

**NORTH PARK  
COMMUNITY DEVELOPMENT  
PROJECT AREA**

**Draft Project Area Plan**

January 18, 2007

Spanish Fork City Redevelopment Agency  
40 South Main Street  
Spanish Fork, Utah 84660

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## **Introduction**

The Spanish Fork City Redevelopment Agency (the “Agency”), following thorough consideration of the needs and desires of Spanish Fork City (the “City”) and its residents, as well as the City’s need and capacity for new development, has carefully crafted this North Park Community Development Project Area Plan (the “Plan”) for the North Park Community Development Project (the “Project”). This Plan is the end result of considerable discussion and negotiation with two well-established and respected Utah real estate development companies, Westfield Properties, Inc. and Woodbury Corporation. For purposes of undertaking the development of the Project, Westfield Properties, Inc. and Woodbury Corporation and/or affiliates of each have created TENEDOR L.L.C., a Utah Limited Liability Company (the “Developer”). In accordance with the terms of this Plan, the Developer intends to relocate and improve North Park and develop a 36-acre commercial retail shopping center within the North Park Community Development Project Area (the “Project Area”). It is the purpose of this Plan to clearly set forth the aims and objectives of this development, its scope, its mechanism, and its value to the residents of Spanish Fork City.

The Project is undertaken as a community development project pursuant to the provisions of Chapters 1 and 4 of the Utah Community Development and Renewal Agencies Act, Title 17C of the Utah Code Annotated 1953, as amended (the “Act”). The requirements of the Act, including notice and hearing obligations, have been scrupulously observed at all times throughout the establishment of the Project and the Project Area.

## **Section 1 Description of the Project Area**

The North Park Community Development Project Area lies entirely within the boundaries of Spanish Fork City and is bounded generally on the west by the west right-of-way line of 200 East north of 1000 North, on the south by the south right-of-way line of 1000 North west of 600 East, then again on the west by the west right-of-way line of 600 East north of approximately 850 North, then again on the south along the back lot lines (at approximately 850 North) of the residential properties located to the south of the property currently owned by IHC, continuing easterly across 700 East and then along the northern lot lines of parcels 71270003 and 71270004 located east of 700 East on 800 North, then on the west along the eastern boundary of parcel 71270004 to the northwest corner of parcel 71270001 (also located on 800 North), then on the south along the northern border of parcel 71270001 to such parcel’s northeast corner, then on the west along the eastern border of parcel 71270001 to 800 North, then again on the south by 800 North to U.S. Highway 6, then on the northeast by U.S. Highway 6 to the Interstate Highway 15 interchange with U.S. Highway 6 on the north, past 200 East approximately 200 feet, then east approximately 185 feet to the west right-of-way of 200 East. The Project Area is more specifically described as follows:

BEGINNING AT A POINT WHICH IS LOCATED EAST 954.64 FEET AND NORTH 1336.25 FEET FROM WEST QUARTER CORNER OF SECTION 18, TOWNSHIP 8 SOUTH, RANGE 3 EAST, SALT LAKE BASE AND

MERIDIAN; THENCE ALONG THE FOLLOWING COURSES AND DISTANCES:

THENCE 1291.50 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, RADIUS 800 FEET, CHORD BEARING S88°45'59"E 1104.86 FEET;

S44°33'24"E	2816.41'
S52°11'23"W	141.18'
N89°59'58"W	329.86'
NORTH	89.50'
N89°59'58"W	99.00'
NORTH	112.00'
N89°59'58"W	103.87'
N88°40'57"W	65.26'
N89°51'20"W	198.87'
N89°59'58"W	61.62'
NORTH	2.50'
N89°59'58"W	199.37'
NORTH	199.50'
N05°20'18"E	53.73'
N00°33'20"E	411.36'
N89°44'41"W	934.08'
N89°20'39"W	299.34'

THENCE 93.67 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, RADIUS 550 FEET, CHORD BEARING N84°27'54"W 93.56 FEET;

N79°35'10"W	130.30'
N84°52'28"W	55.97'
N89°36'42"W	265.93'
N17°35'45"E	57.41'

