



CITY OF OREM
CITY COUNCIL MEETING
56 North State Street, Orem, Utah
September 13, 2022

*This meeting may be held electronically
to allow a Councilmember to participate.*

3:45 P.M. WORK SESSION - CITY COUNCIL CONFERENCE ROOM

PRESENTATION - Concept of New City Hall (45 min)

Presentation

Presenter: Lane Gray, Capital Projects Manager; Method Studio and Layton Construction

DISCUSSION - Orem / Provo Dispatch Services (15 min)

Discussion

Presenter: Capt. Sorenson and Lt. Paraskeva, Orem Police Department

DISCUSSION - Review the proposed amendments to Chapter 4 (Housing) of the Orem General Plan (15 min)

Discussion

Presenter: Jason Bench, Planning Division Manager

1. AGENDA REVIEW & PREVIEW OF UPCOMING AGENDA ITEMS

The City Council will review the items on the agenda.

1.1 UPDATE - Development Services Items

Presenter: Jason Bench, Planning Division Manager

2. CITY COUNCIL REPORTS (BOARDS & COMMISSIONS, NEW BUSINESS, ETC.)

This is an opportunity for members of the City Council to raise issues of information or concern.

Presenter: Debby Lauret

6:00 P.M. REGULAR SESSION - COUNCIL CHAMBERS

3. CALL TO ORDER

4. INVOCATION/INSPIRATIONAL THOUGHT: Keith Mauerman

5. PLEDGE OF ALLEGIANCE: Jennilyn Mauerman

6. PERSONAL APPEARANCES – 15 MINUTES

Time has been set aside for the public to express their ideas, concerns, and comments on items not scheduled as public hearings on the Agenda. Those wishing to speak are encouraged to show respect for those who serve the city. Comments should focus on issues concerning the city. Those wishing to speak should have signed in before the beginning of the meeting. (Please limit your

comments to 3 minutes or less.)

7. CONSENT ITEMS

7.1 APPROVAL OF MEETING MINUTES

Minutes of the City Council Meeting - June 28, 2022

Minutes of the City Council Meeting - July 12, 2022

7.2 RESOLUTION- Economic Development Strategic Plan

8. SCHEDULED ITEMS

8.1 APPOINTMENT TO THE NATURAL RESOURCE STEWARDSHIP COMMITTEE

- Paul Dunn, Reappointment

Presenter: Mayor and City Council Members

8.2 APPOINTMENT TO THE BOARD OF BUILDING AND FIRE CODE APPEALS

- Bryant Chrstensen, Reappointment

- Stephen Frisby, Reappointment

- Micahel Sroufe, Reappointment

- James Williams, Reappointment

Presenter: Jamie Davidson, City Manager

8.3 CITY MANAGERS APPOINTMENT

Mr. Davidson asks for the Council's advice and consent of the following appointment:

-City Attorney

Appointment of Steve Earl

Presenter: Jamie Davidson, City Manager

8.4 PUBLIC HEARING / ORDINANCE – Amending Section 22-5-3(A) and the zoning map of the City of Orem by rezoning the property located at approximately 258 N 800 E from the R8 zone to the R6.5 zone.

Presenter: Jason Bench, Planning Division Manager

8.5 PUBLIC HEARING / ORDINANCE – Amending portions of Sections 22-14-8(A)(1) and 22-14-8(A)(2) (Moving a House, Building or other Structure) pertaining to inspection fees and personnel who approve site and building plans.

Presenter: Jason Bench, Planning Division Manager

9. CITY MANAGER INFORMATION ITEMS

This is an opportunity for the City Manager to provide information to the City Council. These items are for information and do not require action by the City Council.

10. ADJOURN

THE PUBLIC IS INVITED TO PARTICIPATE IN ALL CITY COUNCIL MEETINGS.

**If you need a special accommodation to participate in the City Council Meetings and Study Sessions, please call the City Recorder's Office at least 3 working days prior to the meeting.
(Voice 801-229-7000)**

This agenda is also available on the City's webpage at orem.org



**CITY OF OREM
CITY COUNCIL
MEETING
SEPTEMBER 13, 2022**

REQUEST:	APPROVAL OF MEETING MINUTES Minutes of the City Council Meeting - June 28, 2022 Minutes of the City Council Meeting - July 12, 2022
APPLICANT:	
NOTICES:	
SITE INFORMATION:	
PREPARED BY:	

REQUEST:

BACKGROUND:

RECOMMENDATION:

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CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
June 28, 2022

3:30 P.M. WORK SESSION – CITY COUNCIL CHAMBERS

CONDUCTING

Mayor David A. Young

ELECTED OFFICIALS

David Spencer, LaNae Millett, Terry Peterson, Jeff Lambson, Tom Macdonald and Debby Lauret.

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Deputy City Manager; Joshua Adams, Police Chief; Ryan Clark, Development Services Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Chris Tschirki, Public Works Director; Brandon Nelson, Finance Director; Bryce Merrill, Recreation Director; Keri Rugg, HR Director; Mark Sanderson, Fire Chief; and JoD'Ann Bates, City Recorder

NOTE: The referenced report and presentation documents for each discussion may be viewed at orem.org/meetings under “City Council Presentations”

DISCUSSION – Economic Development Strategic Plan

Mr. Prescott stated the city’s current Economic Development Strategic Plan was created in 2014 and has guided a lot of what has been done over the last few years. The city has contracted with consultants from Thomas P. Miller and Associates to create a new Economic Development Strategic Plan that will guide the city over the next five to seven years. Mr. Prescott introduced the consultants Thomas P. Miller, Brett Wiler and Aaron Finlay.

Mr. Wiler stated their goal is to give the council an overview of their process and methodology and touch briefly on some of the key themes or key findings and strategic recommendations for the city.

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Aaron Finley reviewed the Scope of Service which includes the following:

- Project launch
 - Visioning Session
 - One-on-One Interviews
- Discovery
 - Document Review
 - Site Visits
 - Quantitative Data Analysis
- SWOT Analysis
 - Priority Stakeholder Engagement Session
- Stakeholder Focus Group
 - Review
 - SWOT
 - First Draft
 - Focus Areas
 - Goals
 - Strategies
 - Tactics
- Final Plan and Presentation

Mr. Finley stated they started out with a quantitative data collection analysis from a variety of sources. They received information from some local sources, they talked to the Utah State Tax Commission, and they also used information from the U.S. Census Bureau, the American Community Survey and a variety of third-party sources. They reviewed over two dozen documents including city budgets, master plans, a variety of studies and agreements many of which were specific to Orem. As mentioned earlier they also did a lot of stakeholder engagement and they had a half dozen focus group site visits

Mr. Wiler stated in those site visits mentioned were members of local business community regional and local stakeholders and several elected and appointed officials as well. They also had multiple sessions seeking feedback on the strategies they are going to review with the council. They have interacted with over 75 individuals connected to Orem.

Mr. Finley presented their High Level Findings which included information regarding population, occupations and residential development.

Mr. Wilder indicated they feel they have concluded a comprehensive discovery phase and revolved their study around the following 4 frameworks: 1) Business Retention and Expansion 2) Business Attraction 3) Entrepreneurship and Innovation 4) Quality of Life. He continued to discuss in depth the areas of focus for each item.

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1 Mr. Macdonald inquired who does the work and how does the city get funding for what they
2 have presented. Mr. Wilder indicated they have tried to indicate a champion for each area of
3 focus, but in general the majority would be the city's Economic Development department in
4 conjunction with local, county and state programs. Mr. Prescott indicated there are grants
5 available for organizations, the revolving loan funds and county and state programs along with
6 investors, it's just a matter of getting people in touch with the right opportunity.

8 Mr. Davidson stated one of the other resources is the Federal Economic Development
9 Administration (EDA), they've been very helpful in the past. The City of Orem applied and
10 received federal money for a program called the "Business Resource Center". Although under
11 the umbrella of UVU, the city worked with EDA in cooperation with UVU and then got the
12 Business Resource Center up and running. They continue to have conversations on how we
13 make it better or make it different to meet the needs of today. The City has also created their
14 own Business Alliance. This is a homegrown organization that Mrs. Lewis and Mr. Prescott
15 created in order to connect with local businesses and to provide local businesses with a venue or
16 opportunity to connect on a monthly basis.

18 Mr. Prescott stated he feels through the Orem Business Alliance they have built a strong channel
19 delivering important information to local businesses. He continued to state for example during
20 covid they started sending out information about grant programs and the usage rate of businesses
21 in Orem using those grants was a lot higher than other cities of similar size.

23 Mrs. Lauret inquired if there were specific recommendations as to types of businesses better for
24 Orem or are they more general. Mr. Finley responded that lodging did not appear negative in
25 the leakage report but there are no specifics regarding that industry. They worked more on
26 general approach to retention, attraction, expansion and things of that nature.

28 Mrs. Millett inquired if they found strong relationships with Orem and UVU and the graduating
29 students. Mr. Prescott responded they believe there are a lot of great minds that are graduating
30 UVU and it is always a thought of how they keep them local and how they get them to start their
31 business in Orem. That is something they continue to brainstorm about regarding how they
32 make that connection.

34 Mayor Young stated he feels there seems to be a disconnect between companies and college
35 internship programs. As far as the plan he questioned with the presentation and its framework,
36 and the two people in our Development Department, how do we get prepared? He feels it has to
37 be broken down in terms of priorities and focus on what they have to work with. Mr. Wiler
38 responded in their discovery they spent time really going line item by line item with the team and
39 recognize they were very successful at implementing the 2014 Economic Development Strategic
40 Plan so they have confidence that will occur again. He indicated they have provided an

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1 implementation matrix in the plan that will allow some direction in making this plan successful.
2 They believe Orem is doing the right thing and just needs some more ideas.

3
4 Mr. Peterson indicated the city has lost some large business and asked if they took into
5 consideration the change in the current master plan and if any council members were involved.
6 Mr. Prescott indicated they were all invited and updated with various meetings. Mr. Spencer and
7 Mrs. Millett attending the stakeholder's workshop. Many of the Planning Commissioners also
8 attended some of the meetings.

9
10 Mrs. Millett indicated what has been presented is huge and they have got to figure out how to
11 implement this now because they have this new zoning and they want to help these
12 entrepreneurs. The city wants them to know they may have old buildings on State Street and
13 they would love to work with them on how to renovate and help revitalize the area and bring in
14 more jobs. She indicated she has seen the luncheons and they are doing a great job but she is
15 really hoping this plan will give the city additional ideas for the employees to implement. She
16 feels the study can serve as a great foundation for the discussions they need to have as to what
17 they want and how they can implement those changes.

18
19 General discussion ensued regarding various aspects of the study and how they can implement
20 those results with the industry, growth, education, development and build upon those strengths
21 that are already in place and look for those emerging industries in the City of Orem.

22
23 Mr. Davidson stated he feels the study serves as a great tool to refine the path they want to take
24 with the new State Street Master Plan changes.

25
26 Mayor Young commented he likes the plan and would like to see it focused with State Street and
27 identify the inventory and proactively going out and bringing in new business to Orem.

DISCUSSION – Fraud Risk Assessment

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29
30
31
32 Mr. Nelson stated this is a requirement of the State Auditor's office that is required to be brought
33 before the council each year. He reviewed each area and identified where in either policies,
34 procedures or ordinances that the city has something already in place and is followed in relation
35 to each one of those items and any areas that the city needs to work on. He indicated there were
36 three areas they can address that can result in a lower rating which is their ultimate goal. He
37 continued to discuss those items which are as follows:

38
39 1) *Have all governing body members' complete entity specific online training at*
40 *training.auditor.utah.gov within four years of term appointment/election day.* Mr. Nelson

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1 indicated they will provide the council with the link and the council will need to take that
2 training and provide the certificate of completion to the City.

3
4 2) *All employees and elected officials required to annually commit in writing to abide by a*
5 *statement of ethical behavior?* Mr. Nelson indicated he felt this was something they could
6 definitely do and over the next fiscal year be looking at ways to have that in place.

7
8 3) *Does the entity have a formal internal audit function?* Mr. Nelson stated this requires the city
9 to have a certain employee whose only responsibility is to in essence continually audit the
10 functions of the city and they report directly to city management and or to in our case would be
11 either the audit committee or the whole council. He stated he does not feel this is a necessary
12 element and will find that in most cities this is not done. The City usually hires an independent
13 audit firm to come in and do one of these internal audits on a regular basis.

14
15 General discussion ensued regarding the need for some of the regulations and if some of them
16 are really necessary and would make that big of a difference. Clarification as to other companies
17 and the city that does training on a regular basis and if nothing else it makes you think about
18 things a little more. Further discussion continued regarding the definition of a formal audit
19 function versus the audit functions of the city finance department.

20
21 Mr. Nelson stated this assessment started with small Special Service Districts and smaller towns
22 and cities because they didn't have any idea what made up a good internal control structure. The
23 State Auditor's office as they worked with those entities created this and it grew from there. He
24 feels it is a good idea for any board or elected body to at least have an understanding and have
25 the people who are in charge of finance express to them "yes we are meeting those requirements"
26 and send the information to the State Auditor's Office. This is just to make them aware of where
27 the city is and their intent in the future to address some of these issues.

28 29 30 DISCUSSION – Utah State Retirement Contributions Amendment

31
32 Mrs. Rugg stated there are 2 tiers in the Utah State Retirement System. Most new employees are
33 tier 2; those hired before July 1, 2011 are in tier 1. With USR making changes to enhance the
34 tier 2 specifically for Public Safety and Fire, it required employees to pick up a portion of the
35 contribution which was 2.27%. At the time the city had built that difference into the budget in
36 order for the city to cover those costs instead of the employee. In 2022 the increase to the
37 employee piece went up to 2.59%. What the city is proposing is that they also pick up that
38 additional percent and the retirement systems require this be done by Resolution. This addition
39 has already been placed in the upcoming budget so this is just formalizing that addition.

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DISCUSSION – Public Outreach Consideration for the School District Study

Mayor Young indicated he had asked this item be of discussion regarding how the council would like to proceed with public outreach regarding the school district study. He indicated the study will be released and presented to the City Council on July 12th, and there will be no draft prior to that presentation. He stated the consultants will make a formal presentation during the July 12th City Council meeting.

Mr. Davidson stated he feels the interest in the plan will be more than what the Council Chambers can accommodate and feels that it may be appropriate to hold the meeting in the Library Hall.

Mayor Young indicated there has been some discussions regarding the need for further outreach after the initial presentation. It had been discussed to hold meetings over the next 3 weeks following the July 12th City Council meeting in order for the consultants to present the plan and answer any question residents have that are not answered at the City Council meeting. Due to notification deadlines on getting information to the County for the ballot and other notification the City Council will meet on August 2nd in order to vote to put the item on the ballot or not.

