

# Economic Development

**2005**

# Vision Statement

To Increase employment, promote investment, and encourage economic growth and diversity in Spanish Fork City

# Who does Economic Development for the City?

## – Staff Member Assigned:

- Emil Pierson - Planning & Economic Development
- Lori Gillies – Planning Secretary/Business Licensing

## – Team Effort

- Mayor & City Council members
- Dave Oyler, City Manager
- Junior Baker, City Attorney
- Kent Clark, Finance Director
- Richard Heap, Public Works Director
- Nebo School District

# What Economic Development is taking place?

- Respond to retail inquires – work with individuals wanting to know about the city development processes, available properties, traffic information, zoning requirements, and demographics information
- Respond to Economic Development Corporation of Utah (EDCU) RFIs
  - Project Paperweight – This is a \$120 million paper mill, which utilizes recycled paper as its raw material. The plant will employ 110 people and will produce nine-foot high parent rolls of paper. The plant requires 13.2 megawatts of power, 800,000 gallons of water and discharge capacity of 640,000 gallons of sewer water per day. The plant will also produce 200 tons of non-hazardous waste each day, which will need to be delivered to a landfill. A rail site is a plus.
  - Usually have 2-3 working days to respond and put a packet together with available locations, demographics, maps, etc.
- Respond to industrial inquires: available properties, city development process, financial options, utility questions and other relevant information
- Keep demographics (ZIP code and Census) and other information up to date

# Planned and Prepared

The City has planned ahead making sure infrastructure is in place to handle new industries and retail developments

# Early years

1. Spring Development-Cold Springs,
2. Acquired water rights
3. Constructed a large 138,000 volt Electric Substation at Trojan
4. Built water storage tanks

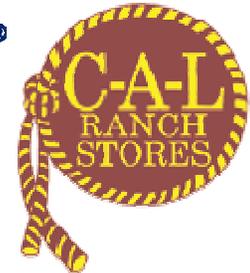
# 1980-1990s

1. Kirby Lane construction with Utilities
2. Expanded WWTP from 2.5 MGD to 5 MGD
3. Installed 30 " Sewer trunk line from plant down Main Street and along 300 West
4. Installed new 30" transmission line from Cold Springs to McDonalds-tripled flow
5. Re-develop Malcolm Springs with pump station-increased production by factor of four
6. New 12" water main down north Main Street for the industrial park
7. Added new 3 million gallon water tank
8. Installed 12" water main along north 300 West
9. Installed new sewer line to Teleflex area with lift station
10. Constructed Chapple Drive with utilities to the north for commercial and industrial uses
11. Constructed 200 East north of RR track by WWTP with utilities
12. Expanded Airport runway and taxiways
13. Crab Creek Springs development with transmission line
14. Installed curb and gutter, utilities along north main to Banta
15. Upsized lines along Main Street
16. Beautification of Main Street
17. New distribution electric substation as needed
18. Finger Hut utilities

# 2000s

1. Constructed a 138,000 volt substation
2. Installed the PI system to free up culinary water
3. Enlarged the WWTP to population of 34,000 and now in the process of expanding to 44,000
4. Installed city wide fibre optics and cable system

