as follows:

Taxing Entity	Agreement Duration	Percent of Increment to Agency
City	20 Years	75%
County	20 Years	75%
School District	20 Years	65%
Water District	20 Years	75%
CUWCD	20 Years	75%

Pursuant to Utah state law, it is now appropriate for the Agency to approve and adopt the Project Area Plan Budget.

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RESOLUTION NO. _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF OREM, UTAH ADOPTING THE PROJECT AREA BUDGET FOR THE UNIVERSITY PLACE COMMUNITY DEVELOPMENT PROJECT AREA

WHEREAS, the City of Orem created the Redevelopment Agency of the City of Orem, Utah (the "Agency") pursuant to an ordinance dated August 14, 1984 (O-84-0031); and

WHEREAS, the Agency continues to operate under applicable prior law and Title 17C of the Utah Code as amended, known as the Limited Purpose Local Government Entities -Community Development and Renewal Agencies Act (the "Act"); and

WHEREAS, the Agency has approved and adopted the University Place Community Development Project Area Plan (the "Project Area Plan" or "Plan") by Resolution RDA-R-2014-0004; and

WHEREAS, the Agency has entered into certain interlocal agreements with the City of Orem, the Central Utah Water Conservancy District, the Orem Metropolitan Water District, the Alpine School District, and Utah County (collectively "Taxing Entities") wherein the Taxing Entities have separately and individually agreed to remit to the Agency annually a portion of the tax increment generated within the Project Area for the purpose of providing funds to the Agency to carry out the Project Area Plan; and

WHEREAS, it is now appropriate for the Agency to adopt the Project Area Budget which sets forth the anticipated costs and revenues of the project pursuant to Utah Code § 17C-4-204.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF OREM, UTAH AS FOLLOWS:

1. The Agency adopts the Project Area Budget a copy of which is attached hereto as Exhibit A.
2. This Resolution shall take effect upon its execution.

IN WITNESS WHEREOF, the Governing Board of the Redevelopment Agency of the City of Orem, Utah has approved, passed and adopted this Resolution this 9th day of December, 2014.

Richard F. Brunst, Jr.
Agency Chairman

ATTEST:

Donna R. Weaver, Secretary

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BOARD MEMBERS VOTING "AYE"

BOARD MEMBERS VOTING "NAY"

Exhibit A

PROJECT AREA BUDGET UNIVERSITY PLACE COMMUNITY DEVELOPMENT AREA (CDA)

OREM REDEVELOPMENT AGENCY, UTAH



DECEMBER 2014


**LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.**

GATEWAY PLAZA BUILDING - 41 N. RIO GRANDE, STE 101 - SALT LAKE CITY, UT 84101
(P) 801-595-0700 - (TF) 800-591-1100 - (F) 801-595-2600 - WWW.LEWISYOUNG.COM



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Section 1: Introduction

The Redevelopment Agency of the City of Orem, Utah (the “Agency”), following thorough consideration of the needs and desires of The City of Orem (the “City”) and its residents, as well as understanding the City’s capacity for new development, has carefully crafted the Project Area Plan (the “Plan”) for the University Place Community Development Project Area (the “Project Area”). The Plan and Project Area Budget (the “Budget”) are the end result of a comprehensive evaluation of the types of appropriate land-uses and economic development opportunities for the property within the Project Area which is located on the northeast corner of State Street and University Parkway.

This is predicated upon certain elements, objectives and conditions outlined in the Plan and is intended to be used as a financing tool to assist the Agency in meeting Plan objectives discussed herein and more specifically referenced and identified in the Plan. The Budget outlines the proposed sources and uses of funds needed to make the Plan successful.

The Project is being undertaken as a community development project pursuant to certain provisions of Chapters 1 and 4 of the Utah Community Development and Renewal Agencies Act (the “Act”, Utah Code Annotated (“UCA”) Title 17C). The requirements of the Act, including notice and hearing obligations, have been observed at all times throughout the establishment of the Project Area.

Terms defined in the Plan will have the same definition applied where said terms are used in this Budget.

Section 2: Description of Community Development Project Area

The Project Area is located on the northeast corner of State Street and University Parkway. Most of the Project Area will be a master planned development surrounding the University Mall with intention to revitalize the area. The planned development includes residential, office, retail, and civic uses. The Project Area is comprised of 133.6 acres total, including approximately 85 affected parcels, equaling 129.6 acres of property (4.0 acres are rights of way and other variances in acreage associated with County records of individual parcels).

TABLE 2.1: DESCRIPTION OF PROJECT AREA

Existing Land Uses	% of Area
Commercial	93%
Residential	2%
Agricultural	1%
Other	4%

The Project Area encompasses all of the parcels detailed in [APPENDIX A](#).

A map and legal description of the Project Area are attached hereto in [APPENDIX B](#).