General discussion continued regarding the various notifications that are required by law in order to move this item forward on the ballot and resident notification. Further discussion continued regarding the time frame of the meetings, an outline of the public meetings, possible ways to receive, review and submit questions and even possible space for the consultants to address the public with it being more of an open house setting. Having the meetings recorded for later easy access. Possibly setting up some feedback portals either at the meetings or online. Making all comments available to the public and how the meeting would proceed with a moderator.

There was a general consensus to hold 3 outreach public meetings on July 13th, 19th and 28th located at the Library City Hall from 7-9 pm.

DISCUSSION – Development Review Committee Process Revisions

Mr. Bench stated this is to update the council on the process the Development Services has made to improve and ensure applications are complete prior to acceptance. He then reviewed the changes made to the following applications and committees:

- DRC (Design Review Committee) Application
- Technical Design Review Committee Meeting, now Technical Coordination Meeting

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- Policy Design Review Committee meeting now Monday Coordination Meeting
- Design Review Committee Meeting – applications are not deemed complete until it is DRC approved. These are legally noticed as a public meeting.

Mrs. Millett inquired if this is the vesting point. Mr. Earl responded that basically an application is complete when they have submitted all of the elements that are required by ordinance for an application and feels this is something that may need to be discussed further.

Mr. Clark responded indicating that there may be an item on the checklist that staff deems is not necessary due to the type of application the formal motion at the Develop Design Review Committee meeting is when the city basically says we don't need that item at this time, and it would be deemed complete at that point.

Mr. Peterson stated that due to the current situations with pending litigation he feels the council should table this discussion until a later date.

Mr. Clark apologized, it was his understanding that the issue was taken care of and they were moving forward as directed. Mr. Earl responded that he understood where they were going with the discussion and felt they were discussing mostly technical details that are handled internally.

Mr. Davidson inquired if an applicant came to the Design Review Committee but they may still have outstanding red lines and they may have questions tied to let's say a traffic stop, do all red lines need to be resolved and all issues including issues associated with traffic strength need to be resolved before it can come to Design Review Committee for final approval.

Mr. Bench responded that 99% would but there might be a minor exception. The Technical and Policy Design Review Committee meetings are where they work out all the issues so that when it does go to DRC it is complete, if not they would need to come back the following week and revisit with DRC.

Mr. Davidson suggested at this time to follow the suggestion of Mr. Peterson and continue the discussion offline.

DISCUSSION – Parking Proximity Ordinance

Mr. Earl stated he was approached by Council members Millett and Lauret regarding a new ordinance requiring a parking or residential developments which are developed with attached residential unit's not single-family homes. The idea was to consider a policy that requires parking stalls within a certain distance of the unit that they serve as well as requiring an assignment of parking stalls for the exclusive use of individual residential units. He felt the

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1 concern was trying to enhance safety for residents of dwellings, with the idea that the less
2 distance they had to walk particularly late at night the safer they're likely to feel and making it a
3 little bit easier for those people with mobility issues. They have come up with a draft language
4 to be included in the city's general parking ordinance that created two additional proposed
5 subsections. The first one requires an assignment of essentially two parking stalls for each
6 residential unit. This would be for their exclusive use and would have some official designation.
7 The second part is the proximity aspect of it requiring that parking be located within 175 feet of
8 the unit that it serves. This is merely to get the discussion moving and see if this is something
9 the council would like to address or not.

10
11 Mr. Clark responded that he has some concerns due to a lot of developments that will center a
12 green space around the buildings or a clubhouse. He feels that one of the consequences is this
13 may force developers to surround the buildings with parking lots on all four sides so then you're
14 going to have your green spaces away from the buildings. He feels you would not be creating an
15 enjoyable development. They are going to be isolated or they are going to have to cross parking
16 lots to get to the play areas. Another potential unintended consequence is it takes away a little
17 bit of flexibility from an apartment manager. An apartment manager that's rented out to one
18 person you only have one vehicle and if you're requiring two stalls to be assigned to that unit
19 you're effectively wasting a stall that nobody else can use. An apartment manager could have
20 flexibility to assign the use of these stalls out on a needed basis depending on the tenants. He
21 concluded he feels it would work with townhomes but stacked apartments make it more difficult.
22 There are definitely some pros to it yet there are also some cons.

23
24 Mr. Millett stated it was their intent to create security and safety and equal treatment for
25 apartment dwellers, the same as single family dwellings.

26
27 Mr. Macdonald asked if any other communities have something like this. Mr. Earl indicated they
28 have not looked into other cities regulations regarding this issue.

29
30 General discussion ensued regarding possible unintended circumstances, promoting better
31 planning from developers, nicer looking landscapes and what possibly can and cannot work.

32
33 Mr. Spencer suggested the city look into the issue a little further to see if there are unintended
34 circumstances and keep safety in mind.

AGENDA REVIEW & PREVIEW OF UPCOMING AGENDA ITEMS

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36
37
38 The City Council reviewed the evening's agenda and discussion ensued regarding the scheduled
39 items that would be considered.

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CITY COUNCIL REPORTS (BOARDS & COMMISSIONS, NEW BUSINESS, ETC.)

Mrs. Lauret inquired regarding the status of the utility boxes and the artist's coverings. Mrs. Crozier responded that Mr. Prescott has published a website where art submissions from local artists can be collected. The Arts council will then review them and work with a local contractor to apply them to the boxes. The City does not own the art piece the artist can still sell and reproduce their art. She concluded by stating the city can do about 30 boxes.

Mr. Davidson reported the following to the City Council:

- The City has a new electronic timekeeping system for all city employees. They are greatly appreciative of IT staff for the time they took to make this possible.
- Congressman Curtis has included a three million dollar appropriation into the Environmental Protection Agency budget for water reuse. The city is really appreciative of him due to the fact that in the last month the city had an 18 million dollar project and only about 9 million to do the project. Within the last month and thanks to the efforts of many we are very excited about having 10 million dollars for that 18 million dollar project. It still has to go through a reconciliation process but they are on the right track.
- The drilling has begun and he will keep the council updated as to what they find.
- There is an issue regarding residents that have an interest in a street not being a through street but instead doing two cul-de-sacs. It is the preference of the city to have the street go through due to utility services, public safety access and based on the city code. The cul-de-sac would take more square footage and funds on the resident's part in order to do so. He will keep the council updated on the progress.

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6:00 P.M. REGULAR SESSION - COUNCIL CHAMBERS

CONDUCTING

Mayor David A. Young

ELECTED OFFICIALS

David Spencer, Terry Peterson, LaNae Millett, Jeff Lambson, Debby Lauret, and Tom Macdonald

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Deputy City Manager; Joshua Adams, Police Chief; Ryan Clark, Development Services Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Chris Tschirki, Public Works Director; Brandon Nelson, Finance Director; Bryce Merrill, Recreation Director; Keri Rugg, HR Director; Mark Sanderson, Fire Chief; and JoD'Ann Bates, City Recorder

CALL TO ORDER

INVOCATION / INSPIRATIONAL THOUGHT – Jim Lauret

PLEDGE OF ALLEGIANCE – Blaine Blad

MAYOR'S REPORT/ITEMS REFERRED BY COUNCIL

The Mayor had no reports at this time.

PERSONAL APPEARANCES

John Barrick, Orem resident, stated he was grateful for the City Council taking up the Orem feasibility study with the Alpine School District (ASD). He stated he would like to talk about property taxes within the ASD that Orem residents pay. He shared some slides which included an example from page 169 of the current year ASD budget that indicated property values constant at \$370 thousand dollars. They actually show that over a five-year period that taxes went down \$77 dollars. The second slide shows the actual impact on an Orem taxpayer. What he did was take Zillow and took the average Orem home over that period \$291k, in 2018, \$322k in 2019, \$336k in 2020, \$337k in 2021 and \$494k at the beginning of 2022 property values have gone up. He did the same math that the ASD did in their example and this shows a property tax change in the same time period which is a 24.7% tax increase. He feels it's a little bit of sleight

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1 of hand due to the consistent tax increases. This is the reason the Utah State Legislature passed a
2 law called Truth and Taxation. The proposed bond will increase another \$105. He continued to
3 review his information that represents Orem residents have paid \$570 million dollars in property
4 taxes since 2009. Indicating that not all of those property taxes would have gone to build schools
5 because 55% of those property taxes go to the general fund, but it would allow them to pay
6 teachers more and decrease class sizes in the Orem School District. ASD in their budget on page
7 185 shows that they are raising class sizes in fourth, fifth and sixth grades to 31 and it says next
8 to that actual class sizes may be higher because they count all teachers not just teachers who are
9 teaching in their calculations. He concluded by thanking the council for the courage to take the
10 feasibility study and he is looking forward to seeing it.

11
12 Ben Wheeler, Orem resident, stated that based on Mr. Barrick information you can see that Eagle
13 Mountain is the only city that has a windfall. He feels Lehi and Orem are paying more in taxes
14 than they are receiving back in services. He commented that an online group is being very
15 active in regards to talking about teacher benefits, teacher pay and special education that will not
16 be better in an Orem School District and he challenged them to think that the people in this
17 building will do a much better job than what's happening today in the ASD. He continued to
18 state he is very proud of what the City Council is doing by standing up for what he believes,
19 which is control of our schools and our destiny. He continued to thank the City Council and the
20 Orem Library for taking the opportunity to move the pride exhibit out of the children's section
21 and put it into the adult section.

22
23 Kade Kidd, Orem resident, asked his friends and neighbors to stand so the council may see who
24 he represents. He continued to state he stands with his friends and neighbors because they found
25 out this week that a home in their neighborhood had been purchased by a company called
26 Heritage Behavioral Health Incorporated. They were all surprised to find out that this is a
27 business that has purchased other homes and uses them as transitional homes. They were not
28 aware that this was something that could happen. They are concerned with the unknown of who
29 the tenants are that would be allowed to reside in the home. They are parents and grandparents
30 of children in this neighborhood, many of which live in very close proximity to the home in
31 question and are concerned for the safety of their neighborhood. They recognize that facilities
32 are necessary to treat those that are in need and support that effort but struggle to see why it
33 should be done in a residential area. They are aware that federal law permits the use of this
34 home as a group home however, they would like to understand the permit process. He stated
35 their hope is to raise their concerns and let the council know that they would like to work with
36 the City Council in an effort to find out more information on the intended use of this home and
37 the impacts on its community. He concluded to state that most of, but not all of the council
38 included in their election campaigns the need to preserve Orem neighborhoods. He stated it was
39 their hope that the council would do all they can to help preserve this neighborhood in this
40 current troubling situation.

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1 Jill Barrick, Orem resident, stated she lives in the Northridge Elementary school boundaries and
2 would like to speak out about the educational concerns at Northridge Elementary. She indicated
3 that Northridge is exposing its students to unbelievable noises namely that of a jack hammer.
4 During school hours the aroma was strong and the noise was loud throughout the entire school
5 and into the parking lot outside. There were no perimeter barriers to prevent injury with children
6 wrapping coats around their heads to muffle the noise. The water was turned off all day in
7 January and February with the encouragement to students to “hold your potty”. ASD refused to
8 send a team of nurses to check the children's hearing afterwards. Northridge was once ranked
9 46 in the state in 2011. By 2017 they took a sharp nose dive to 335th. Northridge only has a part-
10 time PE, and lacks in music, art, stem, dance, drama and other creative needs. This fall
11 Northridge will host class sizes in the mid 30’s. She concluded that ASD owns this mess and a
12 local school district would mean accountability which ASD is refusing to give parents and
13 students. She thanked the council for commissioning a feasibility study that gives parents hope
14 that they can be heard and their money can stay local.

15
16 Cissy Rasmussen Orem resident stated her kids have been going to public schools for 17 years
17 and they will be in them for the next 10 years. She indicated she is very invested in the future of
18 the schools and is experienced in the past realities of Orem schools. She extended an invitation
19 to the City Council and to Orem residents to a Facebook group that she and her friends started.
20 They have been trying to understand the feasibility study information and trying to spread
21 awareness about this issue. This Facebook page is a body of parents and other interested
22 members of the Orem community committed to a thoughtful and honest appraisal of Orem’s only
23 school district. They believe that Orem schools student’s teachers and residents are best served
24 by staying with ASD. She understands that some disagree with that assessment but she has been
25 in those meetings and even seen a vote taken and the overwhelming majority of the people in
26 PTA and School Community Council meetings do not support an Orem school district. She feels
27 teachers and parents have serious concerns. She stated these are their constituents too and hope
28 they will take a moment and read their comments. She continued stating that there are other
29 sources of income which make up the vast majority of the budget for Orem schools. They have
30 based that on data that is publicly available through ASD. She concluded stating she wanted to
31 appear and invite all to be a part of the conversation and ask the council to listen to all their
32 constituents.

33
34 Heidi Clark Orem resident indicated that one of the things she always valued about the
35 community is that the police department has always seemed invested in keeping the community
36 safe and informed. They use social media to keep the community informed of things that are of
37 particular interest and they take measures like crosswalk stings to keep us safe. This is why she
38 was surprised and saddened by the radio silence after an armed police officer hit a pedestrian
39 who was in the crosswalk, crossing with the signal at 11:29am on the morning of June 16th. The
40 officer was making a left turn onto Center Street from Garden Park. This is the intersection at

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1 the corner of Wendy's and the post office in front of Target. She stated the intersection had its
2 protected left turns removed a few years ago. The officer was the lead car of the traffic light
3 followed by a white Tesla followed by herself. She indicated she could clearly see the older
4 woman waiting to cross. As she waited she wondered if she would have to wait for an extra
5 cycle. The light turned green and the woman got the signal that it was safe to cross. After all of
6 the pedestrian stings covering exactly this issue, the officer just went. The woman was in the
7 second lane when she was hit. It has been crickets from the Orem Police Department. She
8 stated she would like the city's police force to be more transparent than this. She would also like
9 the city to reconsider the protected left turns at that intersection.

10
11 Shauna Mecham, Orem resident, stated that about six months ago the council created the position
12 of Director of Legislative Council for a 6 month period. She believes that term is up soon and by
13 nature of the position this attorney isn't in direct contact with staff nor citizens and she believes
14 this has led to some poor advice in three specific instances. 1) *The State Street Master Plan*.
15 Good advice would have been people have concerns, let's peg down exactly what they're worried
16 about and see if we can work together to alter what you chose to do. Instead it was to remove the
17 plan entirely which has led to some consternation in your partner agencies, with staff and with
18 anyone who was involved in the five years and five hundred thousand dollars it took to create
19 that plan. 2) *Planning Commission*. She indicated this is a little personal but apparently the
20 council was worried the Planning Commission might somehow abort the State Street Master
21 Plan change. Good advice would have been we don't see any evidence that the Planning
22 Commission's going to do that and if they do something wrong, request their removal. The
23 council does not have to take their advice anyway. What you chose to do instead was remove
24 power from the City Manager and switch out those who had any support for the State Street
25 Master Plan with those who thought the way you did which has eroded trust between your past
26 present and potential citizen volunteers that they won't be similarly dismissed if they disagree
27 with you. 3) *Alpine School District*. Good advice, yes the district does look big. Let's get
28 together with ASD, let's have some public meetings to get everyone answering questions
29 together. Perhaps we can even do a joint study and get a target date so our citizens are working
30 for the date to split from ASD. Instead the council chose to go it alone which has led to some
31 awkward grammar requests that she feels could have been avoided if entities were working more
32 closely together. She concluded that she feels the Director of Legislative Council has moved the
33 council down roads that have created unnecessary discord. It's not too late to seek better advice
34 and it's not too late to rebuild some of that trust.

