

RDA RESOLUTION NO. 2-2016

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN CITY
APPROVING AND ADOPTING THE BUDGET FOR FISCAL YEAR 2016-2017**

WHEREAS, the Redevelopment Agency of Eagle Mountain City (the "Agency") was created to transact the business and exercise the powers provided for in the former Utah Neighborhood Development Act and Utah Redevelopment Agencies Act, and the current Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act and any successor law or act (the "Act"); and

WHEREAS, the Agency adopted by resolution the Economic Development Project Area #2012-1 Plan (the "Project Area Plan" or "Plan") on September 18, 2012, and Eagle Mountain City (the "City") adopted the Project Area Plan by Ordinance on the same day;

WHEREAS, pursuant to Section 17C-4-204, the Agency has (a) prepared a draft of the Eagle Mountain Economic Development Project Area #2012-1 Budget (the "Project Area Budget" or "Budget") and (b) made the draft Budget available to the public at the Agency's offices during normal business hours; and

WHEREAS, the Agency has provided notice of the Budget hearing as provided in Sections 17C-3-201, 401,402, and 404; and

WHEREAS, the Agency has held a public hearing on May 17, 2016 and at that Budget hearing (a) allowed public comment on the draft Project Area Budget and whether the draft Project Area Budget should be revised, approved or rejected, and (b) received all written and heard all oral objections to the draft Project Area Budget; and

WHEREAS, before holding the Budget hearing, the Agency provided for the State Board of Education and each taxing entity that levies a tax on property within the Eagle Mountain Economic Development Project Area #2012-1 (the "Project Area") an opportunity to consult with the Agency regarding the draft Project Area Budget; and

WHEREAS, after holding the Budget hearing, the Agency has considered the oral and written objections to the draft Project Area Budget, and whether to revise, approve or reject the draft Project Area Budget;

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of Eagle Mountain City as follows:

Section 1. Adoption of Project Area Budget. It has become necessary and desirable to approve and adopt the Project Area Budget for the Project Area dated December 1, 2012. The Agency hereby officially adopts the Budget, attached hereto as Exhibit A, by

Resolution and directs City staff and consultants to carry out all necessary noticing and filing requirements contained in the Act.

Section 2. Project Area Boundaries. The Project Area map is attached hereto and incorporated herein as Exhibit B.

Section 3. Agency's Purposes and Intent. The Agency's purposes and intent with respect to the Project Area are to accomplish the following:

- A. Assist in the development of an industrial/manufacturing development to the northeast side of the City within the Project Area.
- B. Provide essential governmental services to the Project Area by providing a mechanism to develop public infrastructure to the Project Area.
- C. Encourage job creation and accomplish appropriate development and economic development within the Project Area.
- D. Provide for the strengthening of the tax base and economic health of the community.

Section 4. The 2016 Redevelopment Agency of Eagle Mountain Annual Report is incorporated by reference in Exhibit C, together with supporting documents, are incorporated herein by reference, and made a part of this Resolution. Copies of the Project Area Budget shall be filed and maintained in the office of the Agency and the City Recorder for the public inspection.

Section 5. Financing.

- A. Subject to any limitations required by currently existing law (unless a limitation is subsequently eliminated), this Resolution hereby specifically incorporates all of the provisions of the Act that authorize or permit the Agency to receive funding for the Project Area and that authorize the various uses of such funding by the Agency, and to the extent greater (or more beneficial to the Agency) authorization for receipt of funding by the Agency or use thereof by the Agency is provided by any amendment of the Act or by any successor provision, law or act, those are also specifically incorporated herein. It is the intent of this Resolution that the Agency shall have the broadest authorization and permission for receipt of and use of sales tax, tax increment and other funding as is authorized by law, whether by existing or amended provisions of law. This Resolution also incorporates the specific provisions relating to funding of economic development project areas permitted by Title 17C, Chapter 3, Part 2, Utah Code Annotated, 1953, as amended.

Section 6. This Resolution shall take effect immediately upon adoption pursuant to the provisions of the Act.

PASSED this 21st day of June, 2016 by the Board of Directors of the Eagle Mountain City Redevelopment Agency.

