

Orem Economic Plan

February 24, 2015



Zions Bank Public Finance Municipal
Consulting Group (ZBPF)

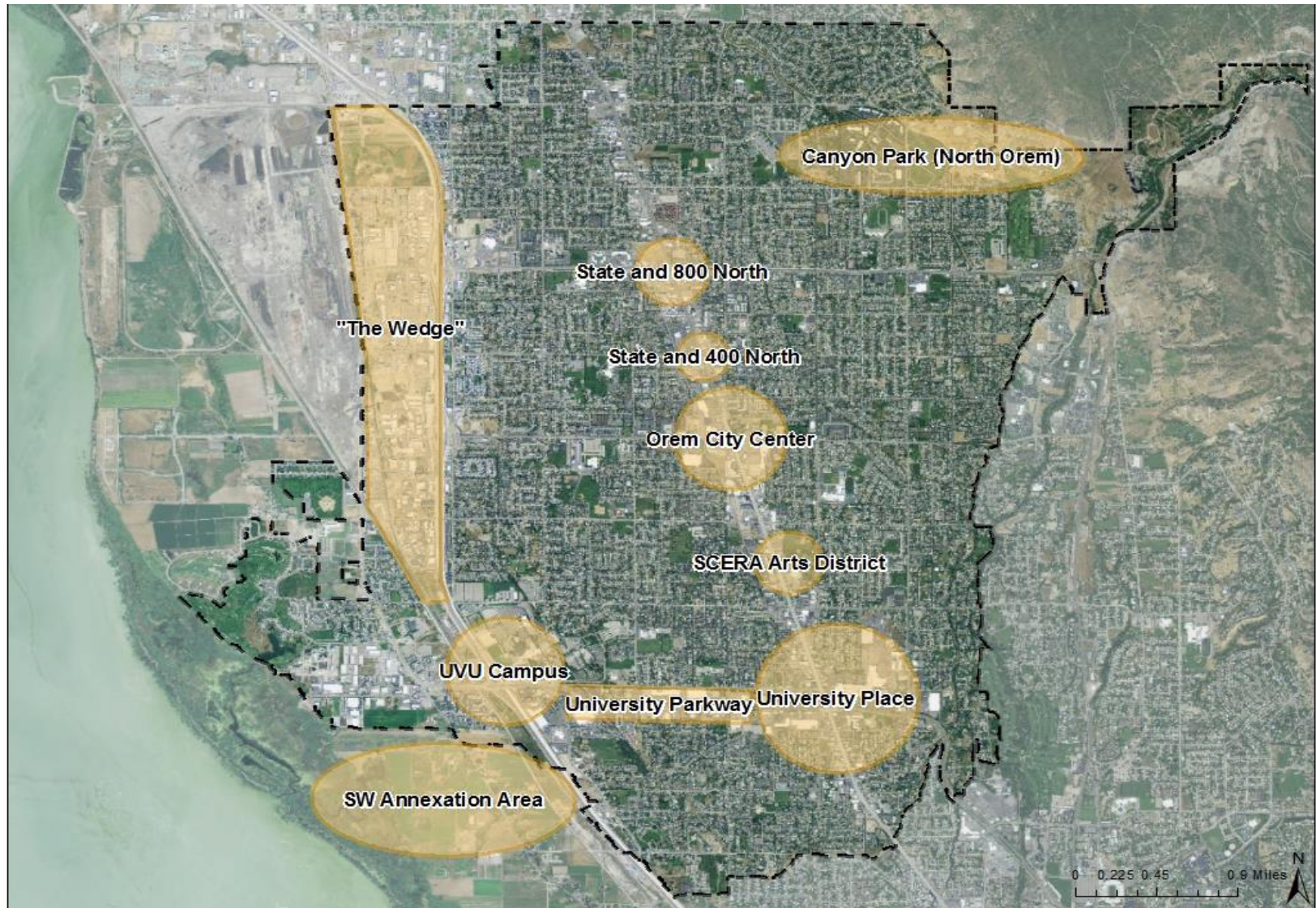
Duany Plater-Zyberk (DPZ)