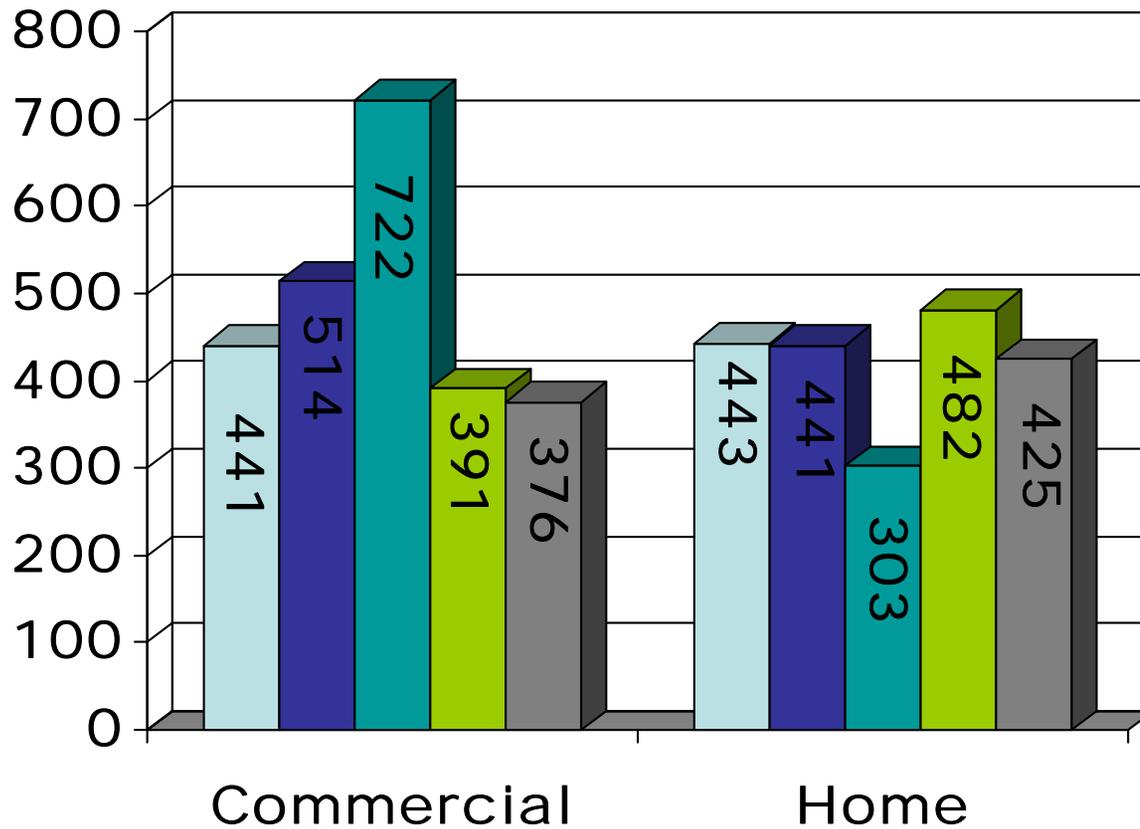
# Existing Businesses



# A few local companies

<b>Company</b>	<b>Employees</b>
<b>Alcoa</b> - High quality aluminum extrusions	<b>220</b>
<b>Banta</b> - Printing Company	<b>140</b>
<b>Caselle Inc.</b> Designs municipal software	<b>56</b>
<b>Ensign-Bickford</b> - Manufacture explosives	<b>120</b>
<b>Klune Industries</b> - Integrated engineering and manufacturing company	<b>150</b>
<b>Longview Fibre</b> - Manufacture of paper packaging products	<b>230</b>
<b>Mountain Country Foods</b> - Manufacture and distribute food products	<b>156</b>
<b>Nature Sunshine</b> - Manufacture and distributor of health care products	<b>224</b>
<b>Nebo School District</b>	<b>2,371</b>
<b>PDM Steel</b> - Steel warehouse/processors	<b>60</b>
<b>Rocky Mountain Composites</b> - Design and manufacture composite materials	<b>31</b>
<b>J.C. Penny's</b> - Distribution Center	<b>140</b>
<b>Provo Craft</b> - Craft products	<b>258</b>
<b>Emerald Precision</b>	<b>70</b>
<b>Macey's</b>	<b>285</b>
<b>Albertson's</b>	<b>91</b>
<b>Cal Ranch</b>	<b>20</b>
<b>Shopko</b>	<b>81</b>
<b>Kmart</b>	<b>72</b>
<b>Total</b>	<b>4,775</b>

