

**REDEVELOPMENT AGENCY
OF THE
CITY OF OREM**

ADOPTED BUDGET

FISCAL YEAR 2015-2016



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

**REDEVELOPMENT AGENCY
OF THE
CITY OF OREM
ADOPTED BUDGET**

FISCAL YEAR 2015-2016

TABLE OF CONTENTS

EXHIBIT "A"

Revenues	1
Budget Summary	2
Operating Departments:	
Project Area #85-01	3
Project Area #85-02	5
Project Area #85-03A	7
Project Area #85-03B	9
Project Area #85-04	11
Project Area #87-10	13
Project Area #90-08	15
Active Participation Agreements	17
Related Outstanding Debt	17
Redevelopment Agency Map	18

EXHIBIT "B"

Budget Amendments for FY 2014-2015.....	19
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**REDEVELOPMENT AGENCY
OF THE
CITY OF OREM
ADOPTED BUDGET**

FISCAL YEAR 2015-2016

REDEVELOPMENT AGENCY FUND

MISSION STATEMENT

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.

REVENUE DESCRIPTION	ACTUAL FY '12-'13	ACTUAL FY '13-'14	ESTIMATED ACTUAL FY '14-'15	ADOPTED BUDGET FY '15-'16
Tax Increment - Project Area #85-01	\$ 863,241	\$ 905,494	\$ 947,579	\$ -
Haircut - Project Area #85-01	164,761	171,233	174,671	405,000
Tax Increment - Project Area #85-02	432,314	424,369	-	-
Haircut - Project Area #85-02	82,542	80,221	185,171	225,000
Tax Increment - Project Area #85-03A	504,689	484,805	-	-
Tax Increment - Project Area #85-03B	777,246	734,331	-	-
Haircut - Project Area #85-03A	96,210	91,645	220,008	230,000
Haircut - Project Area #85-03B	148,399	138,814	322,328	358,274
Tax Increment - Project Area #85-04	197,921	243,441	-	-
Haircut - Project Area #85-04	37,739	46,111	95,613	105,000
Tax Increment - Project Area #87-10	187,633	238,523	215,763	-
Haircut - Project Area #87-10	23,025	44,532	39,783	100,000
Tax Increment - Project Area #90-08	527,981	187,121	181,818	210,000
Haircut - Project Area #90-08	93,683	22,755	21,525	30,000
Interest Earnings	53,184	58,590	40,000	-
FUND TOTALS	\$ 4,190,568	\$ 3,871,985	\$ 2,444,259	\$ 1,663,274

**REDEVELOPMENT AGENCY
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CITY OF OREM
ADOPTED BUDGET**

FISCAL YEAR 2015-2016

REDEVELOPMENT AGENCY FUND

BUDGET SUMMARY

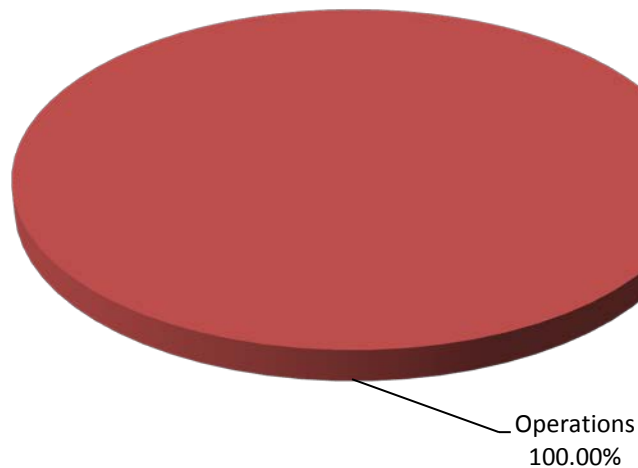
REDEVELOPMENT AGENCY FUND

FY 2015 - 2016

	<u>PERSONNEL</u>	<u>OPERATIONS</u>	<u>CAPITAL</u>	<u>TOTAL</u>
Project Area #85-01	\$ -	400,000	\$ -	\$ 400,000
Project Area #85-02	-	185,000	-	185,000
Project Area #85-03A	-	280,000	-	280,000
Project Area #85-03B	-	573,274	-	573,274
Project Area #85-04	-	50,000	-	50,000
Project Area #87-10	-	75,000	-	75,000
Project Area #90-08	-	100,000	-	100,000
TOTALS	\$ -	\$ 1,663,274	\$ -	\$ 1,663,274

REDEVELOPMENT AGENCY FUND

Expenditures by Category



**REDEVELOPMENT AGENCY
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CITY OF OREM
ADOPTED BUDGET**

FISCAL YEAR 2015-2016

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.