THENCE 171.54 FEET ALONG THE ARC OF A CURVE TO THE LEFT, RADIUS 575 FEET, CHORD BEARING N09°02'58"E 170.90 FEET;

N00°30'11"E	505.71'
N16°15'32"E	9.37'
N00°14'48"E	376.50'
N03°53'59"E	88.20'
S89°12'32"W	202.85'

TO THE POINT OF BEGINNING

Containing approximately 59.28 acres.<sup>1</sup>

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<sup>1</sup> The legal description given here is subject to an actual survey on the ground to verify dimensions and location of existing property lines of record and use. Inclusion of land within the Project Area does not preclude, foreclose, supersede, or otherwise affect existing restrictions or servitudes (easements, rights-of-way, and the like) of record and use.

As delineated in the office of the Utah County Recorder, the Project Area encompasses the following parcels:

71270005	71270007	410890500	270150009	270150020
270150021	270150022	270150023	270150024	270150027
270150037	270150040	270150051	270150055	270150068
270150069	270170034	270170073	410890001	410890002
410890003	410890004	410890005	410890006	410890007
410890008	410890009	410890010	410890011	410890012

A map of the portion of the Project Area to be initially developed by the Developer (the “Project Area Map”) is attached hereto as Appendix A and incorporated herein by this reference. A map of the entire Project Area which includes the zoning for the area is attached hereto as Appendix B (the “Land Use Map”).

## **Section 2 Affect of Community Development on the Character of the Project Area**

### **A. Land Uses in the Project Area**

At present, land use within the Project Area is approximately 50% agriculture or undeveloped, 30% park, 15% residential and 5% commercial. While the entire Project Area is bordered by paved roads, it is only accessible via 200 East or 1000 North. Under this Plan, North Park will be reconfigured and relocated south of the U.S. Highway 6 and Interstate Highway 15 Interchange and north of the retail shopping center proposed to be constructed. Buildings and other structures presently existing within the portion of the Project Area to be initially developed by the Developer, including 2 single family residences, 10 duplexes, 16 mobile homes and 2 commercial structures, will be demolished, removed or relocated by the Developer as part of the proposed development.

The City recently approved an application to amend the Spanish Fork City Zoning Map to assign C-2 General Commercial zoning to two areas within the Project Area which previously had been zoned for park and residential uses. Accordingly, the portion of the Project Area to be developed initially by the Developer is now completely zoned for commercial use which is consistent with the City’s General Plan which designates the Project Area as General Commercial. A small area within the Project Area is still zoned residential and may need to be rezoned in the future. This residential area is located in the southeast section of the Project Area and is not part of the initial phase of the development of the Project Area. The development presently proposed by the Developer hereunder focuses primarily on the relocation of North Park and the construction of up to two big-box anchor retail stores, three to four mid-box retail stores, in-line retail space and retail pads along the frontage roads bordering the Project Area. The contemplated

land uses set forth herein are depicted on the Project Area Map. All uses will be compatible with the City's General Plan and the goals and objectives of this Plan.

B. Layout of Principal Streets in the Project Area

The layout of the principal streets within the Project Area is shown on the Project Area Map. As is evident from a comparison of the Project Area Map and the Land Use Map, the streets within the Project Area will be slightly reconfigured so that 560 East will be absorbed into the shopping center and 400 East may be extended north to connect 1000 North to the relocated North Park. The Agency does not expect that development in the Project Area will otherwise eliminate or alter any of the existing streets except by possible improvement. Such improvements may include intersection improvements and the widening of 1000 North and 200 East, and possibly shortening 200 East, to enhance traffic flow and increase the carrying capacity of those streets.

C. Population Densities in the Project Area

Presently, there are a total of 38 dwelling units within the Project Area. With an average household size of 3.59 persons, the population of the Project Area is 136. Accordingly, the population density within the Project Area is currently 2.27 persons per acre.

D. Building Intensities in the Project Area

There are presently within the portion of the Project Area to be initially developed by the Developer the following buildings and structures: a dilapidated barn, an old business building, 16 mobile homes, 2 single family residences, 10 residential duplexes, a park pavilion and a public restroom. All of these buildings and structures will be demolished, removed or relocated in connection with the development proposed in accordance with this Plan. In their place, the Developers will construct approximately 16 commercial retail buildings of varying size consisting of a total of almost 420,000 square feet of space. This change in the building intensities within the Project Area will result in utilizing the land therein for its highest and best use as a commercial retail shopping center while still providing residents of the City with open space and recreational facilities in the form of the relocated and reconfigured North Park.