Commerce CRG

Penna Powers Brian Haynes

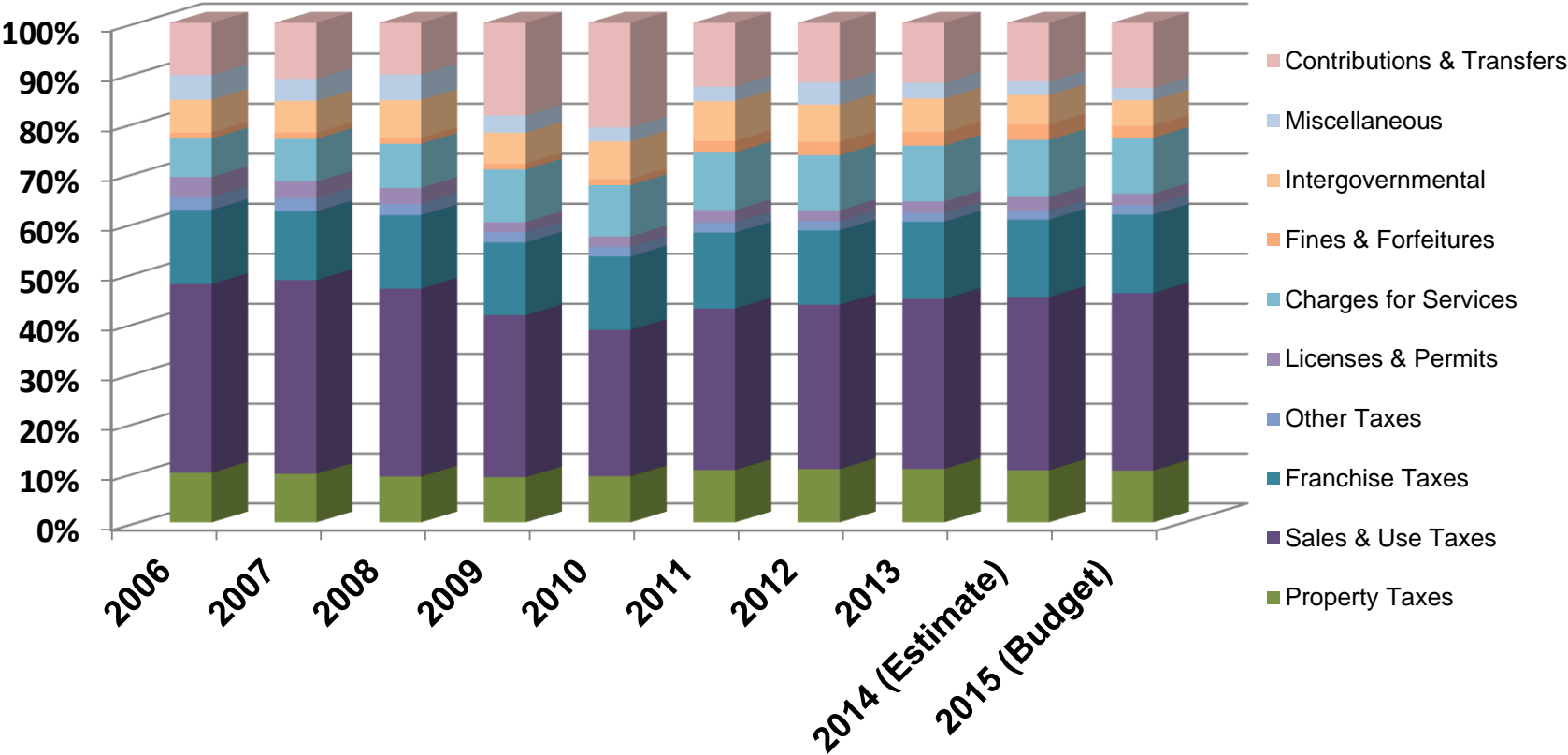


Economic Districts



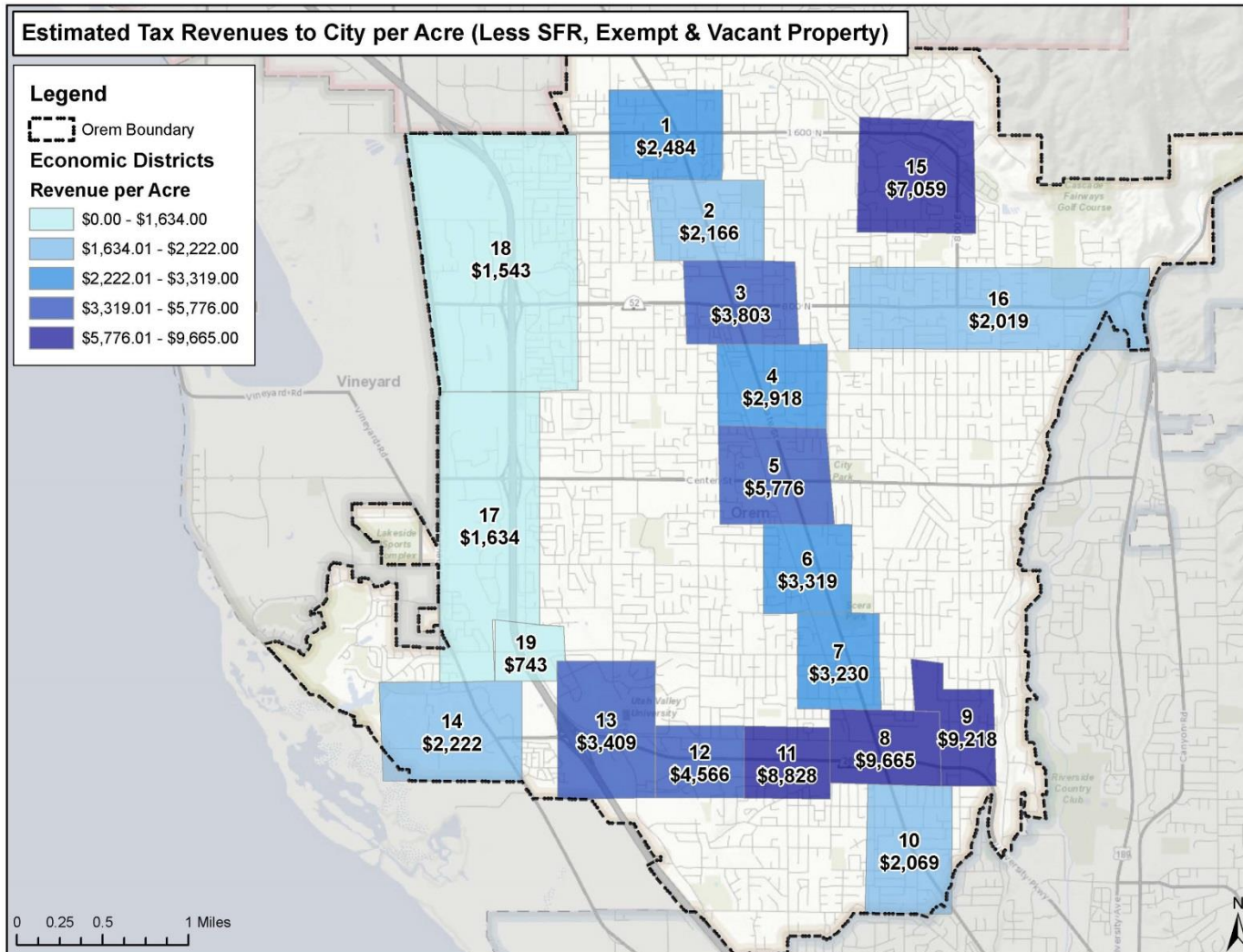
Goal #1: Increase the sustainability of the City's tax base through increased property values

Orem General Fund Revenues



Orem Sales Tax Revenues by Year

| Year | Sales & Use Tax Revenue |
|-----------------|--|
| 2006 | \$17,510,210 |
| 2007 | \$19,220,147 |
| 2008 | \$18,684,690 |
| 2009 | \$16,414,378 |
| 2010 | \$15,277,498 |
| 2011 | \$15,538,986 |
| 2012 | \$16,453,749 |
| 2013 | \$17,233,172 |
| 2014 (Estimate) | \$17,981,211 |
| 2015 (Budget) | \$18,200,246 |



Tax Revenue Comparison



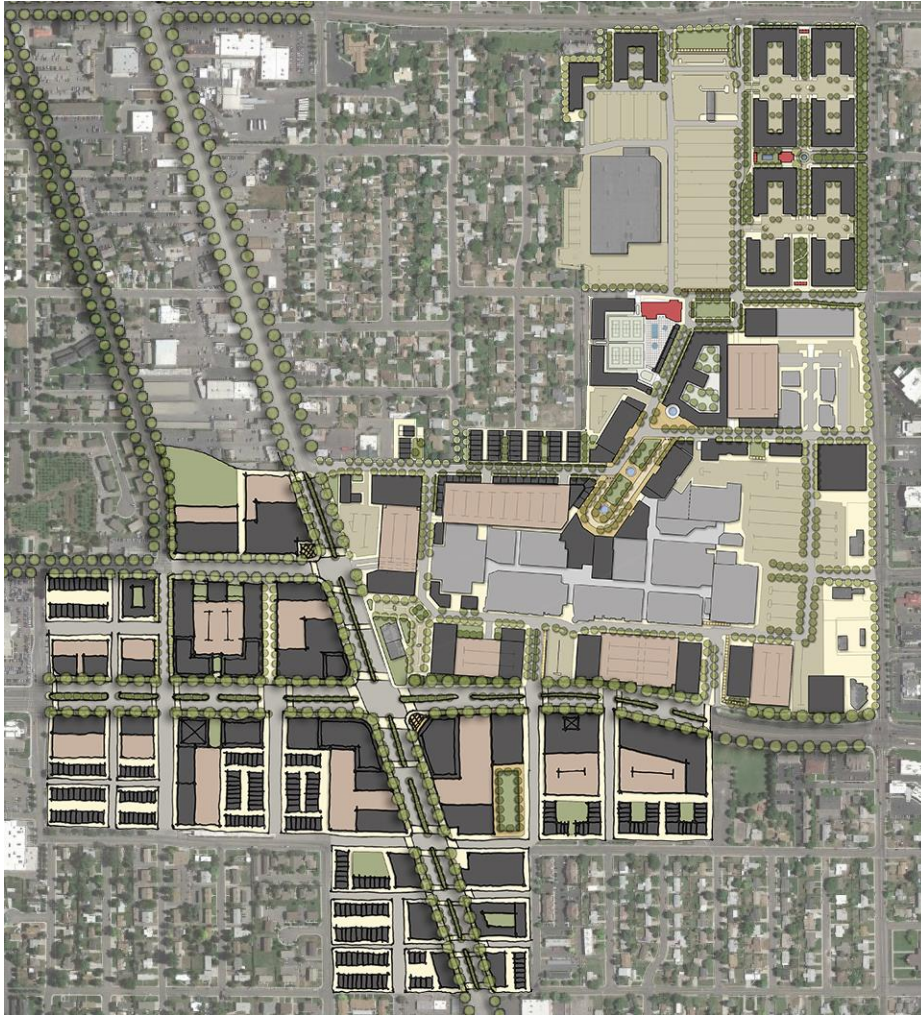
| District | Avg TV per Acre less SF, Exempt & Vacant | Avg Property Tax Revenue to City per Acre | Avg Sales Tax Revenues per Acre | Total Revenues per Acre |
|----------|--|---|---------------------------------|-------------------------|
| 8 | \$1,256,800 | \$2,351 | \$7,314 | \$9,665 |
| 9 | \$1,242,148 | \$2,324 | \$6,894 | \$9,218 |
| 11 | \$864,023 | \$1,617 | \$7,211 | \$8,828 |
| 15 | \$3,755,747 | \$7,027 | \$32 | \$7,059 |
| 5 | \$1,152,634 | \$2,157 | \$3,620 | \$5,776 |
| 12 | \$1,210,263 | \$2,264 | \$2,301 | \$4,566 |
| 3 | \$896,260 | \$1,677 | \$2,126 | \$3,803 |
| 13 | \$987,958 | \$1,848 | \$1,560 | \$3,409 |
| 6 | \$1,099,283 | \$2,057 | \$1,262 | \$3,319 |
| 7 | \$1,090,800 | \$2,041 | \$1,189 | \$3,230 |
| 4 | \$872,081 | \$1,632 | \$1,286 | \$2,918 |
| 1 | \$884,948 | \$1,656 | \$828 | \$2,484 |
| 14 | \$1,093,668 | \$2,046 | \$176 | \$2,222 |
| 2 | \$872,081 | \$1,632 | \$535 | \$2,166 |
| 10 | \$739,600 | \$1,384 | \$685 | \$2,069 |
| 16 | \$912,842 | \$1,708 | \$311 | \$2,019 |
| 17 | \$596,780 | \$1,117 | \$518 | \$1,634 |
| 18 | \$709,728 | \$1,328 | \$215 | \$1,543 |
| 19 | \$397,049 | \$743 | \$0 | \$743 |

Goal #2: Establish Orem as the employment hub of Utah County

| Class A Office Space | Total Square Feet | Average Absorption 2001-2012 |
|-----------------------------|--------------------------|---|
| Orem | 706,166 | 41,597 |
| Provo | 1,754,810 | 86,119 |
| Utah North | 2,144,200 | 58,028 |
| Utah South | 80,328 | 800 |

| Class B Office Space | Total Square Feet | Average Absorption 2001-2012 |
|-----------------------------|--------------------------|---|
| Orem | 1,204,246 | 10,078 |
| Provo | 1,608,754 | 23,397 |
| Utah North | 1,227,377 | 125,145 |
| Utah South | 162,121 | 5,439 |

University Place



Capitalize on investment at University Place – Orem’s “downtown”

