

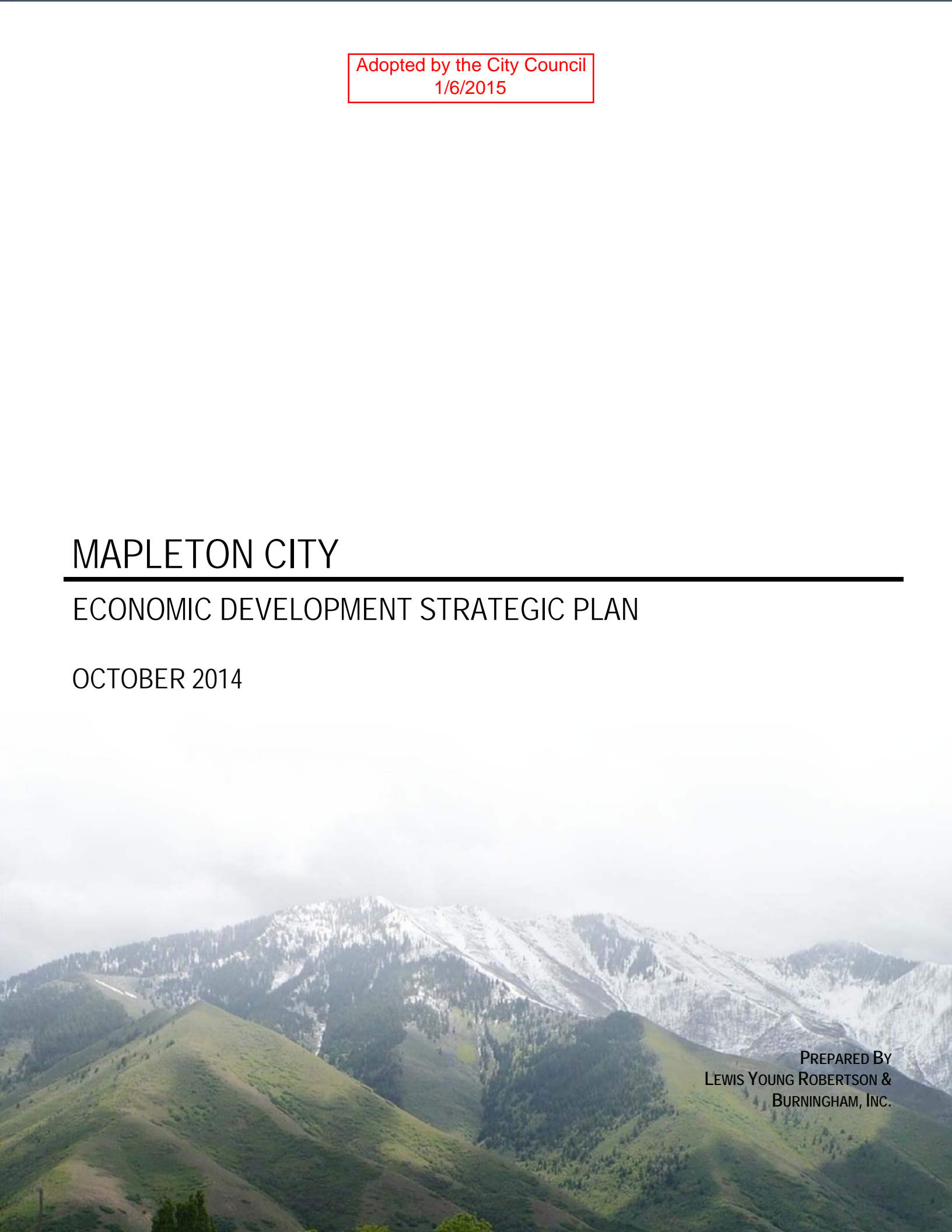
Adopted by the City Council  
1/6/2015

# MAPLETON CITY

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## ECONOMIC DEVELOPMENT STRATEGIC PLAN

OCTOBER 2014



PREPARED BY  
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## SECTION 1: EXECUTIVE SUMMARY

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The following report contains the economic development strategic planning objectives for Mapleton City. This study is intended to be a tool to assist policy makers to form and communicate their economic vision and philosophy. This plan is realistic and is based on sound economic principles. This analysis identifies several key economic development goals (ED Goals) the City should focus on to promote economic growth and sustainability. These goals are:

1. **Promote Business Attraction and Recruitment;**
2. **Ensure Existing and Future Land Use Plans Promote Economic Objectives of the City;**
3. **Increase Economic Development Capability;**
4. **Identify and Promote Economic Development Sites;**
5. **Develop Industrial and Business Sites; and**
6. **Develop Sustainable Government Services and Resources.**

### ED GOAL 1: PROMOTE BUSINESS ATTRACTION AND RECRUITMENT

- a) Create a City logo and branding strategy.
- b) Develop targeted industry marketing campaigns. Target industries may include personal services (e.g. salons and beauty shops, laundry and cleaning services, pet supplies and services), health services (e.g. doctors offices, personal care facilities, local medical clinics, home healthcare services), eating and drinking places (e.g. fast food establishments, sit-down dining), and food stores (e.g. grocery stores, bakeries, markets).
- c) Develop appropriate transportation infrastructure by incorporating economic districts into future Transportation Master Plan. Promote future transportation improvement projects including widening of Hwy. 89 and the proposed connectivity alternative from 1600 South to West Maple Street (at Hwy. 89).

### ED GOAL 2: ENSURE EXISTING AND FUTURE LAND USE PLANS PROMOTE ECONOMIC OBJECTIVES OF THE CITY

- a) Evaluate existing land use plan in context of this analysis.
- b) Hold community visioning workshops to determine public's overall vision for the future of the City.
- c) Incorporate the economic development findings of the Economic Strategic Plan and the community visioning process into Land Use Plan.
- d) Ensure Land Use Plan zones for a supportable level of commercial property.
- e) Complete an Affordable Housing Analysis.
- f) Evaluate and streamline development review process.
- g) Establish clear development design criteria.

### ED GOAL 3: INCREASE ECONOMIC DEVELOPMENT CAPABILITY

- a) Explore EDCUtah Membership and utilize EDCUtah's existing online Data Analysis Tools.
- b) Capitalize on existing data resources and promote training in the use of available tools.
- c) Facilitate local partnering by creating stakeholder groups and economic development committees to discuss local resources, initiatives and opportunities.

### ED GOAL 4: IDENTIFY AND PROMOTE ECONOMIC DEVELOPMENT SITES

- a) Develop a specific land use plan for a "town center" district at the intersection of Hwy 89 and West Maple St. or at an alternate location. This area should focus on neighborhood-scale retail emphasizing personal services and meeting local demand.
- b) Consider development of a specific land use plan for a potential business park or "tech" district" on the south side of the City along Hwy 89 and Hwy. 6. This economic district should focus on providing a destination for industrial or tech development that will increase employment opportunities.
- c) Identify additional commercial districts and ensure appropriate mixed-use zoning is contemplated.
- d) Preserve the rural feel of the community through mixed use zoning and transition residential zoning from high density to low density.
- e) Utilize existing local development tools to promote economic growth within districts.

**ED GOAL 5: DEVELOP INDUSTRIAL AND BUSINESS SITES**

- a) Update the existing land-use plan and future land use plan to identify key areas for industrial development.
- b) Work with EDCUtah to market existing and future sites.
- c) Utilize existing local development tools to promote economic growth within districts.

**ED GOAL 6: DEVELOP SUSTAINABLE GOVERNMENT SERVICES AND RESOURCES**

- a) Ensure general fund and utility funds are sustainable and have appropriate planning documents in place to handle future growth. This ensures that the City will have “shovel” ready sites that are appropriately planned for continued economic and residential growth. This also ensures the City maintains its credit worthiness, with access to as many funding sources as possible to develop necessary capital infrastructure.
- b) Establish performance metrics regarding personnel expenditures relative to the total general fund budget. This will ensure the City has staff necessary to appropriate plan and manage continued growth.

The body of this report identifies the background information and analysis utilized to develop these economic objectives. The report is outlined based on the following sections:

-  Overview of Mapleton City
-  General Land Use Analysis
-  Commercial Zoning Analysis
-  Infrastructure Analysis
-  General Fund Analysis
-  Economic Development Goals and Objectives

## SECTION 2: OVERVIEW OF MAPLETON CITY

### BACKGROUND

Mapleton is a relatively small community in Utah County, ranking 16<sup>th</sup> out of 25 communities in the County based on population size. The community enjoys larger lots and a rural feel. Most households commute to work outside of the City, thus facilitating shopping near the workplace and outside of City boundaries. Currently, there are few retail choices and little commercial development within the City. Bounded by Maple Mountain, Highway (Hwy.) 89, Springville and Spanish Fork, the City has unique challenges relating to accessibility from major transportation nodes. It is the objective of the City to preserve its rural character while promoting a stronger economic base.

### POPULATION GROWTH AND AGE DISTRIBUTION

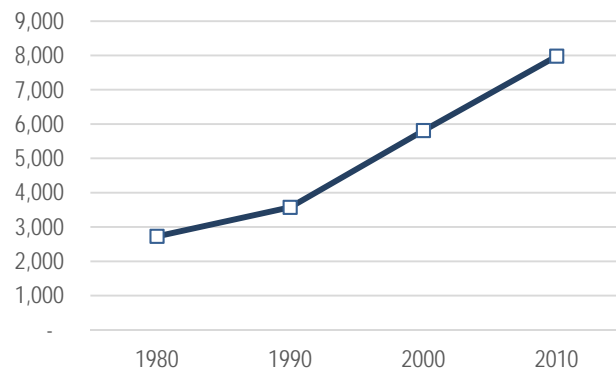
Table 2.1 and Figure 2.1 show the population growth for Mapleton City. The City has added population at a greater rate beginning in 1990, growing from a population of 3,572 to a population of 7,979.

