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ORCHARD LANE CRA PROJECT AREA PLAN, SANTAQUIN, UTAH

The Agency, following thorough consideration of the needs and desires of the City and its residents, as well as the need and capacity for new development, has carefully crafted this Orchard Lane Community Reinvestment Project Area Plan (“Plan”) for the Orchard Lane, Santaquin, Utah, Community Reinvestment Project Area (“Project Area”).

In accordance with the terms of this Plan, the Agency will promote and provide for a mixed-use development located near Interstate 15 that will encourage retail and potential office uses. The Project Area includes approximately 45 acres, of which roughly 31 acres are included in parcels within which ownership plans to build a grocery store and complementary retail space. Additional acreage within the study area is planned for possible minimal office space, while residential use could also be pursued if the city desires.

Key highlights of this project include:

Grocery Store Development

- A planned, Ridley’s Grocery Store that is anticipated to include roughly 60,000 square feet of floor space
- Additional, supporting retail space that will benefit from high traffic counts, a grocery anchor, and good visibility and exposure characteristics

Possible Office Component

- The inclusion of grocery and retail services will result in increased desirability for future office use. This could include professional services and some limited production (flex office) type users

This is a Project Area that should capitalize on great visibility and exposure characteristics from Interstate 15. Additionally, the projected population growth in the area results in healthy projections for future real estate activity.

It is the purpose of this Plan to clearly set forth the aims and objectives of this development, its scope, its mechanism, and its value to the residents, businesses and property owners of the City and County. The Project is undertaken as a community reinvestment project pursuant to the provisions of the Act.

1. RECITALS OF PRECONDITIONS OR DESIGNATING A COMMUNITY DEVELOPMENT PROJECT AREA

- a) Pursuant to the provisions of §17C-5-103 et seq. of the Limited Purpose Local Government Entities Community Development and Renewal Agencies Act, the governing body of the Redevelopment Agency of Santaquin authorized the preparation of a draft community reinvestment project area plan; and

- b) Pursuant to the provisions of §17C-5-104(1)(a) and (b) of the Act, the City has a planning commission and general plan as required by law; and
- c) Pursuant to the provisions of §17C-5-104(3)(e) of the Act, the Agency has conducted one or more public hearings for the purpose of informing the public about the proposed Project Area, allowing public comment on the draft Project Area Plan and whether the Plan should be revised, approved or rejected; and
- d) Pursuant to the provisions of §17C-5-104(3)(b) and (d) of the Act, the Agency made a draft Project Area Plan available to the public at the Agency's offices during normal business hours, provided notice of the Plan hearing and will hold a public hearing on the draft Plan on _____ 2019.

2. DEFINITIONS

As used in this Community Development Project Area Plan:

1. The term "**Act**" shall mean and include the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act in Title 17C, Chapters 1 through 5, Utah Code Annotated 1953, as amended, or such other amendments as shall from time to time be enacted or any successor or replacement law or act.
2. The term "**Agency**" shall mean the Community Development Renewal Agency of Santaquin, a separate body corporate and politic.
3. The term "**Affordable Housing**" shall mean housing affordable to persons making 80 percent or less of the Area Median Income (AMI).
4. The term "**base taxable value**" shall mean the base taxable value of the property within the Project Area from which tax increment will be collected, as shown upon the assessment roll last equalized, before: (A) the date the Project Area Plan is adopted by the City legislative body; and (B) the date the Agency adopts the first Project Area Budget.
5. The term "**City**" shall mean Santaquin, Utah.
6. The term "**community**" shall mean the community of Santaquin, Utah.
7. The term "**community reinvestment**" shall mean development activities within the community, including the encouragement, promotion, or provision of development.
8. The term "**developer**" shall mean the entities investing in the development in the area.
9. The term "**Plan Hearing**" means the public hearing on the draft Project Area Plan required under Subsection 17C-5-104 of the Act.

10. The term "**planning commission**" shall mean the planning commission of the City.
11. The term "**Project Area**" or "**Orchard Lane Community Reinvestment Project Area**" shall mean the geographic area described in this Project Area Plan or Draft Project Area Plan where the community reinvestment set forth in this Project Area Plan or Draft Project Area Plan takes place or is proposed to take place.
12. The term "**Project Area Budget**" shall mean a budget setting forth:
 - a. the anticipated costs, including administrative costs, of implementing the Orchard Lane Community Reinvestment Project Area Plan; and
 - b. the tax increment, sales tax, and other revenue the Agency anticipates to fund the project.
13. The term "**Project Area Map**" is the area depicted in Appendix A.
14. The term "**Project Area Plan**" or "**Plan**" shall mean a project area plan adopted pursuant to the Act to guide and control community reinvestment activity within the Project Area.
15. The term "**Orchard Lane Community Reinvestment Project Area Plan**" or "**Plan**" shall mean a project area plan and project area map adopted pursuant to the Act to guide and control community reinvestment activities within a project area.
16. The terms "**tax**," "**taxes**," "**property tax**" or "**property taxes**" include privilege tax and each levy on an ad valorem basis on tangible or intangible personal or real property.
17. The term "**taxing entity**" shall mean a public entity that levies a tax on property within the Project Area.
18. The term "**Tax Increment**" shall mean the difference between the amount of property tax revenues generated each tax year by all Taxing Entities from the area designated in the Project Area Plan from which Tax Increment is to be collected, using the current assessed value of the property and the amount of property tax revenues that would be or were generated from that same area using the Base Taxable Value of the property.
19. All other terms shall have the same meaning set forth in the Act unless the context clearly indicates otherwise.

