

**REDEVELOPMENT AGENCY
OF THE
CITY OF OREM**

ADOPTED BUDGET

FISCAL YEAR 2018-2019



City of Orem
56 North State Street
Orem, Utah 84057
www.orem.org

**REDEVELOPMENT AGENCY
OF THE
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ADOPTED BUDGET**

FISCAL YEAR 2018-2019

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**REDEVELOPMENT AGENCY
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REDEVELOPMENT AGENCY FUND

The Redevelopment Agency of the City of Orem (RDA) is a separate legal entity from the City of Orem that has the statutory ability to provide redevelopment services within the City. These redevelopment services include improving, rehabilitating, and redeveloping blighted areas within the City. The City Council acts as the governing authority for the Redevelopment Agency.

REVENUES

Revenues for the Redevelopment Agency Fund are primarily derived from property taxes collected by Utah County and remitted to the City.

<u>REVENUE DESCRIPTION</u>	<u>ACTUAL FY '15-'16</u>	<u>ACTUAL FY '16-'17</u>	<u>ESTIMATED ACTUAL FY '17-'18</u>	<u>ADOPTED BUDGET FY '18-'19</u>
Tax Increment - Project Area #85-01	\$ -	\$ 2,047	\$ 2,428	\$ -
Haircut - Project Area #85-01	371,276	375,645	321,026	320,000
Tax Increment - Project Area #85-02	61,256	-	-	-
Haircut - Project Area #85-02	209,312	177,211	170,103	170,000
Tax Increment - Project Area #85-03A	12	35,136	-	-
Tax Increment - Project Area #85-03B	-	-	-	-
Haircut - Project Area #85-03A	208,313	218,802	208,257	200,000
Haircut - Project Area #85-03B	339,939	324,982	285,129	280,000
Tax Increment - Project Area #85-04	26,081	8,155	-	-
Haircut - Project Area #85-04	97,101	118,209	83,934	80,000
Tax Increment - Project Area #87-10	236,058	-	-	-
Haircut - Project Area #87-10	16,085	161,631	154,785	150,000
Tax Increment - Project Area #90-08	47,539	183,650	184,898	180,000
Haircut - Project Area #90-08	121,959	32,387	31,994	30,000
Interest Earnings	79,957	86,501	70,000	-
Rental / Lease Revenue	-	94,760	107,800	-
FUND TOTALS	<u>\$ 1,814,888</u>	<u>\$ 1,819,116</u>	<u>\$ 1,620,354</u>	<u>\$ 1,410,000</u>

Note: The University Place CDA is expected to receive tax increment revenues in Fiscal Year 2018-2019. Most of these revenues will be paid to the developer. The City elected not to include these revenues within this budget since timing and estimated amounts are not reasonably known. City staff will prepare a budget amendment during the fiscal year if and when these amounts have been received.

**REDEVELOPMENT AGENCY
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REDEVELOPMENT AGENCY FUND

BUDGET SUMMARY

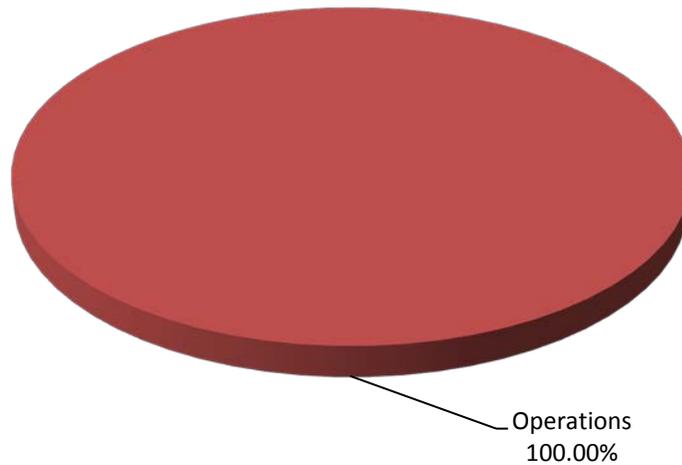
REDEVELOPMENT AGENCY FUND

FY 2018 - 2019

	<u>PERSONNEL</u>	<u>OPERATIONS</u>	<u>CAPITAL</u>	<u>TOTAL</u>
Project Area #85-01	\$ -	478,240	\$ -	\$ 478,240
Project Area #85-02	-	165,000	-	165,000
Project Area #85-03A	-	86,760	-	86,760
Project Area #85-03B	-	230,000	-	230,000
Project Area #85-04	-	80,000	-	80,000
Project Area #87-10	-	150,000	-	150,000
Project Area #90-08	-	220,000	-	220,000
TOTALS	\$ -	\$ 1,410,000	\$ -	\$ 1,410,000

REDEVELOPMENT AGENCY FUND

Expenditures by Category



**REDEVELOPMENT AGENCY
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REDEVELOPMENT AGENCY FUND

EXPENDITURES

PROJECT AREA #85-01

Expenditures in this area improve, rehabilitate, or redevelop areas within the project and provide funds for the payment of debt service on bonds issued for the construction of recreational facilities in 2002. This area no longer has any remaining active project participation agreements.