35 36 37 **CONSENT ITEMS**

- 38
39 ● **RESOLUTION – Authorize the City of Orem's Participation in the Utah Valley HOME**
40 **Consortium**

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- 1 ● MOTION – Mayor Pro Tem - July through December 2022
2 The Mayor and Council will appoint Council Member LaNae Millett as Mayor Pro Tem
3 to serve from July through December 2022
- 4 ● RESOLUTION - Utah State Retirement Contribution Amendment

5
6 **Mr. Macdonald moved** to approve the Consent Items as listed. **Mr. Lambson seconded** the
7 motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff
8 Lambson, Terry Peterson and LaNae Millett. The motion **passed**.

11 SCHEDULED ITEMS

13 ORDINANCE - Amending Chapter 23 of the Orem City Code for Storm Water Utility

15 Mr. Price indicated Chapter 23 of the Code of Ordinances, which addresses the Storm Water
16 Utility has been updated to clarify language, address deficiencies and to come into compliance
17 with new regulations. Basic changes include clarification of some definitions, fixing basic
18 grammatical errors, adding and updating hyperlinks, removing references to gender as it applies
19 to titles, changing employee titles, reformatting some areas to consolidate space, and delete some
20 sections that were unnecessarily repetitive. More extensive changes include adding a new \$1,000
21 bond to ensure property owners continue to comply with storm water regulations after
22 construction is completed and before landscaping is installed. Requirements were also added to
23 the Long Term Storm Water Management Plan section to require the developer to complete a
24 questionnaire during the planning process to assist in the review of plans, and to provide a map
25 as part of final approval showing locations of site improvements designed to control and treat
26 storm water. Finally, a retrofitting plan will require redeveloped properties larger than one acre
27 as well as established properties that adversely impact storm water quality, to come into
28 compliance with measures to manage and protect storm water.

30 **Mrs. Lauret moved** to approve the Ordinance Amending Chapter 23 of the Orem City Code
31 for Storm Water Utility. **Mrs. Millett seconded** the motion. Those voting aye: David A. Young,
32 David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae
33 Millett. The motion **passed**.

36 ORDINANCE / PUBLIC HEARING – Amending Fiscal Year 2021-2022 Budget

38 Mr. Nelson stated the Fiscal Year 2021-2022 City of Orem budget has many adjustments that
39 occur throughout the fiscal year. These adjustments include grants received from federal, state,
40 and other governmental or private entities or organizations; appropriating reserves in the General

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1 Fund and transferring them to the Capital Projects Fund in order to meet state legal compliance
2 requirements regarding maximum General Fund balance as well as providing various project
3 funding; and Senior Citizen Fund partially funding a new bus due to price increases.

4
5 Mayor Young opened the public hearing at 6:44 pm.

6 Hearing no comments, the Mayor closed the public hearing and brought the item back to the
7 Council for further discussion.

8
9 **Mrs. Millett moved** to approve the Ordinance Amending Fiscal Year 2021-2022 Budget as
10 proposed. **Mr. Macdonald seconded** the motion. Those voting aye: David A. Young, David
11 Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The
12 motion **passed**.

13 14 15 CITY MANAGER INFORMATION ITEMS

16 There were no City Manager items at this time.

17 18 19 COMMUNICATION ITEMS

20 There were no communication items at this time.

21 22 23 ADJOURNMENT INTO A CLOSED MEETING

24
25 **Mayor Young moved** to a closed meeting to be held in Conference Room #107, Orem City
26 Hall, 56 North State Street, Orem Utah to discuss "the character, professional competence, or
27 physical or mental health of an individual", pursuant to Utah Code Section 52-4-205(1)(a). **Mrs.**
28 **Lauret seconded** the motion. Those voting aye: David A. Young, David Spencer, Jeff Lambson,
29 Terry Peterson, Debby Lauret, Tom Macdonald, and LaNae Millett. The motion **passed**.

30 The meeting adjourned at 6:46 pm.

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CITY OF OREM
CITY COUNCIL MEETING
56 North State Street Orem, Utah
July 12, 2022

3:30 P.M. WORK SESSION – CITY COUNCIL CHAMBERS

CONDUCTING

Mayor David A. Young

ELECTED OFFICIALS

David Spencer, LaNae Millett, Terry Peterson, Jeff Lambson, Tom Macdonald and Debby Lauret.

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Deputy City Manager; Joshua Adams, Police Chief; Ryan Clark, Development Services Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Chris Tschirki, Public Works Director; Brandon Nelson, Finance Director; Bryce Merrill, Recreation Director; Marc Sanderson, Fire Chief; Keri Rugg, HR Director; and JoD’Ann Bates, City Recorder

NOTE: The referenced report and presentation documents for each discussion may be viewed at orem.org/meetings under “City Council Presentations”

PRESENTATION - Parking Permits for Springwater Neighborhood

Lieutenant Paraskeva indicated this parking area is in regards to the Springwater Neighborhood. This neighborhood has collected over 150 signatures on a petition requesting this program be put into place in this area. The council has been provided information regarding a traffic study, and parking violations that have been issued over the past few months. He continued to review some of the specifics of the parking violations that have taken place and the citations issued.

Mayor Young inquired as how the process of the permit program works. Lt. Paraskeva reviewed Orem City Code 19-5-5; “Designation of Residential Parking Areas”.

General discussion ensued regarding the details of the process and what an individual needs to do in these areas in order to receive a parking permit.

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1 Lt. Paraskeva continue to review the Springwater area and show the specific streets where this
2 permit process will be applied. He discussed the process they use in order to notify the
3 surrounding residents of the change and the signs and notifications they provide.
4

5 General discussion ensued regarding the current UVU parking pass situation. Mr. Davidson
6 indicated the Axis development has recently entered into a contract for extra parking with UVU.
7

8 Lt. Paraskeva indicated if there were no further concerns, he would like to proceed and have a
9 resolution approved at and upcoming City Council meeting. It was the general consensus of the
10 council to move this item forward.
11

12 PRESENTATION - Gang Loitering

13 Chief Adams stated every year the Police Department presents gang loitering information to the
14 City Council for their information, and reviewed the city code regarding gang loitering. He
15 stated he feels this has been managed effectively in conjunction with the Utah County Major
16 Crimes Task Force the School Resource Officer Programs and other after school programs they
17 have in conjunction with the Alpine School District. The city also helps keep their parks well
18 maintained in order to deter loitering in the parks. He stated they do not believe that most of the
19 graffiti occurring within the city is gang based. He indicated they do have several retired gang
20 members from out of state that work and live peacefully in the city.
21

22 General discussion continued regarding general gang information.
23

24 Mayor Young inquired if there had been any change in the gang culture in Orem. Chief Adams
25 responded they have seen a change in the gang culture. It has moved from a pop culture to more
26 of a social media culture.
27

28 AGENDA REVIEW & PREVIEW OF UPCOMING AGENDA ITEMS

29
30 The City Council reviewed the evening's agenda and discussion ensued regarding the scheduled
31 items that would be considered.
32
33

34 CITY COUNCIL REPORTS (BOARDS & COMMISSIONS, NEW BUSINESS, ETC.)

35
36 Mr. Lambson reviewed the Boards and Commissions for which he represents:
37

- 38 • CARE:
 - 39 ○ They have completed the review and approval of this year's applicants and are
 - 40 now finishing up the agreements.

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- Transportation:
 - Round about 1200 south 400 west
 - 1600 north to Geneva widening
 - Geneva Road S curve at 400 north
 - 400 east 1600 north light
 - 400 south 400 west new park and water tank
 - Working on Transportation Master Plan
- Neighborhood:
 - They are in the middle of doing their picnic with the police in the parks.
- UTOPIA:
 - Orem is almost completely built out, they are working on one final area
 - Utopia has several new cities that are in the process of building out
- UVU – nothing to report at this time.

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6:00 P.M. REGULAR SESSION - COUNCIL CHAMBERS

CONDUCTING

Mayor David A. Young

ELECTED OFFICIALS

David Spencer, Terry Peterson, LaNae Millett, Jeff Lambson, Debby Lauret, and Tom Macdonald

APPOINTED STAFF

Jamie Davidson, City Manager; Brenn Bybee, Assistant City Manager; Steven Downs, Deputy City Manager; Joshua Adams, Police Chief; Ryan Clark, Development Services Director; Charlene Crozier, Library Director; Steve Earl, Deputy City Attorney; Chris Tschirki, Public Works Director; Brandon Nelson, Finance Director; Bryce Merrill, Recreation Director; Keri Rugg, HR Director; Mark Sanderson, Fire Chief; and JoD'Ann Bates, City Recorder

CALL TO ORDER

INVOCATION / INSPIRATIONAL THOUGHT – Crystal Bartlett

PLEDGE OF ALLEGIANCE – Mark Bartlett

PERSONAL APPEARANCES

Cissy Rasmussen an Orem resident stated her kids have attended Orem schools for 17 years and will continue to attend for the next 10. She stated she believes that Orem schools, families and teachers are better served by remaining with Alpine School District (ASD). Ms. Rasmussen shared the results of an objective survey from Orem school employees. She indicated that 371 surveys were completed, 91% opposed the formation of an Orem only school district. 84% said that they would look for a way to remain in ASD. She was concerned that the Discover Education Consultants (DEC) feasibility study did not take teacher and employee views into account and was concerned as to what else they might have missed. She stated she is concerned that the City Council will not note the following:

- School funding comes from three major areas with property taxes accounting for only 22%.
- The bulk of funding depends on student enrollment and that Orem student population has been steadily decreasing for the past 20 years.

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- Orem schools receive an outsized portion, about 80% of the Title I funding in the school district,
- ASD estimates that Orem schools cost \$29 million dollars more than Orem generates in school funding.
- What programs would have to be cut or how much taxes would need to be raised to make up that shortfall.

Ms. Rasmussen stated that DEC has all of this data according to the GRAMA request on the Orem City website and hopes that the study will answer those questions and the City Council will be careful in making what she considers a life-changing decision.

Joel Wright Cedar Hills resident stated he has had 5 children who attend schools in the Alpine School District (ASD) and is concerned with the variable of seismic safety. He indicated that for over 20 years a lot of schools in Orem have not been safe. He stated that Eagle Mountain schools are up to code and Orem schools are not up to code. Mr. Wright concluded by stating he hopes the feasibility study shows what buildings are not safe in Orem and what will be done to fix that.

Chris McFadden Orem resident, stated he has had children who attended Orem schools. He stated he has had 2 children go to the Dan Peterson School which is a school that provides for the students with severe special needs. This school has dedicated physical, occupational and speech therapy, therapy pools, adaptive kitchens, laundry, changing stations, full time nurses, teacher's aid, and class sizes from 8-12 people. He continued to explain that 43 of the 120 students at the Dan Peterson School live in Orem. He stated that the school just put in two small wheelchair swings that cost \$100 thousand dollars and feels that grants from the government are still taxes, whether its local taxes or not. Mr. MacFadden concluded he is concerned for the safety of the special needs students if they are put in traditional schools.

Michelle Lee Orem resident stated there had been a study done by the Educational Intelligence Agency to determine if the district size impacted how much money was allocated into institutional instruction in a district. She stated that in a sample size of 61 school districts nationwide containing 50,000 and 100,000 students which for reference Alpine School District (ASD) contains 85,000 students, which is the largest in the state. They found that only two districts in this sample size of 61 hit the threshold of allocating 65% of funds to education. Only two school districts were able to allocate 65% of their funds to instructional education, which is 8%. She continued to state Orem students deserve better than this. She indicated that larger school districts equate more money wasted on overhead and not being spent on educational instruction. Currently 1 in 6 Orem students do not attend public schools in Orem which makes her wonder why there are so many Orem parents choosing not to put their students in schools in Orem. She continued to state that Orem's student population is not decreasing but students are leaving Orem schools because ASD is not meeting their needs. She feels the district is too large, and the education system was not meant to function as a department of the state. Ms. Lee

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1 concluded by stating that they need local regulation, community involvement, and accountability
2 and does not think any of those are possible when each one of the 7 school board members
3 represents over 12,000 students each.
4

5 Jennifer Ellingford Orem resident, thanked the council for their service to Orem City. She stated
6 that she is a mother of 4 children, a member of the PTA, a wife of a teacher at Orem High
7 School, and recently returned to teaching part-time at Orem High School. She indicated that her
8 husband Brian Ellingford has taught at Orem High School for 16 years, in addition to him
9 teaching he has served on the school community council for many of years, helps with clubs, has
10 set up a cross-curricular writing center and spends many hours outside of contract time helping
11 students with college essays. She feels that although it would be devastating for her husband to
12 leave Orem High School, if there is a split from Alpine School District (ASD), he would look for
13 a job outside of Orem to be able to stay with ASD. She stated that many teachers cannot risk the
14 potential decrease in salaries, benefits, and school programs after the one-year match that is
15 guaranteed by the state and feels good teachers are the most critical part of the education system.
16 She stated that the past few years have been challenging for teachers due to the difficulty of
17 teaching during a pandemic and facing increased criticism from parents in the community. She
18 feels that if they lose experienced dedicated teachers from Orem schools that there will be no
19 army of qualified teachers waiting in the wings to take their spots. Ms. Ellingford concluded by
20 stating that losing a few teachers at each school would be devastating and will hurt the children,
21 the schools, and the community.
22

23 Jennifer Young stated she has lived in both Davis County and Orem over the past few years and
24 has four kids who have attended both Orem schools and Davis County schools. She stated she is
25 a second-grade teacher and has had her degree for about nine years. Through teaching she has
26 witnessed students come in and out of different schools. Her biggest concern through studying
27 and Facebook observation is that people are making decisions without getting the data first. She
28 is hoping that others can stay open minded and that the data will shed some new light. Mrs.
29 Young concluded she worked at a private school in Davis County where she studied many
30 different school models and believes that local control can be best represented by a smaller
31 number.
32

33 Jared Whitlock Orem resident, stated all of his children have attended Orem schools. He
34 indicated Alpine School District (ASD) has a AAA bond rating which is very difficult to get and
35 there are very few organizations in the country that have that rating and it has taken more than 17
36 years to earn the rating. He feels if Orem were to split off, they would not have that bond
37 rating. He continued to state that ASD bonds can be issued at no extra cost above what is already
38 being paid to taxpayers because of their excellent bond rating and because they pay off previous
39 bonds in layers that amount owed does not increase even as more is borrowed. Alpine School
40 District can also pay off previous bonds early because of the lower cost of borrowing which also

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1 contributes to lower costs of buildings for taxpayers. Each city in ASD benefits from a bond in
2 building projects as well as in debt that is spread out over many areas so not one area has to bear
3 the burden of the entire cost. In the last several bond cycles that ASD issued Orem has received
4 many benefits. He commented on schools in the Orem area that have been renovated and
5 compared it to Provo saying that Provo School District is struggling. Mr. Whitlock concluded
6 that he feels there are many benefits to being a part of ASD.

