

AMERICAN FORK REDEVELOPMENT  
AGENCY MEETING MINUTES  
JANUARY 28, 2014

ANNUAL MEETING

**ATTACHMENT**

The American Fork Redevelopment Agency met in its annual meeting January 28, 2014, in the American Fork City Hall, 31 North Church Street, commencing at 7:10 p.m. Those present included Chairman James H. Hadfield and Board Members Brad Frost, Robert Shelton, Jeff Shorter, and Clark Taylor. Carlton Bowen was excused.

Staff present: City Administrator Craig Whitehead  
City Planner Adam Olsen  
City Treasurer Melanie Marsh  
Executive Director Richard Colborn

Also present:

NEW BUSINESS

There was no new business.

ELECTION OF OFFICERS FOR 2014 – CHAIRMAN AND VICE-CHAIRMAN

*-Currently Constituted (1-year terms)-*

*Chairman James H. Hadfield*

*Vice Chairman Heidi Rodeback*

**Board Member Frost moved to appoint James H. Hadfield as Chairman. Board Member Taylor seconded the motion. All were in favor.**

**Board Member Frost moved to appoint Robert Shelton as Vice-Chairman. Board Member Shorter seconded the motion. All were in favor.**

APPOINTMENT OF EXECUTIVE DIRECTOR AND DEPUTY EXECUTIVE DIRECTOR

Chairman Hadfield explained that in the past these positions have been filled by the City Recorder Richard Colborn and the Deputy City Recorder Terilyn Lurker.

**Board Member Frost moved to appoint Richard Colborn as Executive Director and Terilyn Lurker as Deputy Executive Director. Board Member Shelton seconded the motion. All were in favor.**

APPROVAL OF THE DECEMBER 10, 2013 SPECIAL SESSION MINUTES

**Board Member Taylor moved approval of the December 10, 2013 special session minutes as presented. Board Member Frost seconded the motion. All were in favor.**

REPORT OF THE CHAIRMAN ON RDA PROJECTS

Chairman Hadfield provided a written report on the RDA Projects. It is included in these minutes as an **ATTACHMENT**.

**Board Member Taylor moved to accept the Chairman’s Report on RDA Projects. Board Member Shorter seconded the motion. All were in favor.**

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

ADJOURNMENT

**Board Member Shelton moved adjournment at 7:15 p.m. Board Member Shorter seconded the motion. All were in favor.**



Richard M. Colborn  
Executive Director



Office of the Mayor

January 28, 2014

TO: RDA Board Members

Re: Report of the Chairman of RDA Projects

Attached you will find the report of the Chairman concerning the status of the RDA projects for the past year.



James H. Hadfield  
RDA Board Chair

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OUR STRATEGIC VISION: *Customer Service Excellence – Continuous Improvement*  
– Teamwork



## Memo

To: Mayor James H. Hadfield  
From: Cathy Jensen  
Date: January 27, 2014  
Re: 2014 RDA status

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### BACKGROUND

American Fork City has established three Redevelopment Areas (RDAs) and one Economic Development Area (EDA).

The North Valley Business Park (Old Wal-Mart), East Main (O' Riley Auto Parts) and West Side (Old K-Mart.) RDAs were established in the early 1990's, primarily as a means to provide funding for public improvements within each of the three areas. The Egg Farm EDA was established in 2001 also, to provide public improvements within that area.

Property tax revenue from the three RDAs jointly covers the RDA bond which was used to improve the fitness center, build the skate park, improve the boat harbor, upgrade the Historic City Hall and improve the amphitheater. The RDA bond re-payment takes priority before projects are planned in the RDA areas. The RDA bond will continue until March 2019 and has a balance of approximately \$2,520,000.

An annual appropriation of \$50,000 (allocated between the three RDAs) is made to the general fund to cover costs to administer the RDAs.

The City uses conservative estimates in projecting RDA revenues. It is assumed that the property value will be approximately the same next year, as the current year; unless notice is given to us that growth projects will increase the amount of expected tax revenues.

The nature of the RDAs is that property tax assessments, from all taxing agencies are collected and remitted to American Fork City to administer and improve the project areas. The allocation of property taxes received and remitted to American Fork City is reduced on a "step-down" basis. Each RDA is on its' own "stepdown" schedule, based on the age of the RDA.