This project area's normal tax increment expired in calendar year 2014 and its additional tax increment (haircut) expires in calendar year 2021.

<u>EXPENDITURES DESCRIPTION</u>	<u>ACTUAL FY '15-'16</u>	<u>ACTUAL FY '16-'17</u>	<u>ESTIMATED ACTUAL FY '17-'18</u>	<u>ADOPTED BUDGET FY '18-'19</u>
Participation Agreement 85-c-002-001	\$ -	\$ 1,945	\$ 2,307	\$ -
Professional & Technical Services	3,060	-	-	-
Fiber Optics Conduit Project	-	-	36,490	-
Contributions to Other Funds	371,276	330,645	365,000	478,240
PROJECT AREA TOTALS	<u>\$ 374,336</u>	<u>\$ 332,590</u>	<u>\$ 403,797</u>	<u>\$ 478,240</u>

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Project 85-01: Orem Business Park

Date Created:	March 26, 1985
Base Year for Computing Tax Increment:	1985
Initial Tax Increment Request:	Fiscal Year 1990-91
Calendar Year Ending December 31, 2017 Taxable Value:	\$127,216,194
Base Year Taxable Value:	\$1,472,221
Marginal Value:	\$125,743,973
Calendar Year Beginning January 1, 2019 Increment Percentage:	Normal Increment Expired



Non-educational “Additional Tax Increment” Requested
(as allowed in Utah Code Annotated 17C-1-403)

Calendar Year Ending December 31, 2018:	\$365,000
Calendar Year Beginning January 1, 2019:	\$365,000

Use: Debt service on refunding bonds issued in 2017 (original bonds were issued in 2002) for the construction of recreational facilities as allowed in Utah Code 17C-1-403.

Normal Increment Requested:

Calendar Year Ending December 31, 2018:	\$0
Calendar Year Beginning January 1, 2019:	\$0

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REDEVELOPMENT AGENCY FUND

EXPENDITURES

PROJECT AREA #85-02

Expenditures in this area improve, rehabilitate, or redevelop areas within the project and provide funds for the payment of debt service on bonds issued for the construction of recreational facilities in 2002.

This project area's normal tax increment expired in calendar year 2013 and its additional tax increment (haircut) expires in calendar year 2020.

<u>EXPENDITURES DESCRIPTION</u>	<u>ACTUAL FY '15-'16</u>	<u>ACTUAL FY '16-'17</u>	<u>ESTIMATED ACTUAL FY '17-'18</u>	<u>ADOPTED BUDGET FY '18-'19</u>
Professional & Technical Services	\$ -	\$ 6,500	\$ -	\$ -
Fiber Optics Conduit Project	-	-	126,512	-
Contributions to Other Funds	669,902	142,211	210,000	165,000
PROJECT AREA TOTALS	<u>\$ 669,902</u>	<u>\$ 148,711</u>	<u>\$ 336,512</u>	<u>\$ 165,000</u>

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Project 85-02: Timpanogos Research and Technology Park

Date Created:	May 14, 1985
Base Year for Computing Tax Increment:	1985
Initial Tax Increment Request:	Fiscal Year 1989-90
Calendar Year Ending December 31, 2017 Taxable Value:	\$74,462,079
Base Year Taxable Value:	\$7,333,972
Marginal Value:	\$67,128,107
Calendar Year Beginning January 1, 2019 Increment Percentage:	Normal Increment Expired



Non-educational “Additional Tax Increment” Requested

(as allowed in Utah Code Annotated 17C-1-403)

Calendar Year Ending December 31, 2018:	\$210,000
Calendar Year Beginning January 1, 2019:	\$165,000

Use: Debt service on refunding bonds issued in 2017 (original bonds were issued in 2002) for the construction of recreational facilities as allowed in Utah Code 17C-1-403.