3. PROJECT AREA BOUNDARIES [17C-5-105(1)(A)]

The Project Area consists of approximately 45 acres located in a northern/eastern section of Santaquin. It begins near the northern entrance to the city and includes properties in a near triangular shape on the west side of Interstate 15. Main Street (Highway 6) bisects the property in an east-to-west direction, while Orchard Lane is a diagonal street that cuts through a large portion of the study area. The project

area boundaries are depicted on the Project Area map which is included in Appendix A. The legal description of the parcels in the Project Area is included in Appendix B.

4. GENERAL STATEMENT OF LAND USES, LAYOUT OF PRINCIPAL STREETS, POPULATION DENSITIES, BUILDING INTENSITIES AND HOW THEY WILL BE AFFECTED BY THE PROJECT AREA DEVELOPMENT [17C-5-105]

A. LAND USES IN THE PROJECT AREA

The existing land uses in the Project Area include primarily vacant land, as well as the Summit Creek mobile home park and a limited number of single-family homes. The defined area has a few roads, including Orchard Lane, Main Street, 200 North (which appears to primarily be unpaved), and 100 North. Surrounding uses are largely vacant to the north, with single family homes and some retail uses to the west. Interstate 15 provides the eastern boundary of the study area.

Land uses will be affected as vacant land is developed in accordance with this Plan. This will change existing vacant land to largely commercial uses.

B. POPULATION DENSITIES IN THE PROJECT AREA

Currently, there are reportedly a limited number of residents living in the Project Area. There appears to be roughly 50 residential structures, the majority of which are within the Summit Creek mobile home park. Overall, there currently results in roughly one residential unit per acre of study area.

C. BUILDING INTENSITIES IN THE PROJECT AREA

The Plan proposes adding roughly 90,000 square feet of commercial space between retail and office uses. The proposed commercial square feet results in an average floor area ratio (FAR) of 0.05¹

5. STANDARDS THAT WILL GUIDE THE PROJECT AREA DEVELOPMENT [17C-5-105]

A. GENERAL DESIGN OBJECTIVES

Development within the Project Area will be held to high quality design and construction standards and will be subject to: (1) appropriate elements of the City's General Plan; (2) applicable City building codes and ordinances; (3) Planning Commission review and recommendation; (4) the City's land use code; and (5) development agreement that includes design guidelines.

Owners and developers will be allowed flexibility in the development of land located within the Project Area and are expected to obtain quality design and development. The development contemplated herein shall be of a design and shall use materials that are in harmony with adjoining areas and subject to design review and approval by the City. It is contemplated that these design objectives will be addressed in a development agreement with the Developer specifically addressing these points.

¹ 90,000 square feet / (45 acres at 43,560 square feet per acre)

Coordinated and attractive landscaping shall also be provided as appropriate for the character of the Project Area. Materials and design paving, retaining walls, fences, curbs, benches, and other items are addressed in the design guidelines.

Parking areas shall be designed with careful regard to orderly arrangement, topography, relationship to view, ease of access, and as an integral part of the overall site design.

All development will be accompanied by site plans, development data, and other appropriate material clearly describing the development, including land coverage, setbacks, heights, and any other data required by the City's land use code, the applicable zoning designations, development agreement, or as requested by the City or the Agency.

The general standards that will guide the project area development are as follows:

1. Encourage and assist project area development with the creation of a well-planned, vibrant mixed-use, development.
2. Provide for the strengthening of the tax base and economic health of the entire community and the State of Utah.
3. Implement the tax increment financing provisions of the Act, which are incorporated herein by reference and made a part of this Plan.
4. Encourage economic use of and new construction upon the real property located within the Project Area.
5. Promote and market the Project Area for project area development that would be complementary to existing businesses that would enhance the economic base of the City through diversification.
6. Provide for compatible relationships among land uses and quality standards for development, such that the area functions as a unified and viable center of community activity for the City.
7. Remove any impediments to land disposition and development through assembly of land into reasonably sized and shaped parcels served by adequate public utilities and infrastructure improvements.
8. Achieve an environment that reflects an appropriate level of concern for architectural, landscape and design principles, developed through encouragement, guidance, appropriate controls, and financial and professional assistance to owner participants and developers.
9. Provide for construction of public streets, utilities, curbs and sidewalks, other public rights-of-way, street lights, landscaped areas, public parking, water utilities, sewer utilities, storm drainage, open space, and other public improvements.

10. Provide public streets and road access to the area to facilitate better traffic circulation and reduce traffic hazards by assisting in the street alignments.