TABLE 2.1: CITY/COUNTY/STATE POPULATION DATA

YEAR	UTAH	UTAH COUNTY	MAPLETON
1930	507,847	49,021	663
1940	550,310	57,382	907
1950	688,862	81,912	1,175
1960	890,627	106,991	1,516
1970	1,059,273	137,776	1,980
1980	1,461,037	218,106	2,726
1990	1,722,850	263,590	3,572
2000	2,233,169	368,536	5,809
2010	2,763,885	516,564	7,979

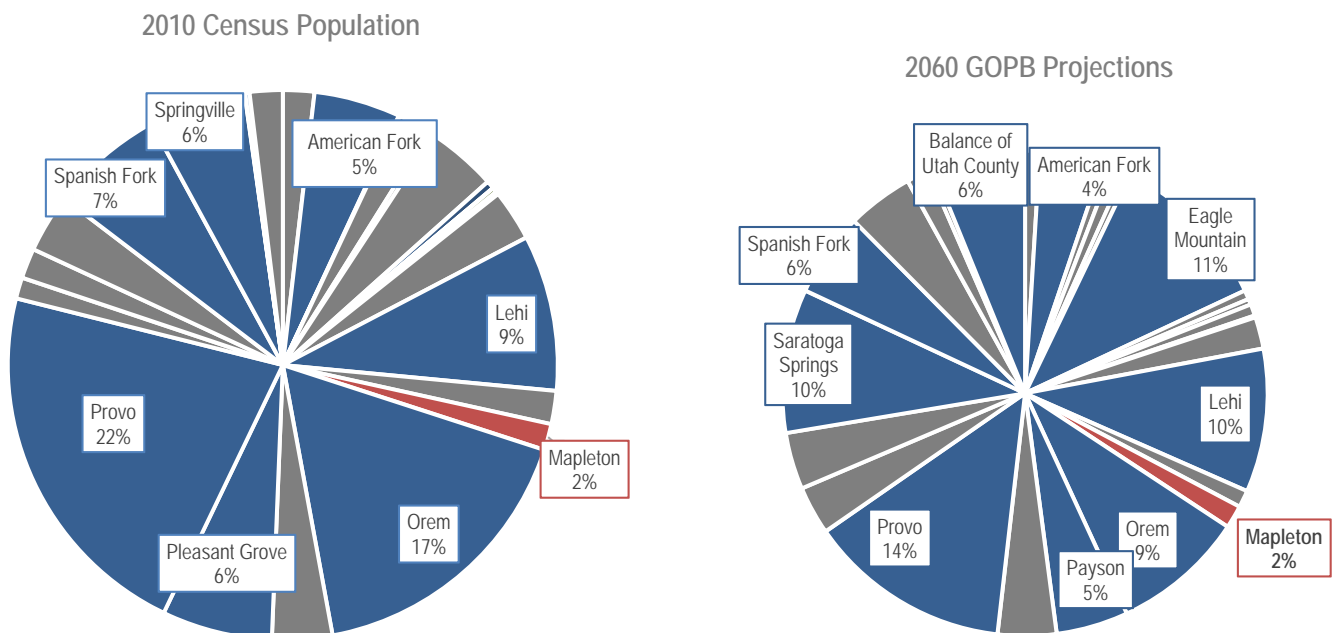
Source: U.S. Census Bureau, Utah Governor's Office of Planning and Budget (GOPB)

FIGURE 2.1: MAPLETON POPULATION GROWTH



The population of the City is expected to continue to grow, but other communities will experience a larger growth as a percent of the total County. Mapleton is expected to maintain approximately 2 percent of the total County population.

FIGURE 2.2: POPULATION GROWTH WITHIN UTAH COUNTY



According to the U.S. 2010 Census, the median age for Mapleton City is approximately 28 years. This is higher than the County's median age of 24.5 and slightly lower than the State's median age of 29.2. Table 2.2 shows the 2012 age

distribution for Mapleton City and Utah County. Approximately 48 percent of Mapleton's population is under the age of 25, while 51 percent of Utah County's population is under the age of 25. The population over 45 represents 31 percent of the total population within the City, versus 22 percent in the County, suggesting a slightly older demographic within the City.

TABLE 2.2: AGE DISTRIBUTION

AGE	MAPLETON	% OF TOTAL	UTAH COUNTY	% OF TOTAL
Total Population	8,005	100.0%	540,504	100.0%
Under 5 years	746	9.3%	56,746	10.5%
5 to 9 years	953	11.9%	52,536	9.7%
10 to 14 years	987	12.3%	52,477	9.7%
15 to 19 years	715	8.9%	49,219	9.1%
20 to 24 years	420	5.2%	65,727	12.2%
25 to 34 years	753	9.4%	84,382	15.6%
35 to 44 years	978	12.2%	62,485	11.6%
45 to 54 years	882	11.0%	45,644	8.4%
55 to 59 years	523	6.5%	20,265	3.7%
60 to 64 years	213	2.7%	14,000	2.6%
65 to 74 years	570	7.1%	20,719	3.8%
75 to 84 years	187	2.3%	12,156	2.2%
85 years and over	78	1.0%	4,148	0.8%

Source: 2012 ACS Estimates

### HOUSEHOLDS

As of the U.S. 2010 Census, Mapleton City had a total of approximately 2,039 households, 89 percent of which were owner-occupied, ranking Mapleton 6<sup>th</sup> among the communities in Utah County for total owner occupied housing.

TABLE 2.3: TOTAL HOUSEHOLDS

UTAH COUNTY	TOTAL HOUSING UNITS	RENTER OCCUPIED	OWNER OCCUPIED	RATIO OF OWNER OCCUPIED	RANK
Alpine	2,389	392	1,997	84%	14
American Fork	7,274	1,726	5,548	76%	19
Cedar Fort	125	11	114	91%	5
Cedar Hills	2,355	329	2,026	86%	10
Eagle Mountain	5,111	707	4,404	86%	9
Elk Ridge	584	46	538	92%	2
Fairfield	38	3	35	92%	3
Genola	348	41	307	88%	7
Goshen	285	42	243	85%	11
Highland	3,547	307	3,240	91%	4
Lehi	12,402	2,441	9,961	80%	16
Lindon	2,518	383	2,135	85%	13
<b>Mapleton</b>	<b>2,039</b>	<b>232</b>	<b>1,807</b>	<b>89%</b>	<b>6</b>
Orem	25,816	9,695	16,121	62%	23
Payson	5,057	1,128	3,929	78%	18
Pleasant Grove	9,381	2,664	6,717	72%	22
Provo	31,524	18,340	13,184	42%	24
Salem	1,737	239	1,498	86%	8
Santaquin	2,338	394	1,944	83%	15
Saratoga Springs	4,387	651	3,736	85%	12
Spanish Fork	9,069	1,928	7,141	79%	17
Springville	8,531	2,308	6,223	73%	21
Vineyard	42	10	32	76%	20
Woodland Hills	343	20	323	94%	1

### EDUCATIONAL ATTAINMENT

Approximately 98 percent of Mapleton City's population 25 years and over have attained a high school degree or higher while nearly 46 percent having obtained at least a bachelor's degree. The educational attainment for Mapleton City is proportionate to that of Utah County.

TABLE 2.4: EDUCATIONAL ATTAINMENT

	MAPLETON	MAPLETON % OF TOTAL	UTAH COUNTY	UTAH COUNTY % OF TOTAL	UTAH	UTAH AS % OF TOTAL
Population 25 years and over	4,184	100.0%	251,855	100.0%	1,641,335	100.0%
Less than 9th grade	25	0.6%	4,785	1.9%	49,240	3.0%
9th to 12th grade, no diploma	75	1.8%	11,333	4.5%	98,480	6.0%
High school graduate (includes equivalency)	628	15.0%	44,326	17.6%	379,148	23.1%
Some college, no degree	1,540	36.8%	73,542	29.2%	451,367	27.5%
Associate's degree	435	10.4%	27,956	11.1%	159,209	9.7%
Bachelor's degree	891	21.3%	62,460	24.8%	333,191	20.3%
Graduate or professional degree	586	14.0%	27,200	10.8%	170,699	10.4%
<b>Percent bachelor's degree or higher</b>		<b>46%</b>		<b>47%</b>		<b>40%</b>

Source: 2012 ACS Estimates

### EMPLOYMENT

Of the population 16 years and over and in the labor force in Mapleton City, approximately 6.9 percent is unemployed, similar to Utah County.

TABLE 2.5: EMPLOYMENT

	MAPLETON	% OF TOTAL	UTAH COUNTY	% OF TOTAL
Population 16 years and over	5,149	100.00%	352,536	100.00%
In labor force	3,292	63.90%	240,514	68.20%
Civilian labor force	3,292	63.90%	239,897	68.00%
Employed	3,066	59.50%	223,395	63.40%
Unemployed	226	4.40%	16,502	4.70%
Armed Forces	-	0.00%	617	0.20%
Not in labor force	1,857	36.10%	112,022	31.80%
<b>Percent Unemployed</b>		<b>6.90%</b>		<b>6.90%</b>

Source: 2012 ACS Estimates

### INCOME CHARACTERISTICS

The household median adjusted gross income (MAGI) for Mapleton City in 2012 was approximately \$72,054. This is much higher than the County's median of \$46,068 and the State at \$45,454. Figure 2.3 shows the fluctuation of MAGI for Mapleton, Utah County, and the State over a period of ten years.

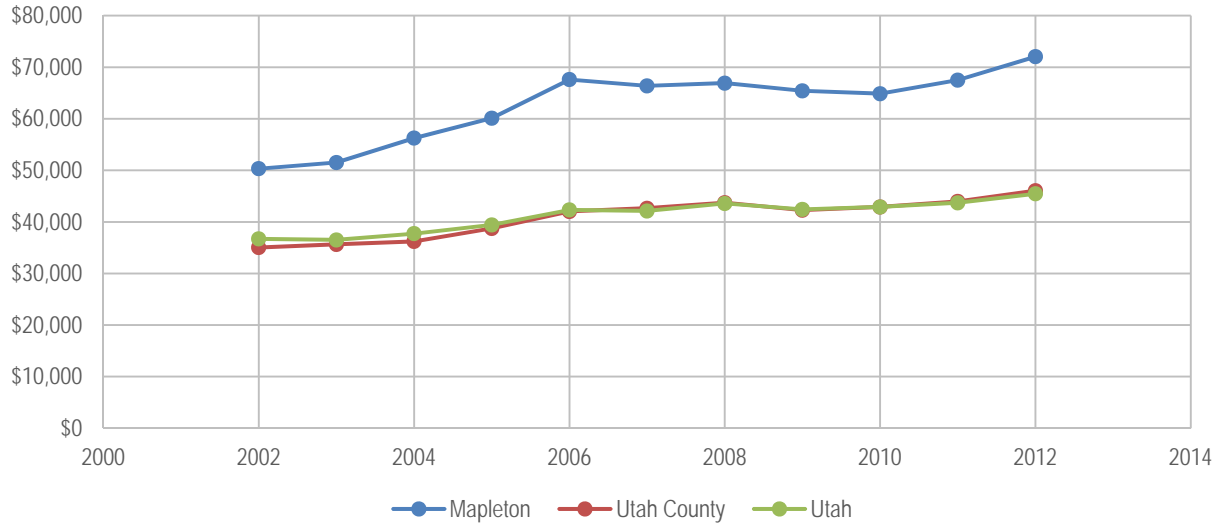
TABLE 2.6: HOUSEHOLD MEDIAN ADJUSTED GROSS INCOME (MAGI)