Section 3: General Overview of project area budget

The purpose of this Budget is to provide the financial framework necessary to implement the Plan. The following information will detail the sources and uses of tax increment and other necessary details needed for public officials, interested parties, and the public in general to understand the mechanics of this Budget.

Base Year Value

The Agency has determined that the base year property tax value for the Budget will be the total taxable value (including real and personal property) for the 2013 tax year which is currently estimated to be \$129,187,998. Using the 2013 tax rates established within the Project Area the property taxes levied equate to \$1,590,821 annually. Accordingly, this amount will continue to flow thru to each taxing entity proportional to the amount of the tax rate being levied.

Payment Trigger

This Budget will have a twenty (20) year duration from the date of the first tax increment receipt. The collection of tax increment will be triggered at the discretion of the Agency prior to March 1 of the tax year in which they intend to begin the collection of increment. The following year in which this increment will be remitted to the Agency will be Year 1. In no case will the Agency trigger increment collection after March 1, 2018.

Projected Tax Increment Revenue – Total Generation

Development within the Project Area will commence upon favorable market conditions which will include both horizontal and vertical infrastructure and development. The Agency anticipates that development will begin in the Project Area in 2014. The contemplated development will generate significant additional property and sales and use tax above what is currently generated within the Project Area.

Property Tax Increment will begin to be generated in the tax year (ending Dec 31st) following construction completion and Tax Increment will actually be paid to the Agency in March or April after collection. It is projected that property Tax Increment generation within the Project Area could begin as early as tax year 2015 or as late as 2018. It is currently estimated that during the 20-year life of the Budget, property Tax Increment could be generated within the Project Area in the approximate amount of \$84.3 million or \$50.2 million in terms of net present value (NPV).¹ This amount is over and above the \$31.8 million of base taxes that the property would generate over 20 years at the \$1,590,821 annual amount it currently generates.

¹ Net Present Value of future cash flows assumes a 4% discount rate. The same 4% discount rate is used in all remaining NPV calculations. This total is prior to accounting for the flow-through of tax increment to the respective taxing entities.

Section 4: Property Tax Increment

Property Tax Increment Shared with RDA

While property Tax Increment generated within the Project Area is expected to be approximately \$84.3 million over 20 years, only a portion of this increment will be shared with the Agency. It is anticipated that all taxing entities that receive property tax generated within the Project Area, as detailed above, will share at least a portion of that increment generation with the Agency. All taxing entities, except Alpine School District, will contribute 75% of their respective tax increment for 20 years during the project life. Alpine School District will contribute 65% of their tax increment for 20 years during the project life. The City, County and the State will **not** contribute any portion of their incremental sales tax to implement the Project Area Plan. Table 4.1 shows the amount of tax increment shared with the Agency assuming the participation levels discussed above.

The tax increment will be calculated using the current year's tax rate adopted by each taxing entity, as adjusted by the County in accordance with applicable state law.

TABLE 4.1: SOURCES OF TAX INCREMENT FUNDS

Entity	Percentage	Length	Total	NPV at 4%
Utah County	75%	20 Years	\$6,465,039	\$3,848,291
Alpine School District	65%	20 Years	\$38,713,892	\$23,044,3301
City of Orem	75%	20 Years	\$9,607,695	\$5,718,945
Orem Metropolitan Water District	75%	20 Years	\$200,267	\$119,208
Central Utah Water Conservancy District	75%	20 Years	\$2,290,236	\$1,363,255
Total Sources of Tax Increment Funds			\$57,277,129	\$34,094,000

Uses of Tax Increment

The majority of the tax increment collected by the Agency will be used to offset certain public infrastructure costs necessary to accommodate development in the Project Area. Approximately 5% will be used to offset the administration costs of the Agency, with the remaining funds to be used for development incentives, infrastructure and improvements. Public infrastructure costs will include improvements to transportation, parking, culinary water, sanitary sewer, storm drain systems, and park/open space areas.

TABLE 4.2: USES OF TAX INCREMENT

Uses	Total	NPV at 4%
CDA Administration @ 5%	\$2,863,856	\$1,704,700
RDA Development Incentive Fund @ 5%	\$2,863,856	\$1,704,700
Project Area Infrastructure and Improvements @ 90%	\$51,549,416	\$30,684,600
Total Uses of Tax Increment Funds	\$57,277,129	\$34,094,000

Projected Tax Increment Remaining with Taxing Entities

It is anticipated that all taxing entities, except Alpine School District, will receive 25% of their respective property tax increment generated within the Project Area during the duration of the Budget and all tax increment thereafter. Alpine School District will receive 35% of their property tax increment generated within the Project Area during the life of the project and all tax increment thereafter. The City, County and the State will retain their entire portion of incremental sales tax. The table below describes the forecasted property tax benefit that each taxing entity will retain during the duration of the Project Area Budget. This is in addition to the base taxes currently being generated within the Project Area.