Cluster of Class A office space at the intersection of State and University

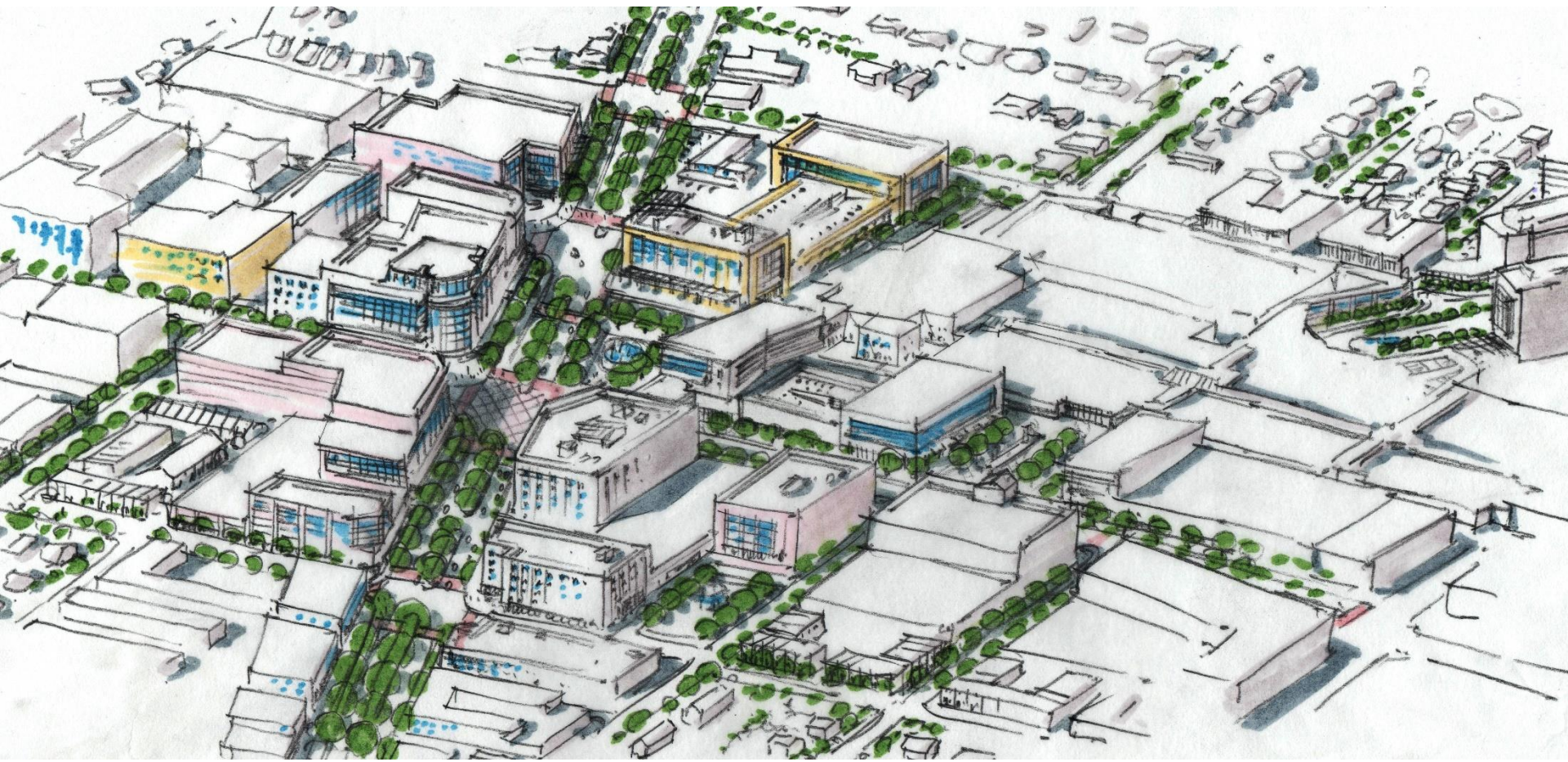
Provide transition between mid-rise office and residential areas