ATTEST:



Ikani Taumoepeau, Executive Director



Chris Pengra, Chair



EXHIBIT A

PROJECT AREA BUDGET

COMBINED BUDGET – ALL PROJECT AREAS		
REVENUES	FY 2015 TOTALS	REMAINING LIFE (INCLUDES 2015 TOTALS)
Property Tax Increment		
EDA #2010-1	\$15,748	\$635,000
Parkside CDA	-	\$626,328
Total Revenue	-	\$1,261,328
EXPENDITURES	FY 2015 TOTALS	REMAINING LIFE (INCLUDES 2015 TOTALS)
RDA Administration		
EDA #2010-1	\$787	\$31,750
Parkside CDA	-	\$31,316
Developer Incentive Payments		
EDA #2010-1	-	-
Parkside CDA	-	\$595,012
Public Infrastructure/Other Development Activities		
EDA #2010-1	\$14,961	\$603,250
Parkside CDA	-	-
Other Projects		
EDA #2010-1	-	-
Parkside CDA	-	-
Total Expenditures	\$15,748	\$1,261,328

EXHIBIT B

PROJECT AREA MAP (EDA 2012-1)



EXHIBIT C

2016 RDA EAGLE MOUNTAIN ANNUAL REPORT

2015

ANNUAL REPORT

REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN, UT

IN COMPLIANCE WITH UTAH CODE SECTION 17C-1-603 AND 17C-1-402(9)(b)



**LEWIS YOUNG
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EXECUTIVE SUMMARY

INTRODUCTION

Lewis Young Robertson & Burningham, Inc (“LYRB”) has been retained by the Redevelopment Agency of Eagle Mountain (the “Agency”) to assist with the management of the Agency’s **Economic Development Project Area #2012-1** and the **Community Development Project Area (Parkside Project)**. LYRB has compiled the various creation and related documents associated with the project areas, created annual and multi-year budgets, and created a proprietary Excel-based software package to manage the Agency’s Project Areas in the future.

The purpose of this report, in part, is to fulfill the requirements of Utah Code section 17C-1-603 – Agency Report. As new reporting requirements were adopted in legislation and became effective in 2011, this report facilitates the Agency’s compliance with the new code, providing the data necessary to fulfill these new reporting requirements. This section of Utah Code mandates that the Agency provide an annual report to the county auditor, the State Tax Commission, the State Board of Education, as well as each of the taxing entities that levy a tax on property from which the Agency collects tax increment. The taxing entities involved in the project area of the Eagle Mountain EDA and CDA, to which this report is being provided, are summarized in the table below.

Table I.1: RDA Taxing Entities

RDA TAXING ENTITIES	
Christopher Pengra	Eagle Mountain City Mayor
Ifo Pili	Eagle Mountain City Administrator
Rob Smith	Alpine School District
Dave Shawcroft	Utah County
Bryan Thompson	Utah County Auditor
Natalie Granger	Utah State Board of Education
Barry Conover	Utah State Tax Commission

This report also fulfills the reporting requirements described in UC 17C-1-402(9)(b), allowing the report to be used in place of an annual taxing entity committee meeting. This annual report is for informational purposes and is intended to provide an overview of each Project Area that lies within the boundaries of the RDA, including descriptions of each Project Area, significant activities, project timelines, actual and estimated tax increment collections, and any other information pertinent to the taxing entities.

Provided in this report is an overview of the **Economic Development Project Area #2012-1** and the **Community Development Project Area (Parkside CDA)**; including summaries of the current and projected budgets, Project Area growth statistics, and identification of certain concerns/needs.

OVERVIEW OF THE REDEVELOPMENT AGENCY

The Eagle Mountain Redevelopment Agency was created by the Eagle Mountain City Council in accordance with the provision of the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act, Title 17C of Utah Code (UCA 17C).