The step-down schedule and the RDA expiration year for American Fork City' sRDAs are as follows:

	Step Down Schedule		
	2018	2015	2017
North Business			
Park		West Side	East Side
2011	70%	70%	70%
2012	70%	60%	70%
2013	70%	60%	70%
2014	70%	60%	60%
2015	60%	60%	60%
2016	60%	-	60%
2017	60%	-	60%
2018	60%	-	-
2019	-	-	-
2020	-	-	-

**CURRENT STATUS**

The current status of the three RDAs and the EDA is as follows:

**North Valley Business Park.**

The North Valley Business Park, created in 1987, is the largest revenue-generating RDA in the City. The City did not begin requesting property tax increment for the North Valley Business Park until 1994. The annual report from Utah County indicates that the property value of the North Valley Business Park for 2013 taking into account the “step-down” is approximately \$61,516,000. Tax increment received in the 2013-14 fiscal year from the North Valley Business Park is anticipated to total \$815,000. Final tax settlement will not be until about March 2014.

Some of the anticipated projects in this RDA project area, if funds are available include:

- Quality Drive roadway construction (grading, sewer, water, storm drain, curb gutter and asphalt) \$96,000.
- Underground power and conduit on 860 East; curb gutter and sidewalk, storm costing approximately \$350,000.
- Sewer line rehabilitation \$300,000.
- Street overlay \$400,000.

**East Main**

The East Main RDA was created in 1992 primarily to correct the realignment of the “S” curve on Main Street and to make changes to the intersection at 200 East.

2013 data from the County indicates the property value of that area as \$6,729,000 after the “step-down” adjustment. Tax increment for the 2013-14 fiscal year is expected to be \$89,200.

If funds are available, projects planned for the East Main project area include:

- Relocation of Main Street-State Street intersection at 200 East.
- Contribution to UDOT (Utah Department of Transportation) for construction of a signal light at 200 East Main.

### **West Side**

The West side RDA was created in 1990 to provide funding for a major extension of the City's water main system from Main Street to Pacific Avenue.

Reports from Utah County indicate that the value of the West Side RDA is approximately \$7,335,000, after taking into account the RDA's step-down. The City is expecting approximately \$97,200 in tax increment for the 2013 tax year.

If funds are available, projects planned for the West Side project area include:

- Construction of curb, gutter, sidewalks, and drain improvements along West State Street.
- Roadway paving overlay of the portion of 130 North and Pacific that lies in the RDA area.

### **EGG Farm EDA**

The Egg Farm Economic Development Area (EDA) was established in 2001. The project area provided for a delay in ordering the initial increment until the total increment value reached \$15,000,000. That threshold value was reached in 2004, when the RDA agency ordered the first tax increment for the 2004 tax year.

The increment payment option identified in the plan calls for the increment payment to be paid to the RDA agency at an amount of not greater than 75% of the total increment generated from the project area.

The 2013 tax year is the tenth year for receipt of increment payments from this project area.

Recently the TEC (Taxing Entity Committee) met and agreed to an amended budget for the Egg Farm EDA. The changes to the terms of the EDA project area budget include:

- The last year of receipt of tax increment for the project area will be 2027 or until the tax increment received by the Agency after tax year 2012 reaches \$9,262,291.
- The amended project area budget modifies the requirement to meet annually to determine the use of "excess" tax increment and authorizes the Agency to receive the full 75% of the tax increment beginning in 2013 and extending through the final term of the EDA (2027) or until the total amount of tax increment received by the agency after tax year 2012 reaches \$9,262,291.

ATTACHMENT TO THE 01-28-2014 RDA MINUTES – PAGE 5 OF 5

The Egg Farm EDA was established to facilitate improvements in the EDA. This is done through reimbursements made to the developer.

The amended budget approved by the TEC upheld the distribution of EDA increment as agreed upon in the ADL (agreement to develop land) with the developer. The distribution of tax increment is to be as follows:

- Project Administration (5%)
- Targeted Housing (20%)
- Project Area Development (25%)

The other 50% of the increment will be distributed to the EDA developer as per the agreement between the developer and the City

Targeted housing funds can be used anywhere in the City, for low-income housing projects. Previous targeted housing funds have been used to make improvements to sidewalks along 300 east, and to purchase property to sell to the Utah County Housing Authority for construction of low-income housing (\$195,864.33.) The property was purchased in FY 2012. A contract with Utah County Housing Authority is pending.

Recently, the City purchased a parcel of property known as the “Clifton-Jex/Seeger property utilizing both RDA and EDA project funds. The cost of the property was \$393,010; the property is to be used for storm drain improvements.

Revenue received from tax increment is anticipated to be about \$585,000 for tax year 2013; 1/2 of this will be returned to the developer; the balance will be distributed according to the ADL distribution.

Other anticipated projects in the EDA project area include:

860 East Reconstruction	\$500,000
Widen 630 East	250,000
Widen 1300 South	350,000
Widen 1500 South	2,986,066
Widen Sam White Lane	1,643,987
New culinary water line	<u>192,664</u>
Pressurized irrigation pipe	<u>142,768</u>
Pipe 2400 feet for storm drain	589,671
	\$6,655,156

Thank you.