B. SPECIFIC DESIGN OBJECTIVES AND CONTROLS

In addition to the general City design objectives and standards described above, it is contemplated that the following guidelines will be approved.

1. BUILDING DESIGN OBJECTIVES

All new buildings shall be of design and materials that will be in harmony with adjoining areas and other new development and in accordance with design guidelines.

2. OPEN SPACE PEDESTRIAN WALKS AND INTERIOR DRIVE DESIGN OBJECTIVES

All open spaces, pedestrian walks and interior drives shall be designed as an integral part of an overall site design, properly related to other buildings.

Comfortably graded pedestrian walks should be provided along the lines of the most intense use, particularly from building entrances to parking areas, and adjacent buildings on the same site.

The location and design of pedestrian walks should afford adequate safety and separation from vehicular traffic.

Materials and design of paving, retaining walls, fences, curbs, and other accouterments, shall be of good appearance, easily maintained, and indicative of their purpose and consistent with design guidelines.

3. PARKING DESIGN OBJECTIVES

Parking areas shall be designed with regard to orderly arrangement, topography, ease of access, and as an integral part of overall site design.

It is desirable that parking areas be relatively level.

4. PROJECT IMPROVEMENT DESIGN OBJECTIVES

- All streets and walkways within public rights-of-way will be designed or approved by the City and will be consistent with all design guidelines.
- Lighting standards and signs of pleasant appearance and modern illumination standards shall be provided as necessary as approved by the City.
- The applicable portions of the Project Area will be graded in conformance with the final project design determined by the Agency and the City for each specific project.

C. TECHNIQUES TO ACHIEVE THE PROJECT AREA DEVELOPMENT PLAN OBJECTIVES

Activities contemplated in carrying out the Plan in the Project Area may include the acquisition and development of properties in the Project Area.

Parcels of real property located in the Project Area may be acquired by purchase, but may not be acquired by condemnation, unless from an Agency board member or officer with their consent [§17C-1-206 (1) and (2)(b)].

D. PROPERTY ACQUISITION, DISPOSITION AND DEVELOPMENT

The objectives of this Plan are to be accomplished by various means including but not limited to the following:

1. ACQUISITION OF REAL PROPERTY

The Agency may acquire, but is not required to acquire, real property located in the Project Area. The Agency may acquire property by negotiation, gift, devise, exchange, purchase, or other lawful method, but not by eminent domain (condemnation) unless from an Agency board member or officer with their consent. The Agency is authorized to acquire any other interest in real property less than fee title such as leasehold interests, easements, rights of way, etc. by negotiation, gift, devise, exchange, purchase or other lawful method, but not by eminent domain (condemnation) unless from an Agency board member or officer with their consent [§17C-1-206 (1) and (2)(b)].

2. COOPERATION WITH THE COMMUNITY AND PUBLIC ENTITIES

The community and certain public entities are authorized by state law, with or without consideration, to assist and cooperate in the planning, undertaking, construction, or operation of projects within this Project Area. The Agency may seek the aid and cooperation of such public entities in order to accomplish the purposes of project area development and the highest public good.

The Agency, by law, is not authorized to acquire real property owned by a public entity without the consent of the public entity. The Agency, however, will seek the cooperation of all public entities that own or intend to acquire property in the Project Area. To the extent allowed by law, the Agency shall impose on all public entities owning real property in the Project Area the planning and design controls contained in this Plan to the end that uses and any future development by public entities will conform to the requirements of this Plan.

3. PROPERTY MANAGEMENT

During such time that property, if any, in the Project Area is owned by the Agency, such property shall be under the management and control of the Agency. Such property may be rented or leased by the Agency pending its disposition for project area development.

4. PROPERTY DISPOSITION AND DEVELOPMENT

The Agency is also authorized, by lawful means, to provide for and promote the project area development of the Project Area as described below.

While there are currently several buildings or structures in the Project Area and it is unlikely that there will be an immediate need to demolish and clear buildings or structures in the Area, the Agency is authorized to demolish and clear buildings, structures, and other improvements from any real property in the Project Area, should such a need occur, to carry out the purposes of this Plan. The Agency is authorized to install and construct or to cause to be installed and constructed the public improvements,

public facilities, and public utilities, within the Project Area, not prohibited by law which are necessary or desirable to carry out this Plan, as well as publicly-owned improvements and infrastructure outside the Project Area that are of benefit to the Project Area. The Agency is authorized to prepare or cause to be prepared as building sites any real property in the Project Area. The Agency is also authorized to rehabilitate or to cause to be rehabilitated any building or structure in the Project Area should such a need occur in the future. The Agency is also authorized to advise, encourage, and assist in the rehabilitation of property in the Project Area not owned by the Agency should such a need occur in the future.

