

### **Project Area Summary**

The Springville Redevelopment Agency's "Frontage Road Neighborhood Development Plan" was adopted in late 1999. This is the only active project area within the Agency's boundaries that is collecting and distributing tax increment. The project area consists of approximately 96.65 acres. To date, all blighted structures within the project area have been demolished, approximately 1.6 miles of fully improved streets and sidewalks have been installed, utilities have been installed, and a drainage ditch has been enhanced. Developers have constructed three commercial buildings totaling approximately 52,250 sq. ft. within the project area. There are two additional commercial buildings under construction with approximately 72,000 square feet.

The streets, sidewalks and utilities were installed as part of a special improvement district or subdivision process. All public improvements have been paid for in full.

A map of the project area is attached.

### **Change in the Marginal Value**

Of the total 96.65 acres in the project area, approximately 13.04 acres (13.49% of the total area) have been developed. The businesses located in the project area include Infomercial, Inc., Tracker Boat, and Mitsubishi. Taxable values within the project area have increased from \$389,535 in its base year to a 2016 valuation of approximately \$10,983,540, a 2,720% increase.

1. Base Taxable Value – \$389,535.
2. Prior Year's Assessed Value – \$13,844,600
3. Estimated Current Assessed Value – \$14,250,000.
4. A Narrative Description of the Relative Growth in Assessed Value.  
Shortly after the project area was approved, blight was removed and approximately 76 acres of the property within the project area were subdivided and approved. These actions quickly increased the property value. In 2012, a property owner developed and constructed a commercial building on the remaining approximately 20 acres in the project area, which helped to increase the property values by approximately \$6 million.

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From 2012 to the present, a boat dealership and an automobile dealership were constructed on approximately 3.92 acres within the project area. These developments have helped to increase the assessed value approximately \$8 million.

Currently, two buildings are under construction and two buildings are in the planning stages. The two buildings under construction total over 72,000 square feet and will help to increase the total value of the property by approximately \$5 million.

**Amount of Project Area Funds Received by Agency**

1. Project Area Funds.
  - a. Previous Year Available, Requested and Received Tax Increment  
– \$166,103.15.
  - b. Forecasted When Project Area Was Created. When the project was created, it was estimated that the Agency would have collected \$514,978.90 in tax increment in the project area's fifth year of collecting tax increment.
2. Historic Receipts and Comparison.
  - a. 2013 – \$109,096.27
  - b. 2014 – \$108,326.14
  - c. 2015 – \$122,441.85
  - d. 2016 - \$115,783.06
  - e. 2017 - \$166,103.15
3. List of Each Taxing Entity that Levies or Imposes a Tax.
  - a. Utah County
  - b. Central Utah Water Conservancy District
  - c. Nebo School District
  - d. Springville City
  - e. Springville Drainage District

## Description of Current and Anticipated Project Area Development

### 1. Narrative of Project Area Development.

The entire project area was originally owned by Spring Pointe Development LLC. While Spring Pointe owned the project area, the project area blight was removed and streets, sidewalks, and utilities were installed. Spring Pointe Development LLC had a number of approved development projects but backed out before pulling permits for the projects. The ownership of the property has since changed hands.

In 2010, Sam Dexy Properties LLC became owner of the northern approximate 20.5 acres of the project area. The owners of Sam Dexy Properties LLC subdivided the 20.5 acres and built a 32,500 square foot building for Infomercial, Inc. on a 9.12 acre lot. The owner has talked about asking the Agency to enter into a participation agreement for future development but has not yet done so.

In 2013, The Olds 2002 Family Trust became the owner of the remaining approximate 76.15 acres of the project area. The Olds 2002 Family Trust is working towards putting together a proposal for the Agency to consider in the near future that would possibly include a large industrial manufacturing building.

In 2015, The Olds 2002 Family Trust sold 1.47 acres to HWP Properties, LLC. HWP Properties, LLC has constructed a 5,376 square foot Tracker Boat dealership on the property. The Agency and HWP Properties, LLC entered into a participation agreement whereby the Agency agreed to pay to HWP Properties, LLC 100% of the tax increment generated by HWP Properties, LLC's increased property values and actually collected by the Agency for five years. After the first five years, HWP Properties, LLC will receive tax increment actually received by the Agency over five more years at a ten percent (10%) reduction over the previous year. The first year that tax increment will be paid to HWP Properties, LLC will be for tax year 2016.

In 2016, HWP Properties, LLC built an approximate 14,250 sq. ft. Mitsubishi dealership on 2.45 acres within the project area. The Agency did not provide any tax increment incentives to HWP Properties, LLC for the Mitsubishi dealership.

In 2017, the Agency approved an agreement that would (1) require the agency to use future tax increment to install the needed lift station and, (2) after the lift station is installed, pay The Olds 2002 Family Trust 70% of the

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tax increment generated by property currently owned by The Olds 2002 Family Trust.

Currently, there are two additional commercial buildings under construction, which will add another 72,000 square feet of buildings to the project.

2. Details of Project Area Development.

- a. Developed Acreage. Except for a sewer lift station to serve a portion of the project area, the public improvement infrastructure has been installed for the 96.65 acres in the project area. Approximately 52,250 sq. ft. of commercial buildings has been built on approximately 13.04 acres and another approximately 72,000 square feet of commercial buildings are under construction.
- b. Total Undeveloped Acreage. The total undeveloped acres with no approved site plan or constructed facility amounts to approximately 78 acres.

**Project Area Budget**

1. Project Area Funds Collection Period.

<b>Base Year</b> 1999	<b>Trigger Year</b> 2013	<b>Term</b> 15 years	<b>Remaining Term</b> 11 years
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- 2. Number of Years Remaining in Project Area for Fund Collection. The project area plan allows for collection for up to 25 years. The project area was approved in 1999, making 2024 the project end year.
- 3. Total Amount of Project Area Funds the Agency Is Authorized To Receive. The Agency is authorized to receive 100% of the tax increment for a period of 15 years.
- 4. Remaining Amount of Project Area Funds the Agency Is Authorized To Receive. The Agency is authorized to receive 100% of the tax increment until 2024, the project's end year.

**Estimated amount of Project Area Funds that the Agency Is Authorized to Receive for 2018**

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The Agency estimates that the tax increment to be paid to the Agency for 2018 is approximately \$166,103.15.

**Estimated amount of Project Area Funds that the Agency Is Authorized to Receive for 2019**

The Agency estimates that the tax increment to be paid to the Agency for 2019 will be approximately \$200,000.