## **Section 3 Standards That Will Guide Community Development**

### **A. Development Objectives**

As noted above, the development contemplated within the Project Area consists of the relocation of North Park and the construction of a commercial retail shopping center consisting of up to two big-box anchor retail stores, three to four mid-box retail stores, in-line retail space and retail pads along the frontage roads bordering the Project Area. While all the infrastructure for the Project Area is readily available, extensions will be required for (1) a culinary water line loop for general water service and fire protection, (2) sewer mains to provide sanitary sewer service, (3) storm drain piping and facilities to handle storm water run-off, and (4) electrical distribution lines to provide power. In addition, development of the Project Area may require certain street improvements including the possible extension of 400 East north of 1000 North into the Project Area to provide access to North Park, the possible shortening and widening of 200 East north of 1000 North and the possible need to widen the north side of 1000 North from 200 East to U.S. Highway 6, all street improvements to include new curbs and sidewalks. The installation of new sidewalk is also contemplated along 600 East from approximately 850 North to 1000 North.

### **B. Design Objectives**

Development within the Project Area will be held to the highest quality design and construction standards and will be subject to (1) appropriate elements of the City's General Plan; (2) the land use code of the City; (3) other applicable building codes and ordinances of the City; (4) Planning Commission review and recommendation; (5) and Agency review to ensure consistency with this Plan.

All development will be accompanied by site plans, development data, and other appropriate material clearly describing the development, including land coverage, setbacks, heights, off-street parking to be provided, and any other data determined to be necessary or requested by the City or the Agency.

The proposed design for the Project Area provides for an attractive shopping center environment, maintains an optimum amount of open space in the form of the relocated North Park in addition to well-landscaped areas along the perimeter of the Project Area, offers sufficient off-street parking, and complies with the provisions of this Plan and the City's General Plan. The result will be to transform the Project Area to its highest and best use given its location, exposure and accessibility from a high traffic volume freeway and highway.

C. Specific Design Objectives

1. Overall Design:

The contemplated development shall be of a design and materials in harmony with the adjoining area and subject to design review and approval by the Agency and/or the City pursuant to a development agreement with the Developer specifically addressing these points.

Coordinated and attractive landscaping shall also be provided. A design theme shall apply throughout the entire Project Area, incorporating landscaped treatment for open space, roads, paths/trails, sidewalks and parking areas.

Primary landscape treatment shall consist of shrubs, ground cover, and shade trees as appropriate for the character of the Project Area. Materials and design paving, retaining walls, fences, curbs, benches, and other items shall have an attractive appearance, be easily maintained, and indicative of their purpose.

Parking areas shall be designed with careful regard to orderly arrangement, topography, relationship to view, ease of access, and as an integral part of the overall site design. The reconfigured North Park is also designed with a number of parking stalls to accommodate Park participants. No multi-story parking facility is contemplated in the development of the Project Area.

2. Infrastructure Improvements:

a. Public rights-of-way. All streets, sidewalks and walkways within public rights-of-way will be designed or approved by the City and will be consistent with all design objectives.

b. Street lighting and signs. Lighting and sign standards shall be provided as necessary and approved by the City.

D. Approvals:

The Agency shall have the right to approve the design and construction documents of all development with the Project Area to ensure that development within the Project Area is consistent with this Plan. The City shall notify the Agency of all requests for (1) zoning changes; (2) design approval; (3) site plan approval; and (4) building permits within the Project Area. Development within the Project Area shall be implemented as approved by the Agency and the City.

## **Section 4 The Purposes of State Law Will Be Attained by the Community Development Contemplated by the Plan**

It is the intent of the Agency, with assistance from the City and in participation with the Developer, to accomplish the planned relocation and improvement of North Park and the development of a much needed retail shopping center within the Project Area. This Plan includes the construction of new facilities, the extension and efficient use of already existing utility infrastructure and the appropriate use of incentives permitted under the Act. The result will be a development that will not only strengthen the community's tax base and create new jobs but will provide improved park facilities and an attractive entrance to Spanish Fork City.