Bring in hotels to serve business development





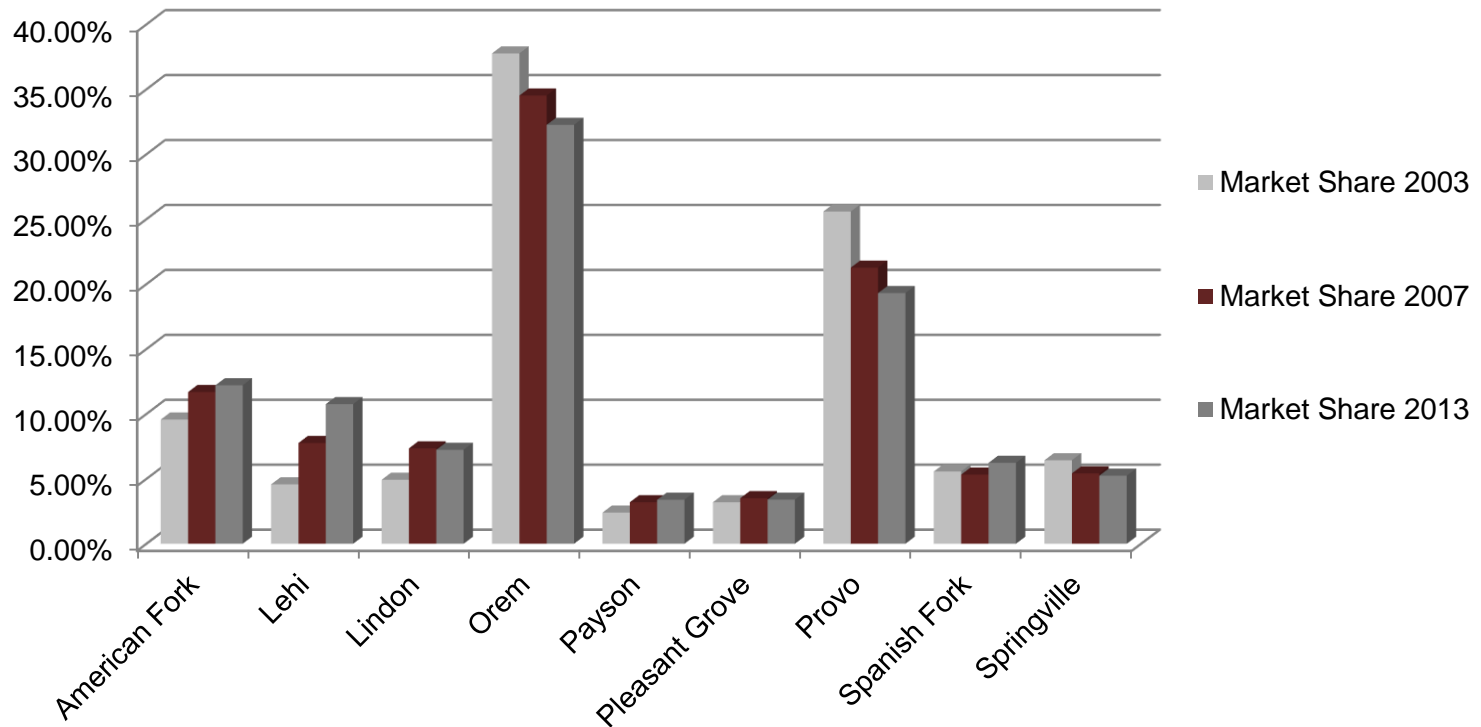
University Place

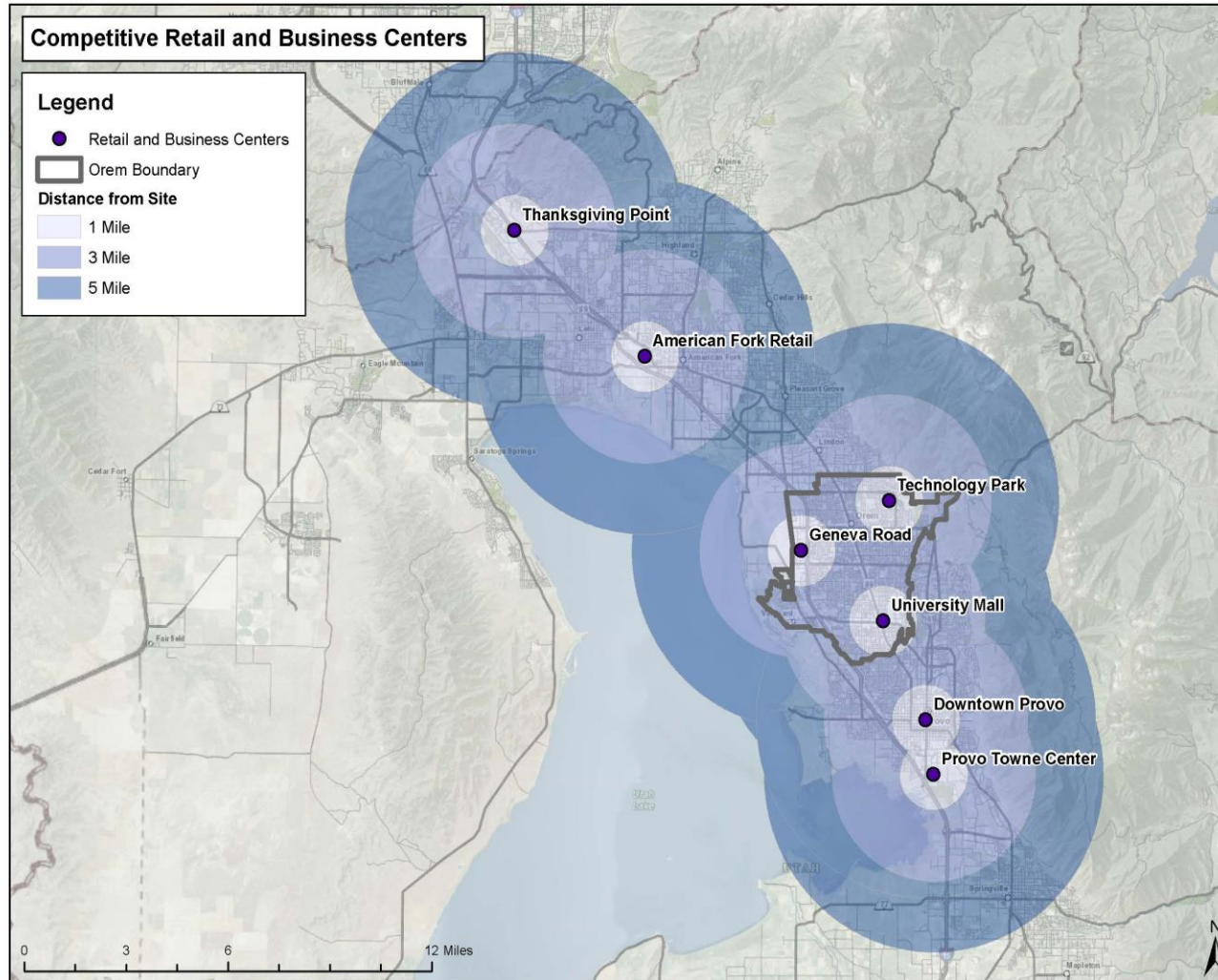


Goal #3: Maintain supremacy as the regional retail hub of Utah County

| Category | 2013 Leakage | 2013 Capture Rate |
|---|----------------------|-------------------|
| General Merchandise Stores | \$123,428,141 | 165.16% |
| Motor Vehicle and Parts Dealers | \$105,724,362 | 165.24% |
| Clothing and Clothing Accessories Stores | \$69,146,835 | 234.44% |
| Furniture and Home Furnishings Stores | \$46,365,720 | 289.01% |
| Miscellaneous Store Retailers | \$34,632,928 | 170.15% |
| Sporting Goods, Hobby, Book, and Music Stores | \$34,487,643 | 210.33% |
| Electronics and Appliance Stores | \$29,058,628 | 211.20% |
| Food and Beverage Stores | \$23,709,935 | 119.55% |
| Food Services and Drinking Places | \$22,618,204 | 119.27% |
| Building Material and Garden Equipment and Supplies Dealers | \$12,573,804 | 117.66% |
| Repair and Maintenance | \$9,204,849 | 128.39% |
| Health and Personal Care Stores | \$1,982,276 | 114.01% |
| Nonstore Retailers | \$477,230 | 102.87% |
| Museums, Historical Sites, and Similar Institutions | -\$821,440 | 6.34% |
| Amusement, Gambling, and Recreation Industries | -\$2,734,797 | 77.98% |
| Performing Arts, Spectator Sports, and Related Industries | -\$3,522,080 | 2.03% |
| Personal and Laundry Services | -\$4,171,128 | 58.20% |
| Gasoline Stations | -\$6,706,634 | 77.77% |
| Accommodation | -\$29,813,411 | 28.62% |
| TOTAL | \$465,641,067 | 146.28% |

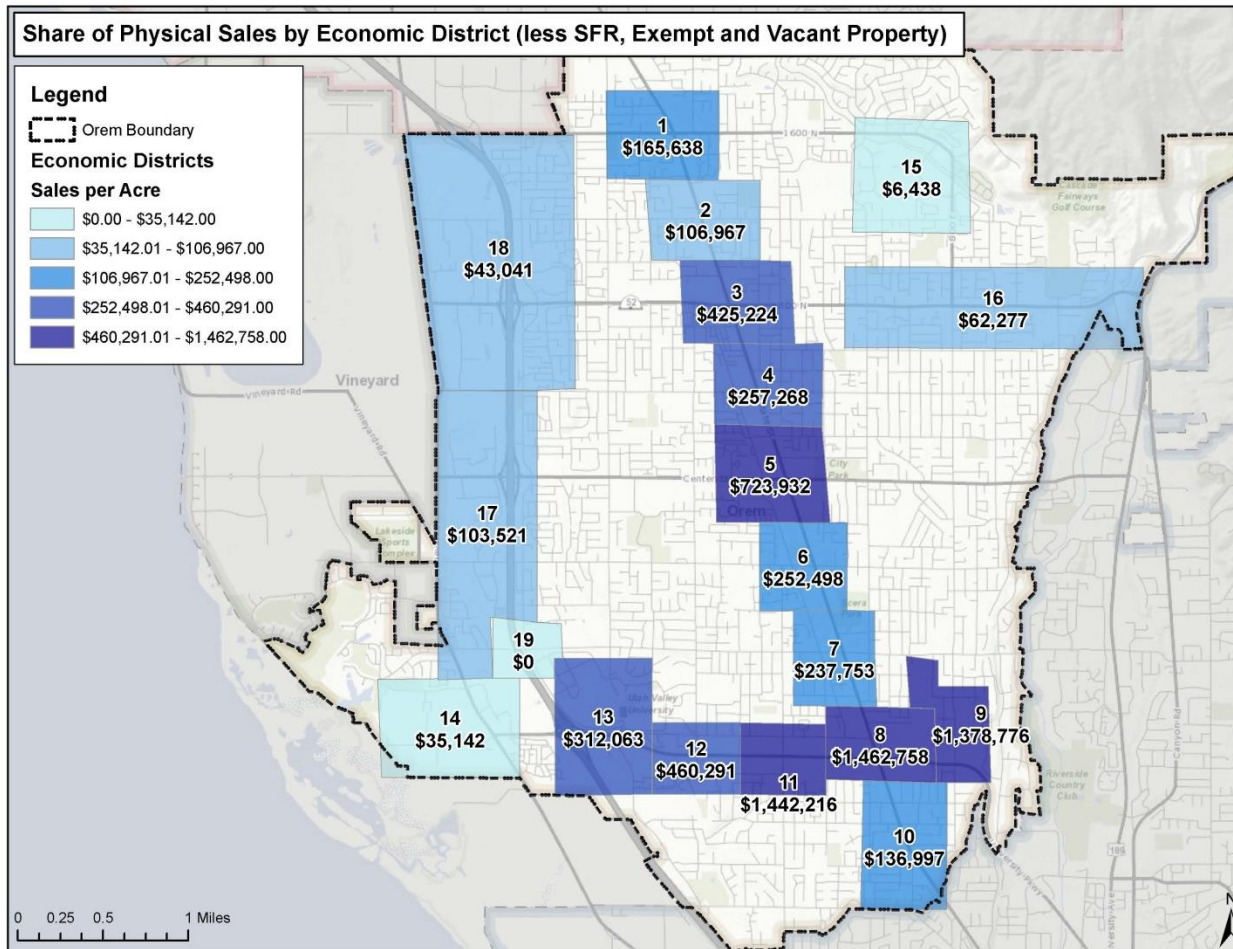
Historical Market Share, Utah County





| | Population | | | |
|-----------------------------|------------|---------|---------|---------|
| | 2015 | 2020 | 2030 | 2040 |
| Thanksgiving Point | | | | |
| 1 Mile | 7,793 | 9,063 | 10,976 | 12,763 |
| 3 Miles | 37,944 | 46,071 | 65,874 | 85,448 |
| 5 Miles | 100,839 | 119,240 | 157,390 | 194,218 |
| American Fork Retail | | | | |
| 1 Mile | 8,498 | 9,485 | 10,565 | 11,464 |
| 3 Miles | 69,039 | 75,719 | 84,875 | 91,662 |
| 5 Miles | 140,396 | 153,906 | 176,521 | 195,166 |
| Technology Park | | | | |
| 1 Mile | 14,848 | 14,926 | 14,853 | 14,804 |
| 3 Miles | 93,239 | 95,378 | 98,689 | 99,831 |
| 5 Miles | 176,877 | 183,927 | 197,305 | 208,395 |
| Geneva Road | | | | |
| 1 Mile | 10,377 | 10,800 | 11,648 | 12,472 |
| 3 Miles | 89,869 | 94,253 | 104,929 | 113,834 |
| 5 Miles | 185,312 | 194,189 | 210,490 | 223,283 |
| University Mall | | | | |
| 1 Mile | 19,032 | 19,199 | 19,413 | 19,658 |
| 3 Miles | 154,297 | 157,937 | 164,416 | 167,940 |
| 5 Miles | 227,652 | 235,460 | 254,457 | 267,043 |
| Downtown Provo | | | | |
| 1 Mile | 33,703 | 33,717 | 33,826 | 33,756 |
| 3 Miles | 116,006 | 118,173 | 124,813 | 128,092 |
| 5 Miles | 174,898 | 180,755 | 195,751 | 204,421 |
| Provo Towne Center | | | | |
| 1 Mile | 3,672 | 3,809 | 4,398 | 4,499 |
| 3 Miles | 76,888 | 78,765 | 85,895 | 89,303 |
| 5 Miles | 154,737 | 162,375 | 179,793 | 188,850 |