YEAR	MAPLETON	UTAH COUNTY	UTAH
2002	\$50,329	\$35,024	\$36,702
2003	\$51,515	\$35,633	\$36,506
2004	\$56,255	\$36,216	\$37,737
2005	\$60,116	\$38,746	\$39,418
2006	\$67,612	\$42,024	\$42,323
2007	\$66,392	\$42,655	\$42,124
2008	\$66,914	\$43,740	\$43,581
2009	\$65,420	\$42,280	\$42,430
2010	\$64,861	\$42,897	\$42,902
2011	\$67,500	\$43,977	\$43,706
2012	\$72,054	\$46,068	\$45,454

Source: Utah State Tax Commission



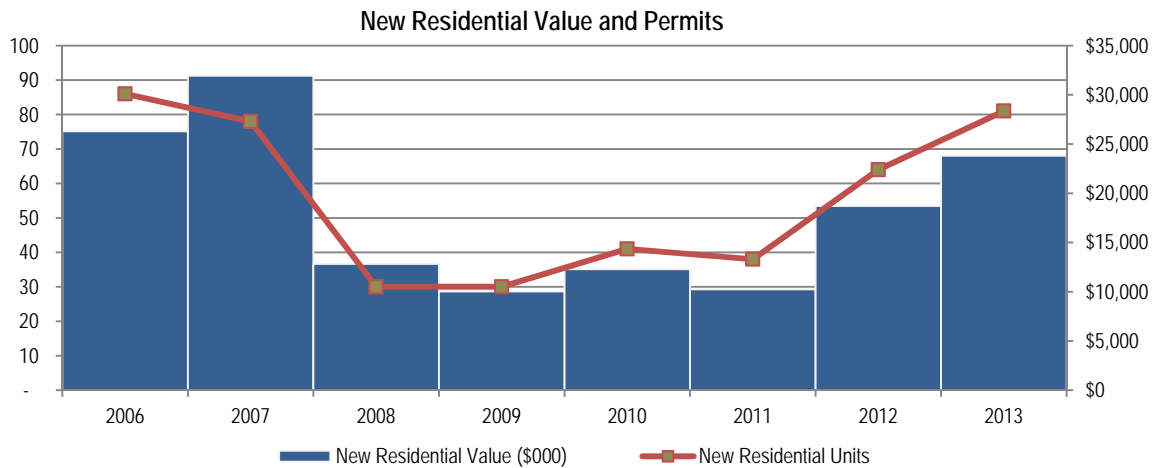
FIGURE 2.3: HOUSEHOLD MEDIAN ADJUSTED GROSS INCOME



### BUILDING PERMITS

Similar to other communities in the State and Nation, Mapleton experienced a decline in building permit activity in 2008 through 2011. As the recession has ended, building permit activity has increased, but has not reached pre-recession peak of over 90 permits in 2007. It is likely that building activity will continue to improve.

FIGURE 2.4: HISTORIC BUILDING PERMIT ACTIVITY





## SECTION 3: GENERAL LAND USE ANALYSIS

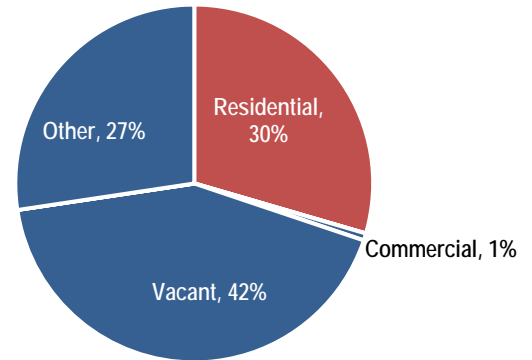
### DEVELOPED LAND

Based on recent parcel data, the City currently is comprised primarily of residential development, with 30 percent of the total acreage classified as residential. A comparison of residential parcels to acres suggest the City currently supports larger lot sizes, with an average residential parcel size of one acre.

TABLE 3.1: MAPLETON EXISTING LAND USE INFORMATION

	TOTAL ACREAGE	TOTAL PARCELS
Residential	2,214.59	2,261.00
Industrial	-	-
Commercial	48.13	164.00
Vacant	3,187.01	851.00
Agricultural/Forest/Mining	-	-
Other	2,053.51	257.00
Total	7,503.24	3,533.00
Average Parcel Size		2.12

FIGURE 3.1: DISTRIBUTION OF ACRES BY PROPERTY TYPE



A comparison of other communities suggests Mapleton may have larger than average lot sizes (See **Table 3.2**). As such, the City may be able to support increased residential density. In addition, the City has a large amount of vacant land. As a result, the City has the potential for substantial population growth depending on the community's adopted housing and development policies.

### ESTIMATE OF NEW UNITS

Based on current zoning and development policies, the City estimates a total of 5,400 new housing units through buildout, as shown in **Table 3.3**, for a total population of roughly 30,000 (based on an average household size of 3.89 persons per household). Other assumptions regarding income, and spending habits are also shown in **Table 3.3**. This information is important to determine future buying power growth, as discussed in later sections.

TABLE 3.2: COMPARISON OF SURROUNDING COMMUNITY PARCEL SIZES

RESIDENTIAL	PARCELS	ACRES	AVERAGE ACRES PER PARCEL
Alpine	2,342	1,852	0.79
American Fork	5,864	1,793	0.31
Cedar Hills	2,126	626	0.29
Eagle Mountain	5,561	3,154	0.57
Highland	3,827	2,422	0.63
Lindon	2,285	1,238	0.54
Payson	4,272	1,951	0.46
Santaquin	2,286	1,030	0.45
Saratoga Springs	4,740	1,582	0.33
Spanish Fork	7,704	2,305	0.30
Springville	6,255	1,946	0.31

TABLE 3.3: ESTIMATE OF NEW HOUSING UNITS

	ASSUMPTION
Median Household Income	\$82,917
Mean Household Income	\$107,775
Existing Population	8,648
<b>Potential New Population</b>	<b>21,006</b>
Existing Occupied Households	2,182
<b>Potential New Units</b>	<b>5,400</b>
<b>Total Population</b>	<b>29,654</b>
<b>Total Units</b>	<b>7,582</b>
Total Income Spent on Retail and Related	13.21%
Total Income Spent on General Commercial	39.01%

## SECTION 4: COMMERCIAL ZONING ANALYSIS

A primary objective of the City is to determine the appropriate amount of commercial zoning in context of projected sales capture rates and buildout populations. This section addresses the variables that were considered to determine supportable commercial acreages.

### SALES GAP ANALYSIS

A sales gap (aka "leakage") analysis is conducted in order to identify economic development opportunities for a community by evaluating the total purchases made by residents inside and outside the community (hence, the term "leakage" for sales lost outside the community). A sales gap analysis differs from a market analysis in that it shows the percentage of purchases being made by residents within the community rather than the City's percentage of market share as compared to other communities.

This type of analysis first identifies sales within the State of Utah for each major SIC code category and then calculates the average sales per capita in each SIC category. Per capita sales in the community are then compared to average per capita sales statewide in order to estimate what portion of resident purchases are being made within city boundaries, and what amount is leaving the city. Communities with a lower per capita sales figure compared to the state average are experiencing "leakage", whereas communities with a higher ratio are "capturing" higher taxable sales. The resident purchases being made outside of the city represent an opportunity for the city to recapture some of these lost sales.

### EXISTING TAXABLE SALES & LEAKAGE

The tables below show historic gross sales related to businesses within Mapleton by year, as well as taxable sales per capita data for surrounding communities. It is important to note that the analysis of historic sales and comparison of taxable sales by community is based on the calendar year taxable sales reports compiled by the Utah State Tax Commission. For privacy reasons, the annual taxable sales by category are often inflated to protect the sales information for groups within a category that do not have a large enough sample of business. The figures below are used to provide a trend analysis and allow a comparison to surrounding communities where actual detailed data is not available.

TABLE 4.1: MAPLETON SALES CAPTURE ANALYSIS

	2012	2011	2010	2009	2008
State Total Spending	\$47,531,179,930	\$44,097,026,745	\$41,387,390,797	\$40,480,954,134	\$45,932,147,185
State Population	2,855,287	2,817,222	2,763,885	2,705,578	2,648,502
<b>State Per Capita</b>	<b>\$16,647</b>	<b>\$15,653</b>	<b>\$14,974</b>	<b>\$14,962</b>	<b>\$17,343</b>
Mapleton Taxable Sales (By Zip Code 84664)	\$8,519,034	\$6,739,164	\$7,830,064	\$6,828,363	\$7,713,353
Mapleton Population	8,442	8,241	7,979	7,730	7,488
<b>Mapleton Per Capita</b>	<b>\$1,009</b>	<b>\$818</b>	<b>\$981</b>	<b>\$883</b>	<b>\$1,030</b>
<b>Mapleton Per Capita Capture Rate</b>	<b>6%</b>	<b>5%</b>	<b>7%</b>	<b>6%</b>	<b>6%</b>

TABLE 4.2: CAPTURE RATES OF SURROUNDING COMMUNITIES

TAXABLE SALES CY 2012	STATE	MAPLETON	SPRINGVILLE	SPANISH FORK	PAYSON	LINDON
Total Taxable Sales	\$47,531,179,930	\$8,519,034	\$311,095,232	\$324,720,634	\$218,682,755	\$415,629,618
Retail Spending	\$30,067,049,436	\$2,760,652	\$217,212,640	\$211,173,851	\$152,245,069	\$279,903,213
<b>Per Capita Spending</b>						
Population	2,855,287	8,442	30,621	36,277	18,938	10,442
Total Per Capita	\$16,647	\$1,009	\$10,160	\$8,951	\$11,547	\$39,804
Retail Spending per Capita	\$10,530	\$327	\$7,094	\$5,821	\$8,039	\$26,806
<b>Capture Rates</b>						
<b>Total</b>	<b>100%</b>	<b>6%</b>	<b>61%</b>	<b>54%</b>	<b>69%</b>	<b>239%</b>
<b>Retail</b>	<b>100%</b>	<b>3%</b>	<b>67%</b>	<b>55%</b>	<b>76%</b>	<b>255%</b>

Based on historic data, per capita spending in Mapleton was approximately 6 percent of the state average per capita spending. Other communities experienced much higher capture rates, with Lindon at 239 percent and Springville, Spanish Fork and Payson above 50 percent.