TABLE 4.3: RETAINED PROPERTY TAX INCREMENT

Entity	Total	NPV at 4%
Utah County	\$2,155,013	\$1,282,764
Alpine School District	\$20,845,942	\$12,408,470
City of Orem	\$3,202,565	\$1,906,315
Orem Metropolitan Water District	\$66,756	\$39,736
Central Utah Water Conservancy District	\$763,412	\$454,418
Total Revenue	\$27,033,688	\$16,091,703

A multi-year projection of tax increment along with development assumptions is including in [APPENDIX C](#).

Base Year Property Tax Revenue

The taxing entities are currently receiving, and will continue to receive, property tax revenue from the current assessed value of the property within the Project Area (“Base Taxes”). The current assessed value is estimated to be \$129,187,998. Based upon the 2013 tax rates in the area, the collective taxing entities are receiving \$1,590,821 in property tax annually from this Project Area. This equates to approximately \$31.8 million over the 20 year life of the Project Area. In addition to the Base Taxes received by the taxing entities, an additional \$27.0 million of property tax increment is expected to be retained by the taxing entities over 20 years, totaling approximately \$58.9 million of property tax revenue.

TABLE 4.4: TOTAL BASE YEAR AND PROPERTY TAX INCREMENT TO TAXING ENTITIES (OVER 20 YEARS)

Entity	Total Base Year Property Tax	Total Retained Tax Increment	Total Base and Retained Taxes
Utah County	\$3,252,954	\$2,155,013	\$5,407,967
Alpine School District	\$22,476,128	\$20,845,942	\$43,322,070
City of Orem	\$4,834,215	\$3,202,565	\$8,036,780
Orem Metropolitan Water District	\$100,767	\$66,756	\$167,522
Central Utah Water Conservancy District	\$1,152,357	\$763,412	\$1,915,769
Total Revenue	\$31,816,420	\$27,033,688	\$58,850,108

Total Annual Property Tax Revenue for Taxing Entities at Conclusion of Project

As described above, the collective taxing entities are currently receiving approximately \$1,590,821 in property taxes annually from this Project Area. At the end of the life of the project area, the taxing entities will receive all of their respective tax increment thereafter. At the end of 20 years an additional \$4,920,089 in property taxes annually is anticipated, totaling approximately \$6,510,910 in property taxes annually for the area. But for the assistance provided by the RDA through tax increment revenues, this increase of approximately 309 percent in property taxes generated for the taxing entities would not be possible.

TABLE 4.5: TOTAL BASE YEAR AND END OF PROJECT LIFE ANNUAL PROPERTY TAXES

Entity	Annual Base Year Property Taxes	Annual Property Tax Increment at Conclusion of Project	Total Annual Property Taxes
Utah County	\$162,648	\$503,037	\$665,684
Alpine School District	\$1,123,806	\$3,475,707	\$4,599,513
City of Orem	\$241,711	\$747,563	\$989,273
Orem Metropolitan Water District	\$5,038	\$15,583	\$20,621
Central Utah Water Conservancy District	\$57,618	\$178,200	\$235,818
Total Revenue	\$1,590,821	\$4,920,089	\$6,510,910

Section 5: Cost/Benefit Analysis

Additional Revenues

Sales tax

Incremental sales and use tax will flow more quickly to the Agency considering sales tax is generated as soon as an entity begins transacting business. In addition, the sales and use tax is paid either monthly or quarterly to the City, County, and State. It is estimated that incremental sales tax would begin flowing to the City, County, and State as early as 2015 and as late as 2018. The estimated new incremental sales tax generated within the project² for the 20-year life of this Master Budget for the City, County and State is approximately \$28.7 million. The sales tax benefit to the City over the life of the project is approximately \$11.4 million or \$6.5 million NPV.

Other Tax Revenues

The development within the Project Area will also generate energy sales and use taxes for natural gas and electric.

Table 5.1 shows the total revenues generated by the project. This total includes the anticipated property tax increment shared with the Agency by the taxing entities, the City's portion of incremental property tax, and the City's portion of sales tax, and energy sales and use tax.

TABLE 5.1: TOTAL REVENUES

Entity	Incremental Revenues (above Base)				Total
	Property Tax	Sales Tax	Franchise Taxes	Transient Room Taxes	
Utah County	\$8,620,052	\$3,979,367	\$0	\$2,875,756	\$15,475,175
Alpine School District	\$59,559,834	\$0	\$0	\$0	\$59,559,834
City of Orem	\$12,810,260	\$11,369,619	\$8,237,640	\$676,649	\$33,094,167
Orem Metropolitan Water District	\$267,023	\$0	\$0	\$0	\$267,023
Central Utah WCD	\$3,053,648	\$0	\$0	\$0	\$3,053,648
State of Utah	\$0	\$13,359,302	\$0	\$0	\$13,359,302
Total Revenue	\$84,310,817	\$28,708,288	\$8,237,640	\$3,552,405	\$124,809,149

Additional Costs

The development anticipated within the Project Area will also likely result in additional costs to general government operations. These costs, along with the estimated budget to implement the Project Area Plan are identified below. These estimates are calculated by apportioning the taxing entity's variable costs per assessed value served and then using this ratio to estimate the additional costs which would be associated with the new assessed value produced as a result of development in the project area.