For the purposes of this Plan, the Agency is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property. The Agency is authorized to dispose of real property by leases or sales by negotiation with or without public bidding. All real property acquired by the Agency in the Project Area shall be sold or leased to public or private persons or entities for development for the uses permitted in this Plan. Real property may be conveyed by the Agency to the City or any other public entity without charge. The Agency shall reserve such controls in the disposition and development documents as may be necessary to prevent transfer, retention, or use of property for speculative purposes and to ensure that development is carried out pursuant to this Plan. All purchasers or lessees of property from the Agency shall be made obligated to use the property for the purposes designated in this Plan, to begin and complete development of the property within a period of time which the Agency fixes as reasonable, and to comply with other conditions which the Agency deems necessary to carry out the purposes of this Plan.

To the maximum possible extent, the objectives of this Plan are to be accomplished through Agency encouragement of, and assistance to, private enterprise in carrying out development activities. To provide adequate safeguards to ensure that the provisions of this Plan will be carried out, all real property sold, leased, or conveyed by the Agency, as well as all property subject to participation agreements, shall be made subject to the provisions of this Plan by leases, deeds, contracts, agreements, declarations of restrictions, provisions of the City ordinances, conditional use permits, or other means. Where appropriate, as determined by the Agency, such documents or portions thereof shall be recorded in the Office of the County Recorder. The leases, deeds, contracts, agreements, and declarations of restrictions may contain restrictions, covenants, covenants running with the land, rights of reverter, conditions subsequent, equitable servitudes, or any other provision necessary or desirable to carry out this Plan.

To the extent now or hereafter permitted by law, the Agency is authorized to pay for, develop, or construct any building, facility, structure, or other improvement either within or outside the Project Area for itself or for any public entity to the extent that such improvement would be of benefit to the Project Area. During the period of development in the Project Area, the Agency shall require that the provisions of this Plan and of other documents formulated pursuant to this Plan are being observed, and that development in the Project Area is proceeding in accordance with development documents and time schedules. Plans for development by owners or developers shall be submitted to the City for review and approval. All project area development must conform to this Plan and all applicable federal, state, and local laws.

For the purpose of this Plan, the Agency is authorized to sell, lease, exchange, transfer, assign, pledge, encumber, and otherwise dispose of personal property.

E. APPROVALS

The City shall approve the design of all development within the Project Area to ensure that development therein is consistent with this Plan.

6. HOW THE PROJECT AREA DEVELOPMENT WILL FURTHER PURPOSES OF THIS TITLE [17C-5-105(D)]

It is the intent of the Agency, with the assistance and participation of private owners, to facilitate new development within the Project Area that includes this objective: provide a small-town atmosphere with well-planned and organized growth, a family oriented, clean, fun and friendly community that is a great place to live, a crossroads for southern Utah County characterized by its agricultural heritage, good parks and recreation facilities and a strong business tax base (Santaquin General Plan community vision). The proposed project area appears to fit within the community vision. The Project will strengthen the tax base of the community, will accomplish community development objectives and create a well-planned mixed-use development. The Project Area Plan will further the purposes of the Act by accomplishing the following items:

A. ESTABLISHMENT OF NEW BUSINESS

The project includes notable commercial development which will benefit the State and the City through increased job creation, increased sales tax base, and increased income taxes paid.

B. PUBLIC INFRASTRUCTURE IMPROVEMENTS

The construction of the public infrastructure improvements necessary to the area will support the development contemplated herein and provide for future development in surrounding areas. Infrastructure is an important element of economic development and areas that lack good infrastructure are not able to be competitive in attracting good-quality businesses to locate in their community.

The development of the Project Area and the associated public infrastructure improvements will also: (a) make the land within the Project Area more accessible to and from other parts of the City; and (b) allow existing infrastructure to be extended and connected to other infrastructure and thereby used more efficiently. Thus, the components of the Project provided in this Plan will encourage, promote and provide for community development within the Project Area and the City generally for years to come.

C. PROVISION OF ESSENTIAL SERVICES

The development will provide essential services to possible commercial uses planned for the Project Area. Commercial development may include retail and office space which could include a variety of services.

7. THE PLAN IS CONSISTENT WITH AND WILL CONFORM TO THE COMMUNITY'S GENERAL PLAN [17C-5-105(1)(E)]

This Plan is consistent with the City's General Plan which states "Santaquin will encourage economic growth without adversely impacting the overall character of the community." The General Plan further indicates that it intends to "protect the City tax base, to secure economy in governmental expenditures, to foster agricultural and other industries, to protect both urban and non-urban development, and to protect property values and rights." This development will diversify and strengthen the City by adding a possible mixed-use center to the community.

Further, development of this area will provide a strong tax base that will enable the City to expand and provide additional services.

8. IF APPLICABLE, DESCRIBE HOW THE PROJECT AREA WILL REDUCE OR ELIMINATE BLIGHT [17C-5-105(1)(F)]

Not applicable.

9. DESCRIPTION OF ANY SPECIFIC PROJECT OR PROJECTS THAT ARE THE OBJECT OF THE PROPOSED COMMUNITY REINVESTMENT [17C-5-105(1)(G)]

The Project Area will include the development of roughly 90,000 sf of commercial space (including retail, and limited office use). The anchor tenant, Ridley's Family Markets, is planning on occupying approximately 60,000 square feet in a single-structure (yet to be built).