UCA 17C has expanded the ability of redevelopment agencies, allowing the creation of various types of project areas, including Community Development Areas (CDA), Urban Renewal Areas (URA), and Economic Development Areas (EDA). A CDA differs from an Urban Renewal Area (URA) and an



Economic Development Area (EDA) in that it is meant to encourage, promote, or provide for development, but does not require the vote, approval, or governance of a taxing entity committee. Various taxing entities can elect to participate on an individual basis through interlocal agreements. In comparison, an EDA is intended to create jobs or economic opportunity and requires a taxing entity committee. A URA is meant to initiate or intensify development of a blighted or under-utilized area. In the case of a URA, blight finding is required, limited use of eminent domain is allowed, and a taxing entity committee is required. Currently, the Agency has two active Project Areas referred to as the Economic Development Project Area #2012-1 and the Community Development Project Area (Parkside Project).

AUTHORITIES AND POWERS OF THE AGENCY

The authority of the Agency is directed by UCA Title 17C.
17C-1-202

- I. A community development and renewal agency may:
 1. Sue and be sued;
 2. Enter into contracts generally;
 3. Buy, obtain an option upon, or otherwise acquire an interest in real or personal property;
 4. Sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or personal property;
 5. Enter into a lease agreement on real or personal property, either as lessee or lessor;
 6. Provide for urban renewal, economic development, and community development as provided in this title;
 7. Receive tax increment as provided in this title;
 8. If disposing of or leasing land, retain controls or establish restrictions and covenants running with the land consistent with the project area plan;
 9. Accept financial or other assistance from any public or private source for the agency's activities, powers, and duties, and expend any funds so received for any of the purposes of this title;
 10. Borrow money or accept financial or other assistance from the federal government, a public entity, or any other source for any of the purposes of this title and comply with any conditions of the loan or assistance;
 11. Issue bonds to finance the undertaking of any urban renewal, economic development, or community development or for any of the agency's other purposes, including:
 - Reimbursing an advance made by the agency or by a public entity or the federal government to the agency;
 - Refunding bonds to pay or retire bonds previously issued by the agency; and
 - Refunding bonds to pay or retire bonds previously issued by the community that created the agency for expenses associated with an urban renewal, economic development, or community development project; and
 12. Transact other business and exercise all other powers provided for in this title.



GOVERNING BOARD OF TRUSTEES AND STAFF MEMBERS

Table I.2: Board of Trustees

GOVERNING BOARD OF TRUSTEES		
Christopher Pengra	RDA Chairman	Eagle Mountain City Mayor
Adam Bradley	RDA Board Member	Eagle Mountain City Council Member
Donna Burnham	RDA Board Member	Eagle Mountain City Council Member
Ryan Ireland	RDA Board Member	Eagle Mountain City Council Member
Richard Steinkopf	RDA Board Member	Eagle Mountain City Council Member
Tom Westmoreland	RDA Board Member	Eagle Mountain City Council Member

Table I.3: Staff Members

STAFF MEMBERS	
Ifo Pili	RDA Executive Director

SUMMARY OF REQUESTED FUNDS

In accordance with Utah Code 17C-1-603(3) this report is for informational purposes only, and does not alter the amount of tax increment that this Agency is entitled to collect. **The Agency requests all tax increment legally available from each of the Agency’s project areas described below;** however, these estimates should in no way be interpreted or applied as a limitation upon the amount the Agency is entitled to receive under applicable statute(s), project area budget(s), and/or interlocal cooperation agreements.

#2012-1 EDA

The Agency will request increment for EDA #2012-1 for Tax Year 2015.

PARKSIDE CDA

The agency expects the project area to trigger in Tax Year 2016. The interlocal agreements governing the CDA stipulate that the project area will trigger when the value of the property reaches or exceeds \$7.5m. The value within the project area on January 1, 2015 was approximately \$7.3m. The agency believes with the development that occurred in 2015, the value will be at or above \$7.5m on January 1, 2016 in which case the trigger would occur in Tax Year 2016. If the value does not breach \$7.5m, the project area will not trigger.