² Includes only the estimated new sales to the City, County, and State, respectively.

TABLE 5.2: TOTAL EXPENDITURES

Entity	Incremental Expenditures (above Base)			Net Incremental Benefit
	CDA Budget	General Government Operations	Total	
Utah County	\$6,465,039	\$1,205,564	\$7,670,603	\$7,804,572
Alpine School District	\$38,713,892	\$1,706,223	\$40,420,115	\$19,139,719
City of Orem	\$9,607,695	\$19,005,187	\$28,612,882	\$4,481,285
Orem Metropolitan Water District	\$200,267	\$35,487	\$235,755	\$31,268
Central Utah WCD	\$2,290,236	\$44,243	\$2,334,480	\$719,169
State of Utah	\$0	\$0	\$0	\$13,359,302
Total Revenue	\$57,277,129	\$21,996,705	\$79,273,834	\$45,535,315

The total net benefit to the taxing entities of implementing the project area is approximately \$45.5 million.

Appendix A: Parcel List

Parcel Number	Owner	Acres
180560007	University Mall Shopping Center	0.195
180560008	University Mall Shopping Center	0.220
180560009	University Mall Shopping Center	0.030
180560016	City of Orem	0.300
180560017	Mercer, Amron L	0.290
180560018	Housing Authority of Utah County	0.300
180560019	Catania SFH LLC	0.310
180560020	University Mall Shopping Center	0.283
180560022	Catania SFH LLC	0.270
180560023	Catania SFH LLC	0.260
180560026	City of Orem	0.270
180560028	Gulati, Chaitawee	0.270
180560029	Woodbury Corporation	0.260
180560033	City of Orem	0.210
180560037	City of Orem	0.280
180560038	Catania SFH LLC	0.290
180560055	Larry and Lynn Campground Management	0.300
180560099	Avans, Gulavadee	0.648
180560102	Gaks Enterprises LLC	0.415
180560103	Catania SFH LLC	0.270
180560104	City of Orem	0.197
180560106	City of Orem	0.274
180560109	University Mall Shopping Center	1.263
180560110	City of Orem	0.148
180560111	City of Orem	0.168
180560112	City of Orem	0.230
180560113	University Mall Shopping Center	0.262
180560115	University Mall Shopping Center	0.571
180560117	City of Orem	0.146
180560118	City of Orem	0.270
180560119	University Mall Shopping Center	0.399
180560121	University Mall Shopping Center	0.527
180560123	City of Orem	0.096
180560132	City of Orem	0.002
180560133	University Mall Shopping Center	0.306
180560134	University Mall Shopping Center	0.926
180560135	University Mall Shopping Center	0.931
180570033	First Security Bank of Utah	0.600
180570117	KC Propco LLC	0.450
180570127	Cordner, Raymond G & Colleen F	0.063
180570129	Washburn Management LC	0.517
180570132	City of Orem	0.099
180570133	City of Orem	0.013
180570134	City of Orem	0.143
180570135	City of Orem	0.077
180570136	City of Orem	0.300
180570137	City of Orem	0.096
180570138	Glazier Properties LLC	0.882
180570141	Cordner, Colleen F	1.136