| Employment | 2015 | 2020 | 2030 | 2040 |
|-----------------------------|---------|---------|---------|---------|
| Thanksgiving Point | | | | |
| 1 Mile | 6,470 | 8,443 | 10,871 | 12,618 |
| 3 Miles | 14,182 | 20,515 | 30,642 | 39,595 |
| 5 Miles | 38,824 | 51,516 | 74,240 | 95,515 |
| American Fork Retail | | | | |
| 1 Mile | 9,114 | 10,245 | 11,481 | 12,672 |
| 3 Miles | 34,980 | 38,237 | 42,463 | 46,637 |
| 5 Miles | 62,236 | 72,907 | 88,040 | 101,714 |
| Technology Park | | | | |
| 1 Mile | 8,763 | 8,896 | 9,071 | 9,301 |
| 3 Miles | 52,557 | 54,904 | 58,426 | 60,694 |
| 5 Miles | 120,451 | 128,195 | 140,740 | 150,419 |
| Geneva Road | | | | |
| 1 Mile | 8,963 | 9,706 | 12,073 | 13,762 |
| 3 Miles | 70,139 | 75,349 | 84,116 | 89,683 |
| 5 Miles | 128,073 | 136,971 | 151,148 | 162,394 |
| University Mall | | | | |
| 1 Mile | 21,835 | 22,333 | 22,934 | 23,465 |
| 3 Miles | 109,212 | 111,947 | 115,521 | 118,837 |
| 5 Miles | 161,955 | 168,934 | 180,867 | 190,565 |
| Downtown Provo | | | | |
| 1 Mile | 25,023 | 25,643 | 26,649 | 28,031 |
| 3 Miles | 84,099 | 87,186 | 93,061 | 98,709 |
| 5 Miles | 131,374 | 137,500 | 149,477 | 162,325 |
| Provo Towne Center | | | | |
| 1 Mile | 14,467 | 15,834 | 17,991 | 19,990 |
| 3 Miles | 69,976 | 73,639 | 81,629 | 90,419 |
| 5 Miles | 116,589 | 122,505 | 134,133 | 147,708 |



#4– Improve the visual and physical appearance of State Street; develop and strengthen key economic nodes along State Street



Provide better connections between State Street and Orem Blvd.

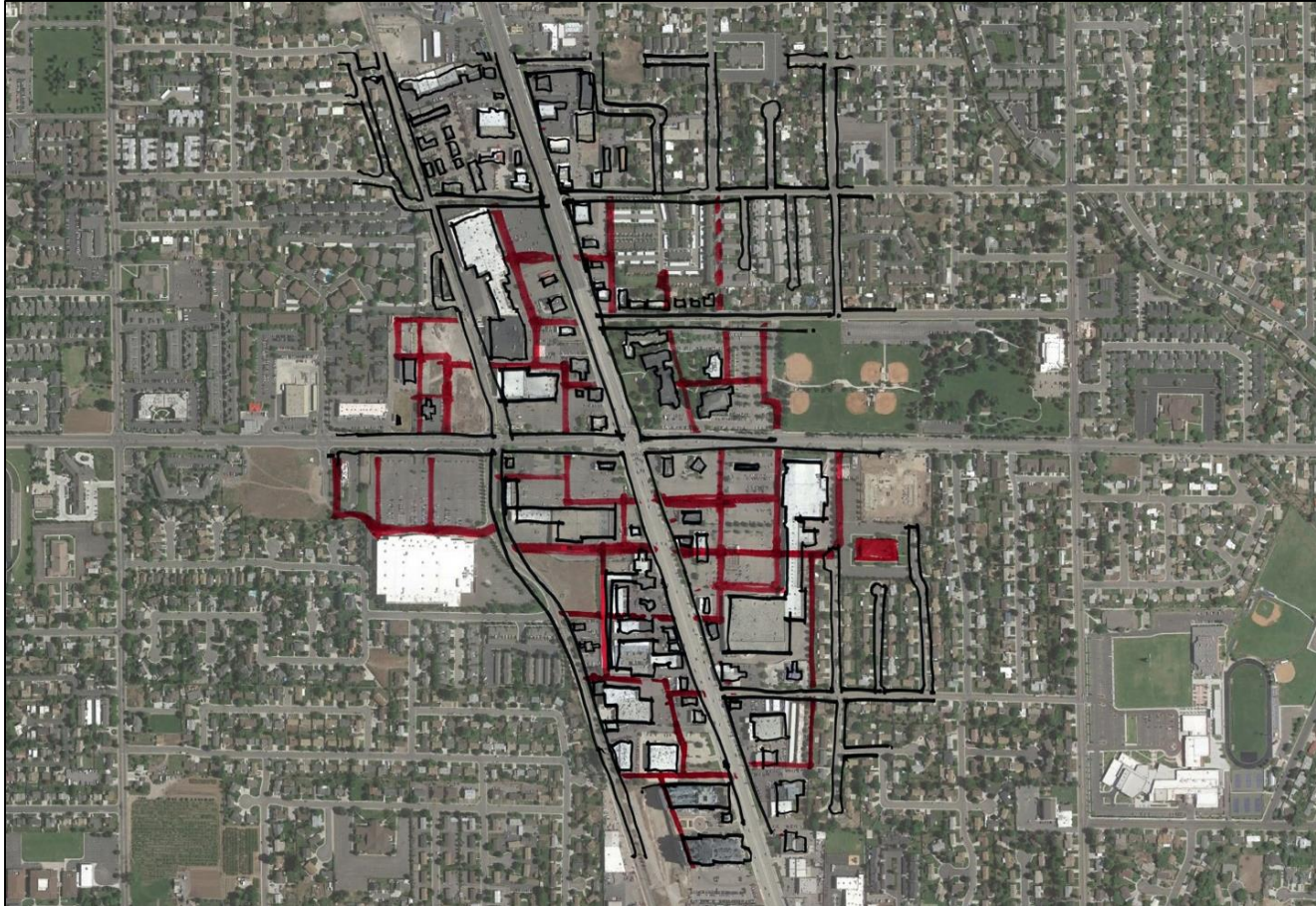
Long Term: Future expansion of the City Hall.

Use Form-based-code to transform 3-4 blocks of Center Street into Orem's "Main Street". Development along Center would include residential and first floor retail.

Retrofit existing shopping centers to have a more urban street frontage while maintaining big box retail.

Transform Orem Boulevard into a pedestrian and bike-friendly corridor lined with residential and neighborhood-serving commercial uses.