## **Section 5 The Plan is Consistent With the City's General Plan**

This Plan and the development contemplated hereby conform to the City's General Plan in the following respects. First, the retail commercial shopping center proposed under this Plan is consistent with the General Plan's designation of the Project Area as General Commercial. Second, the development is consistent with the City's long term goals of increasing commercial development within the City. Third, the proposed development of the Project Area creates a natural commercial link between Main Street and U.S. Highway 6 which furthers the objectives of the General Plan and benefits the entire area.

### **A. Zoning Ordinances**

As noted previously, the Project Area is currently zoned for commercial and residential uses. The portion of the Project Area to be developed initially by the Developer, however, is zoned C-2 General Commercial which is consistent with the City's General Plan. If the zoning of the remainder of the Project Area needs to be changed to allow for future development, any such zoning change request will be undertaken in accordance with all applicable laws and will be submitted to the City for its consideration and final approval.

### **B. Building Codes**

Construction within the Project Area shall comply with the standards set forth in the General Plan of the City and with the applicable building codes. All building permits for construction will be issued by the City in order to assure that new development or redevelopment is consistent with site plan review.

### **C. Planning Commission**

The Planning Commission will review any future proposals to amend the City's Zoning Map and make a recommendation thereon to the City Council. If a commercial subdivision is proposed, the Planning Commission will review any such proposal and similarly make a recommendation to the City Council.

## **Section 6 Description of the Specific Projects That are the Object of the Proposed Community Development**

The contemplated Project entails the relocation and upgrade of North Park and the construction of a retail shopping center consisting of up to two big-box anchor retail stores, three to four mid-box retail stores, in-line retail space and retail pads along the frontage roads bordering the Project Area. The Agency believes that the proposed development will greatly benefit the City's residents by not only enhancing the City's property tax base and increasing sales tax revenues, but also by offering much needed retail shopping services not otherwise available in the area. The relocated and reconfigured North Park will serve the open space/recreational needs of area residents as well as create an attractive entrance to the City.

## **Section 7 Selection of Private Developers to Undertake the Community Development**

The Developer approached the Agency in connection with its desire to undertake the proposed shopping center development. The Agency in turn was favorably impressed with the concept plan presented by the Developer for the Project Area. As a result, the Developer was selected to participate in the development of the Project Area. Additional potential developers may be identified by one or more of the following processes: (1) public solicitation, (2) requests for proposals (RFP), (3) requests for bids (RFB), (4) private negotiation, or (5) some other method of identification approved by the Agency.

## **Section 8 Reasons for the Selection of the Project Area**

The City reviewed with the Developer several areas within Spanish Fork City which have commercial development potential. The Agency selected the Project Area for the development contemplated by this Plan primarily for following reasons. First, the Project Area affords an immediate opportunity to strengthen the economic base of the community, broaden the City's tax base, enhance the appearance of a major entrance to the City and provide much needed services to the area. Second, the development of the Project Area as proposed by this Plan is consistent with the City's goals of increasing commercial development within the City, and the area south of the intersection of Interstate Highway 15 and U.S. Highway 6 is conducive to such development. Third, much of the land within the Project Area is currently undeveloped or under utilized, unattractive and yet is served by utilities, making the cost of providing utility services at this location more economical than at alternate sites for commercial development within the City. The Developer also preferred the Project Area over other parcels within the City because it is located adjacent to two of the most heavily traveled roads in southern Utah County, making it ideal for a commercial retail shopping complex. The Project Area provides location, exposure and accessibility that is not available elsewhere in the City for a development of the magnitude contemplated by this Plan.

## **Section 9 Description of the Physical, Social and Economic Conditions Existing in the Area**

The Project Area consists of approximately 59 acres. Currently, there are total of 31 structures within the Project Area, consisting of 3 commercial and 28 residential buildings. Approximately one-half of the land within the Project Area, however, is either vacant, undeveloped or used for agriculture.