Specific projects will also likely include construction and installation of the public infrastructure improvements, some of which will have the capacity to serve areas outside of the Project Area.

10. HOW PARTICIPANTS WILL BE SELECTED [17C-5-105(1)(H)]

A. SELECTION OF PRIVATE DEVELOPERS

Initially, it is expected that Ridley's Family Markets will pursue its proposal of constructing a grocery store in the area. The Agency contemplates that owners of real property within the Project Area will take advantage of the opportunity to develop their property or sell their property to developers for the development of facilities within the Project Area. In the event that owners do not wish to participate in the development in compliance with the Plan, or in a manner acceptable to the Agency, or are unable or unwilling to appropriately participate, the Agency reserves the right pursuant to the provisions of the Act to acquire parcels, to encourage other owners to acquire other property within the Project Area, or to select non-owner developers by private negotiation, public advertisement, bidding or the solicitation of written proposals, or a combination of one or more of the above methods.

B. IDENTIFICATION OF DEVELOPERS WHO ARE CURRENTLY INVOLVED IN THE PROPOSED COMMUNITY REINVESTMENT

Ridley's Family Markets is currently involved in the community development process and intends to construct roughly 60,000 square feet of grocery store space in the Project Area. Specific development guidelines and agreement regarding the use and payment of tax increment will be set forth in a Development Agreement or other agreements between the Agency and Ridley's Family Markets Inc.

1. QUALIFIED OWNERS

It is anticipated that representatives of Ridley's Family Markets will be selected to pursue their proposal of constructing commercial space in the Project Area. Any person wishing to become a developer will be required to own or have the right to purchase all or part of the Project Area.

2. OTHER PARTIES

If no owner in the Project Area, as described in Subparagraph A above, who possesses the skill, experience and financial resources necessary to become a developer in the Project Area is willing or able to become a developer of all or part of the Project Area, the Agency may identify other qualified persons who may be interested in developing all or part of the Project Area. Potential developers may be identified by one or more of the following processes: (1) public solicitation, (2) requests for proposals (RFP), (3) requests for bids (RFB), (4) private negotiation, or (5) some other method of identification approved by the Agency.

3. OWNER PARTICIPATION AGREEMENTS

The Agency has not entered into nor does it intend to enter into any owner participation agreements or agreements with developers to develop all or part of the Project Area until after the Agency and the City decide whether or not to adopt this Plan for the Project Area. If the Project Area is adopted, it is contemplated that a development agreement may be entered into between the Agency and representatives of Ridley's Family Markets. Other agreements will be made with other developers.

11. REASONS FOR THE SELECTION OF THE COMMUNITY REINVESTMENT PROJECT AREA [17C-5-105(1)(i)]

The Project Area was selected by the Agency as that area within the City having an immediate opportunity to strengthen the community through developers who are willing to invest private capital into an area that will allow for the construction of commercial space and provide for public infrastructure which will support the development contemplated herein and provide for future development in surrounding areas. Additionally, although not required as part of this Plan, it is anticipated that the project will create new jobs.

Specific boundaries of the Project Area were arrived at by the Agency after a review of the area by members of the Agency, City staff, economic development consultants, and other technical and legal consultants. Planned treatment of this area is intended to stimulate development to the degree necessary for sound long-term growth in the Project Area and to encourage the development of real property

located within the Project Area. Finally, development of the Project Area as a multi-use center is an important element in the City's General Plan.

12. DESCRIPTION OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS EXISTING IN THE AREA [17C-5-105(1)(J)]

A. PHYSICAL CONDITIONS

The Project Area consists of approximately 45 acres of land as shown on the Project Area map, located along the western side of Interstate 15 in a northern/eastern portion of the city. The majority of the Project Area is vacant, although there are single family and mobile homes scattered throughout.

B. SOCIAL CONDITIONS

There are currently single-family homes and a mobile home park in the Project Area. No unusual social conditions were found to exist. Because of the shifting of land uses from primarily vacant land to retail and office, consistent with the General Plan of the City, this area will take on a new social character that will enhance existing development in the City. The Project Area Plan will bring consumers and visitors from across the area to the Project Area for shopping and employment. It is anticipated that the Project Area will add to the community's economy, quality of life, and reputation.

C. ECONOMIC CONDITIONS

There are no significant commercial developments in the Project Area. The land has a taxable value of \$5,936,093, based on the 2017 tax records of the area. Ownership is noted with several private owners, with values resulting in land at near \$3.00 per square foot. Because of the relatively vacant conditions, minimal property tax revenues are currently generated from the Project Area.

13. FINANCIAL ASSISTANCE ANTICIPATED TO BE OFFERED TO A PARTICIPANT [17C-5-105(1)(K)]

The Agency intends to use property tax increment generated within the Project Area to pay part of the costs associated with development of the Project Area. The Agency intends to only negotiate with Santaquin City (and not other taxing entities) to secure receipt of the property tax increment generated within the Project Area that would otherwise be paid to the city. Collectively, these tax revenues may be used to reimburse a private developer for a portion of the cost of the public infrastructure improvements including interest and bonding costs. Subject to the provisions of the Act, the Agency may agree to pay for eligible development costs and other items from such tax revenues for any period of time the Agency and the taxing entities may deem appropriate under the circumstances.