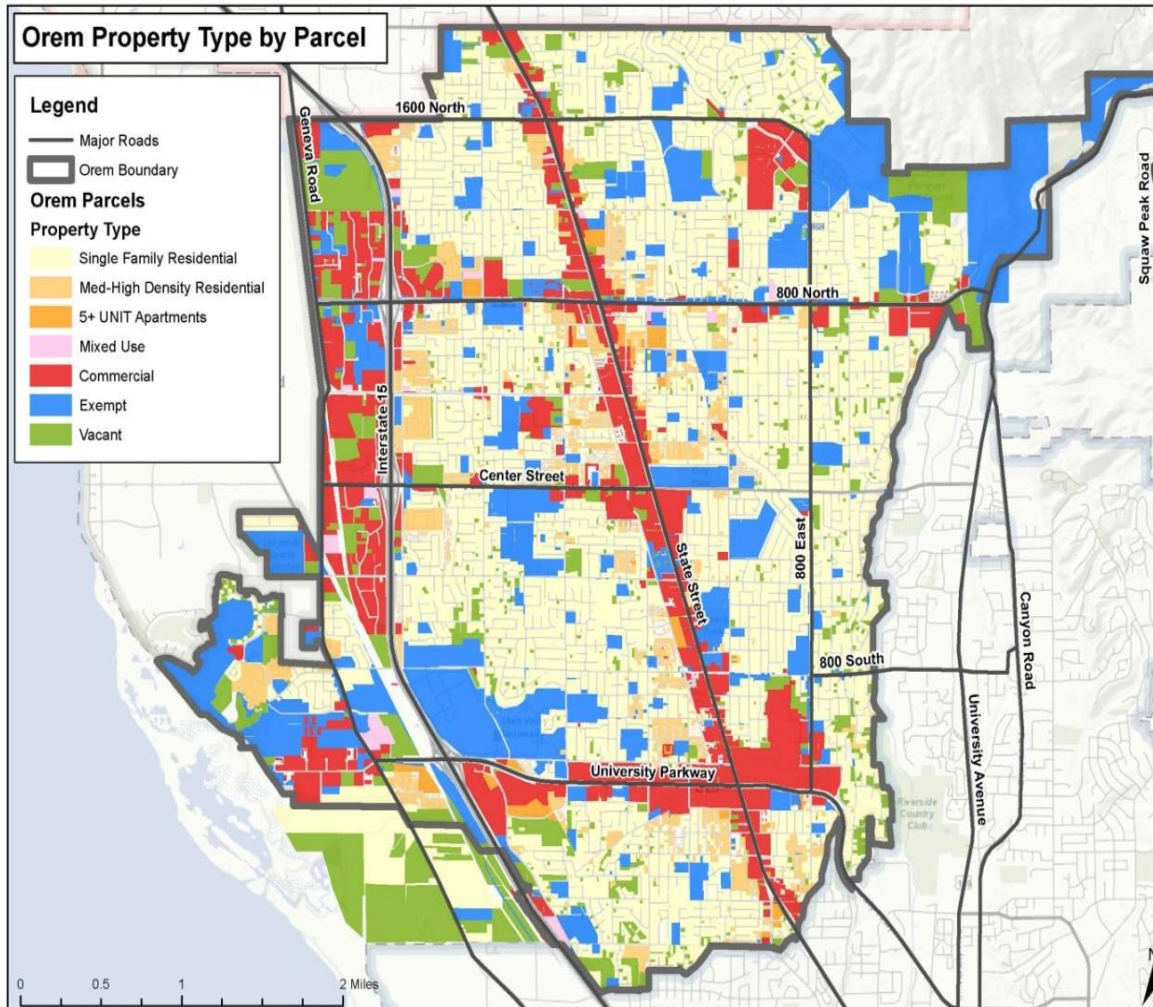


Add new streets



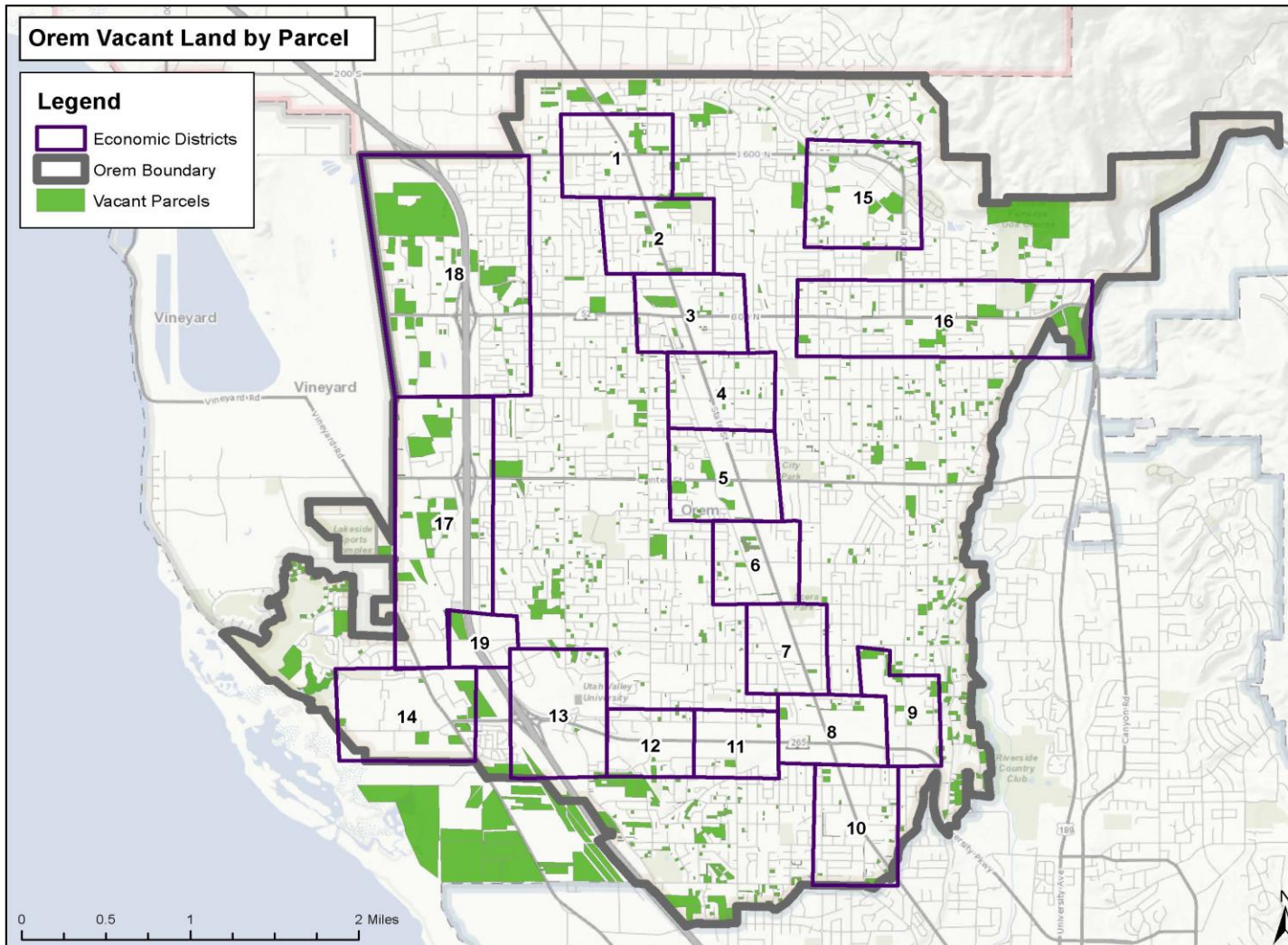
Add infill development





#5 – Redevelop Geneva Road – the “Wedge”

Vacant Land



Little vacant land; mainly in this and SW annexation areas

@ Geneva in Vineyard



Come to Live!



Come to Work!



Come to Build!



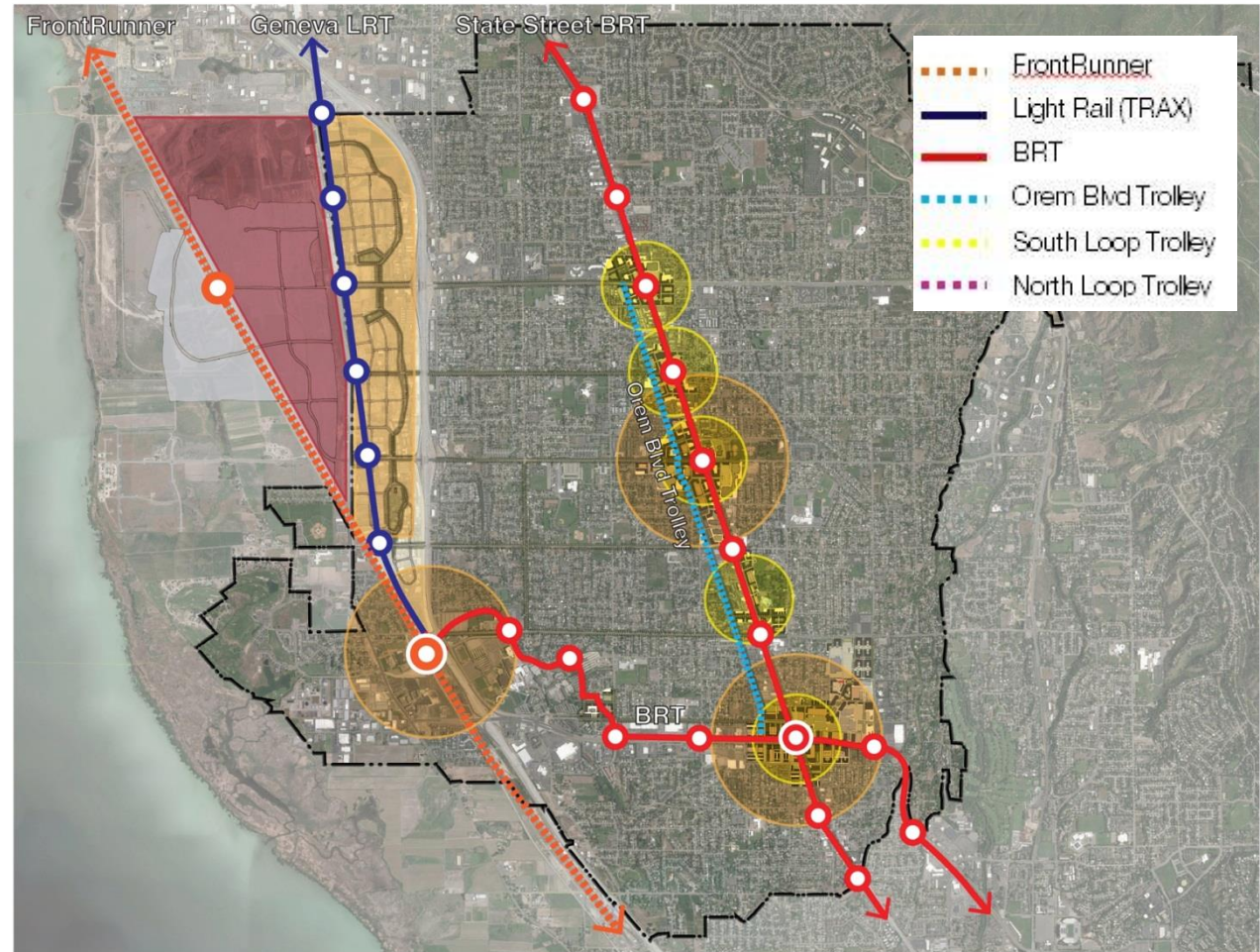
Come to Shop!