EXPENDITURES DESCRIPTION	ACTUAL FY '12-'13	ACTUAL FY '13-'14	ESTIMATED ACTUAL FY '14-'15	ADOPTED BUDGET FY '15-'16
Participation Agreement 85-c-002-001	\$ 820,079	\$ 860,219	\$ 900,200	\$ -
U.S. Synthetics Agreement	33,333	33,333	-	-
Professional & Technical Services	-	-	5,000	-
Fiber Optics Conduit Project	-	-	-	-
Contributions to Other Funds	164,761	271,233	165,000	400,000
PROJECT AREA TOTALS	\$ 1,018,173	\$ 1,164,785	\$ 1,070,200	\$ 400,000

**REDEVELOPMENT AGENCY
OF THE
CITY OF OREM
ADOPTED BUDGET**

FISCAL YEAR 2015-2016

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, 2014 Taxable Value:	\$142,175,248
Base Year Taxable Value:	\$1,472,221
Marginal Value:	\$140,703,027
Calendar Year Beginning January 1, 2016 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, 2015:	\$175,000
Calendar Year Beginning January 1, 2016:	\$400,000

Use: Debt service on refunding bonds issued in 2012 (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, 2015:	\$0
Calendar Year Beginning January 1, 2016:	\$0

**REDEVELOPMENT AGENCY
OF THE
CITY OF OREM
ADOPTED BUDGET**

FISCAL YEAR 2015-2016

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.

EXPENDITURES DESCRIPTION	ACTUAL FY '12-'13	ACTUAL FY '13-'14	ESTIMATED ACTUAL FY '14-'15	ADOPTED BUDGET FY '15-'16
Professional & Technical Services	\$ -	\$ -	\$ 5,000	\$ -
Fiber Optics Conduit Project	-	-	120,000	-
Contributions to Other Funds	423,262	146,470	100,000	185,000
PROJECT AREA TOTALS	\$ 423,262	\$ 146,470	\$ 225,000	\$ 185,000

**REDEVELOPMENT AGENCY
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CITY OF OREM
ADOPTED BUDGET**

FISCAL YEAR 2015-2016

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, 2014 Taxable Value:	\$70,340,000
Base Year Taxable Value:	\$7,333,972
Marginal Value:	\$63,006,028
Calendar Year Beginning January 1, 2016 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, 2015:	\$100,000
Calendar Year Beginning January 1, 2016:	\$185,000

Use: Debt service on refunding bonds issued in 2012 (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, 2015:	\$0
Calendar Year Beginning January 1, 2016:	\$0

**REDEVELOPMENT AGENCY
OF THE
CITY OF OREM
ADOPTED BUDGET**

FISCAL YEAR 2015-2016

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.

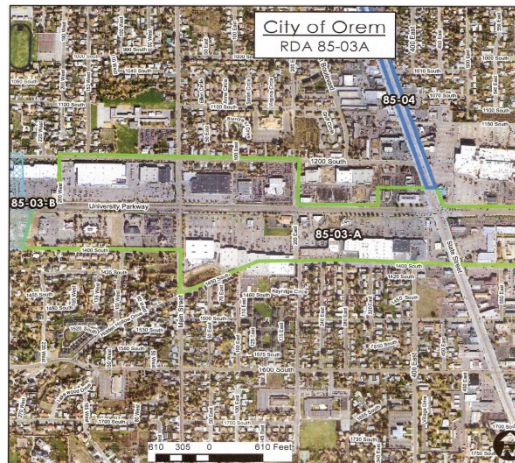
EXPENDITURES DESCRIPTION	ACTUAL FY '12-'13	ACTUAL FY '13-'14	ESTIMATED ACTUAL FY '14-'15	ADOPTED BUDGET FY '15-'16
Professional & Technical Services	\$ 198	\$ -	\$ 16,400	\$ -
Participation Agreement - Orem Mazda	54,847	53,947	75,000	65,000
Future Projects	-	-	-	-
Contributions to Other Funds	96,210	91,645	243,000	215,000
PROJECT AREA TOTALS	\$ 151,255	\$ 145,592	\$ 334,400	\$ 280,000