Table I.4: Estimate of Tax Increment

ESTIMATE OF TAX INCREMENT TO BE PAID TO THE AGENCY		
	Tax Year 2015 (FY2016) (Ending Dec. 31, 2015)	Tax Year 2016 (FY2017) (Beginning Jan. 1, 2016)
Property Tax Increment		
Parkside CDA	-	\$11,648
#2012-1	\$15,748	\$15,748
Total Revenue	\$15,748	\$27,396



GENERAL OVERVIEW OF ALL PROJECT AREAS

Table 1.5: Combined Budget

COMBINED BUDGET – ALL PROJECT AREAS		
REVENUES	FY 2015 TOTALS	REMAINING LIFE (INCLUDES 2015 TOTALS)
Property Tax Increment		
EDA #2010-1	\$15,748	\$635,000
Parkside CDA	-	\$626,328
Total Revenue	-	\$1,261,328
EXPENDITURES	FY 2015 TOTALS	REMAINING LIFE (INCLUDES 2015 TOTALS)
RDA Administration		
EDA #2010-1	\$787	\$31,750
Parkside CDA	-	\$31,316
Developer Incentive Payments		
EDA #2010-1	-	-
Parkside CDA	-	\$595,012
Public Infrastructure/Other Development Activities		
EDA #2010-1	\$14,961	\$603,250
Parkside CDA	-	-
Other Projects		
EDA #2010-1	-	-
Parkside CDA	-	-
Total Expenditures	\$15,748	\$1,261,328



SECTION 1: OVERVIEW OF THE EDA PROJECT AREA #2012-1

Table 2.1: Project Area Overview

OVERVIEW				
Type EDA	Acreage 674.06	Purpose Economic Development	Taxing District 38	Tax Rate 0.010570
Creation Year FY 2011	Base Year FY 2012	Term 20 Years or when \$635,000 cap is reached	Trigger Year FY 2016	Expiration Year FY 2036
Base Value \$1,735,520	TY 2014 Value \$6,513,500	Increase 275%	FY 2015 Increment \$15,748	Remaining Life 19 Years

The Economic Development Project Area #2012-1 was created in September 2012 and is governed by the (a) "Eagle Mountain Economic Development Project Area #2012-1 – Project Area Plan" dated September 19, 2012; and (b) "Eagle Mountain Economic Development Project Area #2012-1 – Project Area Budget" dated September 19, 2012.

The purpose of the Economic Development Project Area #2012-1 was to develop, with possible assistance from the City and in participation with potential developers and property owners, public infrastructure, and the appropriate use of incentives permitted under the Act, to maximize this development as beneficial to the citizens of the City and the surrounding communities. The initial project included bringing a manufacturing business into the area. Since the time of adoption, a new development plan is being pursued and includes the Gateway Park Subdivision concept. The prospective developer anticipates the development of mixed use commercial space for five businesses. In addition to bringing jobs and the indirect benefits to the City associated with the presence of these businesses, this development will directly strengthen the community's tax base through increasing property and franchise tax revenues. The City is currently in negotiations with the potential developer to sign a development agreement.

The Economic Development Project Area #2012-1 is located entirely within the boundaries of the City and includes approximately 674.06 acres of land. A map of the Project Area is included in **Exhibit B**. The Agency will receive tax increment based upon the schedule outlined below with the caveat that tax increment will end when the RDA has collected \$635,000 or reached 20 years:

TAX INCREMENT HAIRCUT SCHEDULE			
TAXING ENTITY	PERCENTAGE	NO. OF YEARS	CAPPED
Utah County	26%	20	
Alpine School District	26%	20	
Eagle Mountain	75%	20	
Central Utah Water Conservancy District	26%	20	
Total Project Area			\$635,000



OTHER ISSUES

The original Project Area budget specified the project would trigger in Tax Year 2013 and remit in Tax Year 2014; however, the project was not triggered. The Agency is requesting the project to trigger in Tax Year 2015 as detailed in the updated Project Area budget in **Exhibit A**.

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following sheet represents the FY 2015 and multi-year budget.