Transit Options

DPZ

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PUBLIC FINANCE

- Current discussions with Vineyard, MAG, and UTA to align light rail through “@ Geneva” Development
 - Veers West from Geneva Road at 1600 N to parallel FrontRunner southward to 400 North
 - Avoids much of Orem, doesn’t benefit the Wedge
- Near-term: City should influence alignment close to Geneva Road, BRT on University Pkwy and State



“The Wedge”

An underdeveloped area with potential for future redevelopment

Potential “high visibility” Class ‘A’ office sites along I-15.

Incubator sites within the interior of the Wedge

Must be planned for the future





“The Wedge”

Anchor the west end of Center Street with a civic building and green

Possibly a new park to incentivize development

| Industrial | Absorption 2004-2012 | Average Absorption per Year |
|-------------------|---------------------------------|--|
| Orem | 3,321,032 | 415,129 |
| Provo | 2,393,535 | 299,192 |
| Utah County North | 6,127,468 | 765,934 |
| Utah County South | 5,573,244 | 696,656 |
| Totals | 17,415,279 | 2,176,910 |

Orem: average absorption of 27 acres per year

Utah County: average absorption of 143 acres per year

#6 – Increase connectivity with Utah Valley University

UVU – “Wolverine Hill”

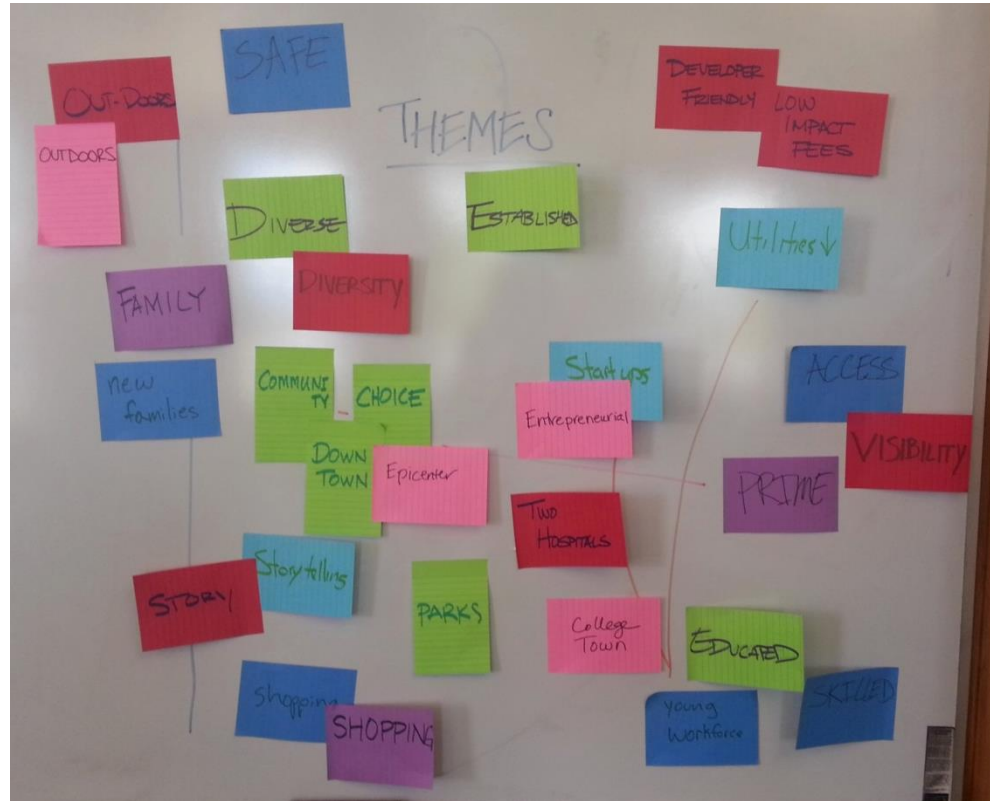


Create a student village with a mixture of housing, retail and recreation amenities



#7 – Develop a new, progressive and sophisticated image for Orem

For the City of Orem's economic development audience, Orem provides great value through a low cost of doing business and a quality workforce. Orem is the epicenter of Utah County, where start-up companies, established businesses and developers prosper.



#8 – Encourage cultural arts activities



Potential for senior housing close to amenities

Enhanced Park gateway and “parking plaza” – can double as farmer’s market

Enhance edges of park to better integrate with surroundings

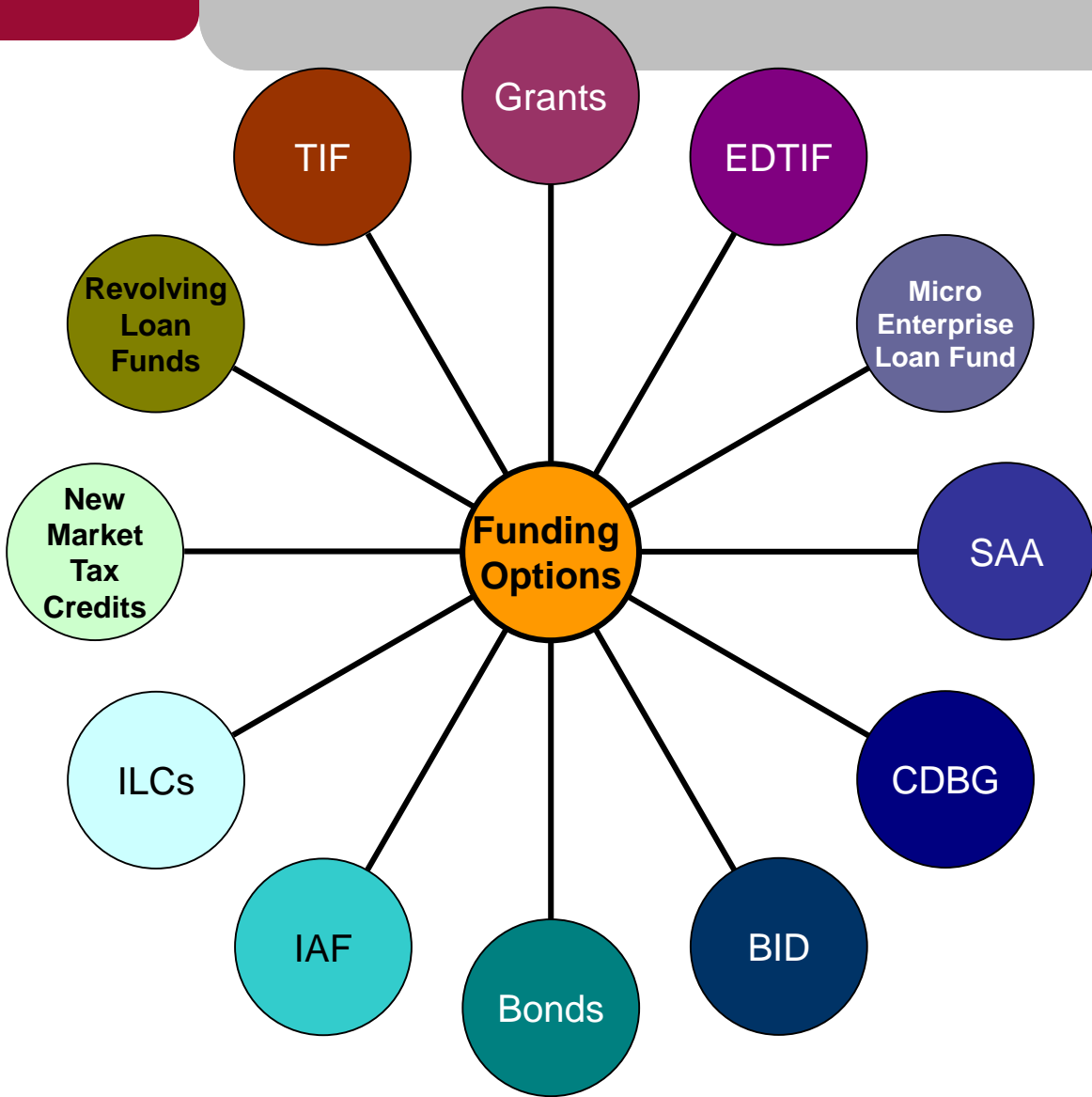
Arts village clustered around the Arts Center