7
8 Lanae Larson stated she has five children from the ages 17-6 years of age and was anticipating
9 things to eventually go back to normal in the public education system. She ended up pulling her
10 second grader out of public school because she felt as though she couldn't let him go back to
11 school with the influence that it was having on him. She stated her three older children are still
12 in public schools. She expressed that her children are on a laptop 80% of the time and she
13 believes that there is a push back to get every kid on a laptop because education can be
14 manipulated and distorted. She does not feel that teachers, principals, and parents can keep up
15 with the technology because it is changing so rapidly. Her son who she pulled out of public
16 school now goes to a charter school and one thing she really likes about this is the smaller
17 classroom sizes and more parental involvement. She stated that although her son's charter school
18 does not have a lot of money, they hold fundraisers and use parental involvement to their
19 advantage. Ms. Larson concluded that she feels by funneling money back into smaller classroom
20 sizes and teachers it will help because she is more concerned with the structure of her child's
21 mind versus building safety for earthquakes.

22
23 Hannah Wolds Orem resident stated she purchased a home and is planning on staying here for
24 the next 60 years. She has been an Orem teacher for the past nine years and she chose to buy her
25 home in her schools' boundaries because she believes in the education system that Orem
26 currently has. She feels what makes Alpine School District (ASD) a great district is the
27 opportunities that teachers within ASD have. She continued to share some of the personal
28 opportunities she has been able to experience as a teacher with ASD that helped her become a
29 more effective teacher and being able to make an impact on the lives of her students. She is
30 fearful that with the school district split that she will no longer have these opportunities because
31 they will no longer have the number of fifth grade teachers needed to do the activities. She
32 voiced her concern that she has not been heard at past meetings due to comments saying you
33 can't measure student impact. Ms. Wolds concluded by responding to a comment that was made
34 that this is not a political issue because 30 plus minutes were spent on budgeting and money
35 when she believes that it should be about the students.

36
37 Murry Lowe Orem resident stated his four children attended schools in Orem within the Alpine
38 School District (ASD). He believes that both sides of the debate share more in common than
39 they believe. He feels the primary goal for everyone is the quality of education for children
40 which he feels is crucial and feels this issue should be taken to a vote. He stated in 2006 the

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1 council had a decision whether to take it to a vote and it was voted 4-3 against. He feels there are
2 enough concerned citizens in Orem to make this happen and feels that bigger is not better. Mr.
3 Lowe concluded by stating that bigger is about control and he thinks that if they want to get more
4 responsiveness then they need to make sure they get a new district.

5
6 Brain Ellingford Orem resident stated he has been a school teacher at Orem High School for 16
7 years. He indicated he does see the need to reform in some areas of education but there is
8 nothing that suggests that splitting the district will change parental involvement rates, curriculum
9 that will be taught or how it is taught. He stated Orem High schools receive 5 additional full-
10 time employees beyond what would normally be funded based on population. Other schools like
11 Mountain View and Canyon Junior High have the same situation with only 25% of school
12 funding coming from local taxes. He is concerned if they would be able to maintain
13 extracurricular programs. He continued to state that he works with special needs students and
14 high-risk students in two of his classes. Alpine staffs and maintains the Dan Peterson, ATEC,
15 Polaris High School, Summit High School and East Shore High School as well as summer
16 programs. If the new school district cannot provide these, he feels they will have done these
17 students a disservice and have harmed the members of the community. Mr. Ellingford concluded
18 by urging the council not to vote to put this on the ballot until they are absolutely certain that the
19 at-risk, high needs, and special needs students all receive the help they require.

20
21 Aaron Davidson stated he has children who went to the Alpine School District (ASD) and feels
22 they should have postponed this meeting until after the report was out so that we could talk about
23 actual numbers. He asked the City Council to look at financials, morality, ethics, and what ASD
24 board members have said and done and feels when a district gets big the kids become numbers
25 and not individuals. He stated that he respects the integrity of Orem City and wanted to do a
26 feasibility study to look at the numbers but feels that the numbers aren't the most important
27 issue, the kids are most the important issue. He stated they need to look at what an Orem school
28 district can offer to the kids because he feels ASD is just a billion-dollar budget and that it is too
29 big. Mr. Davidson concluded by asking the City Council to take a look at the report when it
30 comes out and keep the kids in mind.

31
32 Keith Wilson stated he is married to Ada Wilson who has represented Orem and Vineyard for the
33 past four years on the Alpine School Board and is part of a group called Orem and ASD stronger
34 together. Keith feels this issue is not all about money, it's all about education but education
35 cannot happen without the funding. He feels it has been demonstrated with verifiable historical
36 facts that if Orem becomes its own district and if the schools continue to be funded at current
37 levels, there will be a revenue shortfall of over \$21 million dollars requiring a property tax
38 increase. He stated that in the council meeting he attended in April, Mayor Young assured
39 everyone that raising taxes was not the intent and he would not propose a new district that he
40 believed would require a tax increase. He stated an important expectation is any proposed school

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district would continue to fund schools at the current level and we're not cutting school funding by tens of millions in order to dodge a tax question. He asked the council on behalf of Orem residents and on behalf of their children that they have assurances that the proposals for a new district will continue to fund schools at the current level. Mr. Wilson concluded that the \$21 million dollar figure is not accurate or complete, there are a number of factors that are not included which include, startup costs in the district, interest rates, and inflation and hoped the feasibility study had taken those into account.

John Barrick Orem resident stated he has studied these issues intensely for the past four months. He indicated he is a CPA and a tax professor and has worked for congress doing revenue analysis and expenditure analysis regarding taxes. He feels it is important to know fact from fiction. He indicated a paper delivered information about revenue analysis and expenditures using two-year-old data. He feels Alpine School District (ASD) has run over a billion dollars since that revenue estimate or expenditure analysis was made. He indicated ASD revised their budget without disclosing it with 819 changes including \$17 million dollars in decreased state funding and \$15 million dollars of increased local funding. He feels ASD is using their tax dollars to fight against them and feels this is wrong and it is against policy 20-20-40 as well as Utah Political Neutrality laws.

CONSENT ITEMS

APPROVAL OF MEETING MINUTES

Minutes of City Council Meeting - April 26, 2022
Minutes of City Council Meeting - May 10, 2022
Minutes of City Council Meeting - May 24, 2022
Minutes of City Council Meeting - June 14, 2022

Mr. Macdonald moved to approve the Consent Items as listed. **Mr. Lambson seconded** the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The motion **passed**.

SCHEDULED ITEMS

APPOINTMENTS TO BOARDS AND COMMISSIONS

- Planning Commission
James Hawkes, Appointment

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Mr. Hawkes indicated he has lived in Orem for 50 years and has 7 children and many grandchildren. Being retired gives him the opportunity to be part of the Planning Commission and looks forward to the chance to serve Orem.

Mayor Young moved to approve the appointments to the Planning Commissions as listed. **Mr. Spencer seconded** the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The motion **passed**.

APPOINTMENT TO BOARDS AND COMMISSIONS

- CDBG Commission

Kenneth Ransom, Reappointment

Tanya Harmon, Reappointment

Giovana Alisa, Reappointment

Mrs. Millett moved to approve the appointments to the CDBG Commissions as listed. **Mr. Macdonald seconded** the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The motion **passed**.

APPOINTMENTS TO BOARDS AND COMMISSIONS

- Public Works Advisory Commission

Brent Tobler, Appointment

Joseph Gordon, Appointment

Robert Moore, Appointment

Gary Morley, Appointment

Mrs. Millett moved to approve the appointments to the Public Works Advisory Commission as listed. **Mrs. Lauret seconded** the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The motion **passed**.

PUBLIC HEARING / ORDINANCE – Amending Section 22-5-3(A) and the zoning map of the City of Orem by rezoning the property located at approximately 659 South 350 West from the R8 zone to the R6 zone.

Mr. Bench stated Michael and Lisa Kelly own a vacant residential lot located at 659 South 350 West as well as the adjacent lot directly to the south. They would like to subdivide the northern parcel into two lots so that two of their children with young families can build homes there.

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The vacant parcel is currently zoned R8, but the lot is not quite large enough to be divided into two lots under the R8 zone requirements. However, the lot could be divided into two lots under the R6 zone with one of the lots being a deep lot. The R6 zone requires a minimum lot size of 6,000 square feet and flag lots need to be one-hundred twenty-five percent (125%) of that or 7,500 square feet. If the vacant lot were rezoned to R6 it could be subdivided into two lots with one lot having 7,464 square feet and the second lot having 7,555 square feet. The proposed subdivision would also meet the frontage requirements of the R6 zone as the standard lot would have a width of 87.83 feet and a “net” width of 67.83 feet after subtracting the twenty foot wide access easement to the deep lot. If they are able to subdivide the lot into two lots under the R6 zone, the Kelly’s feel they can help provide their neighborhood with some young families.

Mr. Macdonald inquired if there had been a neighborhood meeting held and asked what the response was regarding this proposal. Mr. Kelly indicated they have support of the neighborhoods.

Mr. Spencer inquired as to the length of the street for fire safety and if this met the requirements. Mr. Bench indicated it does fit code and is not long enough to require a turnabout. He continued to state that Orem City Code requires lot 2 to have a perpetual access. Lot one will own the entire property but there will be a 20-foot easement across there that will be in perpetuity and will be required to be paved.

Mayor Young opened the public hearing at 6:55 pm.

Hearing no comments Mayor Young closed the public hearing and brought the item back to the City Council for further discussion.

Mr. Peterson moved to approve by Ordinance amending Section 22-5-3(A) and the zoning map of the City of Orem by rezoning the property located at approximately 659 South 350 West from the R8 zone to the R6 zone. **Mr. Macdonald seconded** the motion. Those voting aye: David A. Young, David Spencer, Debby Lauret, Tom Macdonald, Jeff Lambson, Terry Peterson and LaNae Millett. The motion **passed**.

RESOLUTION - Renewal contract for the Office of Legislative Counsel to the Mayor and City Council

Mr. Spencer clarified this renewal is for a term of six months.

Mrs. Millett moved to approve by Resolution to renew the contract for the Office of Legislative council to the Mayor and City Council as proposed. **Mayor Young seconded** the motion. Those

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voting yes: David A. Young, David Spencer, Jeff Lambson, Terry Peterson and LaNae Millett.
Those voting no: Tom Macdonald and Debby Lauret. The motion **passed**.

PRESENTATION - School District Split Feasibility Study

Mayor Young indicated that each City Council member had the opportunity to meet with the consultants and ask any questions they had before the study began. He welcomed Mr. McCarty and Mr. Wankier of Discover Education Consultants (DEC). He introduced and reviewed some of Mr. McCarty's recognitions, achievements, history and qualifications.

Mayor Young continued to introduce Michael Wankier and gave some background as to his qualifications. Mr. Wankier explained to the council his role as an auditor and explained the means in which they requested information from Alpine School District (ASD) and how they looked at other school districts, county, state and other records to get all the data necessary to conclude the study.

Mr. McCarty began his review of the study by stating the table of contents which they felt was the direction from the council to be not only a feasibility study to see of the creation of a new school district would be feasible and sustainable but also what would be the impact on students and teachers, so this is what they focused on which include the following chapters:

- 1) Financial Evaluation
- 2) Student Test Scores, Student Achievement, Title I
- 3) 2022 & 2016 FEMA "Earthquake Safety Study
- 4) ASD Teacher & Administrator Salaries
- 5) Class Size and Student Teacher Ratios
- 6) Student Accessibility to ASD Specialty Classes
- 7) Research Review of School District Size & Intimal Enrollment
- 8) Trends to Consolidate Two or More Schools into One Large School

The Study also includes the following:

- 2004 Pioneer School District Feasibility Study – Utah County Commissioners
- History of the Canyon/Jordan Split & Resulting Tax Impact
- Vineyard & Lindon – Prospects of Students Attending New District Schools
- High Schools' in New District and Continue Participation in UHSAA Activities
- Proposed New District Organizational chart
- New District Boundary Map
- How Funding Works for Utah Public School Education

Mr. Wankier stated they believe it is feasible to have a new school district for the City of Orem and be possible to maintain the status quo without significant changes to taxes. He continued to

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review the taxable value comparison of various school districts that are primarily neighbors to Alpine School District (ASD). In 2020 the taxable value for ASD as presently constituted was about \$34.2 billion based on a student population of 80,953, which is a value per student of approximately \$422,000 to \$423,000. He continued to state that if that was split into two districts, out of that \$34.2 billion, 6.7% of that value is related to the residents of Orem. He continued to review the value information of the study for 2021 and various situations that would affect the outcome.

Mrs. Lauret inquired if they factored in the value and growth or just value. Mr. Wankier responded they built their model using both but separated them out into new growth and historical value growth.

Mr. Wankier continued to state when they built their model, they went through 3 different estimated household property tax scenarios. He continued to explain each scenario's outcome and how property taxes are affected. They developed a budget estimated with state and federal fees and got the balance for property taxes for each scenario. They felt it was important to calculate each scenario to show the possibilities. He continued to state they thought this was the best way to approach the different scenarios because it gives them something to compare to based on what they are experiencing today. The baseline is keeping everything together with no change from how it is today and just breaking out the numbers and forecasting what the average per year is going to look like for the next 10 years. Mr. Wankier continued to review and explain the 4 baseline scenarios.

Baseline scenarios are as follows:

- 1) No split and a new bond of \$595 million issued; Orem shared in \$116 million of the bond debt with no guarantee of reinvestment in Orem schools and all taxpayers see a 12.8% increase in taxes.
- 2) Orem leaves, no new bonds: Tax increase of 4.2% in Orem; effectively no change in remaining ASD taxes
- 3) Orem leases, ASD bonds for \$595 M: Tax increase of 4.2% in Orem; tax increase in ASD of 15.9 Orem leaves & bonds for \$125M (receives 100%), ASD bonds for \$595M: Tax increase in Orem of 17.9% (compared to baseline; tax increase in ASD of 15.9%

Mr. Macdonald asked for clarification regarding the information presented. It is his understanding that taxes would go up in 3 of the 4 scenarios except the one where they stay with the Alpine School District. Mr. Wankier indicated Mr. Macdonald was correct.