The capture rates above are important indicators that help project potential buying power growth in the future. A buying power analysis is a way to estimate the growth in spending as a result of new households and population within the City. A buying power analysis also estimates the supportable commercial acreage as a result of the increase in spending.

TABLE 4.3: BUYING POWER & SUPPORTABLE COMMERCIAL ACREAGE ASSUMPTIONS

BUYING POWER ANALYSIS	ASSUMPTION
Capture Rate	25%
Average Household Income <sup>1</sup>	\$107,775
Existing Population	8,648
<b>Potential New Population</b>	<b>21,006</b>
Existing Occupied Households	2,182
<b>Potential New Units</b>	<b>5,400</b>
<b>Total Population</b>	<b>29,654</b>
<b>Total Units</b>	<b>7,582</b>
Total Income Spent on Retail and Related <sup>2</sup>	13.21%
Total Income Spent on General Commercial <sup>2</sup>	39.01%

1. Source: US Census, 2012 American Community Survey

2. Source: Average annual expenditures and characteristics, Consumer Expenditure Survey, 2011.

<http://www.bls.gov/cex/2011/Standard/region.pdf>

### SUPPORTABLE COMMERCIAL ZONING

The buying power analysis assumes a capture rate of approximately 25 percent of taxable sales. As the previous paragraphs suggest, the existing capture rate is much lower. However, this analysis assumes as the community grows, congestion and development density increase, residents will look for shopping opportunities closer to home, thus increasing the overall capture rates over time. In addition, the analysis assumes an average household income of \$107,775 and a buildout population of approximately 30,000 people.

Using three different methodologies, this analysis provides an estimate of neighborhood commercial acreage, general retail acreage and total commercial acreage. The first methodology is based on household income spending patterns from a total of 7,582 households expected at buildout. Considering only a portion of a household's income is spent on retail and related commercial activities, total expenditures were estimated at buildout. Assuming a median sales volume per square footage of gross leasable area (GLA) and a floor area ratio (FAR) of 0.15, the total neighborhood commercial acreage supportable at buildout is 24.57 acres, with 72.58 general retail acres.

TABLE 4.4: ILLUSTRATION OF SUPPORTABLE COMMERCIAL SQUARE FEET

SCENARIO 1: BASED ON HOUSEHOLD SPENDING	NEIGHBORHOOD CENTER	GENERAL RETAIL	SCENARIO 2: BASED ON PER CAPITA SPENDING	GENERAL RETAIL
Estimate of BO HH	7,582	7,582	Per Capita Spending (State Income Adjusted)	\$2,906
HH Income spent on retail/commercial	\$14,234	\$42,045	<b>BO Population</b>	<b>29,654</b>
Total Expenditures	\$26,979,609	\$79,696,199	Total Spending at BO	\$86,186,449
Median Sales Volume Per Sq.Ft. of GLA <sup>1</sup>	\$168.04	\$168.04	Median Sales Volume Per Sq.Ft. of GLA <sup>1</sup>	\$168.04
Supportable SF	160,555	474,269	Supportable SF	512,892
General Commercial FAR	0.15	0.15	General Commercial FAR	0.15
<b>Acres Supportable (Based on HH Spending)</b>	<b>24.57</b>	<b>72.58</b>	<b>Acres Supportable (Based on State per Capita Spending)</b>	<b>78.50</b>

1. Source: Dollars and Cents Shopping Centers/ The Score 2008 p. 192 and p.272

The second methodology employed in this analysis utilized estimated retail related per capita spending, based on State spending statistics, adjusted for the higher incomes witnessed in Mapleton. The State retail related per capita spending in 2012 was \$10,530. Mapleton's 2012 per capita income of \$26,269 is 110 percent of the States per capita income of \$23,794, resulting in the potential for higher spending within Mapleton. Assuming a capture rate of 25 percent, the local per capita spending is estimated at \$2,906. Under the same median sales volume per square foot and floor area ratios discussed above, the buildout population could expect to spend \$86,186,449 in general retail categories, supporting an estimated 78.5 acres of general retail development.

Finally, the third methodology compared commercial land use per capita for other communities, based on existing parcel data. Utah County communities average 0.021 acres per capita, with a high of 0.037 in Springville and a low of

0.002 in Cedar Hills. Using a benchmark of 0.01 acres per capita (similar to Eagle Mountain), Mapleton City could anticipate nearly 300 acres of commercial property, including industrial and office uses.

TABLE 4.5: PER CAPITA COMMERCIAL ACREAGE BY COMMUNITY

CITY	PARCELS	ACRES	POPULATION (2012)	COMMERCIAL ACRES PER CAPITA*
Alpine	58	33	9,853	0.003
American Fork	595	740	27,147	0.027
Cedar Hills	9	22	10,063	0.002
Eagle Mountain	23	214	23,212	0.009
Highland	43	194	16,440	0.012
Lindon	356	682	10,442	0.065
Mapleton	164	48	8,442	0.006
Payson	284	382	18,938	0.020
Santaquin	69	140	9,674	0.014
Saratoga Springs	70	355	21,137	0.017
Spanish Fork	441	831	36,277	0.023
Springville	478	1,124	30,621	0.037
Grand Total	2,590	4,763	222,246	0.021

\*Where Commercial Market Value Greater than Zero. Source: Utah County Parcel Database

Utilizing the above methodologies, the following represents a scenario analysis of the supportable commercial acreages based on differing population levels. As the table indicates, lower population levels will result in less commercial acreage within the community. However, if the City allows for greater densities, resulting in an increase in buying power and capture rates above what are assumed within this analysis, the City could expect higher levels of commercial development. The first two scenarios below show similar supportable retail acres by population based on the different methodologies utilized, with the third scenario showing total supportable acres.

TABLE 4.6: SUPPORTABLE COMMERCIAL ACRES SCENARIO ANALYSIS BASED ON POPULATION

SCENARIO ANALYSIS	10,000	15,000	20,000	25,000	30,000
Population	10,000	15,000	20,000	25,000	30,000
Retail Acres Supportable (Based on HH Spending)	24.5	36.4	48.8	61.2	72.6
Retail Acres Supportable (Based on State per Capita Spending)	26.8	39.6	52.9	66.3	78.5
Total Commercial Acres Supportable (Based on Land Use)	101.2	149.5	199.9	250.3	296.5

The City currently has zoned for the following:

- ☞ Property Currently Zoned Commercial: 179 Acres
- ☞ Property Currently Zoned Industrial: 57 Acres
- ☞ **Total Commercial: 236 Acres**

The General Plan proposes 331 acres of commercial property, with 74 acres of industrial property, for a total of 405 acres of commercial property. This is higher than the 300 acres supportable shown above. As a result, the City should revisit the General Plan Land Use Element and determine if adjustments should be made with regards to zoned commercial property or if the City should pursue policies that increase residential densities, resulting in an increase in demand for commercial services.

Methods to promote increased commercial development include:

- ☞ Allow for more rooftops
- ☞ Provide development incentives (RDAs)
- ☞ Promote Niche markets that will capture sales from surrounding communities
- ☞ Promote other types of commercial development (industrial, tech, office, etc.)

Due to the above analysis regarding supportable acres, coupled with the demographics of the City, the prime commercial development type the City should focus on is neighborhood scale retail. According to market interviews, neighborhood scale retail development could have the following characteristics:

- ☒ 42,000 – 45,000 square feet for an anchor tenant (grocery store).
- ☒ Focus on artisan bakery, fresh produce, small home improvement component, and pharmacy.
- ☒ Potentially within a Community Development Area (CDA) as discuss in **Appendix B**.

In order to accomplish this, the City would need to focus on identifying a shovel ready site, promote sustainable population growth, and develop a project area plan and budget for a CDA to determine if this is a feasible option. A comparison of other neighborhood centers illustrates that the City's market area is limited. Thus larger scale commercial development will similarly be limited.

FIGURE 4.1: ILLUSTRATION OF COMPETITIVE MARKET AREAS

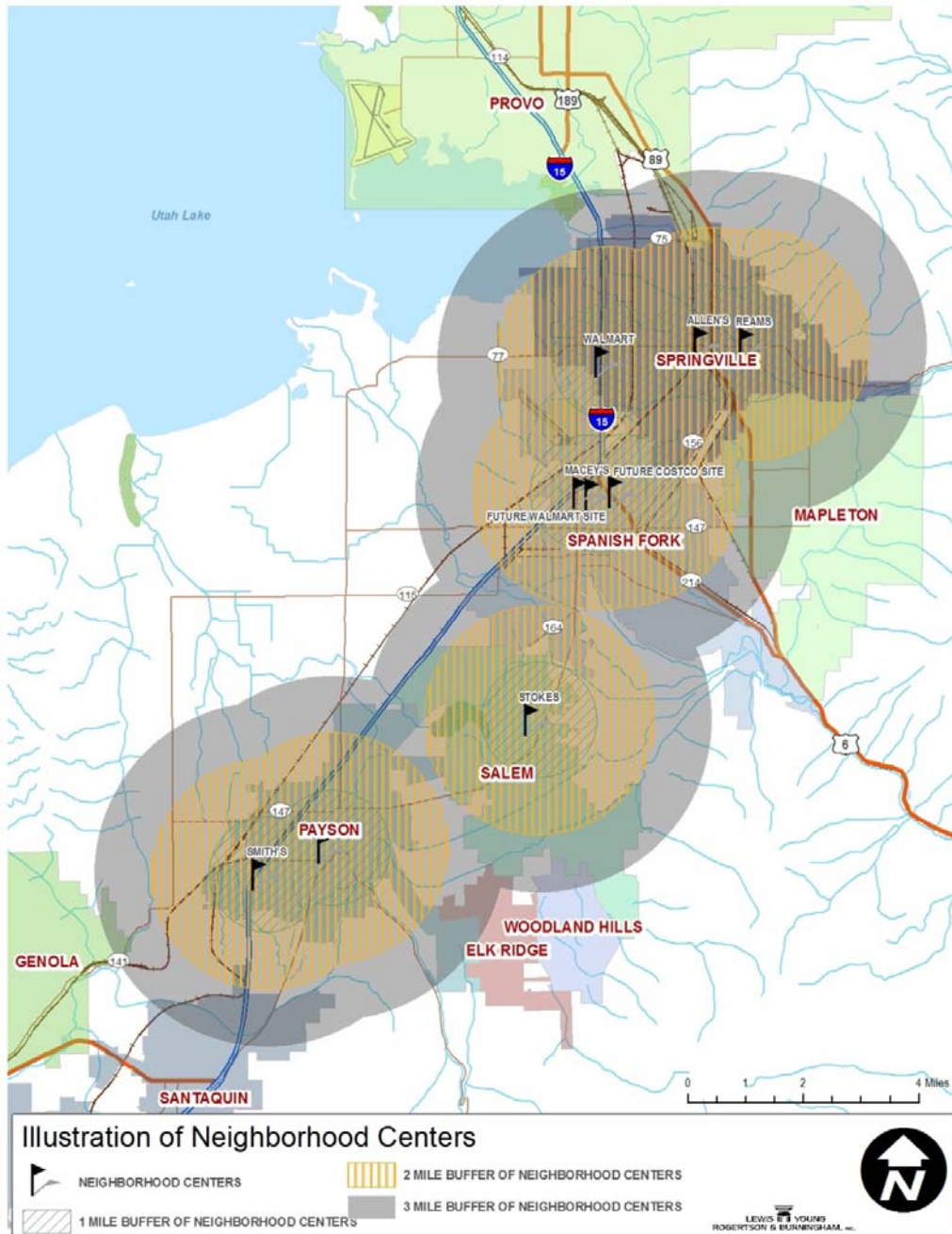




Table 4.7 shows the typical scale of retail development. A neighborhood retail center would be best suited to Mapleton City due to its small population size.