# Businesses



Spanish Fork Springville American Fork Pleasant Grove Lehi

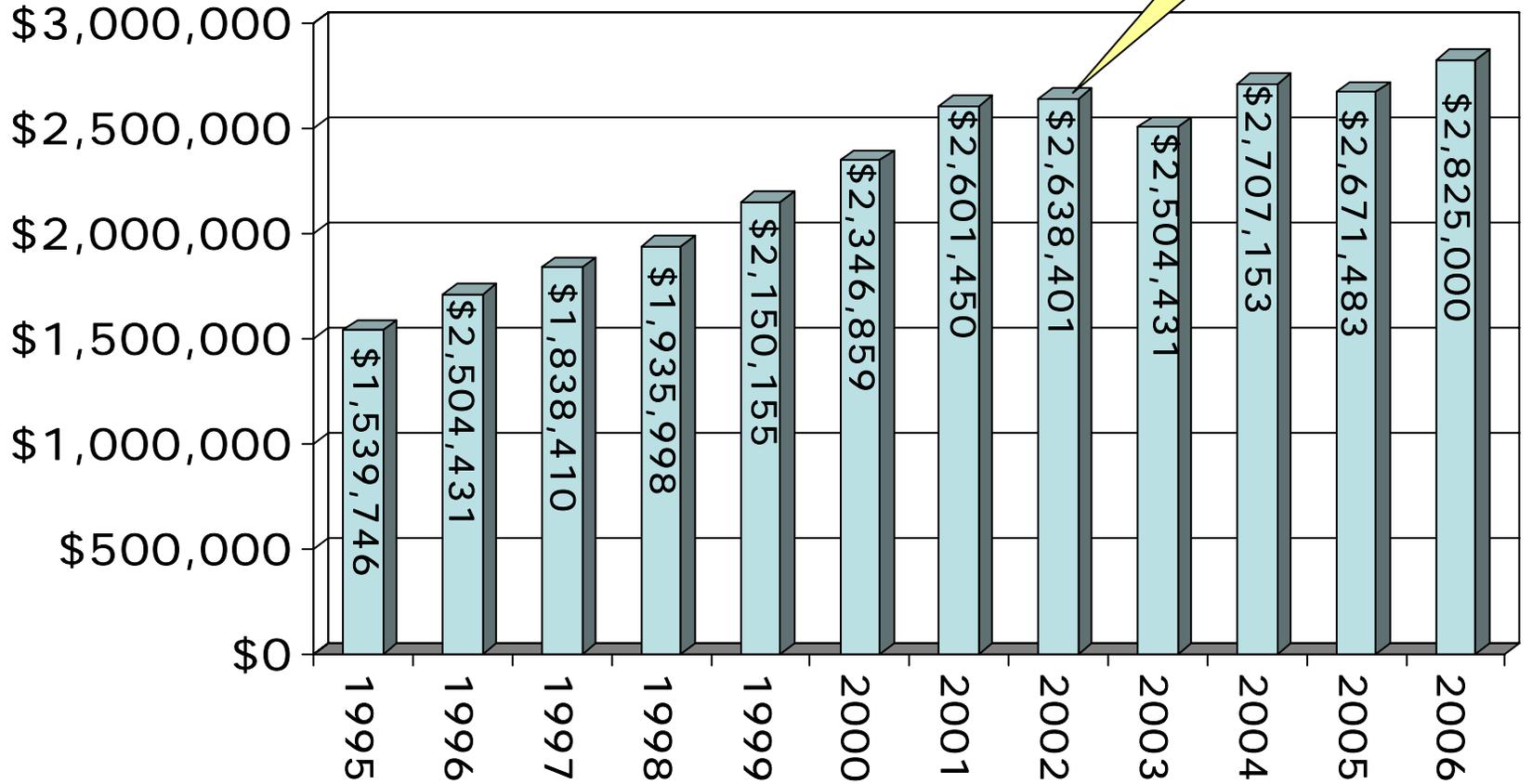
# Retail or Industrial Developments

# Retail Developments

- Focus on bringing in more retail projects
  - Locations, incentives, what does it take to bring a large commercial project (location, location, location)
- The City's sales tax revenue was \$2,847,995 in 2005 which was around 23% of the General Fund and is projected to be 25% for 2006
- Changes are being made in the sales tax process that could affect municipalities and the amount of sales tax revenue collected
  - Midvale – put all of eggs in one basket and was burnt because of Costco and other retail establishments leaving the city now their goal is to be more balanced