There are two spatially defined portions of the Project Area that could be considered “neighborhoods” or otherwise areas that have some characteristics indicative of an identifiable social group. The first includes the mobile home park located at the southwest corner of North Park and the neighborhood of permanent dwellings located east of North Park. The Developer is currently negotiating the purchase of the permanent residences, some of which are already under contract. The mobile homes are subject to leases that the landlord does not intend to renew or extend and the residents will be relocating prior to the development of the Project Area. The Developer will provide certain limited financial support to assist in the relocation of the mobile home residents to comparable replacement dwellings.

The second “neighborhood” within the Project Area is North Park itself, which serves the City as a whole. This component of the Project Area will not be eliminated as a result of the proposed development. While North Park will be relocated, reconfigured and reduced in size slightly as result of this Plan, the usable space within the new boundaries of the park will remain virtually unchanged. Accordingly, North Park, a valuable feature of the area currently within the Project Area, will be retained as part of this Plan and, as relocated and reconfigured, will also provide an attractive entrance to the City.

Given its location, the land in and around the Project Area is substantially underutilized economically. In fact, the Project Area was created in part to revitalize the area and help it realize its full economic potential. The current residential and agriculture uses can be relocated to other areas within the City. The recreational uses of North Park will remain under this Plan, but at a new and improved location. And once the shopping center is constructed, the Project Area will provide for the shopping needs of area residents, enhance the property and sales tax base of the City, create jobs and generally allow the property to be utilized for its highest and best use.

## **Section 10 Tax Incentives Offered to Private Entities for Development within the Project Area**

The Agency intends to use the City's portion of the property tax and/or general sales tax increment within the Project Area to pay part of the costs associated with development of the Project Area. Those tax revenues may be used to purchase and relocate North Park, and pay for public infrastructure improvements, Agency-requested improvements and upgrades, land incentives, desirable Project Area improvements, and other items as approved by the Agency. The Agency may enter into interlocal agreements with the appropriate taxing entities to secure receipt of those tax revenues. Subject to the provisions of the Act, the Agency may agree to pay for eligible development costs and other items from such tax revenues for any period of time the Agency may deem appropriate under the circumstances. The Developer will be reimbursed for certain development costs from those tax revenues pursuant to an agreement to be negotiated between the Agency and/or the City and the Developer. The issuance of bonds or some other form of borrowing secured by and payable solely from Project Area tax increment is also contemplated in connection with the proposed development.

## **Section 11 Analysis of the Anticipated Public Benefit to be Derived from the Community Development**

The public will realize significant benefits from the development of the Project Area as proposed by this Plan. The primary objective of the Agency and the City in developing the Project Area is the realization of increased economic activity. The development proposed by the Developer will include approximately 36 acres of commercial use as compared to 3 acres of commercial use currently.

In order to encourage new development and the location of new businesses in Spanish Fork City, the City and the Agency created the Project Area. The City and the Agency also saw the development of the Project Area as an opportunity to attract other quality commercial developments to the area surrounding the Project Area.

The parcels of land within the Project Area to be developed as proposed by the Developer are presently underutilized. Current uses have not and cannot be expected to provide the property and sales tax revenue that the development proposed for the Project Area will provide. Development of the Project Area as contemplated herein will result in increased property tax revenue from higher land values and increased sales tax revenue from new retail sales occurring within the Project Area.

A. Project Description

The North Park Community Development Project will be the first community development project in Spanish Fork City. It is anticipated that development within the Project Area will consist of relocating and reconfiguring North Park and constructing a shopping center that will consist of retailers offering goods and services that are not currently available in the community.

B. Tax Base

1. Real and Personal Property Tax

Spanish Fork City's real and personal property tax rate is currently 0.001164. Real and personal property values within the Project Area are estimated to increase to a maximum of approximately \$54,000,000 as the result of the development contemplated by this Plan. Accordingly, once development of the Project Area is complete, the net adjusted average annual property tax increment is projected to be \$53,261 over the ten-year period starting in 2009.

2. Sales Tax

Net adjusted sales tax revenue projected to be paid to Spanish Fork City annually from sales generated within the Project Area is projected to total \$ 327,215 over the ten-year period beginning in 2008. Accordingly, sales tax increment of approximately this amount is expected to be available annually to pay a portion of the costs of developing the Project Area.