TABLE 4.7: TYPICAL SCALE OF RETAIL DEVELOPMENT

TYPE OF CENTER	LEADING TENANT	TYPICAL GLA Sq FT	GENERAL RANGE IN GLA	USUAL MIN. SIZE (ACRES)	APPROXIMATE MINIMUM POPULATION SUPPORT REQUIRED
Neighborhood	Supermarket	60,000	30,000 – 100,000	3-10	3,000-40,000
Community	Supermarket, drugstore/pharmacy, discount department store, mixed apparel	180,000	100,000,-400,000	10-30	40,000-150,000
Regional	One or two full-line department stores	600,000	300,000-900,000	10-60	150,000 or more
Super Regional	Three or more full-line department stores	1,000,000	600,000-2,000,000	15-100 or more	300,000 or more

*Urban Land Institute, Retail Development, 4<sup>th</sup> ed.*

### EXAMPLES OF NEIGHBORHOOD SCALE RETAIL

The following highlights a number of successful neighborhood scale retail.

#### SODA ROW

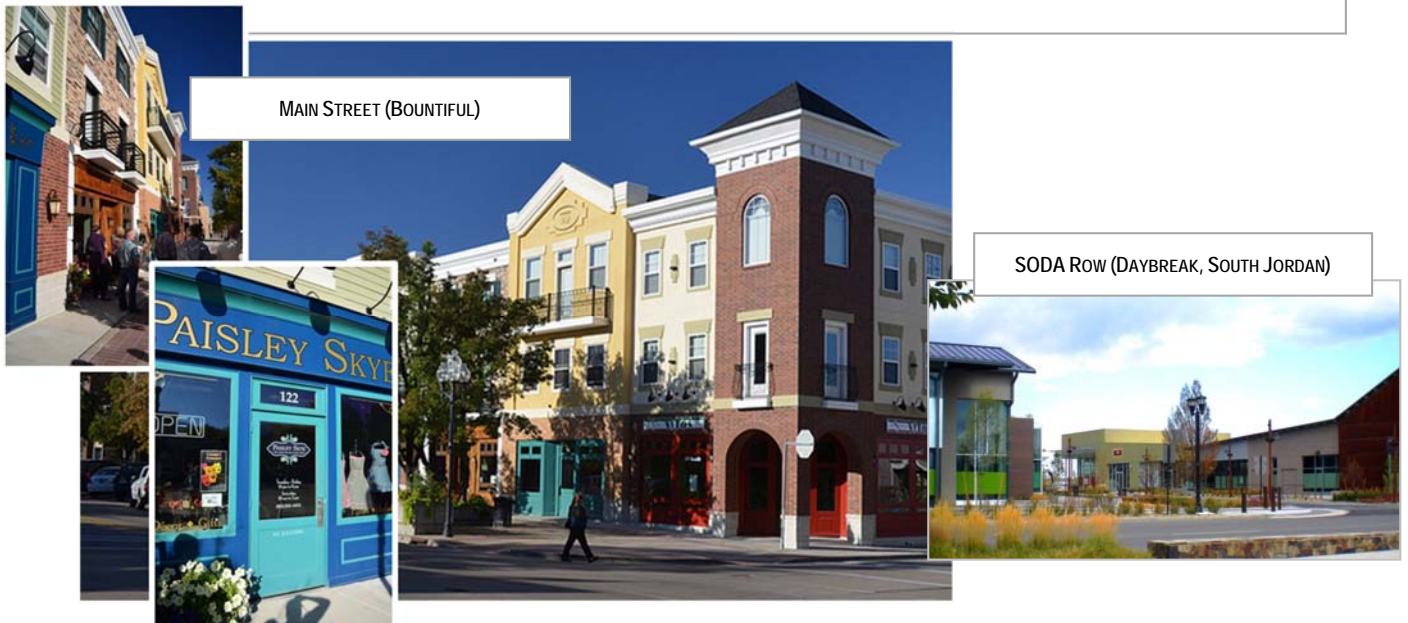
SoDa Row (South Daybreak Row) is a village retail center that currently supports a variety of specialty shops centered on providing personal services to the community. SoDa Row is designed to be within walking or biking distance from any home in Daybreak.

#### BOUNTIFUL MAIN STREET

A mixed-use development with neighborhood scale retail and residential development.

Development types:

-  Dining
-  Boutiques
-  Office
-  Clothing
-  Personal Services



## **KEY ELEMENTS OF A TOWN CENTER DEVELOPMENT**

### **CENTER CORE**

Centers should feature a core area that acts as the central gathering place for the center and surrounding communities. The core can accommodate the most intensive retail, employment, civic, and pedestrian activity. The design of streets and buildings in the core area should emphasize pedestrian comfort and visual interest.

### **COMMERCIAL ACTIVITIES WITHIN NEIGHBORHOOD CENTERS**

A limited amount of local-serving commercial activity may be located in neighborhood centers around their core. Ideal neighborhood center retail uses include, but are not limited to, small grocery stores, cafes, restaurants, and personal services. Ideal locations for retail uses include corners and the edges of parks and other community spaces.

### **CIVIC BUILDINGS**

Civic buildings should anchor many centers and typically be located in the core area. Where feasible, these will feature distinctive building details, entry features, and varying setbacks to provide a unique identity, with entrances facing onto public rights-of-way and parks.

### **GATHERING SPACES**

Squares, greens, and plazas are gathering places that may provide visual relief and passive recreation. The overall design of the town and neighborhood centers should link these features in a sequence or network. A square or green is intended to act as the central feature of neighborhood centers, and should be surrounded by civic buildings and/or commercial or mixed-use buildings located in the center. They should be accessible to all, and connected by transit facilities. All community residents should be within walking distance of a public community space or park.

### **LIVE-WORK UNITS**

Buildings and portions of buildings that combine commercial and residential uses within single units are encouraged throughout town and neighborhood centers. Good locations for individual live-work units are on the ground floor of residential buildings along connector and local streets. In neighborhood centers, good locations for live-work units are in the core area.

### **SCALE AND DENSITY TRANSITIONS**

Transitions in scale and density within residential areas should be gradual. Sharp distinctions in scale and density on different sides of a street typically should be avoided. Identifiable edges should be defined by natural features, transitions in development density, and/or changes in building style, scale, and massing. For example, a transition can be created through the placement of an open space or civic feature such as a park or small civic building. Most residential areas should achieve appropriate densities to support walkable communities that can support transit and other key infrastructure investments.



**SECTION 5: INFRASTRUCTURE ANALYSIS**

The Mountainland Association of Governments (MAG), a regional transportation planning organization, proposes the following infrastructure improvements within their 2040 Transportation Plan<sup>1</sup>:

- Phase 2 - Project 14:**  
 I-15 / Springville 1600 South/Sp Fork 2700 North Interchange (New interchange)  
 Cost: \$54.0M
- Phase 2 - Project 60:**  
 US-89 – Mapleton (1200 North to Mapleton 1600 South) Widen to 4 lanes  
 Cost: \$24.4M
- Phase 2 - Project 85:**  
 Springville 1600 South / Spanish Fork 2700 North Spanish Fork Main Street to US-89, Widen 2 lane portion to 4 and new 4 lane road, add RR Bridge  
 Cost: \$92.8M

The ability to capitalize on this infrastructure from an economic position is limited, due to the development patterns that already exist in these areas. A key node could be the intersection of 1600 South and US-89, however this area is surrounded by residential development.

An alternative alignment of Project 85 has been proposed which would connect 1600 South and West Maple Street. This provides a much better alignment with the potential creation of an economic district at this intersection. The City should continue to promote this alternative.

FIGURE 5.1: PROPOSED REGIONAL TRANSPORTATION IMPROVEMENTS AFFECTING MAPLETON

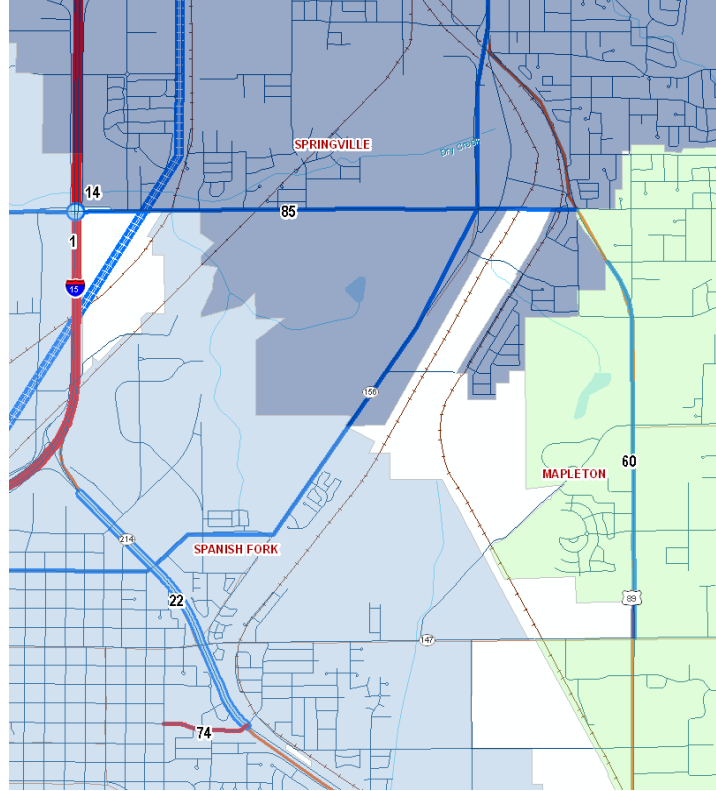
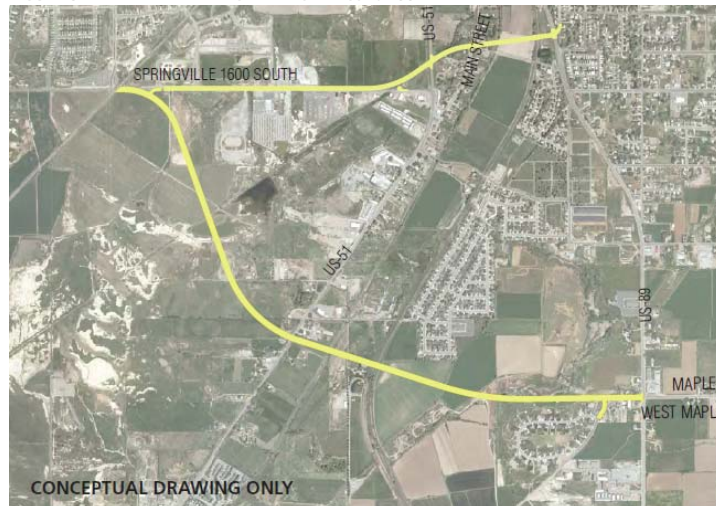