Normal Increment Requested:

Calendar Year Ending December 31, 2018:	\$0
Calendar Year Beginning January 1, 2019:	\$0

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REDEVELOPMENT AGENCY FUND

EXPENDITURES

PROJECT AREA #85-03A

Expenditures in this area improve, rehabilitate, or redevelop areas within the project and provide funds for the payment of debt service on bonds issued for the construction of recreational facilities in 2002.

This project area's normal tax increment expired in calendar year 2013 and its additional tax increment (haircut) expires in calendar year 2020.

<u>EXPENDITURES DESCRIPTION</u>	<u>ACTUAL FY '15-'16</u>	<u>ACTUAL FY '16-'17</u>	<u>ESTIMATED ACTUAL FY '17-'18</u>	<u>ADOPTED BUDGET FY '18-'19</u>
Professional & Technical Services	\$ 34,743	\$ 26,000	\$ 1,111	\$ -
Participation Agreement - Orem Mazda	59,722	72,154	61,833	-
Participation Agreement - Ken Garff	-	1,000,000	-	-
Property Purchases	150,800	1,530,778	-	-
Street Lighting	-	-	84,100	-
Future Projects	-	-	-	86,760
Contributions to Other Funds	285,037	-	210,000	-
PROJECT AREA TOTALS	<u>\$ 530,302</u>	<u>\$ 2,628,932</u>	<u>\$ 357,044</u>	<u>\$ 86,760</u>

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Project 85-03A: 1300 South, 200 East to 800 East (Various Properties)

Date Created:	December 3, 1985
Base Year for Computing Tax Increment:	1985
Initial Tax Increment Request:	Fiscal Year 1989-90
Calendar Year Ending December 31, 2017 Taxable Value:	\$112,612,653
Base Year Taxable Value:	\$30,552,708
Marginal Value:	\$82,059,945
Calendar Year Beginning January 1, 2019 Increment Percentage:	Normal Increment Expired



Non-educational “Additional Tax Increment” Requested

(as allowed in Utah Code Annotated 17C-1-403)

Calendar Year Ending December 31, 2018:	\$210,000
Calendar Year Beginning January 1, 2019:	\$86,760

Use: Debt service on refunding bonds issued in 2017 (original bonds were issued in 2002) for the construction of recreational facilities as allowed in Utah Code 17C-1-403.

Normal Increment Requested:

Calendar Year Ending December 31, 2018:	\$0
Calendar Year Beginning January 1, 2019:	\$0

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REDEVELOPMENT AGENCY FUND

EXPENDITURES

PROJECT AREA #85-03B

Expenditures in this area improve, rehabilitate, or redevelop areas within the project and provide funds for the payment of debt service on bonds issued for the construction of recreational facilities in 2002.

This project area's normal tax increment expired in calendar year 2013 and its additional tax increment (haircut) expires in calendar year 2020.

<u>EXPENDITURES DESCRIPTION</u>	<u>ACTUAL FY '15-'16</u>	<u>ACTUAL FY '16-'17</u>	<u>ESTIMATED ACTUAL FY '17-'18</u>	<u>ADOPTED BUDGET FY '18-'19</u>
Professional & Technical Services	\$ 1,657	\$ 36,400	\$ 12,500	\$ -
Participation Agreement - B. Brown Toyota	-	-	659,500	-
Future Projects	-	-	-	205,000
Contributions to Other Funds	-	534,237	652,242	25,000
PROJECT AREA TOTALS	<u>\$ 1,657</u>	<u>\$ 570,637</u>	<u>\$ 1,324,242</u>	<u>\$ 230,000</u>

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Project 85-03B: 1300 South, 200 East to 1500 West (Various Properties)

Date Created:	December 12, 1985
Base Year for Computing Tax Increment:	1985
Initial Tax Increment Request:	Fiscal Year 1989-90
Calendar Year Ending December 31, 2017 Taxable Value:	\$119,351,249
Base Year Taxable Value:	\$6,854,457
Marginal Value:	\$112,496,792
Calendar Year Beginning January 1, 2019 Increment Percentage:	Normal Increment Expired



Non-educational “Additional Tax Increment” Requested
(as allowed in Utah Code Annotated 17C-1-403)

Calendar Year Ending December 31, 2018:	\$552,242
Calendar Year Beginning January 1, 2019:	\$230,000

Use: Debt service on refunding bonds issued in 2017 (original bonds were issued in 2002) for the construction of recreational facilities as allowed in Utah Code 17C-1-403.