C. Associated Economic Activity

The economic activities associated with the development of the Project Area could take any one or more of the following forms. Businesses and professional offices currently located in the area surrounding the Project Area will likely benefit from exposure to new customers and clients traveling to and within the vicinity of the Project Area. This influx of new customers and clients will have the positive effect of encouraging businesses and professionals to remain in and around the community. Currently existing businesses and professionals may even be inclined to expand their facilities to take advantage of the new demographic resulting from the development of the Project Area. Businesses and professionals seeking to locate new facilities will likewise be drawn to the vicinity of the Project Area for similar reasons. Spanish Fork City is the geographic center of southern Utah County, with a fast growing population. As proposed in this Plan, the developed Project Area will serve the immediate retail needs of the community and can reasonably be expected to encourage additional development in the surrounding area.

#### D. Economic Costs to the Community

The cost of delivering municipal services varies widely from community to community and depends on such factors as the level of services desired and offered by each community, the size of the community and the availability of economies of scale. In contrast, revenues to pay for such services are calculated using set formulas for each revenue source.<sup>2</sup> Therefore, expenditures are much more subjective and difficult to estimate. Expenditures are generally projected using a variety of approaches including cost of service studies, comparative analysis with other communities and interviews with municipal department heads. The approach used in this Plan has been to include the cost of delivering services needed for the Project Area that are paid for from the City's general fund as opposed to services that are provided on a fee basis. The services thus included in this Plan are those related to public safety and transportation/access. The cost estimates for these services were calculated using historical expenditures included in the City's annual budgets and financial statements and information provided by City administrators.

In light of the foregoing, it is estimated that the cost of delivering municipal services to the Project Area will average \$82,309 annually over the ten-year period beginning in 2008. This means that the projected net economic benefit to the City from the development of the Project Area would be \$298,167 annually (calculated by subtracting the projected costs of providing services annually to the Project Area (\$82,309) from the projected adjusted property tax and sales tax increment to be generated annually by the development of the Project Area (\$380,476)).

#### E. Net Benefit of and Need for Public Financial Assistance

The Agency has offered certain financial assistance in connection with the development of the Project Area primarily to ensure that the shopping center would be located within Spanish Fork City. In order to develop a shopping center of the size contemplated by this Plan, many individual parcels of land need to be under common ownership. In order to acquire all the required parcels, a developer would have to purchase the North Park property in addition to several parcels already improved with single-family homes and duplexes. Purchasing such land significantly increases the overall cost of developing the Project Area. From the City's perspective, it was unlikely that a project of the magnitude contemplated by this Plan would be undertaken without some financial incentives. While most of the land within the Project Area is highly visible from Interstate Highway 15 and U.S. Highway 6 and therefore very attractive for development, it is not accessible directly from either of those highways. Furthermore, as presently configured, much of the land within the Project Area is not easily accessible from either 1000 North or 200 East. As a result, the City concluded that development of the Project Area would not likely occur without the creation of community development project area and an offer of developer incentives. The retail commercial development proposed for the Project Area is

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<sup>2</sup> For example, property tax revenue is the product of the taxable property value multiplied by the mil levy and sales tax revenue is determined by a defined point of sale and population formula.

consistent with the City's goal of increasing commercial development generally and the City is interested in working with developers to achieve that goal.

A project of the magnitude contemplated by this Plan, with its financial advantages to the City in terms of increased property values and future tax revenues, plus the potential to attract additional commercial projects to the area, is critical to the continued economic prosperity of the community. The City and the Agency have determined that the combined costs of land and development were too high to expect private development to occur within the Project Area without some public financial assistance. Therefore, in order to attract and secure the desired development, the Agency proposed to fund a portion of the development costs of the Project Area using the City's portion of incremental sales and/or property tax revenues. No existing tax revenues are or will be committed to create or maintain the Project Area, other than public facilities. Only the City's portion of those incremental sales and/or property taxes resulting from future developments within the Project Area will be used to finance project costs, other than public facilities, including developer incentives. The financial incentives offered under this Plan have been deemed necessary for the success of the development of the Project Area.

**APPENDIX A**

**North Park Community Development  
Project Area Map**

**APPENDIX B**

**North Park Community Development Project Area  
Land Use Map**