Detailed tax increment information is provided in Appendix C in the Project Area Budget that is attached to this Plan and made a part thereof.

14. RESULTS OF THE PUBLIC BENEFIT ANALYSIS [17C-5-105(1)(L)]

Section 1 – The Benefit of Any Financial Assistance or Other Public Subsidy Proposed to be Provided by the Agency:

A. AN EVALUATION OF THE REASONABLENESS OF THE COSTS OF THE PROPOSED PROJECT AREA DEVELOPMENT

According to information provided by the Santaquin City, road construction within the project area is anticipated to cost \$801,495. This includes \$209,827 for widening of 400 East, \$394,651 for 500 East improvements, and \$197,017 for 200 North improvements. These proposed costs do not include undergrounding of current overhead utility lines nor storm drainage improvements. Consequently, the costs to the developer will be in excess of the total shown above. The costs for roadway improvements, which were provided in sufficient detail, appear to be reasonable considering the proposed work.

B. EFFORTS TO MAXIMIZE PRIVATE INVESTMENT

The City has made efforts to maximize private investment in the area. The City has pursued a development pattern that will attract desirable tenants and will bring a strong tax base to the City. The City anticipates that this project will create new jobs. The wages paid for these jobs will then be re-spent, by the private sector, in the local and regional economies that will bring benefits to private businesses in the area.

This project will significantly increase taxable value from the current taxable value of roughly \$5.9 million to an anticipated \$26.5 million when fully built out – an increase of \$20.6 million. The Project Area is currently generating \$73,613 annually in property tax revenues (to all taxing entities); it is projected to generate roughly \$255,000 per year at the end of 20 years. A developer will also likely be paying for improvements to public infrastructure including landscaping, signage, storm drainage, roads, earthwork, lighting, sewer and other architectural improvements.

C. RATIONALE FOR USE OF PROJECT AREA FUNDS

This represents a moderate-sized area with a good portion of vacant land that lacks overall development. The cost of providing full roads and utilities to the Project Area may be prohibitive when considered against the level of rents that can be achieved in this part of central Utah. The attainment of a large tenant may also be suspect given the demographics of the area. Therefore, in order to preserve this area as a unified development rather than allowing the area to be developed piecemeal over time, and to attract a key tenant, the Agency is proactively seeking to create a Project Area, with the use of tax increment, so that development can proceed.

D. ESTIMATE OF TOTAL PROJECT AREA FUNDS AND LENGTH OF TIME OF PROJECT AREA

Project area funds will be disbursed to the Agency for a period of 20 years and are anticipated to be approximately \$543,000 over the 20-year period, with a net present value of near \$370,000. A year-by-year analysis of funds disbursed to the Agency is provided in Appendix E.

Section 2 – The Anticipated Public Benefit Derived from the Proposed Project Area Development

A. BENEFICIAL INFLUENCES ON THE COMMUNITY'S TAX BASE

The property tax base of the taxing entities should increase by approximately \$20.6 million from the Developer's investment in real property (land and buildings) alone. In addition, the personal property tax base of the taxing entities will be increased but will vary depending on the type of equipment located in the Project Area as well as individual depreciation schedules.

In addition to tax revenues, the project will generate other revenues including sales tax, Class B/C Road Funds, business license fees, charges for services, and one-time fees such as building permits and impact fees.

B. ASSOCIATED BUSINESS AND ECONOMIC ACTIVITY STIMULATED BY THE DEVELOPMENT

Other business and economic activity likely to be stimulated includes business, employee and construction expenditures. There are significant opportunities for increased economic development and tax generating development that can occur within the immediate sphere of influence of the Project Area that otherwise may not occur in a timely basis or at the same level of increased development and private investment.

1. BUSINESS AND EMPLOYEE EXPENDITURES

It is anticipated that employees and business owners in the Project Area will directly or indirectly purchase local goods and services related to their operations from local or regional suppliers. These purchases will likely increase employment opportunities in the related areas of business equipment, furniture and furnishings, business supplies, computer equipment, communication, security, transportation and delivery services, maintenance, repair and janitorial services, packaging supplies, office and printing services, transportation and delivery services.

A summary of benefits is as follows:

- Provide an increase in direct purchases in the City.
- Provide economic diversification within Santaquin, and within the southern portion of Utah County.
- Encourage economic development for a public or private employer to create additional jobs in the community.
- Complement existing businesses and industries located within the City by providing new employees who may live and shop and pay taxes in the City and the region.
- Another benefit will be the expenditure of income by employees filling the new positions. The types of expenditures by employees in the area will likely include convenience shopping for personal and household goods, lunches at area restaurants, convenience purchases and personal services (haircuts, banking, dry cleaning, etc.) The employees will not make all of their convenience or personal services purchases near their workplace, and each employee's purchasing patterns will be different. However, it is reasonable to assume that a percentage of

these annual purchases will occur within close proximity to the workplace (assuming the services are available).