Normal Increment Requested:

Calendar Year Ending December 31, 2018:	\$0
Calendar Year Beginning January 1, 2019:	\$0

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REDEVELOPMENT AGENCY FUND

EXPENDITURES

PROJECT AREA #85-04

Expenditures in this area improve, rehabilitate, or redevelop areas within the project and provide funds for the payment of debt service on bonds issued for the construction of recreational facilities in 2002.

This project area's normal tax increment expired in calendar year 2013 and its additional tax increment (haircut) expires in calendar year 2020.

<u>EXPENDITURES DESCRIPTION</u>	<u>ACTUAL FY '15-'16</u>	<u>ACTUAL FY '16-'17</u>	<u>ESTIMATED ACTUAL FY '17-'18</u>	<u>ADOPTED BUDGET FY '18-'19</u>
Professional & Technical Services	\$ -	\$ -	\$ 485	\$ -
Improvement - Right Turn Lane 400 S	-	177,941	-	-
Street Lights - State Street	-	-	197,581	-
Future Project	-	-	-	80,000
Contributions to Other Funds	50,000	177,613	-	-
PROJECT AREA TOTALS	<u>\$ 50,000</u>	<u>\$ 355,554</u>	<u>\$ 198,066</u>	<u>\$ 80,000</u>

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Project 85-04: State Street, 400 South to 800 South (Various Properties)

Date Created:	September 30, 1986
Base Year for Computing Tax Increment:	1986
Initial Tax Increment Request:	Fiscal Year 1989-90
Calendar Year Ending December 31, 2017 Taxable Value:	\$51,565,848
Base Year Taxable Value:	\$18,801,179
Marginal Value:	\$32,764,669
Calendar Year Beginning January 1, 2019 Increment Percentage:	Normal Increment Expired



Non-educational “Additional Tax Increment” Requested

(as allowed in Utah Code Annotated 17C-1-403)

Calendar Year Ending December 31, 2018:	\$100,000
Calendar Year Beginning January 1, 2019:	\$80,000

Use: Debt service on refunding bonds issued in 2017 (original bonds were issued in 2002) for the construction of recreational facilities as allowed in Utah Code 17C-1-403.

Normal Increment Requested:

Calendar Year Ending December 31, 2018:	\$0
Calendar Year Beginning January 1, 2019:	\$0

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REDEVELOPMENT AGENCY FUND

EXPENDITURES

PROJECT AREA #87-10

Expenditures in this area improve, rehabilitate, or redevelop areas within the project and provide funds for the payment of debt service on bonds issued for the construction of recreational facilities in 2002.

This project area's normal tax increment expired in calendar year 2014 and its additional tax increment (haircut) expires in calendar year 2021.

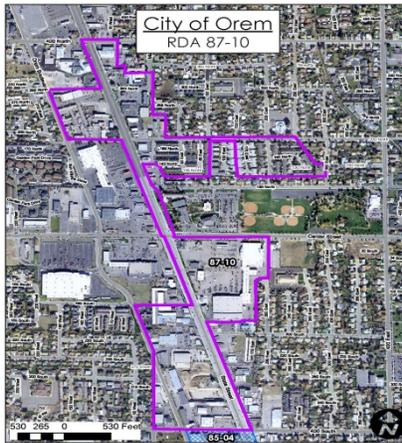
<u>EXPENDITURES DESCRIPTION</u>	<u>ACTUAL FY '15-'16</u>	<u>ACTUAL FY '16-'17</u>	<u>ESTIMATED ACTUAL FY '17-'18</u>	<u>ADOPTED BUDGET FY '18-'19</u>
Professional & Technical Services	\$ -	\$ 52,423	\$ -	\$ -
Street Lights - State Street	-	-	92,742	-
Future Projects	-	-	200,000	100,000
Contributions to Other Funds	121,959	211,631	125,000	50,000
PROJECT AREA TOTALS	<u>\$ 121,959</u>	<u>\$ 264,054</u>	<u>\$ 417,742</u>	<u>\$ 150,000</u>

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Project 87-10: State Street, 400 North to 400 South (Various Properties)

Date Created:	February 2, 1988
Base Year for Computing Tax Increment:	1988
Initial Tax Increment Request:	Fiscal Year 1990-91
Calendar Year Ending December 31, 2017 Taxable Value:	\$93,638,172
Base Year Taxable Value:	\$32,815,215
Marginal Value:	\$60,822,957
Calendar Year Beginning January 1, 2019 Increment Percentage:	Normal Increment Expired



Non-educational “Additional Tax Increment” Requested

(as allowed in Utah Code Annotated 17C-1-403)

Calendar Year Ending December 31, 2018:	\$125,000
Calendar Year Beginning January 1, 2019:	\$150,000

Use: Debt service on refunding bonds issued in 2017 (original bonds were issued in 2002) for the construction of recreational facilities as allowed in Utah Code 17C-1-403.