**REDEVELOPMENT AGENCY
OF THE
CITY OF OREM
ADOPTED BUDGET**

FISCAL YEAR 2015-2016

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, 2014 Taxable Value:	\$101,663,871
Base Year Taxable Value:	\$30,552,708
Marginal Value:	\$71,111,163
Calendar Year Beginning January 1, 2016 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, 2015:	\$100,000
Calendar Year Beginning January 1, 2016:	\$215,000

Use: Debt service on refunding bonds issued in 2012 (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, 2015:	\$0
Calendar Year Beginning January 1, 2016:	\$0

Use: During Fiscal Year 2009-2010, the RDA entered into a participation agreement (RDA-A-09-0001) requiring the use of a maximum of \$75,000 of normal tax increment for Fiscal Years 2010-2011, 2011-2012, 2012-2013 and 2013-2014; and a maximum of \$125,000 of normal tax increment for Fiscal Years 2014-2015, 2015-2016 and 2016-2017.

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CITY OF OREM
ADOPTED BUDGET**

FISCAL YEAR 2015-2016

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 '12-'13</u>	<u>ACTUAL FY '13-'14</u>	<u>ESTIMATED ACTUAL FY '14-'15</u>	<u>ADOPTED BUDGET FY '15-'16</u>
Professional & Technical Services	\$ -	\$ 48,343	\$ -	\$ -
Future Projects	-	-	50,000	-
Contributions to Other Funds	148,399	298,814	515,000	573,274
PROJECT AREA TOTALS	<u>\$ 148,399</u>	<u>\$ 347,157</u>	<u>\$ 565,000</u>	<u>\$ 573,274</u>

**REDEVELOPMENT AGENCY
OF THE
CITY OF OREM
ADOPTED BUDGET**

FISCAL YEAR 2015-2016

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, 2014 Taxable Value:	\$115,706,212
Base Year Taxable Value:	\$6,854,457
Marginal Value:	\$108,851,755
Calendar Year Beginning January 1, 2016 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, 2015:	\$150,000
Calendar Year Beginning January 1, 2016:	\$573,274

Use: Debt service on refunding bonds issued in 2012 (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, 2015:	\$0
Calendar Year Beginning January 1, 2016:	\$0

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CITY OF OREM
ADOPTED BUDGET**

FISCAL YEAR 2015-2016

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.

EXPENDITURES DESCRIPTION	ACTUAL FY '12-'13	ACTUAL FY '13-'14	ESTIMATED ACTUAL FY '14-'15	ADOPTED BUDGET FY '15-'16
Professional & Technical Services	\$ -	\$ -	\$ -	\$ -
Future Projects	-	-	50,000	-
Contributions to Other Funds	235,660	289,552	50,000	50,000
PROJECT AREA TOTALS	\$ 235,660	\$ 289,552	\$ 100,000	\$ 50,000

**REDEVELOPMENT AGENCY
OF THE
CITY OF OREM
ADOPTED BUDGET**

FISCAL YEAR 2015-2016

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, 2014 Taxable Value:	\$53,491,855
Base Year Taxable Value:	\$18,801,179
Marginal Value:	\$34,690,676
Calendar Year Beginning January 1, 2016 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, 2015:	\$50,000
Calendar Year Beginning January 1, 2016:	\$50,000

Use: Debt service on refunding bonds issued in 2012 (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, 2015:	\$0
Calendar Year Beginning January 1, 2016:	\$0

**REDEVELOPMENT AGENCY
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CITY OF OREM
ADOPTED BUDGET**

FISCAL YEAR 2015-2016

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.