2. CONSTRUCTION EXPENDITURES

Economic activity associated with the development will include construction activity. Construction costs for labor alone will likely be notable. This will create a moderate number of construction jobs. Construction supplies are also anticipated to create significant sales tax revenues for the State, County and City.

C. ADOPTION OF THE PLAN IS NECESSARY AND APPROPRIATE TO UNDERTAKE THE PROJECT AREA PLAN

Adoption of the Plan is necessary and appropriate to undertake the Project Area Plan because: 1) The Plan conforms with and furthers the City's General Plan; and 2) private investment will increase the tax base by approximately \$20.6 million which will provide increased tax revenues to all taxing entities.

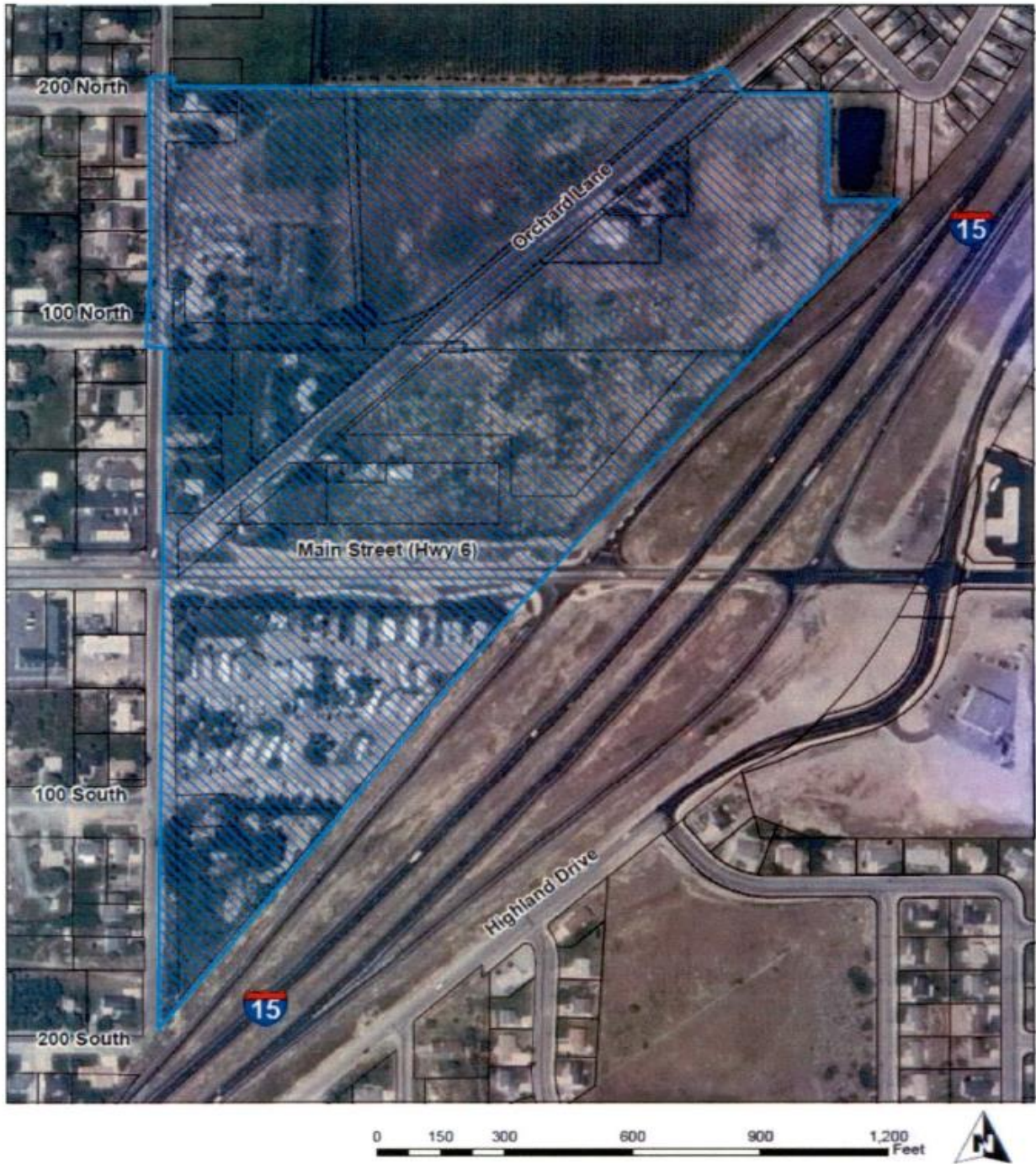
15. IF APPLICABLE, STATE THAT THE AGENCY SHALL COMPLY WITH SECTION 9-8-404 [17C-5-105(1)(M)]

Not applicable.

16. STATE WHETHER THE PLAN IS SUBJECT TO A TAXING ENTITY COMMITTEE OR AN INTERLOCAL AGREEMENT [17C-5-105(1)(N)]

This Plan is subject to Interlocal Agreements.