EXHIBIT A: #2012-1 EDA PROJECT AREA BUDGET

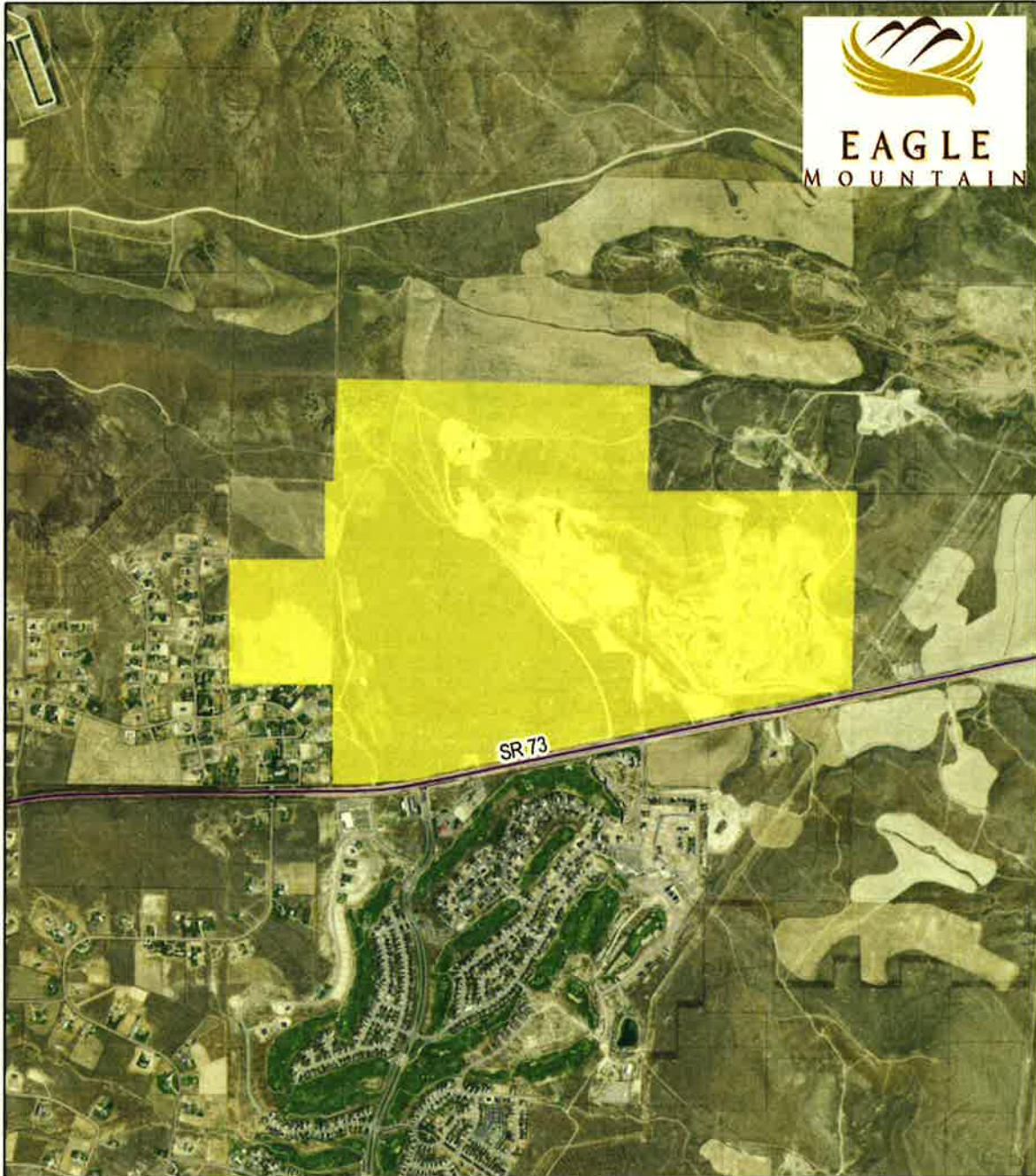
EAGLE MOUNTAIN CITY, UTAH
EDA #2012-1, UPDATED IN 2015
Tax Incremental Project