Mrs. Lauret inquired if they figured in the new bond if they were rolling off others or just on top of the existing bonds. Mr. Wankier responded they based it on the amortization of the existing bonds and just layered the new bonds on top.

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Mrs. Millett asked if he could clarify the “net zero” statement. Mr. Wankier responded it comes back to how the calculation works without any bond. The amount of debt service gradually decreases each year and because of that your tax rate should go down each year. Your value increases and the amount that has to be paid stays the same the rate is going to change but the total dollars that have to be paid reduce a little bit each year as the bonds amortize. The goal in a net zero situation would be as the property taxes increase you can issue a new bond and have the same rate but the total dollars that you pay still has to increase because you have to cover the old bonds plus the new bonds, he continued to stated it all depends on whether you look at the rate or you look at the dollars. He feels the right way to look at it is the dollars because that's what actually comes out of your wallet. Mrs. Millett asked if what he was talking about would be considered as a tax burden. Mr. Wankier responded she was correct.

Mr. Peterson inquired if Orem has ever received their 19% share of past bonds. Mr. Wankier indicated historically Orem has put in approximately 19% overall and only received approximately 13% of all bond allocations from 2002 to 2021.

Mr. McCarty reviewed the historic bond overview that included the following information:

- From 2002 to 2021, approximately \$120 million of Orem taxes subsidized the building of schools outside of Orem (\$6.3 million annually). This funding comports with the 2004 Pioneer school district study.
- If the \$595 million bond passes, Orem taxpayers would be responsible for the payment of approximately \$116 million (19.44%) over 20 years, with no guarantee as to the amount of reinvestment that would be made into Orem schools.
- Historically, 13.3% of the bond allocations were directed to Orem from 2002 to 2021 and during this same period Orem has paid approximately 28% of the bonds.

Mr. Wankier continued to review the property value trend from 2002 through the fall of 2008 and the steady increase from that time forward. They have used a 5% growth rate but there is a chance there is a decrease followed by an increase which they cannot predict. He continued to review total property taxes collected over time stating forecasts are just that, a forecast and they cannot predict what will happen in the future. Review of forecasted revenues continued with the forecast of state and federal funding estimating a continued increase of approximately 5% growth rate every year. He continued to review the total amount of forecasted General, Capital and Debt Service funds for a new district. Mr. Wankier stated these numbers are assumptions due to not knowing what the new school board would propose.

Mr. Wankier then reviewed the forecasted per student Expenditures: General Fund. They compared numbers from the Alpine School District 2021 budget and the 2023 budget and tried to build what those numbers would be with an increase of 7% after the first year which is built into

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1 the 2023 Alpine School District budget. Future numbers are only an estimate based on the new
2 school board and a standard consumer price.

3
4 Mr. Peterson quoted some of the data in the study; “Alpine School teachers’ salaries as of fiscal
5 year 2022 are approximately \$7,532 below the national average main salary. Alpine School
6 District administrator salaries are approximately \$2,715. Dollars above the national average main
7 salary”.

8
9 Mr. McCarty stated these expenditures are based upon all the full services and benefits that are
10 currently being provided and will continue. They have also looked at shared service agreements.
11 With the split of the Canyons School District, they entered into a shared agreement with Jordan
12 for some of their services. He indicated there is a whole chapter in the study regarding the
13 importance of the teachers’ pay and study related to student achievements and recommended
14 they read chapters 4 and 4.1 for that further detailed information

15
16 Mr. Wankier stated when they looked at other school districts the percentage of benefits paid to
17 Alpine teachers are higher than it is in other districts. Other districts are around 42% to 45%
18 benefits of salaries. He stated he feels Alpine is doing a really good job from a percentage
19 standpoint of keeping or adding benefits to the teachers. Their benefits are about 53% of the
20 salaries in ASD so they have modeled this into their study.

21
22 Mr. McCarty stated by law they are locked in for a year in regards to teacher’s salaries, but it is
23 up to the new school board as to what happens after that first year.

24
25 Mrs. Lauret stated she knows class size is important to teachers and the larger they are, the more
26 spread thin they are. She inquired if they figured class size into the study and if so, what was the
27 number they used. Mr. McCarty responded that they did factor that into the study. He continued
28 to review the national average and the averages for surrounding districts.

29
30 Mr. McCarty continued by reviewed information regarding test score analysis stating the
31 following:

- 32 • Orem high school test scores are in a free-fall, indicating severe system issues. Since
33 2017, the scores for Orem high schools have dropped 11.2% (47.8% to 36.6%). ASD’s
34 average dropped 2.3% (53.4% to 51.1%, while the Utah State average increase 7.3%
35 (40.8% to 48.1%)
- 36 • Orem junior/middle school test score declined since 2017 is also critical, dropping 8.6%
37 (49.0% to 40.5%). ASD’s middle school scores dropped 6.8% (53.2% to 46.4%), while
38 the Utah State average decreased 3.7% (44.9% to 41.2%).

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- Orem elementary school scores since 2017 have slightly increase 1.2% (45.9% to 47.1%). ASD's elementary school average dropped 1.9% (53.9% to 52.0%) while the Utah State elementary average dropped 4.5% (48.1% to 43.5%).

Mr. Lambson asked where this data had been collected. Mr. McCarty responded the data was gathered from both the Alpine School District and the Utah Board of Education.

Mrs. Lauret indicated that some of those years were Covid years and asked if that had been calculated into the figures provided. Mr. McCarty responded that when they looked at those years there was no data for testing during that time so they did not use that as part of the average. The time frame used was from the years 2017, 2018 and 2019. The data collected can be found in the study on pages 136-138.

Mr. McCarty continued to review specialty programs. He stated 83% of students have full access to specialty classes living in the west & north ends of the ASD. Approximately 48% of Orem, Pleasant Grove and American Fork students have full access to ASD specialty classes. Specialty classes can range from art, Chinese, French, Spanish, Portuguese immersion, music, physical education, dance, drama, humanities, fine arts, health, advanced learning labs, science technology and many more. He continued to discuss the availability based on area and transportation.

Mr. McCarty continued by reviewing FEMA and Building Safety with the following information:

- In august 2006 ASD retained Reaveley Engineers & Associates to conduct a Seismic Vulnerability Assessment for ASD. This study found 10 schools in Orem had moderate to severe seismic issues.
- Neither the 2006, nor the 2017 Orem School District Feasibility Studies mentioned the Orem schools that needed upgrades/retrofits/replacement.
- In February 2022, State of Utah, FEMA & other entities surveyed every school in Utah, and provided a K-12 Unreinforced Masonry Inventory. ASD has not resolved pressing FEMA issues. In Orem, 12 schools are identified with seismic problems (35% of ASD's 30 unsafe schools). 4 Orem Schools identified in the 2006 assessment as unsafe remain un-remediated (Orem Jr. High, Sharon, Windsor and Geneva

Mr. McCarty concluded by reviewing Local Representation information as follows:

- A new district will have 7 elected school board members who live in Orem and will represent local communities.
- All tax revenue will stay in Orem
- Canyons School District
- Local representing regarding decisions within the following area should be considered:

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- District structure and budget
- Teacher compensation and benefits 'class size and student to teacher ratio
- Capital investment (new buildings, remodels, FEMA safety, etc.)
- Quality of education (test scores, specialty programs, etc.)

Mrs. Lauret inquired as to bus services and a bus depot. McCarty stated they did look into that and feel there are many different types of shared services and ideas that could be possible. Some of those possibilities are sharing services between other school districts, private services or other municipalities. Mr. Wankier indicated whatever way they go to provide for those services also depends on what funds they would have and would also be up to the new board.

Mr. Spencer inquired as to how many students are currently being bused in Orem and what the cost per student is. Mr. Wankier stated he is unaware of the number of students that are being bused but could find that information for them. He did indicate he is not for certain but looking at the financial statement of 2021 for ASD he recalls the average cost of transportation for the entire district is somewhere between \$225 and \$275 per student. Due to the geographic size of Orem, it is more in the area of \$120 to \$150 per student.

Mr. Spencer continued to inquire as to how many schools in Orem have FEMA issues. Mr. McCarty indicated there are 12 schools with seismic issues.

Mrs. Millett inquired about and asked for clarification on the depreciation aspect of the overhead that was mentioned and how it related to Orem. Mr. Wankier indicated the depreciation is not included in the general fund so the \$1,900 does not include a depreciation amount. They were focused on the cash in and cash out type of expenses. Depreciation is in the governmental fund and the governmental layer of the financial statements. They didn't look into that because it had a lot of non-cash items. The \$1,900 they are collecting does not include any overhead, that's true cash that they are collecting every year and expending every year and didn't fall into the depreciation for the schools.

Mr. Spencer stated there was information out there that indicated ASD's was subsidizing Orem schools to the deficits of \$21 to \$29 million dollars and asked if they could respond to that question. Mr. Wankier responded that there are 3 main funds they looked at, the General Fund, the Debt Fund and the Capital Fund. He stated in the General Fund there is probably some subsidy depending on how you calculated it. There are Title 1 monies coming into all schools where the money is being expended is in Orem. The Orem schools are collecting somewhere in the neighborhood of \$2 million dollars plus Title 1 money, but the amount that is being spent in those schools, on Title 1 things is \$4 to \$4.5 million, so there is a bit of a subsidy.

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1 Mr. Spencer stated they have heard a lot from teacher's saying their salaries and benefits will be
2 reduced. Mr. McCarty stated that this study indicates that there is a complete transfer of
3 retirement, time and salaries and by law it is greatly implied. They would ask the new school
4 district to carry over any longevity or early retirement programs that are currently in place. Mr.
5 Spencer asked where the money would come from to continue those increases. Mr. McCarty
6 indicated they are going to need approximately \$25 million dollars for that increase. He
7 concluded this is a good question, and they don't have definite numbers or a process that will
8 need to be taken.

9
10 Mr. Lambson asked about assets and infrastructure and who would get what if there was a split.
11 Mr. Wankier indicated he does not remember exactly but recalls that roughly 20% of the assets
12 would follow the new district. There would be an arbitration period where this would all be
13 discussed and determined. Each side needs to look at those assets individually and determine the
14 value of those assets.

15
16 Mr. Macdonald thanked Mr. McCarty and Mr. Wankier for their time and efforts in getting this
17 study together. He indicated it was his understanding that taxes will increase in 2 of the 3
18 scenarios. He also noticed on page 68 the new district has a tax increase every year and the old
19 district has a tax decrease every year based on the proposed numbers. The question is are they
20 getting their fair share or not, the question is will taxes increase at least in 2 of the 3 scenarios
21 and it looks like the Mill Rate level will go up every year increasing property values and
22 property taxes. Mr. Wankier responded this is talking about the overall General Fund in their
23 estimate yes, the Mill Rate does go up. The way they forecasted it there is no guarantee. Mr.
24 Macdonald indicated there are initial costs to make a new district that are outside the purview of
25 this study and somehow, they have to be funded due to a new district not being funded for 2-3
26 years after the vote of approval. If he understands it correctly, they would need to fund that
27 somehow at the city level and those are not insignificant funds. Mr. Macdonald inquired as to
28 the estimated costs they would be looking at needing to fund. Mr. Wankier responded that Mr.
29 Macdonald is correct. The estimate is based on various different things but startup costs could
30 range anywhere from \$3 to \$6 million dollars. Mr. McCarty indicated that under the law the new
31 school district could pay back up to \$500 thousand dollars to whatever entity gave up to that
32 \$500 thousand. Other monies needed could be taken as a loan or some type of financial
33 agreement in which the new school district would eventually pay back after so many years.
34 There are also funds that would come from ASD and would be addressed during arbitration.

35
36 General discussion ensued regarding the effects of the different scenarios and that fact that taxes
37 may go up regardless of rather there is a split or they stay with Alpine School District, the Mill
38 Rate and property taxes, various different funds, bonds issues test scores, class sizes and
39 clarification of previously discussed items.

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1 Mayor Young asked about the drop of test scores and why they were so drastic. Mr. McCarty
2 stated he can conjecture that and it could be based on several different factors. Mr. Wankier
3 indicated to be fair Alpine School District is the most efficient school district.

4
5 Mr. Spencer clarified that the bond will go into the Debt Fund and Orem was estimated to
6 receive approximately \$116 million dollars if the schools were split.

7
8 Mayor Young voiced his appreciation to Mr. McCarty and Mr. Wankier. He feels they have a lot
9 of reading to do and digesting of the information. He announced they will be having 3 public
10 meetings in the coming weeks in order to have the consultants present the study and answer any
11 questions that are submitted by the public portal. They want to make sure everyone can be
12 educated and get the information they need. Mayor Young concluded by stating the public
13 meetings will be held in the Library Hall on July 13th, 19th and 28th from 7:00-9:00 pm. The
14 council will then meet again on August 2nd at 6:00 pm in order to vote on the findings and the
15 direction they would like to go.

16 17 18 CITY MANAGER INFORMATION ITEMS

19 There were no City Manager items at this time.

20 21 22 ADJOURN

23
24 **Mrs. Millett moved to adjourn. Mr. Macdonald seconded the motion.** Those voting yes: David
25 A. Young, David Spencer, Jeff Lambson, Terry Peterson, Debby Lauret, Tom Macdonald, and
26 LaNae Millett. The motion **passed.**

27
28 The meeting adjourned at 9:37 pm.



**CITY OF OREM
CITY COUNCIL
MEETING
SEPTEMBER 13, 2022**

REQUEST:	RESOLUTION- Economic Development Strategic Plan
APPLICANT:	Kathi Lewis
NOTICES:	
SITE INFORMATION:	
PREPARED BY:	Kathi Lewis, Economic Development Division Manager

REQUEST:

BACKGROUND:

The General Plan is a written guide for the future development of the City. Chapter 5 of the General Plan discusses economics. This chapter currently describes the City's intent to maintain a healthy working relationship with the Economic Development Division in order to achieve the most desirable results in economic development pursuits.

In 2015, the Economic Development Division (EDD) created a new Economic Development Strategic Plan (EDSP), which has served as a guide for the City of Orem's economic development for the past seven years. Over the past year, 2021 - 2022, a full comprehensive update of the EDSP was completed in conjunction with the consulting firm, Thomas P. Miller and Associates. The EDSP is a guide for economic development for the City of Orem for the next five to ten years.

The City of Orem Planning Commission considered the subject application at public meetings and recommended approval of the amendment of Chapter 5, Economics, of the Orem General Plan and approval of the EDSP revisions that have been added to the Plan.

The revised and final version of the Economic Development Strategic Plan is shown in Exhibit 'A'.

RECOMMENDATION:

The Economic Development Division Manager recommends that the City of Orem, by Resolution, amend Chapter 5, Economics, of the Orem General Plan and approve the Orem Economic Development Strategic Plan.