FIGURE 5.2: ALTERNATIVE ALIGNMENT OF PROJECT 85



<sup>1</sup> Source: <https://mountainland.org/site/articles/view/2>

## SECTION 6: GENERAL FUND ANALYSIS

A revenue analysis is one tool used to evaluate the economic sustainability of the City. It includes an analysis of general fund revenues to determine relative reliance on various revenue sources. Common revenue sources include property taxes, sales taxes, other taxes (such as energy, utilities, cable TV, etc.), building permits, other licenses and permits, intergovernmental revenue (i.e. Class C Road Funds, State Liquor Fund, etc.), charges for services, fines and forfeitures, and other miscellaneous revenues (i.e. interest earnings, rental of assets, etc.).

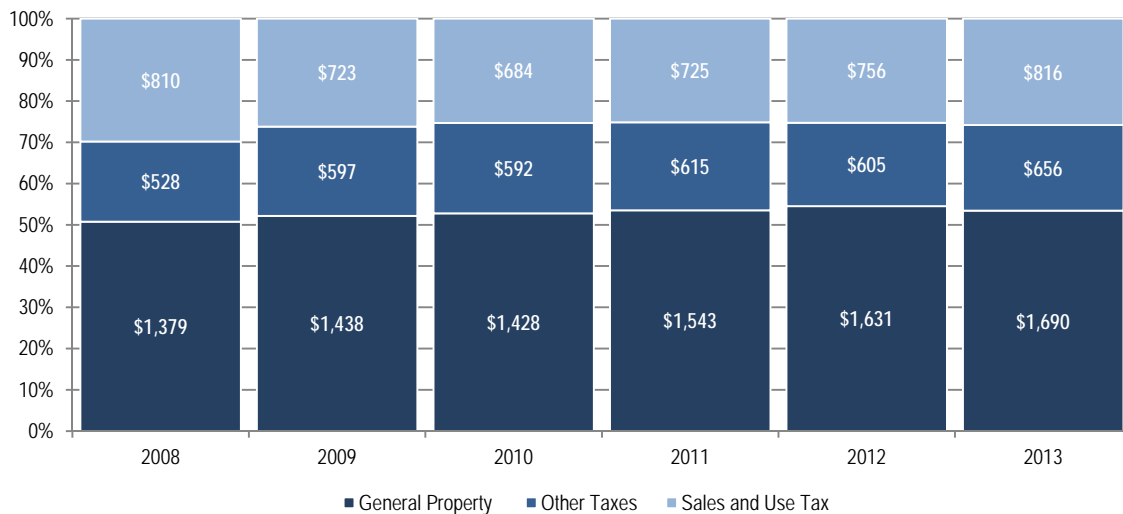
Table 6.1 shows Mapleton City's General Fund Tax Revenues from 2006 to 2013. Figure 6.1 shows the historic revenue collections from 2008 through 2013. The chart illustrates that the City's dependence on property tax has increased.

TABLE 6.1: GENERAL FUND TAX REVENUES

FISCAL YEAR	GENERAL PROPERTY	SALES AND USE TAX	OTHER TAXES	TOTAL TAX REVENUE
2006	\$870,174	\$603,813	\$510,272	\$1,984,259
2007	\$952,236	\$806,315	\$476,813	\$2,235,364
2008	\$1,379,225	\$809,660	\$527,781	\$2,716,666
2009	\$1,438,266	\$722,879	\$596,978	\$2,758,123
2010	\$1,427,684	\$683,879	\$592,366	\$2,703,929
2011	\$1,542,895	\$725,425	\$615,066	\$2,883,386
2012	\$1,630,733	\$755,864	\$604,829	\$2,991,426
2013	\$1,690,474	\$816,133	\$656,206	\$3,162,813

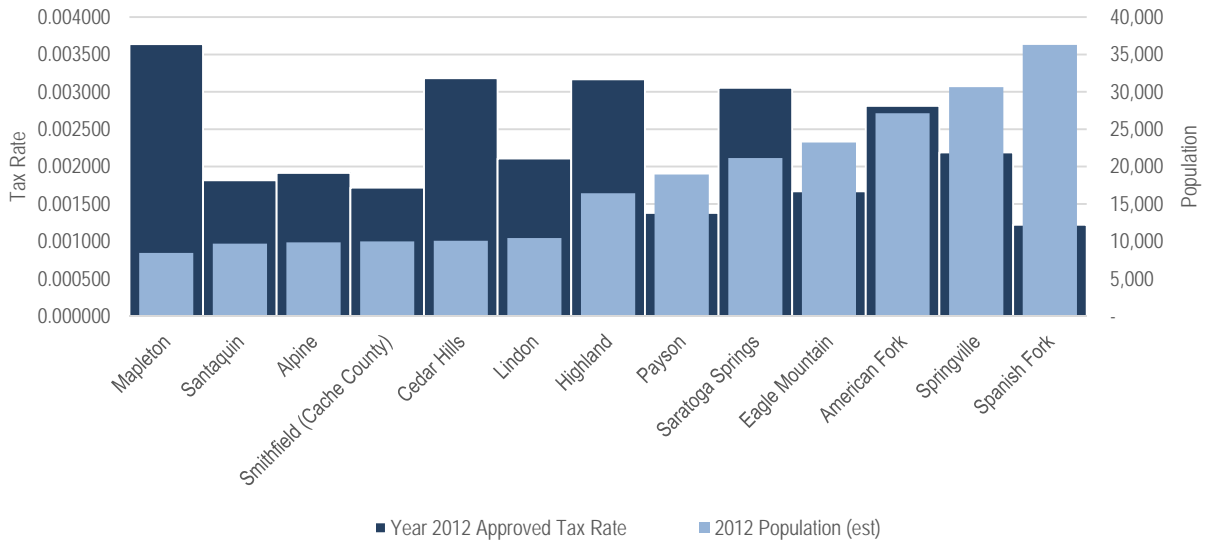
Source: Audited Financial & Budget Statements (p.6)

FIGURE 6.1: DISTRIBUTION OF CUMULATIVE GENERAL FUND TAX REVENUES



A comparison of 2012 tax rates and population illustrates that Mapleton City has a relatively high tax rate, confirming the City's reliance on a single revenue stream (see Figure 6.2).

FIGURE 6.2: TAX RATES VERSUS POPULATION FOR BENCHMARK CITIES



Heavy reliance on a single revenue source can be an indicator for future difficulties as the City cannot absorb market difficulties through a diversified portfolio. While, Mapleton City receives half its revenues from stable property tax revenues, the expansion of retail sales within the community could provide some property tax relief in the future and help to absorb impacts to this revenue stream from external market influences.

## SECTION 7: MAPLETON CITY ECONOMIC SUSTAINABILITY

Developing a plan for sustainable economic development is an important process for communities. Sustainable communities are better prepared to survive the “ups” and “downs” of markets, recessions, inflationary periods, etc., because they have a solid and balanced tax base that is not overly reliant on one or two industries or revenue sources. Best practices include striving for a good balance of quality jobs, a variety of development types and industries, a strong property and sales tax base, up-to-date economic infrastructure (including transportation, communication and utilities), good education and skills training, and public amenities that create a vibrant community and quality of life for residents.

Economic development is conditioned upon several factors, many of which are outside the control of local governments (i.e. the timing of economic recessions or periods of high growth or the timing of residential development). However, change will occur and population centers will continue to grow. Through proper planning, local governments can ensure that their communities remain vibrant and faithful to the vision of its residents. Identified below are several key economic development goals (ED Goals) the City should focus on to promote economic growth and sustainability.

- ☞ **Promote Business Attraction and Recruitment;**
- ☞ **Ensure Existing and Future Land Use Plans Promote Economic Objectives of the City**
- ☞ **Increase Economic Development Capability;**
- ☞ **Identify and Promote Economic Development Sites;**
- ☞ **Develop Industrial and Business Sites; and**
- ☞ **Develop Sustainable Government Services and Resources.**

### ED GOAL 1: PROMOTE BUSINESS ATTRACTION AND RECRUITMENT

Business attraction and recruitment is necessary to increase the availability of jobs for new residents and to provide needed tax revenues to support infrastructure and services. Without a business plan, development and growth can occur haphazardly and result in unintended consequences. The following addresses the components of a business attraction and recruitment strategy that can be pursued by the City.

#### 1a. Create a City logo and branding strategy.

#### 1b. Develop Targeted Industry Marketing Campaigns.

The City should determine target industries and focus marketing efforts on attracting these types of businesses to the City. Target industries may include:

- ☞ **Personal Services** (e.g. salons and beauty shops, laundry and cleaning services, pet supplies and services)
- ☞ **Health Services** (e.g. doctor’s offices, nursing and personal care facilities, local medical clinics, and home healthcare services)
- ☞ **Eating and Drinking Places** (e.g. fast food establishments and sit-down dining)
- ☞ **Food Stores** (e.g. grocery stores, bakeries, and markets)

#### 1c. Develop Appropriate Transportation Infrastructure.

The City should promote and develop appropriate transportation infrastructure by incorporating economic districts into future Transportation Master Plan. The City should also promote future transportation improvement projects including widening of Hwy. 89 and the proposed connectivity alternative from 1600 South to West Maple Street (at Hwy. 89).

