OREM CITY OF OREM

September 2014 Recap

Staying Connected with the Citizens of Orem

Mayor's Message

On Tuesday, September 23, the city council and I adopted the Community Development Area (CDA) plan for University Mall by a vote of 5 to 1. This was an important vote and I wanted to give an explanation of the reasons for my supporting this CDA plan.

The University Mall comprises approximately 133 acres of retail space in the heart of our city. It was first built in 1972. It has undergone several renovations over the years. This area produces over
25 percent of the city's sales tax revenues. The area along University Parkway produces over 41percent of our community's total sales tax dollars. Likewise, the mall pays over $1.6 million in property taxes each year.

It is vital and very important for the economic health of our city that this area remain a strong and vibrant retail center for our city and community. Malls across the country have lost 15 to 20 percent of their "brick and mortar" sales to the internet. The University Mall, as of last year, had two-out-of-three anchor stores empty and fourteen regular store fronts empty. This has been of great concern to me.

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Get Involved in the City

If you are wanting to make a difference in the world, now is your chance. There are tons of volunteer opportunities available now.

For more information and to volunteer, call/text Laura at 801-310-6283 or email lrbascom@orem.org.

October Events

Oct 13: Columbus Day

As the Mayor of Orem, economic development and the vitality of our city is a top priority. This area of our city provides many jobs for our residents. It also has a halo effect in that many businesses have built up and around the mall over the last 42 years.

Last year, the Woodbury Corporation announced that it would like to invest up to $500 million into refurbishing the mall, changing it into a mixed use facility (retail, office space, park, and residential), and bringing in new tenants. In doing this, the property would add over 2,500 new jobs to our economy, 400,000 square feet of new retail (less 175,000 square feet of existing retail to be demolished), 700,000 square feet of new office space, 1,250,000 square feet of new multi-family residential, and a new 70,000 square foot hotel space. The interior of the mall will also be refurbished with new tile flooring and new interior colors.

The CDA that passed is a tax increment plan, whereby new property taxes levied against the new pieces of development (new buildings built) will be distributed 25 percent to the city's five taxing entities (namely, Utah County, Alpine School District, City of Orem, Orem Metropolitan Water District, and Central Utah Water Conservancy District), and 75 percent back to the Woodbury Corporation and the mall project to be used for infrastructure improvements and buildout over the life of the proposed 20-year CDA.

After 20 years, then all property taxes generated from the project would go to the five noted taxing entities above. This plan would only impact new development and growth on the mall property. The baseline of property taxes being paid now of $1.6 million per year will not be affected and will be paid as usual on an annual basis.

Oct 14: City Council Meeting, 6 p.m. - City Center

Oct 16-17: Fall Break, Apline School District

Oct 28: City Council Meeting, 6 p.m. - City Center

Oct 31: Halloween

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At least five other communities have spoken with Woodbury and expressed their interest to offer the same incentive, and more, if Orem isn't interested.

The State of Utah has legislated this type of tax incentive opportunity to help grow and spur on economic development in the various cities of Utah. The state also offers economic tax increment finance incentives on all taxes paid by companies in Utah. In fact, one local Orem company, Jive Communications, has been awarded a $938,000 incentive for creating up to 570 new high paying jobs. Likewise, the State of Utah has authorized a city-run revolving loan fund, of which the City of Orem has provided over $10 Million dollars in loans to small businesses in our city. There are over 19 various tax incentives offered by the State of Utah to small and large business alike.

Likewise, the State of Utah has authorized a city run Revolving Loan Fund, of which Orem has provided over $10 million dollars in loans to small businesses in our city. There are over 19 various tax incentives offered by the state to small and large business alike.

Most Utah cities use CDAs to encourage economic growth. You can see this in Lehi, where in fact four Orem businesses have moved to in recent years, resulting in over 2,000 jobs lost in our community. It is my intent to keep our jobs in our city for those who live here.

The CDA is a post-performance agreement. Only after the University Mall's developers have built the buildings and paid the property taxes on new facilities will tax increment incentives be received. Please note that if the full $500 million of new investment is realized, property tax revenues from the mall will go up by close to four times over what is being received now. In the long term, this project will bring

in many millions to the city and to the school district for years to come.

Please also note that the money used for this CDA will be money generated by the mall itself from the property taxes it pays on the new build out. It is not being taken out of the taxes paid by the citizens presently. It does not require any bonding from the city. It does not result in any new debt from the city either. Finally, it does not result in any new or additional taxes on the residents of Orem. The investment, the risk, and the taxes paid are all borne and paid for by the mall.

Finally, it is also important to note that the tax increment that will be returned to the mall for this 20-year period is set up for infrastructure investment. In fact, the amount of the CDA from the City of Orem is about equal to what the city would have to pay for replacement of infrastructure in the way of utilities during the same time period at this location.

I believe that this CDA of the mall area will strengthen Orem's tax base, in both property and sales taxes.
It will attract new private businesses. It will increase economic activity in the city. It will provide new jobs for our residents by spurring increased investment to the mall. I believe that both, for the short term and the long term, it will be a great help to our city.

Sincerely,
Mayor Richard Brunst

Olmsted Hydroelectric Power Plant Replacement Project

The Central Utah Water Conservancy District (CUWCD) and the United States Department of the Interior, as Joint Lead Agencies (JLAs), have prepared a Draft Environmental Assessment (Draft EA) for the proposed Olmsted Hydroelectric Power Plant Replacement Project in Orem.

The Draft EA describes the project's purpose and need, identifies alternatives considered, and discloses potential impacts associated with the proposed project. The public is invited to review and provide comments on the Draft EA. The comment period begins September 22nd. All comments must be received by October 24,

2014. A public information meeting will be held October 9th to discuss the overall Olmsted project, the project contract agreements, and the findings contained in the Draft EA.

This meeting will begin at 6:30 PM in the CUWCD office located at 355 West University Parkway in Orem. To review the Draft EA (available September 22nd) and/or to submit comments visit www.cuwcd.com/olmsted.

For questions or an electronic copy of the Draft EA, please contact Chris Elison at (801) 226-7166 - email chrise@cuwcd.com.

Couple from Orem Senior Friendship Center becomes a YouTube Sensation

Chances are you have seen the wildly popular Kid History videos on YouTube. If you haven't, you can check them out here. The creators behind this delightful web series have partner with the Orem Senior Friendship Center to create this Senior Snippet.

Nephi and Leona Fitzgerald are now YouTube stars.

Senior Snippets: "First Date"

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