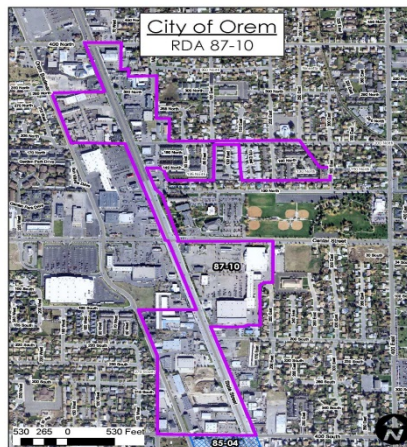
EXPENDITURES DESCRIPTION	ACTUAL FY '12-'13	ACTUAL FY '13-'14	ESTIMATED ACTUAL FY '14-'15	ADOPTED BUDGET FY '15-'16
Participation Agreement - Boyer	\$ 220,000	\$ 220,000	\$ 220,000	\$ -
Professional & Technical Services	-	-	5,000	-
Future Projects	-	-	-	-
Contributions to Other Funds	93,683	44,532	60,000	75,000
PROJECT AREA TOTALS	\$ 313,683	\$ 264,532	\$ 285,000	\$ 75,000

**REDEVELOPMENT AGENCY
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CITY OF OREM
ADOPTED BUDGET**

FISCAL YEAR 2015-2016

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, 2014 Taxable Value:	\$67,928,121
Base Year Taxable Value:	\$32,815,215
Marginal Value:	\$35,112,906
Calendar Year Beginning January 1, 2016 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, 2015:	\$50,000
Calendar Year Beginning January 1, 2016:	\$75,000

Use: Debt service on refunding bonds issued in 2012 (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, 2015:	\$245,000
Calendar Year Beginning January 1, 2016:	\$0

**REDEVELOPMENT AGENCY
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FISCAL YEAR 2015-2016

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.

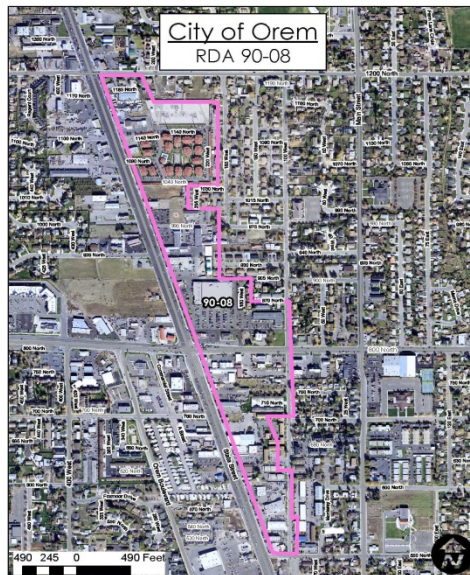
<u>EXPENDITURES DESCRIPTION</u>	<u>ACTUAL FY '12-'13</u>	<u>ACTUAL FY '13-'14</u>	<u>ESTIMATED ACTUAL FY '14-'15</u>	<u>ADOPTED BUDGET FY '15-'16</u>
Professional & Technical Services	\$ -	\$ -	\$ 5,000	\$ -
Future Projects	-	-	-	-
Contributions to Other Funds	170,707	272,925	281,694	100,000
PROJECT AREA TOTALS	<u>\$ 170,707</u>	<u>\$ 272,925</u>	<u>\$ 286,694</u>	<u>\$ 100,000</u>

**REDEVELOPMENT AGENCY
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CITY OF OREM
ADOPTED BUDGET**

FISCAL YEAR 2015-2016

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, 2014 Taxable Value:	\$36,073,581
Base Year Taxable Value:	\$11,172,447
Marginal Value:	\$24,901,134
Calendar Year Beginning January 1, 2016 Increment Percentage:	70%



Non-educational “Additional Tax Increment” Requested

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

Calendar Year Ending December 31, 2015:	\$24,000
Calendar Year Beginning January 1, 2016:	\$30,000