### ED GOAL 2: ENSURE EXISTING AND FUTURE LAND USE PLANS PROMOTE ECONOMIC OBJECTIVES OF THE CITY

A primary objective of the City is to determine the appropriate amount of commercial zoning in context of projected sales capture rates and buildout populations. As such, the City should focus on the following objectives:

#### 2a. Hold community visioning workshops to determine public’s overall vision for the future of the City.

#### 2b. Update Land Use Element of the General Plan.

The City should evaluate the existing land use plan in context of this analysis and incorporate the economic development findings of the Economic Strategic Plan and the community visioning process into a revised Land Use Plan.

**2c. Complete an Affordable Housing Analysis.**

The City should complete an affordable housing analysis to encourage a mix of residential development.

**2d. Evaluate and streamline development review process.**

**2e. Establish clear development design criteria.**

**ED GOAL 3: INCREASE ECONOMIC DEVELOPMENT CAPABILITY**

The City's ability to promote sustainable economic development is related to its access to in-house resources and tools. As such, the City should focus on expanding existing staff capabilities and access to economic development resources. The City should also explore private and public partnerships that will meet the needs of the community. The following outlines several strategies to increase the City's economic development capabilities:

**3a. Explore EDCUtah membership and utilize EDCUtah's existing online Data Analysis Tools.**

EDCUtah has several online data analysis tools to assist in business relocation, expansion or consolidation.

**3b. Capitalize on existing data resources and promote training in the use of available tools.**

A key to sustainable economic growth is the development of local resources. The City should develop staff resources through education or expansion of personnel to incorporate economic development functions. The City should also seek out local partnerships with adjacent communities and explore partnerships with private recruitment companies. The City should utilize existing data sets and resources to promote economic development (See Appendix A).

**3c. Facilitate local partnering.**

Mapleton should seek out and support partnerships within the community. Community support opportunities may include:

- ☐ Meeting with commercial realtors, developers, contractors, and land owners to establish economic development committees; and,
- ☐ The creation of stakeholder groups and economic development committees to discuss local resources, initiatives and opportunities.

**DEVELOPING ECONOMIC RESOURCES**

With limited resources, communities may need to get creative regarding the development of economic tools and resources, especially when it comes to hiring on new staff. North Ogden recently solicited proposals from qualified Economic Development firms to assist the City in performing market analysis, retail recruiting, redevelopment planning, developer recruiting and qualifying, financial feasibility, project funding, public/private partnership development, long-range city financial planning, strategic planning, grant writing, job recruiting, and facilitating a community visioning process.

The City's intent was to hire an independent contractor. This independent contractor would not receive employee benefits or compensation coverage from the City and no Internal Revenue Service withholding would be made from pay. The firm would provide an annual contractual amount of time to the City to assist in economic development projects. In this way, the City would avoid long-term operational obligations while increasing resources.

**ED GOAL 4: IDENTIFY AND PROMOTE ECONOMIC DEVELOPMENT SITES**

The General Plan proposes 331 acres of commercial property, with 74 acres of industrial property, for a total of 405 acres of commercial property. This is higher than the 73 to 300 acres supportable show in Section 4. As a result, the

City should revisit the General Plan Land Use Element and determine if adjustments should be made with regards to zoned commercial property or if the City should pursue policies that increase residential densities, resulting in an increase in demand for commercial services.

The City should update the existing land-use plan and future land use plan, focusing on the following elements:

**4a. Develop a specific land use plan for a Town Center district**

Using a Town Center overlay zone, the City should develop a comprehensive land-use analysis and development plan for the intersection of Hwy 89 and West Maple St or for another location. This area should focus on neighborhood-scale retail focused on personal services and meeting local demand.

**4b. Consider a specific land use plan for a potential “business district” at intersection of Hwy 89 Hwy 6.**

The City should promote highway retail, industrial development, a business park or tech campus as traffic demand and population continues to increase. This type of development should be focused at locations where access to important transportation infrastructure is available, ideally at the intersection of Hwy 89 and Hwy 6.

**4c. Identify additional commercial districts and ensure appropriate mixed use zoning is contemplated.**

Promote smaller-scale retail along Hwy 89 at key nodes. Buildings and portions of buildings that combine commercial and residential uses within single units are encouraged throughout town and neighborhood centers. Good locations for individual live-work units are on the ground floor of residential buildings along connector and local streets. In neighborhood centers, good locations for live-work units are in the core area.

**4d. Preserve the rural feel of the community.**

Throughout the planning process, the City should ensure the preservation of the rural feel of the community through appropriate planning guidelines and the promotion of a mix of uses. These should include business clustering and creating mixed-use zones.

**CLUSTERING OF BUSINESSES**

Vibrant, effective, and growing economic business areas are usually small in scale. Businesses and industries thrive when clustered together into districts or smaller economic areas. Infrastructure costs are reduced when commercial and industrial businesses are located together, which results in up-front and long term savings for businesses and local governments. Districts that contain a mix of business types, all focused on a common market sector, also do well. Examples of these include entertainment districts where people can dine, shop, and attend an event; or a downtown area where people can work, take clients to lunch, and ship packages or make copies.

**MIXED-USE WITHIN CENTERS**

Centers should provide for a mix of uses and block types to create local, walkable connections between jobs, housing, and retail. Block types may include: (1) Mixed-use blocks that make up the core of each center and combine retail with housing or office uses; (2) Commercial blocks that contain primarily office or retail uses; (3) Residential blocks that contain a range of housing opportunities, including multi-family buildings, townhomes, live/work lofts, and/ or a variety of single-family opportunities (these blocks may contain incidental retail); or (4) Civic blocks that can contain a variety of public and civic buildings, including schools, churches, libraries, community centers, or parks.

**4e. Utilize existing local development tools to promote economic growth within districts.**

The State currently has a tool to incentivize development through the Utah Community Development and Renewal Agencies Act (CDRA). The City should consider the establishment of one or more community development areas (CDAs) to promote the development of these areas (See Appendix B).

The development of economic districts will create areas for future development, conducive to the City's vision and objectives.



Economic districts should be focused on providing a destination for commercial developments that will increase market capture and reduce retail leakage. The City should continue to evaluate its market capture relative to its neighbors through updates to its sales leakage analysis.

### RETAIL SALES LEAKAGE ANALYSIS

Sales gap or leakage data is the estimated amount of purchases made by residents outside of their community. The first step of a market or retail leakage analysis is to identify the primary market area – the area from which the store or shopping center draws most of its customers. The current and projected population, as well as employment base in the market area is then calculated.

Leakage demonstrates areas of opportunity – where communities can recapture some of their lost sales resulting from residents leaving the local area to make purchases. Sales leakage data is estimated by taking the actual purchases in a community and dividing by the number of households or population to determine the average spending per household and per capita. This represents purchases made within a community. This data is then compared with average per capita (or per household) purchases statewide. The difference is the leakage.

A market share analysis can be conducted for individual store types or for retail centers. It shows the percentage of total sales in the larger market area that are being captured by a particular location or store. For example, if a community is only capturing ten percent of sales in a particular retail category, yet it represents 30 percent of the regional population, it may be able to capture additional sales.

### ED GOAL 5: DEVELOP INDUSTRIAL AND BUSINESS SITES

In addition to retail and commercial development, the City should identify and promote industrial sites within the Community. These generally serve as job centers and provide for income and the subsequent buying power of existing residents. To promote industrial development the City should focus on the following:

#### **5a. Update the existing land-use plan and future land use plan to identify key areas for industrial development.**

Industrial sites often take large tracks of land. The City should work with land-owners and stakeholders to identify areas that can serve as job centers and industrial sites. The City should identify industrial/business districts and ensure appropriate zoning is contemplated.

#### **5b. Work with EDCUtah to market existing and future sites.**

The City should work with EDCUtah to develop locations that may be suitable for the “sure site” database. **Utah SURE (Select Utah Real Estate) Sites** is a database of industrial, office building, and land sites designed to attract relocating and expanding businesses. The database is maintained by EDCUtah and includes some of the best site location opportunities in Utah.

#### **5c. Utilize existing local development tools to promote economic growth within districts.**

The State currently has a tool to incentivize development through the Utah Community Development and Renewal Agencies Act (CDRA). The City should utilize economic development area (EDA) tools to promote existing and future job centers or industrial sites (See **Appendix B**). The City currently has an inactive industrial site that could be overlaid with an EDA. In addition, future development may benefit from these tools.



**UTAH COMMUNITY DEVELOPMENT & RENEWAL AGENCIES ACT (CDRA)**

Tax increment financing can be an attractive option to developers because it provides public assistance and funding for improvements, infrastructure, land write-downs, etc., in partnership with private investment in an area. The purpose is to encourage development to take place in areas that are deteriorating, to create jobs, or to assist with important community projects.

The main steps in establishing a tax increment area include:

- ☒ Formation of a Community Development and Renewal Agency (must only be created once by a community, not for each project)
- ☒ Creation of a project area plan and budget
- ☒ Approval of taxing entities

**ED GOAL 6: DEVELOP SUSTAINABLE GOVERNMENT SERVICES AND RESOURCES**

To ensure the City is providing sustainable government services, the City should focus on the following:

**6a. Ensure Utility Funds are sustainable and have appropriate planning documents in place to handle future growth.**

This ensures that the City will have “shovel” ready sites that are appropriately planned, for continued economic and residential growth. This also ensures the City maintains its credit worthiness, with access to as many funding sources as possible to develop necessary capital infrastructure. The City should complete comprehensive financial plans that evaluate the sustainability of all City utilities. These studies should be updated every five to ten years to ensure the City is appropriately planning for future growth.

**6b. Establish performance metrics regarding personnel expenditures relative to the total general fund budget.**

This will ensure the City has necessary staff to appropriately plan and manage continued growth.

## APPENDIX A: ECONOMIC DEVELOPMENT RESOURCES

The following table outlines resources that the City may access to develop a dataset for economic and development planning.