June 2022

City of Orem Economic Development Division



Economic Development Strategic Plan



THOMAS P. MILLER & ASSOCIATES

Page 40 of 266



INTRODUCTION	4
SUMMARY OF FINDINGS	5
STRATEGIC FRAMEWORK	11
FOCUS AREA 1: BUSINESS RETENTION AND EXPANSION	12
Strategy 1: Make the Orem Business Alliance a Strategic Priority of the Economic Development Division	13
Strategy 2: Engage Elected Officials in Business Outreach and Engagement	14
Strategy 3: Lead by Example by Supporting Local Business	15
Strategy 4: Leverage University Assets to Support Business	16
FOCUS AREA 2: BUSINESS ATTRACTION	17
Strategy 1: Take Inventory of Available Commercial, Industrial, and Office Properties	18
Strategy 2: Conduct a Target Industry Analysis	19
Strategy 3: Utilize the Target Industry Analysis to Develop an Integrated Economic Development Marketing and Business Attraction Campaign	20
Strategy 4: Prioritize Intentional Collaboration with Regional and State Economic Development Organizations	21
FOCUS AREA 3: ENTREPRENEURSHIP AND INNOVATION	22
Strategy 1: Increase Access to the Full Spectrum of Capital	23
Strategy 2: Build Places for Entrepreneurs to Flourish	24
Strategy 3: Focus on Culture Building	25
Strategy 4: Take a Targeted Approach to Incubation and Acceleration	26
FOCUS AREA 4: QUALITY OF LIFE	27
Strategy 1: Consider Creating a Forum for Community Discussion, Debate, and Research	28
Strategy 2: Review and Re-evaluate Local Zoning and Policies	29
Strategy 3: Focus on Outdoor Recreation and Tourism	30
Strategy 4: Allocate Resources for Façade Improvement, Placemaking, and Accessibility	32
IMPLEMENTATION MATRIX	34
APPENDIX	40
APPENDIX I: QUALITATIVE FINDINGS & STAKEHOLDER ENGAGEMENT	41
APPENDIX II: QUANTITATIVE DATA ANALYSIS	45
APPENDIX III: SWOT ANALYSIS	65
APPENDIX IV: REVIEW OF THE RETAIL GAP ANALYSIS	74



Introduction

Orem, Utah

Nestled in the heart of Utah County, the City of Orem, Utah is a charming and proud community with a rich history and bright future. The fifth-largest municipality in Utah with 98,129 residents in 2020, Orem is known as a great place to live, raise a family, or start and grow a business. Often called the ‘retail hub of Utah County,’ Orem’s economy has been known for its concentration of high-end retail establishments, a multitude of dining options, and its history of launching technology-enabled startups. To flourish in the mid-21st century, the city is poised to capitalize on existing assets and prepared to outline a vision for the future with intentionality and purposeful planning. With an evolving retail landscape in a post-COVID world, a growing population, and an emerging anchor in Utah Valley University increasing in regional prominence, the city is in position to take the appropriate steps to flourish in the next decade and beyond.

Pursuant to Orem City Code Section 22-1-10, the Economic Development Strategic Plan, as part of the Orem General Plan shall serve as an advisory guide only and is not a binding document.

Project Scope

In May 2021, the City of Orem released a Request for Proposal (RFP) soliciting the services of a professional consulting firm to conduct a comprehensive update to build upon the 2014 Economic Development Strategic Plan (EDSP). According to the RFP, the purpose of the project was to explore existing economic conditions and create an updated EDSP with economic development goals, strategies, implementation steps, and indicators of success that reflect the vast differences in the economic environment as well as the city itself. Thomas P. Miller and Associates (TPMA or the Project Team) was selected to conduct the EDSP in July 2021.

Process and Methodology

TPMA utilized an integrative methodology to develop the Economic Development Strategic Plan for Orem. The project consisted of three interconnected activities including analysis, alignment, and action.

The analysis phase of the project involved an extensive and comprehensive review of historical planning documents, a quantitative data scan and analysis, a retail gap analysis, best practice research, and numerous stakeholder engagement sessions to garner feedback and input from a wide cross-section of community leaders. To generate alignment, the project team considered existing physical and resource infrastructure that could facilitate a prosperous local community characterized by innovation, entrepreneurship, wealth generation, and resiliency. Lastly, the project team, informed by the results of the analysis and alignment phases, developed strategies and action steps for the city to consider in the short, medium, and long term to achieve a shared vision of Orem’s economic future.

Defining an ‘Economic Development Strategic Plan’

Economic Development Strategic Plans provide a community with an opportunity to envision their future and formulate the appropriate steps to achieve that desired future. A solid plan is critical for a prosperous future, long-term economic viability, and a high-quality of life for residents. When done correctly, the economic development strategic planning process facilitates conversations between public and private leaders, residents, students, faith leaders, optimists, skeptics, and other key community stakeholders.

Following a structure outlined by the International Economic Development Council, the project team has developed an economic development strategic plan that provides:

- A realistic appraisal of available resources, constraints, and opportunities;
- A formulation of a clear mission and shared vision;
- The development of achievable and measurable goals;
- The formulation and implementation of project action plans to reach these goals and identify who will champion them;
- The design of clear metrics of success.¹

¹ Girdwood, C. (2015). Introduction to economic development (Vol. 1). International Economic Development Council.

Summary of Findings

The key findings summarized below are informed by the project’s discovery phase, the components of which are detailed in the appendices of this report. Document review, data analysis, focus groups, and interviews collectively provide insight into the current condition of Orem’s economy. These findings are ultimately the basis for the recommendations provided at the conclusion of the report.

Highly Capable Population

A city’s residents are its most important assets, and Orem is fortunate to attract residential and working populations that are well-prepared to contribute to the local economy in productive ways. Across a variety of metrics, Orem is young, healthy, educated, and growing rapidly.

When compared to the rest of the state and the country, educational attainment rates in Orem are exceptionally high; Utah Valley University and Brigham Young University are largely responsible for producing well-trained workers who are familiar with Orem’s business environment and can positively contribute to its growing economy. An educated workforce is attractive to businesses which require highly skilled and well-educated workers, and the residents of Orem have much to offer.

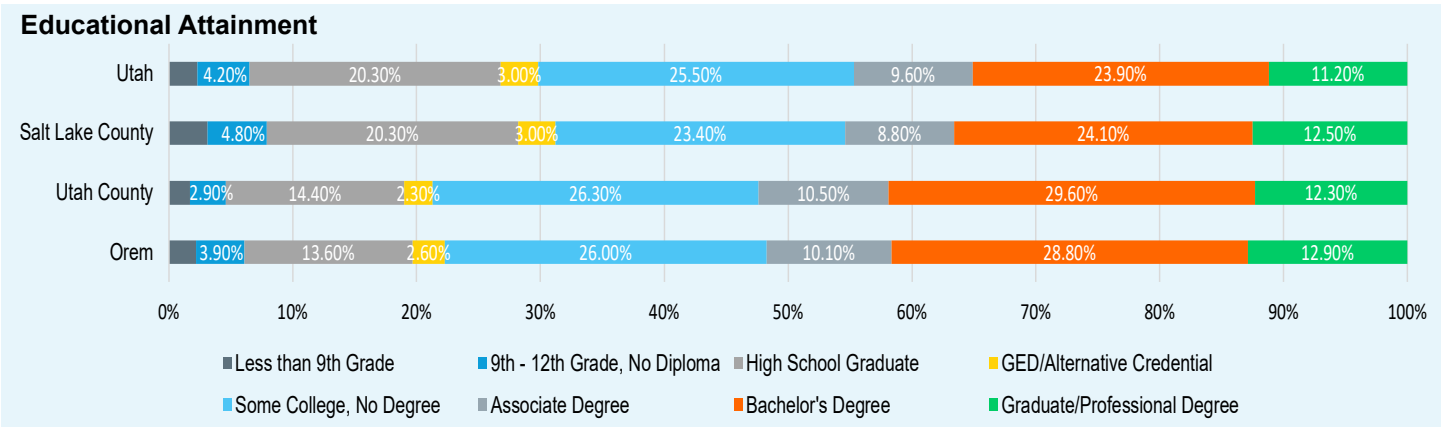


Figure 1: Educational Attainment. Source: Esri, 2021

Furthermore, the residents of Orem are young, active, and healthy. The median age of residents is just under 29 years, which is about 10 years younger than the national median. The population’s health metrics compare favorably to both state and national averages. A prevalent recreational culture within the city is further reflected in the natural assets of the region – Mt. Timpanogos, for example, is a symbol of the energetic, adventurous culture which is demonstrated in the community’s health and lifestyle habits. A healthy community improves all parts of the economy, and Orem is a very healthy city.

Health Metric	Utah County	Utah	U.S.
Average Male Life Expectancy (2019)	79.42	78.28	76.3
Average Female Life Expectancy (2019)	82.04	82.1	81.3
Obesity Population Percentage (2019)	31.40%	27.20%	42.40%
Smoking Population Percentage (2018)	7.00%	7.90%	14%
Diabetic Population Percentage (2019)	4.90%	8.50%	10.50%
Heart Disease Death Rate per 100,000 (2017-19)	300	286.4	317.4
Stroke Death Rate per 100,000 (2017-19)	71.4	69.5	72.3

Table 1: Orem Health Metrics. Sources: CDC; Utah’s Public Health Indicator Based Information System

Many Marketable Assets for Business Attraction

In addition to a healthy, well-educated population, there are many characteristics of Orem’s business environment that further benefit business development efforts. The City of Orem has a strong and well-established business startup culture; the resources available to emerging businesses support innovation and entrepreneurship. There’s a history of high-performing technology companies starting in Orem, and the presence of entrepreneurs within the city contributes to its supportive business environment, which is attractive for up-and-coming companies.

Moreover, the city’s strategic, central location affords businesses many geographic advantages. Only 45 minutes from Salt Lake City, Orem residents and businesses have easy access to a booming urban hub. As remote work becomes increasingly common, Orem’s advantageous location could make it a prime location for businesses that prefer access to an urban center without the high rents and added hassle of metropolitan office space. Access to high-quality, reliable broadband services and high-speed UTOPIA Fiber increases the city’s appeal to tech-focused or remote businesses.

Lastly, much of the built and natural environment is appealing to growing businesses. There exist some marketable, underutilized office spaces in the city that could be attractive to the right businesses. Canyon Park Tech Center, for example, has recently undergone a nearly \$12 million renovation and is prepared to support businesses in a variety of industries. In addition, there are many quality-of-place amenities that are accessible for workers and residents within the city, like fitness centers, a library, trails, and more. Orem’s active recreational culture can provide workers with a variety of leisure options to enjoy in their free time. Together, all these assets support a lively business environment in Orem, which can be marketed to target industries or businesses of interest.

Industry Mix and the Business Environment

Orem is anecdotally known as the “Retail Hub of Utah County,” a distinction that is supported by many quantitative industry and occupation metrics. Service-related occupations are prevalent in the city, with a large share of Orem’s working population finding employment in retail, restaurant, or other service industries.

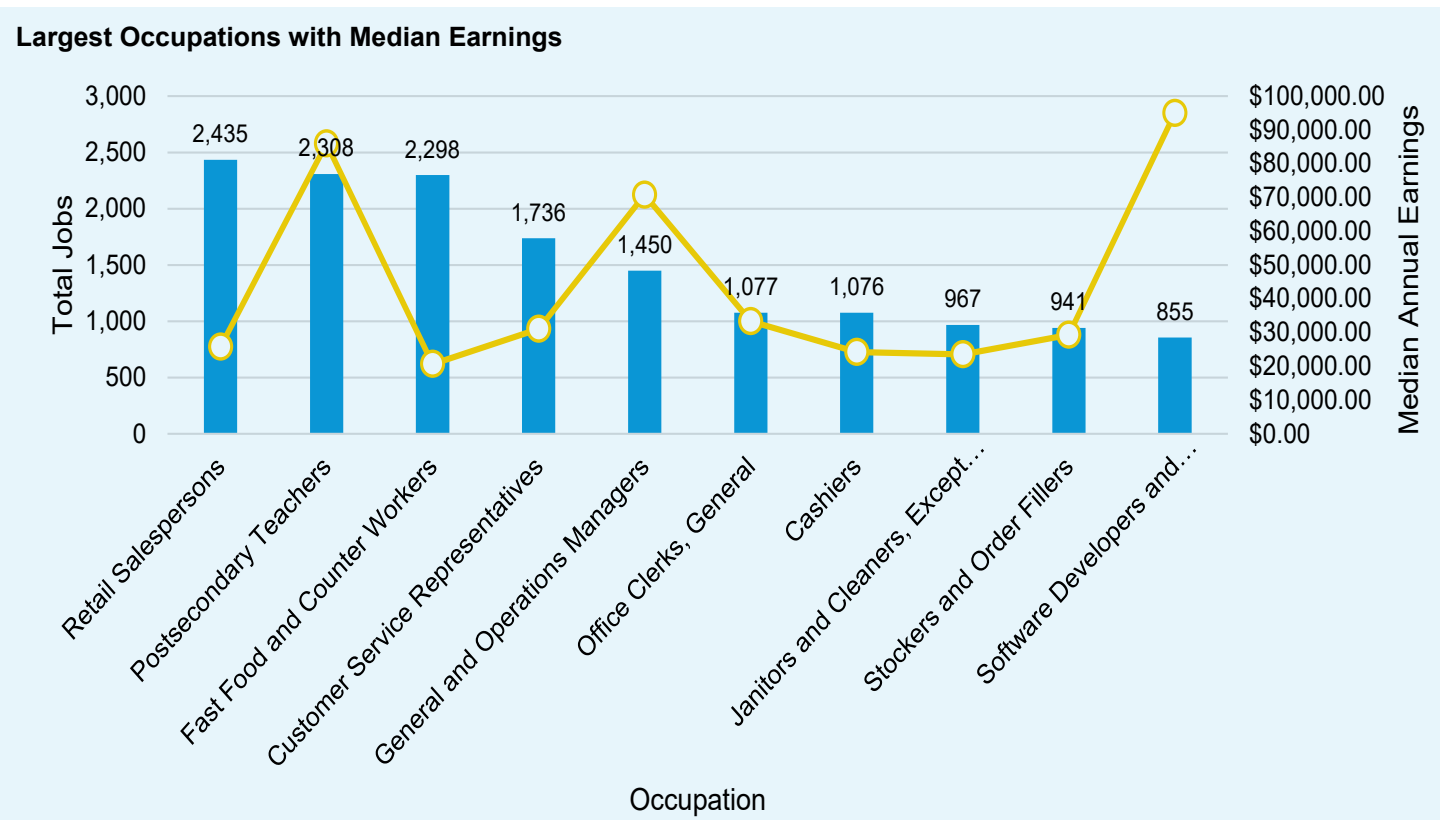


Figure 2: Top Occupations by Job Count with Median EarningsEducational Attainment. Source: EMSI, 2021.