M & E Tax Incremental Budget/Forecast/Analysis

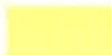
Account Name	Account No.	2011	2012		2013		2014		2015		2016		2017		2018		2019		2020		2021		2022		Total	MPE %	
			Year 1	Year 2	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2	Year 1	Year 2					
PROPORTIONAL PROPERTY TAX ANALYSIS:																											
Cumulative Taxable Value																											
Building and Value																											
Personal Property Value																											
Land Value																											
Total Value																											
Value of Current Property																											
Rate Assessed Value																											
TOTAL INCREMENTAL VALUE																											
TAXES & REVENUE ANALYSIS:																											
Local Courts																											
Agave School District																											
Eagle Mountain City																											
Central Utah State Community College																											
Total																											
EDA PROJECT AREA BUDGET																											
Revenue of Public																											
Eagle Mountain City																											
Central Utah State Community College																											
Total Revenue																											
Uses of Tax Incremental Funds:																											
Public Infrastructure Fund/Road Allowance																											
Total Uses																											
Assumptions																											
Interest Rate																											
Market Rate																											
Discount Rate Adjustment																											
Rate																											



EXHIBIT B: MAP OF THE EDA PROJECT AREA #2012-1



Eagle Mountain EDA #2012-1

 #2012-1 EDA Boundary

0 0.125 0.25 0.5
Miles



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SECTION 2: OVERVIEW OF THE PARKSIDE CDA

Table 3.1: Project Area Overview

OVERVIEW				
Type CDA	Acreage 20.15	Purpose Community Development	Taxing District 38	Tax Rate 0.0019880
Creation Year FY 2013	Base Year FY 2012	Term 10 Years or until the \$126,328 for the County and \$500,000 for the City is reached	Trigger Year Proposed FY 2016	Expiration Year Proposed FY 2025
Base Value \$302,100	TY 2014 Value \$7,309,219	Increase 2317%	FY 2015 Increment -	Remaining Life 10 Years

The Community Development Project Area (Parkside Project) was created in May 2013 and is governed by the (a) "Community Development Project Area Plan" approved June 18, 2013; and (b) "Interlocal Agreement", dated July 9, 2013 by and between the Redevelopment Agency of Eagle Mountain and Utah County; and (c) "Interlocal Agreement", dated July 17, 2013 by and between the Redevelopment Agency of Eagle Mountain and Eagle Mountain City.



Development within the Project Area will be held to the highest quality design and construction standards, subject to (1) appropriate elements of the City's General Plan; (2) the planning and zoning code of the City; (3) other applicable building codes and ordinances of the City; (4) Planning Commission review and recommendations; (5) and Agency review to ensure

consistency with this Plan.

All development will be accompanied by site plans, development data, and other appropriate material clearly describing the development, including land coverage, setbacks, heights, off-street parking to be provided, and any other data determined to be necessary or requested by the City or the Agency.

All development shall provide an attractive environment, blend harmoniously with the adjoining areas, and provide for the optimum amount of open space and well-landscaped area in relation to the new buildings. In addition, it shall maintain maximum availability of off-street parking, and comply with the provisions of the Project Area Plan.

The Community Development Project Area is located entirely within the boundaries of the City and includes approximately 144.84 acres of land. The site currently includes a Ridley's grocery store and an Ace Hardware store. The site was also recently occupied by Domino's Pizza and Subway restaurants. A map of the Project Area is included in **Exhibit B**.



The Agency intends to use the Project Area tax increment for public infrastructure improvements, land purchase, building renovation or upgrades, certain offsite improvements, and other improvements as approved by the Agency. The Interlocal Agreements specify that tax increment will be triggered in the Tax Year in which the total taxable value for the area reaches \$7,500,000. The Agency anticipates that the Project Area will trigger in 2016. The Agency will receive tax increment based upon the schedule outlined below:

TAX INCREMENT SCHEDULE			
TAXING ENTITY	PERCENTAGE	NO. OF YEARS	Cap
Utah County	50% Year 1-3 40% for Year 4 30% for Year 5 25% for Year 6-10	10	\$126,328
Eagle Mountain	100%	10	\$500,000

OTHER ISSUES

The agency may consider amending the interlocal agreements should the taxable value not reach \$7.5M in 2016 considering the value is very close to that mark. This decision has yet to be determined.

PROJECT AREA ANNUAL BUDGETS

Below is the Project Area FY 2015 and multi-year budgets.



EXHIBIT B: MAP OF THE PARKSIDE CDA



Eagle Mountain Parkside CDA

 Parkside CDA Boundary

0 125 250 500 Feet



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