Normal Increment Requested:

Calendar Year Ending December 31, 2018:	\$0
Calendar Year Beginning January 1, 2019:	\$0

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REDEVELOPMENT AGENCY FUND

EXPENDITURES

PROJECT AREA #90-08

Expenditures in this area improve, rehabilitate, or redevelop areas within the project and provide funds for the payment of debt service on bonds issued for the construction of recreational facilities in 2002.

This project area's normal tax increment expires in calendar year 2020 and its additional tax increment (haircut) expires in calendar year 2023.

<u>EXPENDITURES DESCRIPTION</u>	<u>ACTUAL FY '15-'16</u>	<u>ACTUAL FY '16-'17</u>	<u>ESTIMATED ACTUAL FY '17-'18</u>	<u>ADOPTED BUDGET FY '18-'19</u>
Professional & Technical Services	\$ -	\$ -	\$ 23,900	\$ -
Future Projects	-	-	-	130,000
Contributions to Other Funds	100,000	152,387	50,000	90,000
PROJECT AREA TOTALS	<u>\$ 100,000</u>	<u>\$ 152,387</u>	<u>\$ 73,900</u>	<u>\$ 220,000</u>

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Project 90-08: 500 North to 1200 North between 100 West & State Street (Various Properties)

Date Created:	May 1, 1990
Base Year for Computing Tax Increment:	1990
Initial Tax Increment Request:	Fiscal Year 1992-93
Calendar Year Ending December 31, 2017 Taxable Value:	\$42,743,900
Base Year Taxable Value:	\$11,172,447
Marginal Value:	\$31,571,453
Calendar Year Beginning January 1, 2019 Increment Percentage:	60%



Non-educational “Additional Tax Increment” Requested

(as allowed in Utah Code Annotated 17C-1-403)

Calendar Year Ending December 31, 2018:	\$50,000
Calendar Year Beginning January 1, 2019:	\$40,000

Use: Debt service on refunding bonds issued in 2017 (original bonds were issued in 2002) for the construction of recreational facilities as allowed in Utah Code 17C-1-403.

Normal Increment Requested:

Calendar Year Ending December 31, 2018:	\$185,000
Calendar Year Beginning January 1, 2019:	\$180,000

Use: RDA costs as allowed in Utah Code 17C-1 in this district and debt service on refunding bonds issued in 2017 (original bonds were issued in 2002) for the construction of recreational facilities as allowed in Utah Code 17C-1-403.

**REDEVELOPMENT AGENCY
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**REDEVELOPMENT AGENCY FUND
ACTIVE PARTICIPATION AGREEMENTS**

Agreement Number	Project Name	Name	Description	Terms
RDA-A-2015-0001	UP CDA	University Mall Shopping Center L.C.	90% of Available Tax Increment Received (Subject to Benchmarks & Caps/Maximums)	20 Years Starts: Fiscal Year 2018-2019 Ends: Fiscal Year 2037-2038

RELATED OUTSTANDING DEBT

**\$2,898,000 Series 2017 Sales Tax Revenue Refunding Bonds
Amortization Schedule**

Fiscal Year	Principal	Interest	Total
2018-2019	\$ 459,000	\$ 32,340	\$ 491,340
2019-2020	352,000	23,435	375,435
2020-2021	360,000	16,606	376,606
2021-2022	243,000	9,623	252,623
2022-2023	253,000	4,908	257,908
Totals	\$ 1,667,000	\$ 86,912	\$ 1,753,912