A strong retail industry provides many benefits to the city; namely, retail businesses and restaurants improve the quality of life for residents and increase tax revenue collected by the city. It is important for communities to leverage their strengths in an economic development plan, and the retail industry is presently the cornerstone of Orem's economy. However, there are certainly dangers of overreliance on the retail industry. As housing costs rise and lodging becomes inaccessible for the working population, service industries might face staffing-related challenges. To keep the city from becoming overly dependent on retail or other service industries, the city's industry mix could be diversified through an intentional business retention, expansion, and attraction plan.

Some other developmental issues that are unrelated to housing are perceived to be hindering business growth as well, like the lack of a clear city center. A high-traffic, multi-lane highway intersects the city, and it's difficult for pedestrians to walk from business to business. University Place is home to a variety of retail vendors, but the mall is self-contained and is not well-connected to other parts of the town. Improvements to the built business environment could support the local business community while simultaneously creating a more enjoyable downtown area for residents to enjoy.

Reliance on Sales Tax Revenue

The primary goal listed in the 2014 EDSP was to "increase the sustainability of the City's tax base through increased property values." In part, this top-priority goal was put in place to help stabilize the city's tax base, leaving the city's budget and revenues less susceptible to economic downturns such as the one experienced in the years following the 2008 recession.

At the time of that plan's adoption, Orem had the highest percentage of its General Fund Revenues coming from sales taxes (34%) and the second-lowest percentage coming from property taxes (11%) when compared to the other cities in Utah County. The plan noted that most of these neighboring cities reported property taxes at around 20% of their General Fund Revenue, laying the groundwork for the top economic development goal of bolstering the property tax base.

The percentage of the city's revenues generated by property taxes has remained relatively constant since 2014. The reliance

on sales tax, however, has steadily increased. Since Fiscal Year 2015, the percentage of the General Fund Revenue coming from sales taxes has increased dramatically, eclipsing the 45% mark in the estimates for Fiscal Year 2022 – an increase of over 13 percentage points since the last EDSP.

During the pandemic, sales tax revenues increased dramatically across most of the country. In fact, a report by the National Association of State Budget Officers shows that sales tax revenues grew by nine percent in FY21.² Utah was one of 42 states that reported year-over-year growth in sales taxes collected from summer of 2020 to summer of 2021.³ There are a number of reasons for these increases (e.g., government stimulus checks and a shift in purchases from non-taxed service to taxable goods) including the move to begin collecting sales tax on out-of-state sales in the years leading up the pandemic. A ruling by the State Supreme Court 2019 helped bring this change about in Utah.

Fiscal Year	Sales Taxes	% of Total Revenues	Property Taxes	% of Total Revenues
FY15	\$18,839,327	32.78%	\$7,305,594	12.71%
FY16	\$19,471,579	36.17%	\$6,424,109	11.93%
FY17	\$20,722,179	36.79%	\$6,416,808	11.39%
FY18	\$22,198,446	37.34%	\$6,597,887	11.10%
FY19	\$22,736,417	37.16%	\$6,657,969	10.88%
FY20	\$23,737,723	38.77%	\$6,895,505	11.26%
FY21	\$28,004,565	39.90%	\$7,060,159	10.00%
FY22 (Estimate)	\$30,805,022	45.53%	\$7,278,289	10.76%

Table 2: City of Orem Taxes and Revenues

² <https://www.nasbo.org/reports-data/state-expenditure-report>

³ <https://www.forbes.com/sites/lizfarmer/2021/11/30/sales-taxes-in-2022---issues-to-watch-for-online-retailers/?sh=49a7c24d4b5a>

While this increase in sales tax revenue is certainly a positive in the short term, the recent surge in the amount of sales taxes collected is itself a representation of the volatility of this form of revenue. Sales tax is deeply connected to consumer spending habits and therefore the overall conditions of the economy. An over-reliance on sales tax revenues can make the city susceptible to economic shocks or trends that do not always favor the local economy.

Growth Constraints

Orem's population has grown rapidly in the last twenty years, and the effects of such growth can be seen in many areas of the economy. Efforts to increase residential development to accommodate the growing population are unable to keep up. There's very little developable land remaining within city limits; only 8% of the total land within the city is developable, with only 3% zoned for residential development.

The combination of a growing population and limited developable land makes for a tight housing market. Compared to state and national levels, the vacancy rate in Orem is exceptionally low. Due to high demand and limited supply, housing prices are very high – the median sale price of a home in Orem is nearly \$200,000 greater than the average home value for the rest of the United States. Despite elevated housing prices, though, the data indicate that Orem residents are not any more burdened by housing costs than the average American. While the housing market is suitable for high-earning households, it is more inaccessible for much of the working population in Orem, which earns relatively low wages.

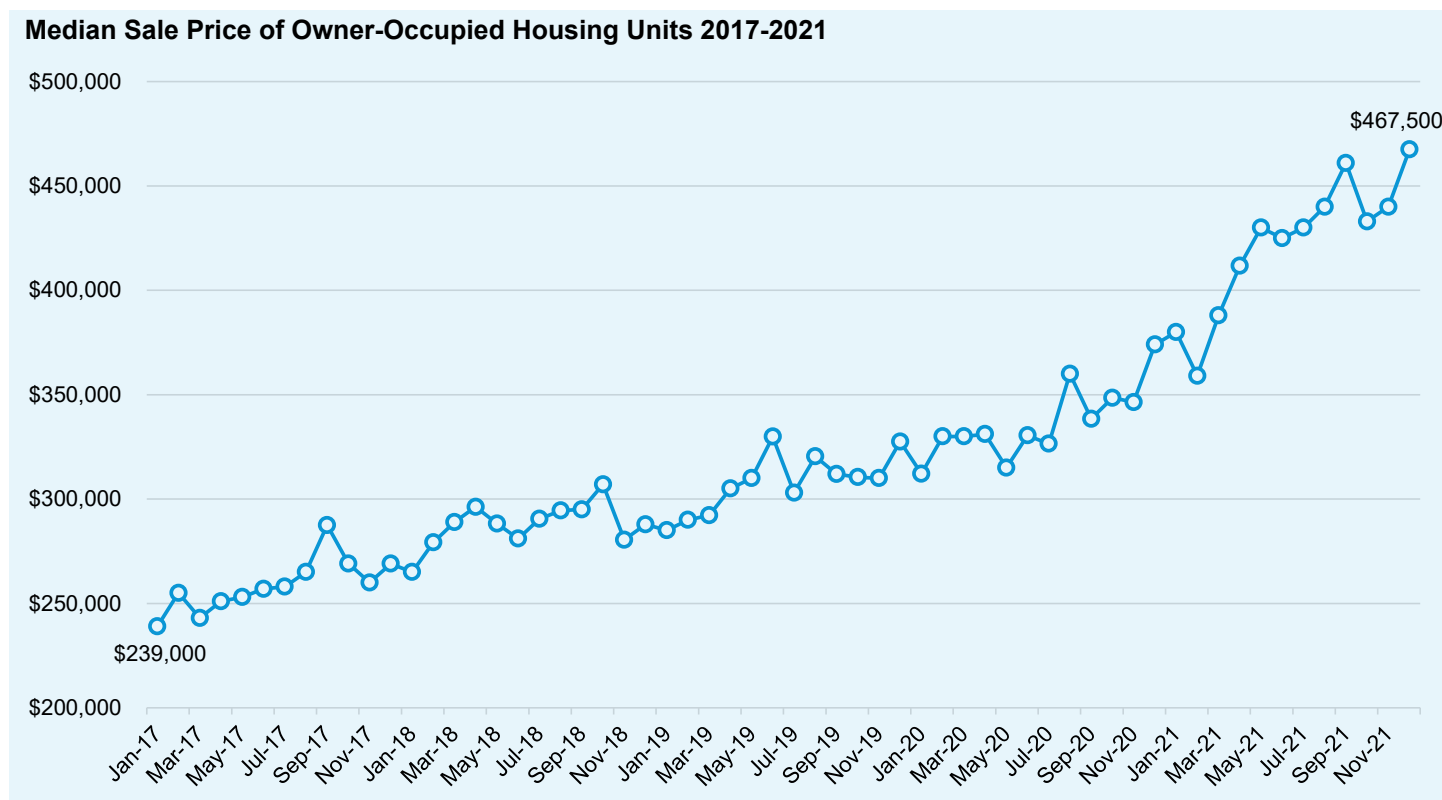


Figure 3: Median Sales Price of Owner-Occupied Units. Source: Redfin 2021

As a result of the types of available jobs in the city, the typical wages for those jobs, and the high housing costs, the residential and working populations in Orem are largely two different populations; approximately 78% of Orem's workers live outside of city limits, and about 77% of Orem residents work outside of city limits. Figure 4 shows the inflow of the working population and the outflow of the resident population for work. As of 2019, an estimated 46,763 workers lived in Orem, Utah. Of those, just over 10,500 individuals worked in the city and over 36,000 commuted elsewhere for work. According to these estimates from the U.S. Census Bureau, more Orem residents work jobs in Provo and Lehi (25.7% combined) than in their home city (22.6%). Conversely, many of the workers in Orem do not live within the city. There are about 49,000 workers employed in Orem, only about 10,500 of which live in the city.

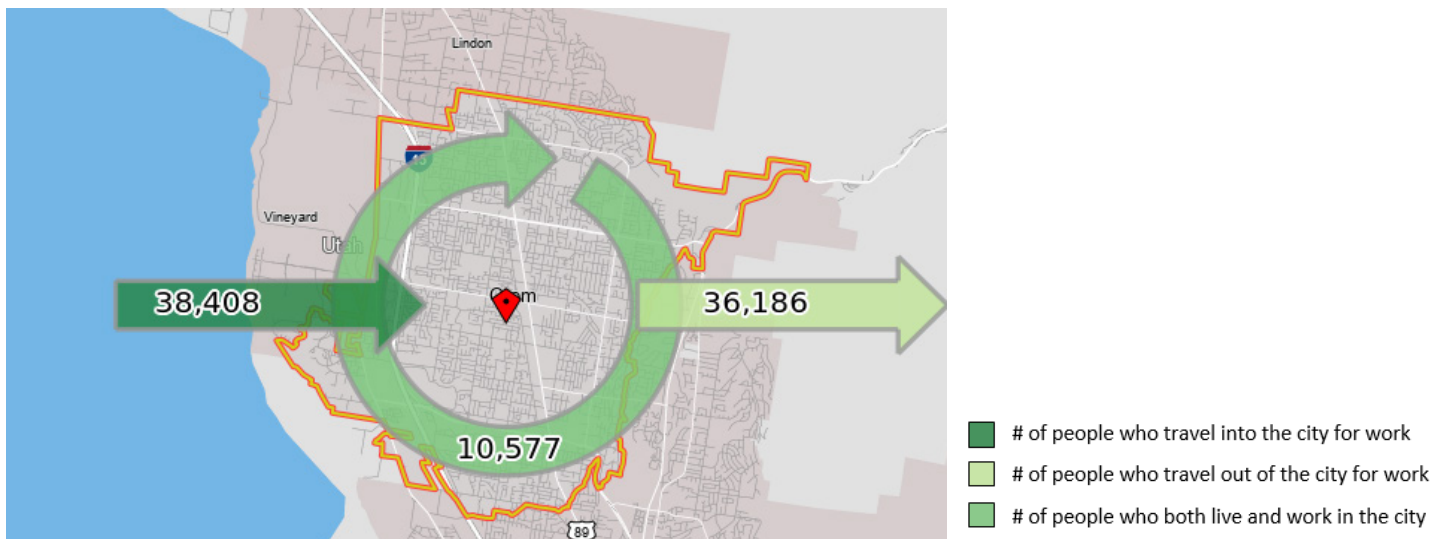


Figure 4: Orem Commuting Patterns. Source: OntheMap 2019

While these commuting data alone do not provide a full explanation for the significant differences between the working and residential populations of the city, the tension between high housing costs and the prevalence of low-wage jobs is likely a major cause. Ultimately, many of Orem's workers must choose between paying high housing costs to live close to work or living affordably elsewhere and commuting.

Because Orem is unaffordable for many workers, it can be difficult to attract or retain the talent required by up-and-coming businesses in any industry. Utah Valley University, for example, graduates many talented students every year, many of whom are unable to stay in the city following graduation due to high costs of living. Ideally, an economic strategy would outline a plan for retaining this talent, which could help support some of the growing industries described throughout the report, like software developers, market research analysts, or project management specialists. This talent cannot be expected to stay in Orem without adequate support from the city, and an intentional effort to retain talent should be made.

Limited availability of developable land makes further growth difficult due to an inability to create new housing and office space. The combination of a growing population and this lack of undeveloped space creates a growing imbalance between supply and demand in the housing market. The result is the rapid increase in housing costs as shown in Figure 3. This furthermore creates opportunities for neighboring cities, like Lehi and Vineyard in recent years, to become more economically competitive due to their ability to develop housing for a working population.

Population growth, housing costs, and land availability are all important issues to consider in the development of an economic plan, as each impacts the opportunities that are available for economic growth. A lack of developable land limits the city's ability to accommodate residential growth, but also hinders their ability to develop Class A office space for businesses in target industries, like growing and emerging tech companies. Both are important to consider as Orem plans for its economic future.

Strong Economic Development Leadership

Orem is fortunate to be under the leadership of a well-trained and thoughtful economic development team. According to the 2022 Milken Institute Best-Performing Cities Index, the Orem-Provo MSA demonstrated the best economic performance among large cities for the second year in a row.⁴ The city has a track record of successfully implementing strategic plans, and it can be expected that the individuals responsible for managing future development efforts can reliably achieve ambitious goals.

The city's fiscal strength is a testament to the high-quality work of its Economic Development Division. A variety of economic development tools are utilized by the economic development team, and many have been very successful in stimulating growth in the past. Tax increment financing programs, often referred to as RDAs in Orem, have been implemented and are helpful for supporting development within the city. Similar methods could be used in a future plan.

Ultimately, the economic development leadership can be expected to engage the community, explore suitable development options, and make measurable progress in realizing Orem's economic potential.