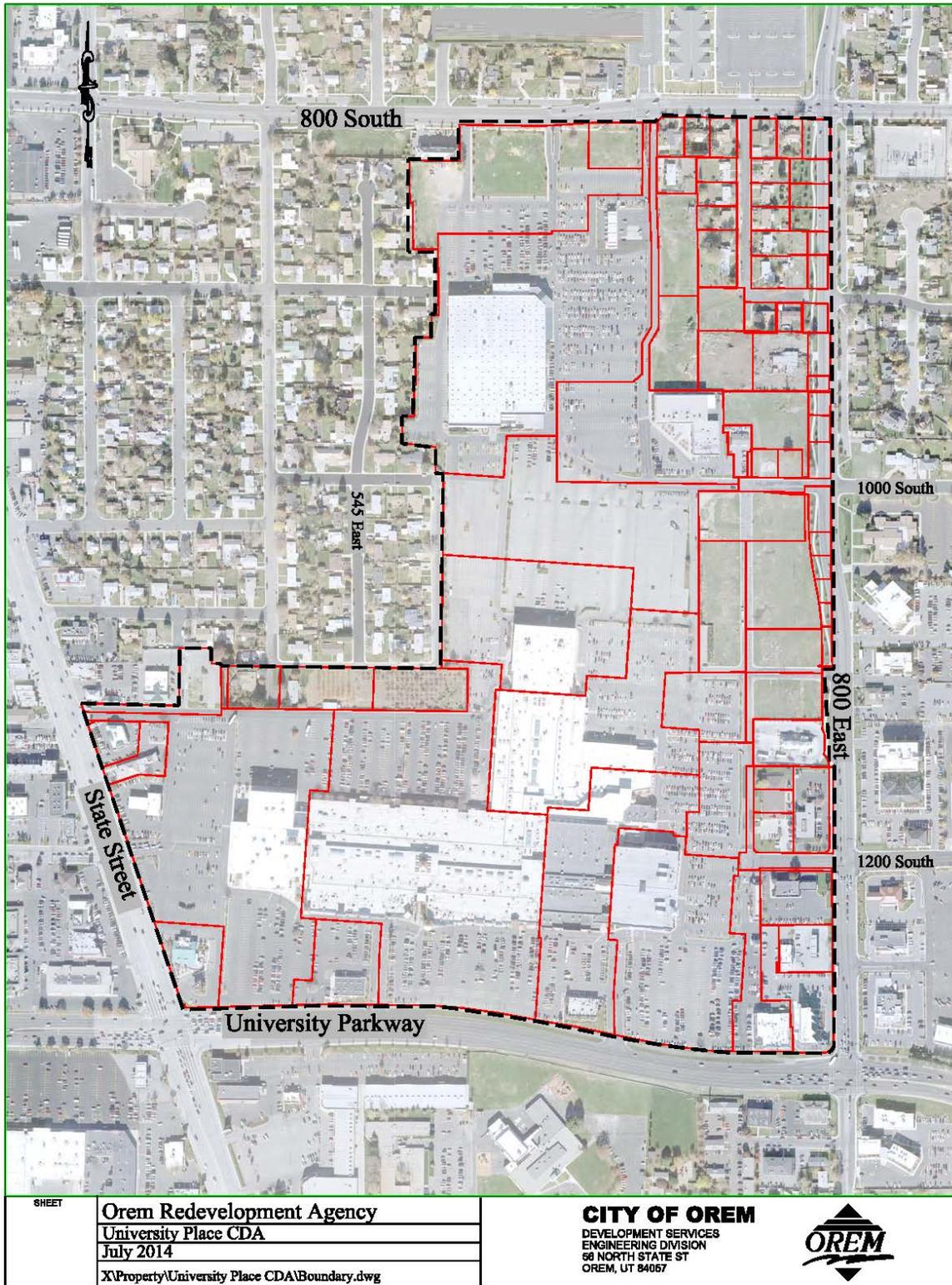
Parcel Number	Owner	Acres
180570142	University Mall Shopping Center	1.143
180570147	Orem City Corporation	0.017
180570502	Utah Department of Transportation	0.006
190180502	Utah Department of Transportation	0.003
190190017	Zions First National Bank	0.030
190190019	Zions First National Bank	0.030
352540001	Bank of American Fork	1.427
352540002	Maverik Country Stores Inc	0.722
352540003	Circle K Properties Inc	0.008
360860015	KC Propco LLC	0.260
360860016	KC Propco LLC	0.260
360860019	City of Orem	0.114
450610001	University Mall Shopping Center	0.210
551760001	Zions First National Bank	1.110
570310001	Utah Transit Authority	0.956
570430001	University Mall Shopping Center	5.494
570430002	University Mall Shopping Center	0.983
570430003	University Mall Shopping Center	12.745
570430004	University Mall Shopping Center	1.238
570430005	University Mall Shopping Center	1.697
570430006	University Mall Shopping Center	16.639
570430007	University Mall Shopping Center	6.140
570430008	University Mall Shopping Center	7.140
570430009	UNMN LLC	1.700
570430013	University Mall Shopping Center	6.331
570430014	University Mall Shopping Center	7.580
570430015	University Mall Shopping Center	5.285
570430016	University Mall Shopping Center	1.209
570430017	University Mall Shopping Center	13.170
570430018	University Mall Shopping Center	1.157
570430019	University Mall Shopping Center	0.707
570680010	University Mall Village	1.731
570680011	University Mall Village	7.035
570680012	University Mall Village	1.758
570680020	University Mall Village	1.477
570680021	University Mall Village	1.805
570680022	University Mall Village	0.947
570680023	University Mall Village	1.067
570680024	University Mall Village	1.498
Total		129.591

Appendix B: Map and Legal Description

An area of real property located in the NE Quarter of Section 26 and the SE Quarter of Section 23, T. 6 S. R. 2 E. S.L.B. & M., more particularly described as follows:

Commencing at a point which is S. 89°18'03" E. 142.38 feet along the Section Line and from the North 1/4 Corner of Section 26, T. 6 S., R. 2 E., S.L.B. & M. to the point of beginning, (which point is +/- on the Westerly Right of Way Line of State Street); thence along said Westerly Right of Way Line S. 18°29'52" E, 582.92 feet to the Northerly Right of Way Line +/- of University Parkway; thence along said Northerly Right of Way Line for the next eight calls, N. 88°20'55" E. 489.31 feet; thence S 89°21'02" E. 315.94 feet; thence along a Curve to the Right, the Radius is 766.62 feet, the Arc Length is 177.24 feet, the Chord Bearing is S. 86°40'38" E. the Chord Length is 176.85 feet; thence along a Compound Curve to the Right, the Radius is 10889.46 feet, the Arc Length is 265.96 feet, the Chord Bearing is S. 81°07'54" E. the Chord Length is 265.95 feet; thence S. 78°55'57" E. 202.90 feet; thence along a Curve to the Left, the Radius is 3599.59 feet, the Arc Length is 484.04 feet, the Chord Bearing is S. 81°28'08" E. the Chord Length is 483.68 feet; thence S. 89°37'22" E. 339.25 feet; thence along a curve to the Left, the Radius is 33.72 feet, the Arc Length is 51.39 feet, the Chord Bearing is N. 43°36'28" E. the Chord Length is 46.56 feet; thence along the Westerly side of 800 East Street for the next five calls, N. 0°02'59" E. 981.25 feet; thence West 15.02 feet; thence N. 3°35'49" W. 339.03 feet; thence East 35.20 feet; thence N. 0°23'52" W. 1938.15 feet; thence along the Southerly Right of Way Line +/- of 800 South for the next three calls, N. 88°49'10" W. 602.03 feet; thence S. 30°13'24" W. 25.21 feet; thence West 696.26 feet; thence South 133.07 feet; thence West 176.56 feet; thence South 326.41 feet; thence East 95.74 feet; thence South 219.18 feet; thence West 14.74 feet; thence South 81.45 feet; thence West 56.34 feet; thence S. 1°34'18" W. 277.32 feet; thence West 38.62 feet; thence South 97.40 feet; thence S. 83°14'59" E. 119.41 feet; thence South 90.25 feet; thence S. 85°48'17" E. 26.30 feet; thence S. 0°45'03" W. 685.85 feet; thence N. 89°17'31" W. 773.46 feet; thence N. 0°27'31" W. 7.77 feet; thence N. 88°59'39" W. 33.40 feet; thence N. 0°44'23" W. 53.42 feet; thence N. 89°22'23" W. 111.23 feet; thence S. 0°58'02" W. 203.19 feet; thence N. 88°44'39" W. 344.36 feet to the Easterly Right of Way Line +/- of State Street; thence S. 18°25'51" E. 554.20 feet along said Right of Way Line to the point of beginning.

Containing 133.6 Acres more or less.