TABLE A.1: DATA RESOURCES

DATA RESOURCES	AGENCY	DESCRIPTION	USE	LINK/EXAMPLE
Land Use and Zoning Data	Utah County Community Development Department	Land use and zoning data within the unincorporated County.	<ul style="list-style-type: none"> <li>Land use data is used to highlight areas where developed land exists within commercial centers</li> <li>Identify shovel ready sites and supporting transportation infrastructure for marketing purposes</li> </ul>	<a href="http://www.utahcounty.gov/Dept/ComDev/Planning/index.asp">http://www.utahcounty.gov/Dept/ComDev/Planning/index.asp</a> Example: Land use analysis within economic districts
Traffic Data Patterns and Average Daily Trips (ADTs)	Utah Department of Transportation (UDOT)	Traffic data patterns and ADTs along major roadways and intersections throughout the County.	<ul style="list-style-type: none"> <li>Evaluate traffic patterns to promote commercial development in high demand areas</li> <li>Identify areas where transit adjacent development may be successful</li> <li>Collect and analyze traffic data patterns, along with key demographic indicators like population and buying power, which will help the County market these areas</li> </ul>	<a href="http://www.udot.utah.gov/">www.udot.utah.gov/</a> Example: Traffic patterns in rural community
Transportation Plans	Mountainland Association of Governments	Regional community, economic, and transportation planning resources.	<ul style="list-style-type: none"> <li>Evaluate regional and local transportation needs</li> <li>Evaluate regional economic initiatives from a local perspective</li> </ul>	<a href="https://mountainland.org/site/">https://mountainland.org/site/</a>
Sales Tax Data	Utah State Tax Commission	Sales tax data for the State. Information is aggregated each year based on retail categories and can be collected by City, County or zip code.	<ul style="list-style-type: none"> <li>Used to analyze local spending patterns</li> <li>Detailed sales leakage analysis can be performed at the municipal level or for the County</li> <li>Used to illustrate market strengths and weakness</li> <li>Allow for focused marketing strategies on retail categories that may be lacking in specific areas</li> </ul>	<a href="http://tax.utah.gov/esu/">http://tax.utah.gov/esu/</a> Example: Sales leakage analysis
Building Permit Data	Bureau of Economic and Business Research (BEBR)	Building permit data from all Cities and Counties within Utah. Includes number of permits by type and the associated value.	<ul style="list-style-type: none"> <li>Good source of updating current population figures when combined with estimates of household size</li> <li>Helpful in understanding housing market demand</li> </ul>	<a href="http://www.bebr.utah.edu/">http://www.bebr.utah.edu/</a> Example: South Jordan Housing (South Jordan)
State-wide GIS Data	The Utah Automated Geographic Reference Center (AGRC)	Clearinghouse of GIS data including transportation, municipal boundaries, soils, utilities, hydrology, etc.	<ul style="list-style-type: none"> <li>Will provide base data for further economic analysis</li> </ul>	<a href="http://agrc.its.state.ut.us/">http://agrc.its.state.ut.us/</a>
EDCUtah Data	The Economic Development Corporation of Utah (EDCUtah) periodically conducts updates of demographic data for counties throughout the state. These updates can be applied to local communities within their respective counties. EDCUtah also maintains a "Sure Site Database."			<a href="http://www.edcutah.org/">http://www.edcutah.org/</a>

## APPENDIX B: COMMUNITY DEVELOPMENT AND RENEWAL AGENCIES

Under Utah Code 17C "Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act" (the "Act"), Utah's local governments have the authority to conduct economic development activities within their communities through their Redevelopment Agencies ("Agencies") (or if created more recently their "Community Development and Renewal Agencies"). Under the Act, Agencies are allowed to create three types of project areas in order to address specific economic development needs within their community. These three project area types are 1) Urban Renewal Project Areas ("URAs"), 2) Economic Development Project Areas ("EDAs"), and 3) Community Development Project Areas ("CDAs"). Each project area type is envisioned to address specific sets of circumstances and thus have different nuances, purposes, and abilities which will be addressed below.

Generally, however, all project areas function under a few basic principals which will first be addressed after which each type of project area will be more fully described.

### GENERAL PROVISIONS

All types of project areas provide an ongoing funding mechanism from property and sometimes sales taxes within a geographic area designated as a project area. The basic premise of the project area is that a base year value is established at the beginning of the project area. The taxing entities continue to receive their respective property tax collections from that base year value. Any additional taxable value and the associated property taxes generated from development within the project are then made available to Agencies to conduct economic development within the project area. Taxing entities may agree to give up to 100% of their respective tax increment to the Agency for varying lengths of time as determined.

A project area of any type is created utilizing a project area plan which describes the purpose of the Agency in conducting economic development activities including the effects of development upon the community, the use of tax increment, the estimated benefit to the community, the means of selecting developers, any specified planning elements, etc. Generally, each type of project area also adopts a project area budget which defines in more detail the projected level of participation from each taxing entity, the proposed use of funds, and a multi-year projection of tax increment sources and uses.

Uses of tax increment are defined in the Act. Some of these uses include providing funds to upgrade private and public facilities, funding infrastructure improvements, purchasing land, providing development incentives, pledging funds to repay or secure bonds, etc.

The first step of redevelopment is the creation of a Redevelopment Agency by a local governmental entity. After the Agency is created, there are three types of redevelopment areas that can be formed by the local entity: Urban Renewal Area (URA); Economic Development Area (EDA); and Community Development Area (CDA).

**A URA** is formed in an area that has deteriorating properties, high criminal activity, excessive vacancies or abandoned buildings, potential environmental or health issues, etc. **An EDA** is formed in an area for the purpose of attracting new jobs to the area and **a CDA** is formed to encourage a wide range of community development projects. No power of eminent domain is given to EDA or CDA areas. Project area plans and budgets should be created for each project area in accordance with the requirements of Utah Code Title 17C – the Community Development and Renewal Agencies Act.

### URBAN RENEWAL PROJECT AREA (URA)

An Agency can create a URA for the purpose of eliminating blight in a specific area. The Agency must conduct a blight study and make specific findings of blight as outlined in the Act which are quite strict. Some of the general criteria for blight include dilapidated buildings, noncompliant land and building uses, high vacancy, criminal activity, etc. Property owners have the opportunity to comment on blight conditions at a blight hearing.

The project area budget for a URA must be approved by a taxing entity committee (“TEC”) which is composed of various members who levy a tax within the project area. The TEC must approve participation for all entities by a 2/3rds vote. URAs also have the ability to use eminent domain.

#### **ECONOMIC DEVELOPMENT PROJECT AREA (EDA)**

An EDA is often used by a community when focusing on development related to job growth. Generally, tax increment is only remitted to the Agency from non-retail uses. Like the URA, the project area budget must be approved by the TEC. An EDA does not have the use of eminent domain. An EDA is often used to assist a large project to locate in a community such the Procter and Gamble development in Box Elder County.

#### **COMMUNITY DEVELOPMENT PROJECT AREA (CDA)**

The CDA project area provides a great amount of flexibility in regard to sources and uses of funds and participation levels by taxing entities. A CDA can be used for most types of projects including mixed-use, retail, commercial, office, industrial, etc. The Agency has the ability to capture and utilize both sales and property tax increment. Rather than using a TEC to secure funding to the Agency, an Agency secures funds from taxing entities through individual interlocal agreements between the Agency and each individual taxing entity. CDAs have been utilized extensively in Utah since their creation several years ago including communities such as North Salt Lake, Centerville, Woods Cross, West Bountiful, Perry City, Sandy City, Eagle Mountain City, and Brian Head Town as well as others.

#### **FUNDING**

Public funding for projects in the redevelopment areas comes from tax increment. What is tax increment? Some people mistakenly assume that this means higher taxes. But it doesn’t. Rather, it is the additional tax monies that are generated in a redevelopment area as a result of increased value from development in that particular area. Increment value is determined by calculating the difference between a baseline property value, set when the project area is established, and the additional property value from development. Tax increment from a project area is available for a specific number of years as agreed upon by the taxing entities. Therefore, timing becomes especially important in the creation of project areas in order to maximize the amount of increment generated and returned to development within the project area boundaries.

Tax increment funds (TIF) can be monetized (i.e. you can borrow against the future tax increment revenue streams in order to provide up-front funds to build infrastructure). Because TIF revenues are more risky and unpredictable compared to other revenue sources they generally carry a higher interest rate than GO or revenue bonds. Also, lenders prefer multiple years of revenue history and generally allow only \$0.33 - \$0.50 on the dollar of the increment generated to be monetized (or borrowed against).

For example, if a TIF area generates \$100,000 in tax increment revenues per year, only \$33,000 to \$50,000 of those funds can be used for annual debt repayment because the lenders require more excess funds, known as the debt service coverage ratio, for tax increment bonds than for other types of bonds that investors consider to be relatively less risky.

However, a community can choose to use other revenue sources as a security pledge to acquire the bond, and then use tax increment funds as a repayment source. If TIF funds fall short of repayment amounts, other pledged revenue sources must be used to make up the difference.

The amount of public assistance provided in TIF areas is generally based on a percentage of the property tax increment generated by a specific development within the project area. Tax increment dollars are often returned to the developer in the form of infrastructure development, land cost write-down, or other appropriate means.

One method that has been used to overcome the market challenges posed by direct tax increment financing is to use a Special Assessment Area (SAA) in conjunction with the use of tax increment. This provides a means to leverage the potential tax increment at an earlier stage in the development process. Under this structure, a CDRA is created and the developer/landowner enters into an Agreement to Develop Land (ADL) with the local government wherein the developer negotiates receipt of a portion of the tax increment to be generated. Then, SAA bonds are issued and

assessments on the benefited property of the developer/landowner provide security to the bonds noting that the property then serves as the ultimate security for the debt, not projected increment receipts. If the developers proceed with development and building in a timely fashion, they can utilize the increment received to make the assessment payments, although they are not pledging this stream of revenues.

### CONCERNS

Public concerns about redevelopment projects are centered on three main issues. Education is needed to resolve these concerns. When property owners understand the true nature of redevelopment areas, they are generally enthusiastic about the opportunities RDA's offer.

1. **Blight.** The Utah Code uses the term "blight" to refer to properties with various characteristics, such as physical dilapidation, lack of code enforcement, etc. Property owners need to be assured that while blight factors are used to establish a project area, no individual properties are recorded as blighted on any official county records. An evaluation of properties, in terms of blight, is used solely to determine if the area, as a whole, qualifies as a redevelopment area.
2. **Tax Increment.** There is a common misunderstanding that tax increment means that property owners will pay more taxes. This is simply not the case. Tax rates do not change because of the creation of a redevelopment area. Rather, more taxes are generated in the area because of the increased development that occurs. It is the taxes that flow from additional development and therefore increased taxable value that constitute tax increment.
3. **Eminent Domain.** Property owners are often concerned that they will be forced to sell their property if they are in a redevelopment area. Utah law has set very restrictive requirements regarding when the power of eminent domain can and cannot be used.