APPENDIX A: PROJECT AREA MAP



APPENDIX B: LEGAL DESCRIPTION AND PARCEL LIST

APPENDIX C: PROJECT AREA BUDGET

The following narrative has been prepared in accordance with Utah Code §17C-5-303 for an Agency that receives tax increment.

1(A). THE BASE TAXABLE VALUE [17C-5-303(1)(A)]

The base taxable value is \$5,936,093.

1(B). PROJECTED AMOUNT OF TAX INCREMENT TO BE GENERATED WITHIN THE PROJECT AREA [17C-5-303(1)(B)]

The projected amount of tax increment to be generated within the Project Area over 20 years is \$3,880,299.

TABLE 5: INCREMENTAL PROPERTY TAX REVENUES FOR 15 YEARS

Incremental Tax Revenues - 100%	20 Years	NPV*
Utah County	\$243,751	\$165,798
Multi-County Assessing & Collecting Levy	\$3,129	\$2,128
County Assessing & Collecting Levy	\$56,322	\$38,310
Nebo School District	\$2,909,364	\$1,978,934
Santaquin City	\$542,572	\$369,055
Central Utah Water Conservancy District	\$125,161	\$85,134
TOTAL	\$3,880,299	\$2,639,359

*Net present value uses a discount rate of 3.5 percent.

1(C). PROJECT AREA FUNDS COLLECTION PERIOD [17C-5-303(1)(C)]

The collection period is 20 years.

1(D). PROJECTED AMOUNT OF TAX INCREMENT TO BE PAID TO OTHER TAXING ENTITIES [17C-5-303(1)(D)]

The table below shows the incremental tax revenues to each of the taxing entities.

TABLE 6: INCREMENTAL PROPERTY TAX REVENUES FOR 20 YEARS TO TAXING ENTITIES

Taxing Entities	Total 20 Years	Net Present Value
Utah County	\$243,751	\$165,798
Multi-County Assessing & Collecting Levy	\$3,129	\$2,128
County Assessing & Collecting Levy	\$56,322	\$38,310
Nebo School District	\$2,909,364	\$1,978,934
Santaquin City	\$0	\$0
Central Utah Water Conservancy District	\$125,161	\$85,134
TOTAL	\$7,638,267	\$4,256,845

1(E). IF THE AREA FROM WHICH TAX INCREMENT IS COLLECTED IS LESS THAN THE ENTIRE PROJECT AREA [17C-5-303(1)(E)]

Not applicable.

1(F). THE PERCENTAGE OF TAX INCREMENT THE AGENCY IS AUTHORIZED TO RECEIVE [17C-5-303(1)(F)]

The Agency is authorized to receive 100 percent of the tax increment for a period of 20 years from Santaquin City, and has elected to not receive any increment from the other taxing agencies

TABLE 8: PERCENT OF TAX INCREMENT TO AGENCY

Taxing Entity	Percentage to Agency
Utah County	0%
Multi-County Assessing & Collecting Levy	0%
County Assessing & Collecting Levy	0%
Nebo School District	0%
Santaquin City	100%
Central Utah Water Conservancy District	00%

1(G). THE MAXIMUM CUMULATIVE DOLLAR AMOUNT OF TAX INCREMENT THE AGENCY IS AUTHORIZED TO RECEIVE FROM THE PROJECT AREA [17C-5-303(1)(G)]

The maximum dollar amount the Agency is authorized to receive is \$542,572. The agency does not plan to have any administrative expenses nor housing payments, leaving the total \$542,572 for the infrastructure projects over a 20-year period.

2. IF THE AGENCY RECEIVES SALES AND USE TAX REVENUE [17C-5-303(2)(A) AND (B)]

Not applicable.

3. AMOUNT OF PROJECT AREA FUNDS THE AGENCY WILL USE TO IMPLEMENT THE PROJECT AREA [17C-5-303(3)]

The Agency estimates that its funds will be used as follows but reserves the right to maintain flexibility with the funds and not to adhere strictly to line item amounts shown in the table below. All Agency funds will be used for infrastructure or economic development purposes within the Project Area. There are no administrative funds calculated for the project area. The funds are allocated primarily for infrastructure improvements as follows:

According to Santaquin City, a total of \$400,000 is intended to be used by the agency to implement the project area.

4. THE AGENCY'S COMBINED INCREMENTAL VALUE [17C-5-303(4)]

The total incremental value in the Project Area is estimated at \$20.6 million at buildout. The City has no other project areas in place.

5. THE AMOUNT OF PROJECT AREA FUNDS THAT WILL BE USED TO COVER THE COST OF ADMINISTERING THE PROJECT AREA [17C-5-303(5)]

The Agency is not requesting that any revenues received be set aside for administrative purposes.

6. FOR PROPERTY THAT THE AGENCY OWNS AND EXPECTS TO SELL, THE EXPECTED TOTAL COST OF THE PROPERTY TO THE AGENCY AND THE EXPECTED SALE PRICE [17C-5-303(6)]

Not applicable.