Appendix C: Multi-Year Budget and Development Assumptions

Orem Redevelopment Agency

University Place CDA

Table A.4.1: Development Absorption Schedule and Assumptions

SF Conversion

43560

Land Value Assumptions	Acreage	Per SF Land Value	Base Land Value	Total Finished Land Value	Unit	Property Tax Exemption
Block 1-22 Phases						
1A Existing Mall and Project Area Base Value	129.59	22.89	129,187,998	129,187,998	per square foot	0%
1B North Mall (Bldgs H, L, &J)			-	-	per square foot	0%
1C Mervyns Bldg			-	-	per square foot	0%
2 A-D Macy's and Add'l Retail Pads			-	-	per square foot	0%
3 B RCW Expansion			-	-	per square foot	0%
4 A Anchor			-	-	per square foot	0%
4 B Parking Structure (1 level underground)			-	-	per square foot	0%
5 A-B Grocery and Restaurant Pad			-	-	per square foot	0%
5 D Demolish/Relocate Existing Retail			-	-	per square foot	0%
6 A New Retail Pad			-	-	per square foot	0%
6 C Parking Deck			-	-	per square foot	0%
6 D & 7 B Office Building			-	-	per square foot	0%
6 D & 7 B Office Ground Floor Retail			-	-	per square foot	0%
7 C Parking Deck (4 Story)			-	-	per square foot	0%
7 D-E Retail/Restaurant			-	-	per square foot	0%
7 E Demolish Big O Tires and Texas Road House			-	-	per square foot	0%
8 A Parking Deck			-	-	per square foot	0%
8 B Retail			-	-	per square foot	0%
9 A&D Retail			-	-	per square foot	0%
9 B-C Band Shell/Civic/Central Park			-	-	per square foot	100%
9 E Demolish Existing Retail			-	-	per square foot	0%
10 A Townhouses			-	-	per square foot	45%
11&12 A Office			-	-	per square foot	0%
11&12 Office Ground Floor Retail			-	-	per square foot	0%
13 A Hotel			-	-	per square foot	0%
13 B Parking Structure			-	-	per square foot	0%
13 C & 14 A&B Retail			-	-	per square foot	0%
15 A Tennis & Pool Club			-	-	per square foot	100%
15 B Parking Deck (3 Lvl, Shared with 11A)			-	-	per square foot	0%
15 C Liner Flats (3 Story, 95 Units)			-	-	per square foot	45%
15 D Clubhouse			-	-	per square foot	100%
16 A Apartments (148)			-	-	per square foot	45%
16 B Neighborhood Office/Retail			-	-	per square foot	0%
16 C Parking Deck (Shared w/ 12A Office & Hotel)			-	-	per square foot	0%
16 D Park			-	-	per square foot	100%
16 E Office			-	-	per square foot	0%
17 B Cinema Expansion			-	-	per square foot	0%
18 A&B Multifamily Residential	21.13	14.00	-	12,885,971	per square foot	45%
18 C&D Multifamily Residential			-	-	per square foot	45%
18 E Demolition (Loss of Commercial Land to Residential Land)	(21.13)	11.52	-	(10,604,533)	per square foot	0%
19 A&B Multifamily Residential			-	-	per square foot	45%
19 C Future Non-Zoned Residential			-	-	per square foot	45%
20 A Costco			-	-	per square foot	0%
21 A Retail Pad			-	-	per square foot	0%
22 A Senior Housing			-	-	per square foot	45%
23 OTHER/ROADS/ETC.			-	-		0%
TOTAL	129.59		129,187,998	131,469,436		

Orem Redevelopment Agency

University Place CDA

Building Value Assumptions	Units or Building SF	Woodbury Value Per Unit or Per SF to Build	Total Finished Value
Block 1-22 Phases			
1A Existing Mall and Project Area Base Value			-
1B North Mall (Bldgs H, L, &J)			-
1C Mervyns Bldg			-
2 A-D Macy's and Add'l Retail Pads	16,600	155.00	2,573,000
3 B RCW Expansion	30,000	155.00	4,650,000
4 A Anchor	140,000	184.00	25,760,000
4 B Parking Structure (1 level underground)	748	12,000.00	8,976,000
5 A-B Grocery and Restaurant Pad	35,000	155.00	5,425,000
5 D Demolish/Relocate Existing Retail	(15,354)	103.25	(1,585,300)
6 A New Retail Pad	6,000	155.00	930,000
6 C Parking Deck	467	12,000.00	5,604,000
6 D & 7 B Office Building	307,000	180.00	55,260,000
6 D & 7 B Office Ground Floor Retail	42,000	180.00	7,560,000
7 C Parking Deck (4 Story)	863	12,000.00	10,356,000
7 D-E Retail/Restaurant	36,000	155.00	5,580,000
7 E Demolish Big O Tires and Texas Road House	(18,595)	123.36	(2,293,900)
8 A Parking Deck	1,722	12,000.00	20,664,000
8 B Retail	7,200	155.00	1,116,000
9 A&D Retail	7,500	155.00	1,162,500
9 B-C Band Shell/Civic/Central Park	170,500	75.81	12,925,653
9 E Demolish Existing Retail	(140,226)	39.15	(5,489,800)
10 A Townhouses	90,000	118.00	10,620,000
11&12 A Office	300,000	180.00	54,000,000
11&12 Office Ground Floor Retail	32,000	180.00	5,760,000
13 A Hotel	72,000	158.00	11,376,000
13 B Parking Structure	455	12,000.00	5,460,000
13 C & 14 A&B Retail	39,588	155.00	6,136,140
15 A Tennis & Pool Club	102,000	60.00	6,120,000
15 B Parking Deck (3 Lvl, Shared with 11A)	420	12,000.00	5,040,000
15 C Liner Flats (3 Story, 95 Units)	50,000	118.00	5,900,000
15 D Clubhouse	30,000	155.00	4,650,000
16 A Apartments (148)	148,000	160.00	23,680,000
16 B Neighborhood Office/Retail	5,000	121.00	605,000
16 C Parking Deck (Shared w/ 12A Office & Hotel)	1,294	12,000.00	15,528,000
16 D Park	30,000	25.18	755,367
16 E Office	100,000	180.00	18,000,000
17 B Cinema Expansion	7,000	184.00	1,288,000
18 A&B Multifamily Residential	193,492	163.00	31,539,196
18 C&D Multifamily Residential	232,224	136.00	31,582,464
18 E Demolition (Loss of Commercial Land to Residential Land)			-
19 A&B Multifamily Residential	100,000	150.00	15,000,000
19 C Future Non-Zoned Residential	325,716	150.00	48,857,400
20 A Costco			-
21 A Retail Pad	9,600	155.00	1,488,000
22 A Senior Housing	124,800	150.00	18,720,000
23 OTHER/ROADS/ETC.			
TOTAL			481,278,720