# Sales Tax Revenue

Does not Include  
\$200,000 from  
Olympics



# Incentives – Commercial

- Can we give incentives to commercial developments? No, but.....
  - RDAs and EDAs cannot be used for commercial developments
- What incentives maybe requested and do we need to give incentives for commercial developments?
  - It will all depend on where a project wants to locate and what infrastructure is in place (curb, gutter, sidewalks, and utilities)
  - Incentives could be a deciding factor on whether a commercial retailer locates in Spanish Fork or not.
- Who is our competition?
  - South Provo, Springville, and Payson

# Industrial Developments

- State's view of economic development (job growth)
  - The state is developing new incentives to make Utah more competitive with adjacent states: New Mexico, Idaho, Nevada, Colorado, Wyoming, Arizona, and other Utah Cities (proximity to West Coast)
  - Ensign-Bickford Co.
    - September 15, 2005 — Ensign-Bickford Co. made the announcement Thursday that it will close its Spanish Fork plant in February. Ninety (90) employees will be put out of work by the move. Company spokesman Mike Long said the company has decided to focus on its other ventures, which include an aerospace and defense division and a realty company.
- According to the 2006 budget the City should receive around \$847,338 in property tax this includes all residential homes and businesses the budget for the Fire and Ambulance divisions of public safety is \$857,398
- City Property Tax Rates is on the average 30% lower than neighboring cities

# Incentives for Industrial Developments

- Plug-n-play properties which means the land is ready to be built on (no up front cost for the company)
  - The City installs all of the infrastructure to the property
  - The company doesn't have to purchase the property
- Property tax rate that is 36% lower than neighboring cities
- A city-owned and maintained fiber optic, broadband network and electrical system
- A population of 400,000 within a 25 minute commute of Spanish Fork
- An executive airport with a 5,700 foot runway and an international airport within an hour
- A community that emphasizes technology and quality of life
- Available property at a reasonable cost

# The Perfect Fit

- As the City Council is aware we have had numerous site visits from interested companies over the last couple of years (Mass, Quality, Blanket, Titan, and others)
- We are making the final lists but we are not landing the companies. Why?
  - Incentive packages from the City and State. Other Cities and States can offer lower up front costs and provide more training dollars than we can. Cheaper land, lower infrastructure and no environmental issues can make a big difference to a company they want very low up front costs.
  - Individual owner's land costs is something that we cannot regulate or control and land costs will continue to increase in the future making it even more difficult to compete.

# Balanced Vision

- Changes are being made in the sales tax process that could affect municipalities and the amount of sales tax revenue collected
  - A loss in one major retailer like Shopko or Kmart would have a negative effect on the City's budget but so will Ensign-Bickford.
- A new company brings property tax and jobs for our children, which entails brings additional residential growth (new construction jobs and commercial developments), and additional money spent in the local economy thereby increasing our sales tax revenue

# Goals

- Bring hi-tech industries to Spanish Fork
- Identify industrial sites and recruit industrial businesses to the City (jobs)
  - Work with property owners on identifying prices and sizes of the parcels
  - Help property owners identify and resolve environmental issues (wetlands)
- Retain, support and encourage existing businesses to expand
  - Klune Industries, PDM Steel, Rocky Mountain Composites, Macey's
  - Work with Chamber of Commerce
- Help vacant buildings and properties find tenants
  - Fingerhut building, Food-4-less building, Fritzi Building
- Expand our commercial (retail) base
- Encourage the commercial developers to expand to South County (Spanish Fork)
  - Big box retail, restaurants, and supporting retail
- Keep the City demographics and Information Packet up to date