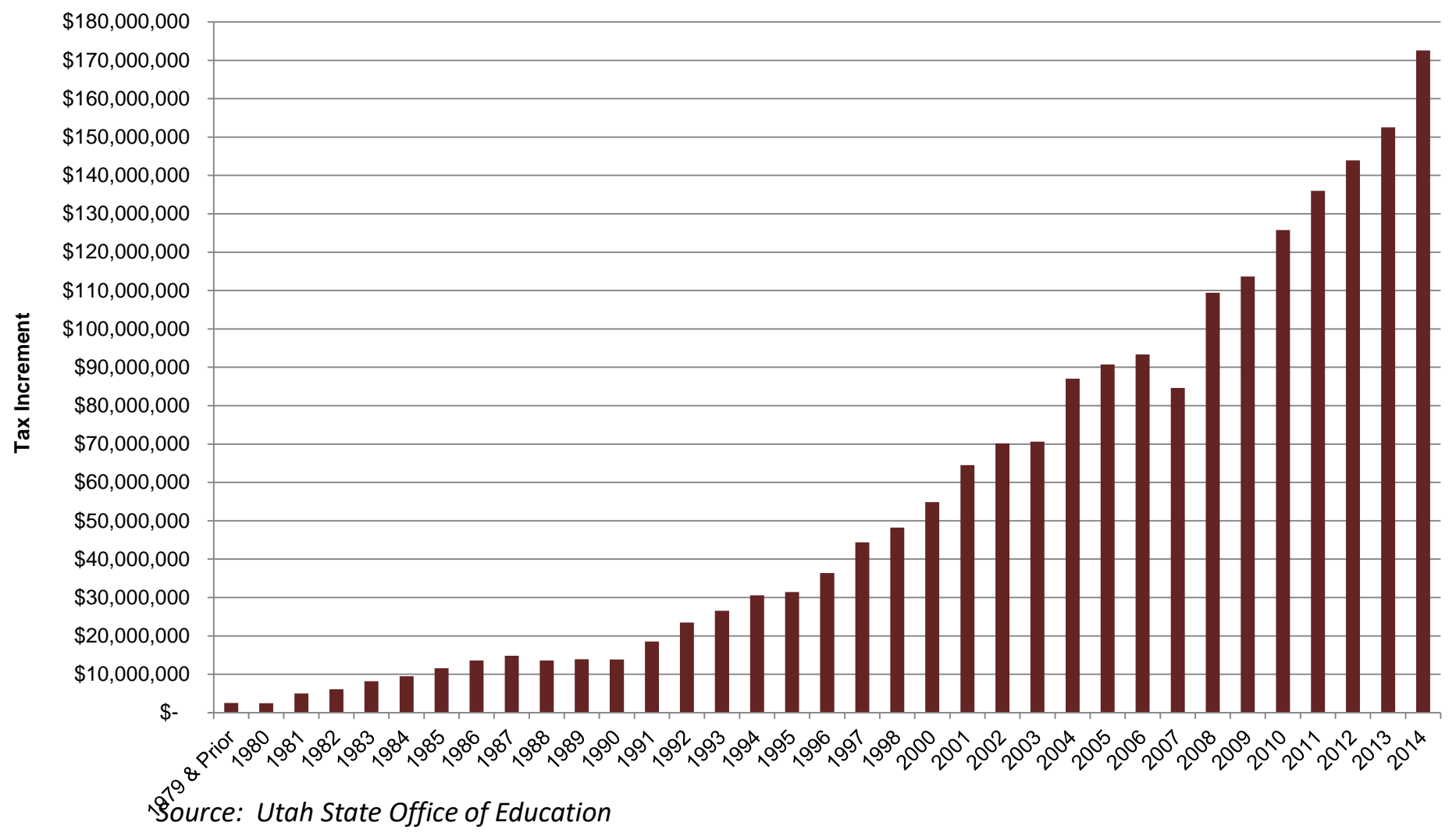
Connect park and Arts Center with Orem Boulevard

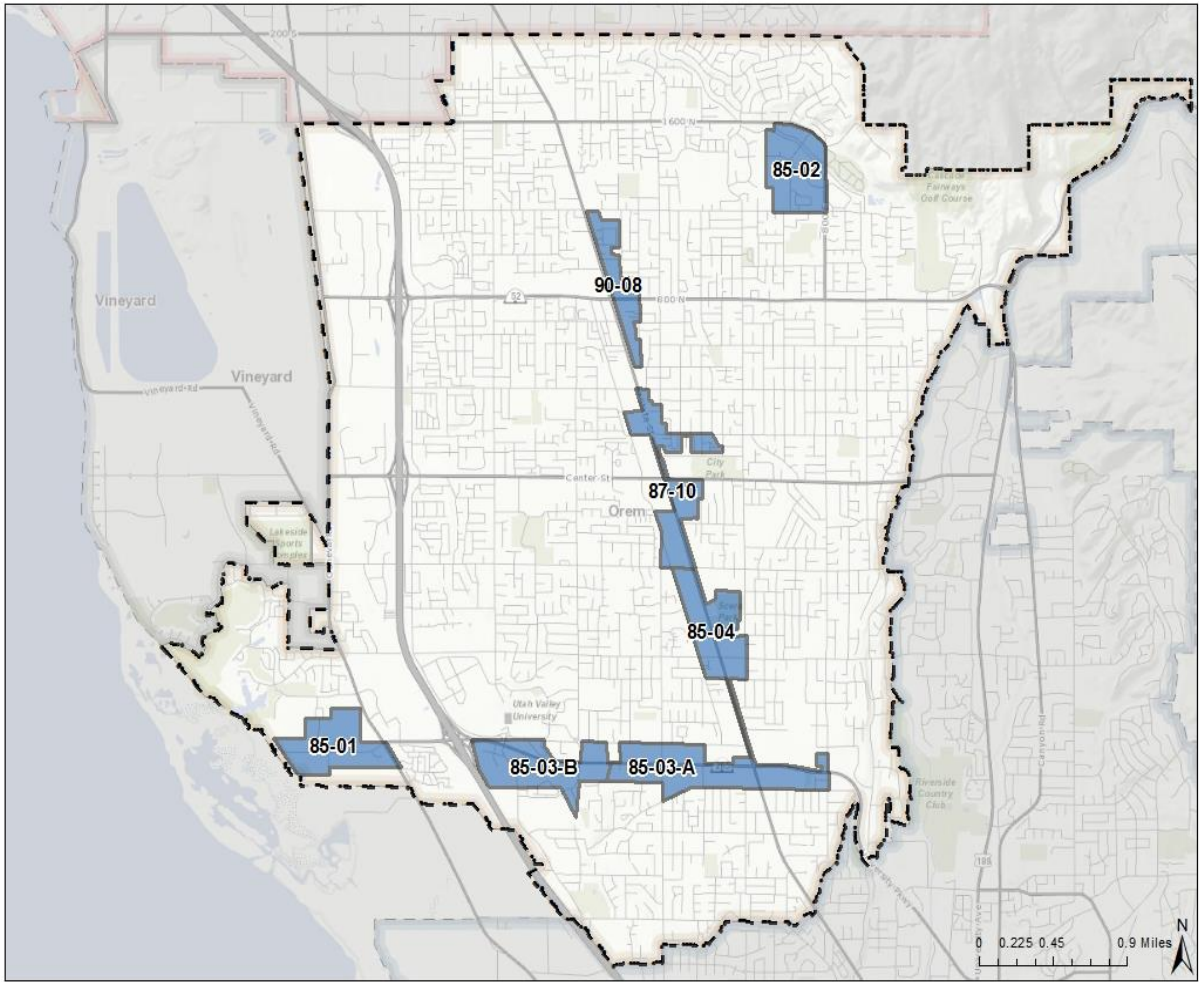
Thoughts on Implementation

Top 10 Business Decision Factors – EDC Utah

1. Labor costs
2. State and local incentives
3. Highway accessibility
4. Availability of skilled labor
5. Energy availability and costs
6. Proximity to major market
7. Tax exemptions
8. Occupancy/construction costs
9. Corporate tax rate
10. Availability of buildings







| RDA # | RDA Location | Year Regular Increment Expires | Amount of Unappropriated Regular Increment | Haircut Year Expiration |
|--------|---|--------------------------------------|--|-------------------------------|
| 85-01 | Orem Business Park | 2014 | \$260,000 | 2021 |
| 85-02 | Timp Research & Tech Park | 2013 | \$1,100,000 | 2020 |
| 85-03A | University Mall | 2013 | \$1,170,000 | 2020 |
| 85-03B | Golden Mile | 2013 | \$3,260,000 | 2020 |
| 85-04 | State St & 800 S | 2013 | \$402,000 | 2020 |
| 87-10 | State St & Center; Midtown Village; City Center | 2014 | \$0 | 2021 |
| 90-08 | State St & 800 N | 2020 | \$78,000 | 2023 |

THANK YOU!



**THANK YOU for the
privilege of
working with Orem
City!**