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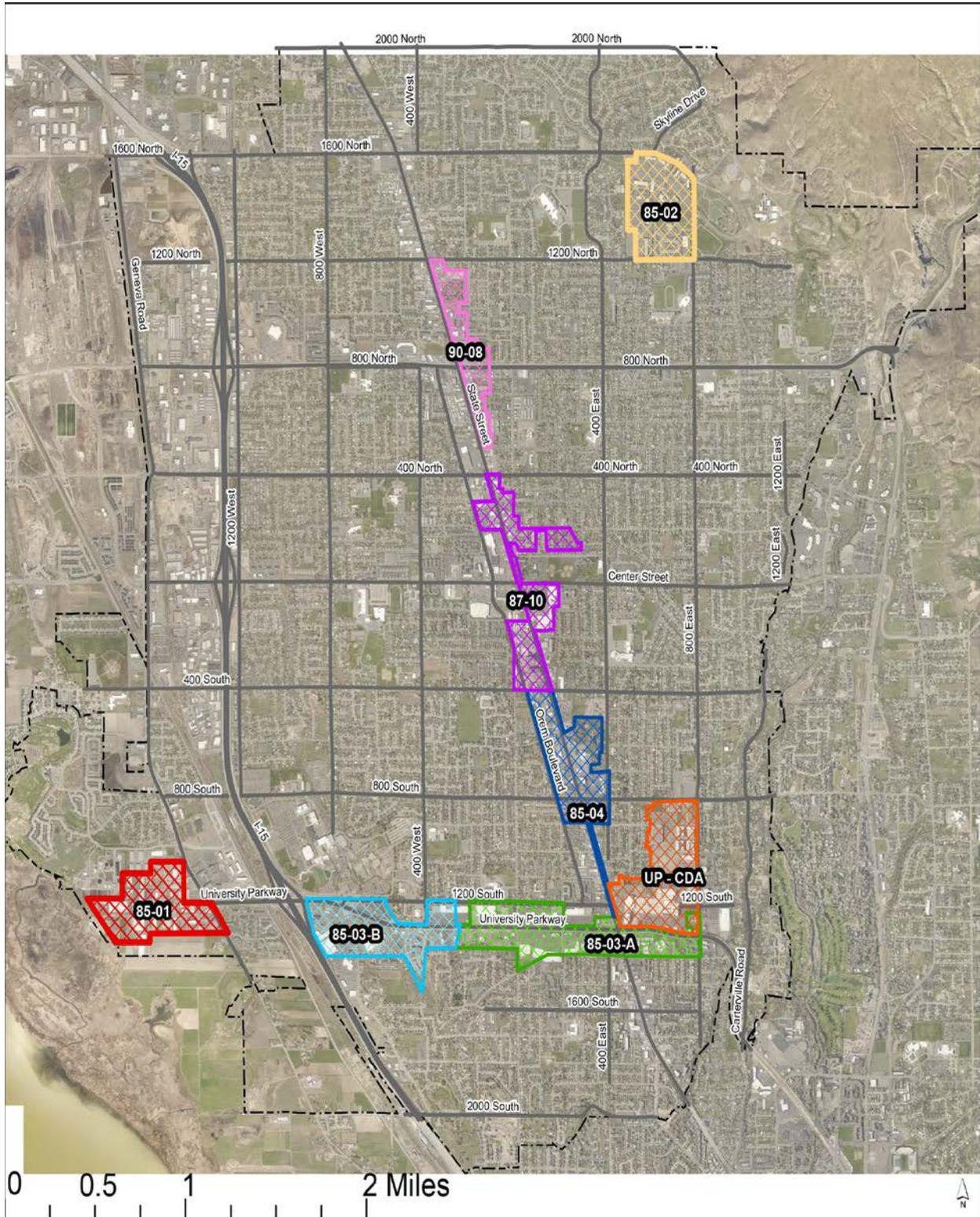


EXHIBIT "B"
BUDGET AMENDMENTS
FISCAL YEAR 2017-2018

REDEVELOPMENT AGENCY FUND

REVENUES

<u>Account Number</u>	<u>Note</u>	<u>Description</u>	<u>Previous Budget</u>	<u>Current Budget</u>
53-3111-003-004		Haircut 85-03B	\$ 313,775.33	\$ 316,820.36
53-3610		Interest Earnings	98,242.00	111,194.92
Total			<u>\$ 412,017.33</u>	<u>\$ 428,015.28</u>
Net Fund Increase (Decrease)				<u><u>\$ 15,997.95</u></u>

EXPENDITURES

<u>Account Number</u>	<u>Note</u>	<u>Description</u>	<u>Previous Budget</u>	<u>Current Budget</u>
Project Area 85-01				
53-9701-731-462		Fiber Optics Conduit Project	\$ 46,528.46	\$ 52,493.80
Project Area 85-03				
53-9703-731-101		Temp Proj 85-03B	3,625,911.83	3,628,956.86
Project Area 85-02				
53-9702-731-462		Fiber Optics Conduit Project	126,512.46	133,500.04
Total			<u>\$ 3,798,952.75</u>	<u>\$ 3,814,950.70</u>
Net Fund Increase (Decrease)				<u><u>\$ 15,997.95</u></u>

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