Additional Assumptions

Annual Inflation	3%	Personal Property Rate	
Discount Rate	4%	Office	22.0%
Personal Property Rate	15.0%	Industrial	15.0%
Sales Tax Rate	0.50%	Average	18.5%

Summary	
Type	SF
Retail	413,488
Lost Retail	(174,175)
Net Retail	239,313
Hotel	72,000
Residential	1,396,232
Office	707,000
Civic/Other	200,500
Total	2,615,045
Parking Stalls	5,969
Res Common Space	132,000

Orem Redevelopment Agency

University Place CDA

Absorption Schedule (SF)	Year 2014	Year 2015	Year 2016	Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020	Year 5 2021	Year 6 2022	Year 7 2023
1A Existing Mall and Project Area Base Value										
1B North Mall (Bldgs H, L, &J)										
1C Mervyns Bldg										
2 A-D Macy's and Add'l Retail Pads	4,800		7,800					4,000		
3 B RCW Expansion	30,000									
4 A Anchor			140,000							
4 B Parking Structure (1 level underground)			748							
5 A-B Grocery and Restaurant Pad		5,000	30,000							
5 D Demolish/Relocate Existing Retail			(15,354)							
6 A New Retail Pad			6,000							
6 C Parking Deck		467								
6 D & 7 B Office Building		107,000								200,000
6 D & 7 B Office Ground Floor Retail		26,000								16,000
7 C Parking Deck (4 Story)										863
7 D-E Retail/Restaurant										36,000
7 E Demolish Big O Tires and Texas Road House										(18,595)
8 A Parking Deck								1,722		
8 B Retail								7,200		
9 A&D Retail		2,250		5,250						
9 B-C Band Shell/Civic/Central Park		119,500		51,000						
9 E Demolish Existing Retail			(140,226)							
10 A Townhouses								90,000		
11&12 A Office				200,000				100,000		
11&12 Office Ground Floor Retail				16,000				16,000		
13 A Hotel					72,000					
13 B Parking Structure					455					
13 C & 14 A&B Retail		25,000	5,500		9,088					
15 A Tennis & Pool Club					102,000					
15 B Parking Deck (3 Lvl, Shared with 11A)					420					
15 C Liner Flats (3 Story, 95 Units)					50,000					
15 D Clubhouse					30,000					
16 A Apartments (148)						148,000				
16 B Neighborhood Office/Retail						5,000				
16 C Parking Deck (Shared w/ 12A Office & Hotel)						1,294				
16 D Park						30,000				
16 E Office						100,000				
17 B Cinema Expansion			7,000							
18 A&B Multifamily Residential		193,492								
18 C&D Multifamily Residential					232,244					
18 E Demolition (Loss of Commercial Land to Residential Land)										
19 A&B Multifamily Residential						50,000	50,000			
19 C Future Non-Zoned Residential							325,716			
20 A Costco										
21 A Retail Pad						9,600				
22 A Senior Housing							124,800			

Orem Redevelopment Agency

University Place CDA

Table A.11: Infrastructure Cost Estimates

Infrastructure Cost Estimates			
Category	Phase	Description	Est. Cost
Demolition	Phase 5	Demolition/Existing Retail to be Relocated	\$48,365
Demolition	Phase 7	Demo Big O Tires, Jared's, and Texas Road House	\$55,785
Demolition	Phase 9	Demolish Existing Retail	\$580,102
Demolition	Phase 18	Demolish Existing Residential	\$95,880
Parking Structure	Phase 4	700 Stall Parking Deck	\$8,976,000
Parking Structure	Phase 6C	467 Stall Parking Deck	\$5,604,000
Parking Structure	Phase 7C	863 Stall Parking Deck (4 Story)	\$10,356,000
Parking Structure	Phase 8A	1722 Stall Parking Deck	\$20,664,000
Parking Structure	Phase 13B	455 Stall Parking Deck	\$5,460,000
Parking Structure	Phase 15B	420 Stall Parking Deck (3 Story)	\$5,040,000
Parking Structure	Phase 16C	1294 Stall Parking Deck (Shared with Office and Hotel)	\$15,528,000
Infrastructure	Phases 3-7, 13, 14	Road and Utility Infrastructure	\$5,435,568
Infrastructure	Phases 7, 8, 9, 13, 14	Main Street Construction	\$3,910,567
Recreation Amenities	Phases 7, 9, 18	Parks	\$6,999,909
Total			\$88,754,176