Use: Debt service on refunding bonds issued in 2012 (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, 2015:	\$185,000
Calendar Year Beginning January 1, 2016:	\$210,000

Use: RDA costs as allowed in Utah Code 17C-1 in this district and debt service on refunding bonds issued in 2012 (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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ADOPTED BUDGET**

FISCAL YEAR 2015-2016

**REDEVELOPMENT AGENCY FUND
ACTIVE PARTICIPATION AGREEMENTS**

Agreement Number	Project Area	Name	Description	Terms
RDA-A-09-0001	85-03A	MLP Orem, LLC	Maximum of 3 payments of \$75,000 and 3 payments of \$125,000	8 Years Started: Fiscal Year 2010-2011 Ends: Fiscal Year 2017-2018

RELATED OUTSTANDING DEBT

**\$5,720,000 Series 2007 Sales Tax Revenue Refunding Bonds
Amortization Schedule**

Fiscal Year	Principal	Interest	Total
2015-2016	\$ 1,065,000	\$ 216,274	\$ 1,281,274
2016-2017	1,125,000	163,024	1,288,024
2017-2018	1,190,000	112,398	1,302,398
2018-2019	435,000	63,221	498,221
2019-2020	335,000	46,782	381,782
2020-2021	350,000	33,800	383,800
2021-2022	240,000	19,800	259,800
2022-2023	255,000	10,200	265,200
Totals	\$ 4,995,000	\$ 665,499	\$ 5,660,499

FISCAL YEAR 2015-2016

EXHIBIT "B"
BUDGET AMENDMENTS
FISCAL YEAR 2014-2015

REDEVELOPMENT AGENCY FUND

REVENUES

<u>Account Number</u>	<u>Note</u>	<u>Description</u>	<u>Previous Budget</u>	<u>Current Budget</u>
53-3111-001		Tax Increment 85-01	\$930,000.00	\$947,578.65
53-3111-001-001		Haircut 85-01	175,000.00	174,671.13
53-3111-002-001		Haircut 85-02	100,000.00	185,171.21
53-3111-003-003		Haircut 85-03a	100,000.00	220,007.76
53-3111-003-004		Haircut 85-03b	150,000.00	322,327.85
53-3111-004-001		Haircut 85-04	50,000.00	95,612.75
53-3111-008		Tax Increment 90-08	190,000.00	181,817.96
53-3111-008-001		Haircut 90-08	24,000.00	21,525.02
53-3111-010		Tax Increment 87-10	245,000.00	215,762.79
53-3111-010-001		Haircut 87-10	50,000.00	39,783.24
53-3610		Interest Earnings	0.00	40,000.00
Total			<u>\$2,014,000.00</u>	<u>\$2,444,258.36</u>
Net Fund Increase (Decrease)				<u>\$430,258.36</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	\$83,464.06	\$91,042.71
53-9701-920-005		Cont Fd10/Rec Bonds	165,000.00	174,671.13
Project Area 85-02				
53-9702-920-005		Cont Fd10/Rec Bonds	100,000.00	185,171.21
Project Area 85-03				
53-9703-731-100		Temp Proj 85-03A	2,631,416.78	2,701,986.69
53-9703-731-101		Temp Proj 85-03B	4,867,547.70	4,997,547.70
53-9703-920-006		Cont Fd10/Rec Bonds	243,000.00	292,437.85
53-9703-920-007		Cont Fd10/Rec Bonds	350,000.00	387,327.85
Project Area 85-04				
53-9704-731-100		Temp Proj 85-04	0.00	85,612.75
Project Area 90-08				
53-9708-731-100		Temp Proj 90-08	94,857.03	266,605.61
53-9708-920-005		Cont Fd10/Rec Bonds	181,694.00	4,288.40
Project Area 87-10				
53-9710-731-100		Temp Proj 87-10	356,876.80	322,975.51
53-9710-920-005		Cont Fd10/Rec Bonds	60,000.00	54,447.32
Total			<u>\$9,133,856.37</u>	<u>\$9,564,114.73</u>
Net Fund Increase (Decrease)				<u>\$430,258.36</u>

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