⁴ <https://milkeninstitute.org/report/best-performing-cities-2022>

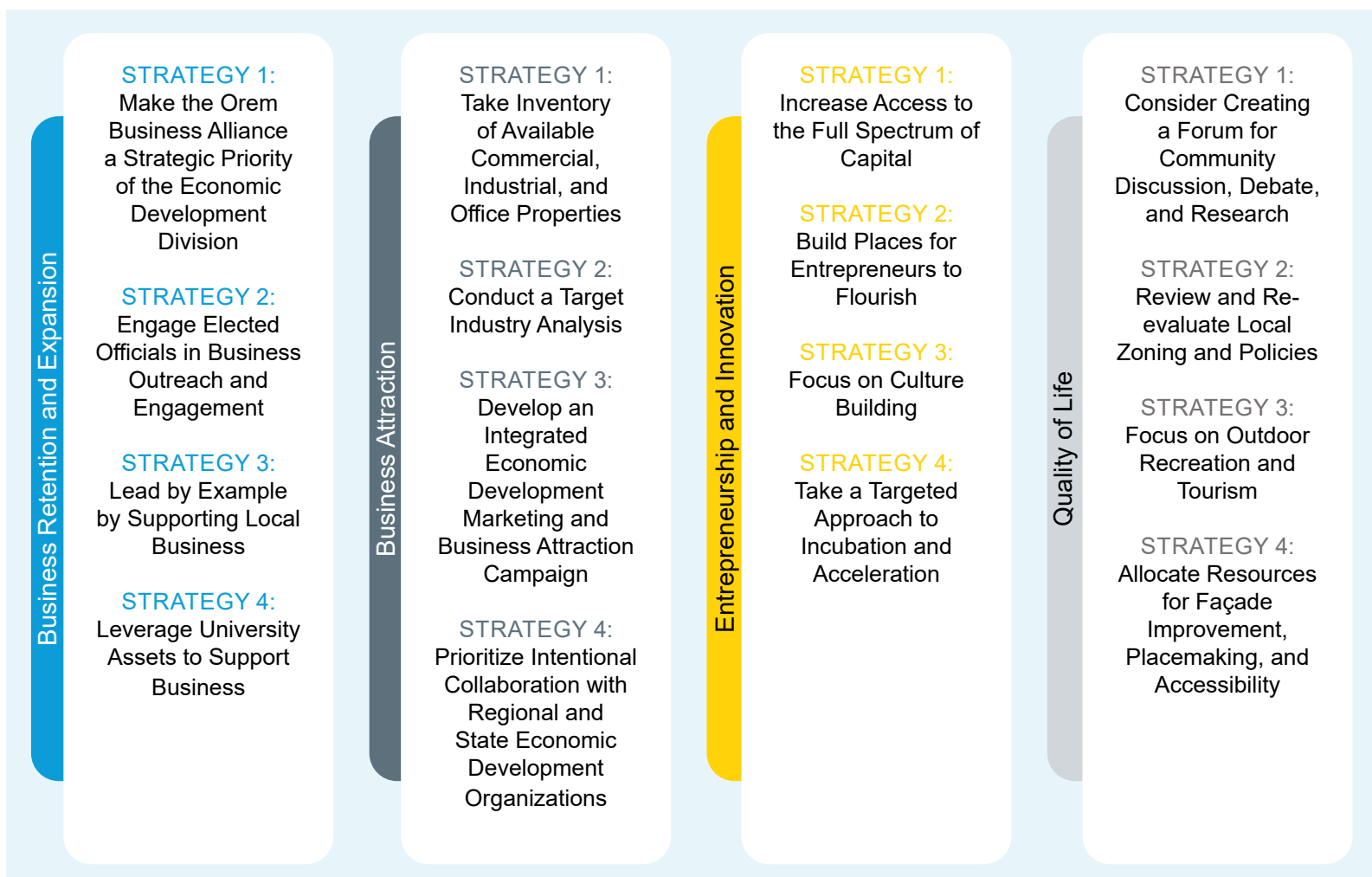


Strategic Framework

The International Economic Development Council defines economic development as a “program, group of policies, or set of activities that seeks to improve the economic well-being and quality of life for a community by creating and retaining jobs that facilitate growth and provide a stable tax base.” For economic development organizations to be successful, best practices suggest they must focus on four key strategic areas: business retention and expansion, business attraction, entrepreneurship and innovation, and quality of life. As such, the project team has structured the strategic framework for this Economic Development Strategic Plan around those four foundations of classic economic development practice.

The following strategic framework was informed by a process and methodology presented earlier in this document. The project team relied on a discovery phase which included historical document review, a quantitative data scan and analysis, a retail demand analysis, interviews with City of Orem staff members, and numerous on-site visits. In addition, the strategic framework was developed after a multitude of stakeholder engagement sessions, conducted both online and in-person, which included the following: city leaders; elected officials; local, regional, and state economic development organizations; local business owners; students; and residents of Orem. The stakeholder sessions, which are summarized in Appendix I, were designed to both inform the strategic recommendations early in the process and affirm the recommendations at the conclusion of the planning process. A final session was held in May of 2022 to collect a final round of feedback and review the recommendations presented below.

The Strategic Framework | Four Focus Areas



FOCUS AREA 1:

Business Retention and Expansion

Efforts and action steps designed to facilitate local business retention and expansion opportunities should be at the core of any economic development strategy. From a cost-benefit standpoint, dedicating and deploying resources to existing businesses in a community makes good financial sense. A comprehensive and sophisticated approach to business retention and expansion allows a community to support business owners that have already made an investment in the community. Supporting your existing business base is the most economical way to facilitate both job retention and job creation.

Supporting the existing business base in Orem should be the primary mission of the Orem Economic Development Division. While the project team is encouraged by current efforts, this strategic plan outlines ways that the city can elevate and enhance activities that will support that existing business base and open doors for potential future expansions and job creation.



Strategy 1: Make the Orem Business Alliance a Strategic Priority of the Economic Development Division

The Orem Business Alliance, embedded in the Economic Development Division, is a collaborative group of organizations across Orem “focused on building the local business community and supporting and uplifting Orem businesses by providing opportunity for business networking, advocating for small businesses, and connecting Orem businesses to valuable resources.” In addition, the Orem Business Alliance regularly meets with business owners, hosts monthly Lunch & Learn and new business Meet and Greet events, offers informational webinars, facilitates ribbon cuttings for new businesses, and highlights member businesses through their annual Stand-Out Orem Business Awards.



Action Steps:

- Review and reevaluate business outreach goals
- Create an asset map of economic development service providers, programs, and resources
- Review, reevaluate, and update the business outreach retention and expansion strategy
- Purchase and utilize a CRM system to collect and analyze primary information; capture trends; track business visits, and economic development strategy and goals

Throughout the process, the project team repeatedly heard concerns about businesses leaving or startups ‘outgrowing Orem.’ Orem should take every step possible to continue to build strong relationships with local businesses to alleviate these losses, including Implementing more ambitious and intentional business outreach goals through the Orem Business Alliance. In addition, city leadership should investigate and adopt Business Retention and Expansion best practices from across the country, including the two cited below. Best practices suggest that each community should have a ‘gateway organization’ that businesses turn to when looking to overcome a challenge or take advantage of an opportunity. The Orem Economic Development Division should strive to be that trusted partner and facilitate meaningful connections to both public and private sector service providers. In addition, the Division should consider adopting a Customer Relations Management (CRM) system to track visits, inventory key businesses and contacts, and capture primary data on the local businesses. More importantly, this intelligence gathered through business outreach should remain confidential, but aggregate information should be used to identify trends and ultimately inform strategy, policy, and programming to best support the business community.



Best Practices:

[Grenada Mississippi Economic Development District](#)

The Grenada County Economic Development District (GCEDD) has made business retention and expansion a priority for the last eight years; as a result, they’ve helped local businesses create more than 2,000 new jobs. To support local businesses, the GCEDD offers training, leadership and mentorship programs, incentive programs, and research focused on improving the local business environment. Roundtable events, surveys, and targeted incentive programs are important components of their well-rounded business retention and expansion strategy.

[Virginia Beach Department of Economic Development](#)

As is evidenced by their website’s homepage, the Virginia Beach Department of Economic Development is focused on attracting new businesses, growing existing businesses, and supporting entrepreneurs in their efforts to start businesses. Some of their attractive workforce characteristics are highlighted, their top industries are showcased, and their strategic location is emphasized – all on the website’s homepage. The Department provides other resources throughout the site that provide information on the business environment, key industries, business districts, and quality-of-life information, all of which are helpful resources to showcase in a business attraction effort.

Strategy 2: Engage Elected Officials in Business Outreach and Engagement

Throughout stakeholder engagement sessions, the project team heard about a disconnect between the business community and elected officials in Orem. While we believe Orem's elected officials are committed to supporting the business community, we believe city staff can help create more intentional interactions between elected officials and business owners in the city. More intentional interactions enhance the likelihood that elected officials can make policy and budget related decisions that will support business and enhance their ability to reinvest in their companies and in their workforce.

City leadership can take two complimentary approaches to facilitate better engagement between business owners and elected officials. First, the Economic Development Division should facilitate

more opportunities for the mayor and city council members to join them on business outreach visits. This should not be used as a political tool, but rather an opportunity for council members to gain a firsthand perspective on the opportunities and challenges facing business owners in Orem. In addition, visits by elected officials should be used to promote and support businesses – the economic development team can promote and share information on the visits through social media and the city website to increase visibility for businesses.

Second, city leadership and the Economic Development Division should commit to creating a bi-annual report to inform city staff, elected officials, and residents of the Division's activities and outcomes. This report should be both informative and serve to inform future budget and policy-related decisions. Information for consideration can include the number of business visits, the types of businesses visited, common trends, common challenges, and actions taken to support businesses. In addition, the project team encourages business outreach practitioners to consider how they can calculate and track the impact of the business visit. Metrics could include referrals made, programs and events offered, financing secured, and jobs indirectly created.



Action Steps:

- Include city council members in business ribbon cuttings and outreach visits; promote these on social media and through other marketing channels
- Create an economic development bi-annual report for city staff, elected officials, and residents of Orem
- Present the economic development bi-annual report to elected officials in a City Council Work Session every six months



Best Practice:

[City of Birmingham Small Business Council](#)

The City of Birmingham's Department of Innovation and Economic Opportunity has created a system for involving the city mayor and his administration in local business support efforts. Launched in 2019, the Small Business Council (SBC) assists and advises the mayor on small-business strategies and practical matters. The SBC comprises 22 small business owners, startup founders, and other ecosystem builders, all of whom provide unique insights into the city's business environment.

Strategy 3: Lead by Example by Supporting Local Business

For years, study after study has demonstrated how supporting local businesses ultimately enhances local and regional economies. According to the Small Business Administration (SBA), approximately 68% of money spent locally stays local. That percentage goes toward the following: local taxes, which support local school districts, fire, police, and critical public services; compensation for employees; and local support services like accounting, legal, marketing, etc.

The City of Orem's Economic Development Division is in prime position to not only actively promote a 'buy local' campaign and culture, but the city is also in position to lead by example. City leadership can take several steps to actively support local small business. First, city leadership, in partnership with the city procurement manager and budget manager, should review current city procurement policies and procedures to ensure more city supplies and services

are purchased through local vendors. City government is an anchor employer and should take steps to buy local when it's both economically and practically appropriate. Additionally, city procurement managers should look for opportunities to purchase from business owners from historically underrepresented communities. Further, city leadership should work with other local businesses to develop local procurement policies of their own.

Finally, city staff should work with economic development partners and local business owners to create, and support buy local campaigns, events, and initiatives. The project team understands that buy local campaigns have existed in the past in Orem; the team suggests that buy local campaigns be reinstated. More importantly, our experience suggests that buy local campaigns are most effective when developed and supported at the local level. The Orem Business Alliance is in prime position to lead the charge to implement, and support buy local campaigns, events, and celebrations.



Action Steps:

- Review city procurement policy with the city's procurement and budget manager; encourage the city to purchase from local vendors where appropriate
- Work with the regional Procurement Technical Assistance Center (PTAC) office to assist local businesses become approved government vendors
- Help major employers in Orem review and implement buy local procurement initiatives
- Continue supporting buy local campaigns, initiatives, and events through the Orem Business Alliance



Best Practice:

[Buy Newark](#)

Newark's 'buy local' campaign is focused on increasing the number of purchases made by Newark residents within their own community. Their campaign employs three strategies: institute formal local preferences, build the capacity of local businesses; and cultivate relationships with the local business community. Collectively, these strategies attempt to retain local resources, improving the local economy as a result.

Strategy 4: Leverage University Assets to Support Business

Established as a vocational school in 1941, Utah Valley University has grown into the largest university in the state of Utah. Featuring accolades such as the number one school in Utah for alumni earnings, number 2 in the state of Utah for 'best bang for your buck,' and the number 3 ranking for best return on investment in the nation⁵. Utah Valley University is an anchor institution that most communities can only dream of. The City of Orem should continue to take steps to build synergy with the university by recognizing and leveraging the human and intellectual capital residing in the community every day.

In addition to Utah Valley University, Brigham Young University (BYU) sits just outside city limits. Founded in 1875 by religious leader Brigham Young, this private research university offers over 180 undergraduate majors and 64 master's programs to over 30,000 students⁶. The city should continue to foster strong partnerships with BYU, tapping into its research capability and capacity to support local Orem technology and manufacturing companies.



Action Steps:

- Continue to build strong partnerships with university leadership
- Work with university leaders and faculty at Utah Valley University and BYU to facilitate practical education opportunities with local businesses
- Connect educational organizations such as the UVU Entrepreneurship Institute, Mountainland Technical College, and the BYU Rollins Center for Entrepreneurship and Technology to support Orem businesses for capstone projects and internship opportunities
- Consistently engage with student population through networking events, pitch competitions, lunch and learns, and mentorship meet and greets.

To strengthen these university relationships Orem can consider creating and hosting annual Orem Business Alliance Lunch and Learns to connect Orem businesses to students and faculty. Orem leadership should work with organizations like the UVU Entrepreneurship Institute, Mountainland Technical College, and the BYU Rollins Center for Entrepreneurship and Technology. Students and faculty should have clear pathways to support businesses on capstone projects, obtain internships, and connect with potential professional mentors. The overarching goal should be to enable students and faculty to support Orem businesses but to also foster an environment that allows students and faculty to innovate, create, and take risks to create the next generation of great Orem businesses.

FOCUS AREA 2:

Business Attraction

While business retention and expansion efforts are crucial to the mission of the Orem Economic Development Division, an intentional business attraction campaign should also be designed to attract businesses that can capitalize on local assets and complement the existing business environment. The attraction of new businesses to the city will diversify the industry mix, add new jobs, and stimulate novel economic growth. An overreliance on any single industry places the community in a precarious situation; an economic shock –like a pandemic—could cause conditions to change and the local economy could become destabilized. A business attraction campaign would provide the city with the opportunity to explore the potential for new, growing industries to add value to the community.

Orem’s business environment is home to many valuable assets; an abundance of human capital, available Class A office space, and a strategic location all give Orem a competitive advantage in business attraction efforts. The city should aim to understand which businesses would best complement the city’s economy, and then should leverage its assets to attract targeted businesses to the area.



Strategy 1: Take Inventory of Available Commercial, Industrial, and Office Properties

Repeatedly throughout the planning process, business and community leaders expressed concern about the growing inventory of vacant and underutilized commercial and retail space. In addition, the project team was informed of several parcels of land that were prime for development, but to date, no action has been taken. A common expression in economic development states that ‘no product, no project.’ In other words, if Orem does not have shovel-ready marketable land, or move-in ready quality commercial space, business attraction efforts will yield negligible results.

The project team suggests that city leadership develop a formal process to inventory and catalog available land, and commercial and industrial space. This should be an ongoing exercise; it’s paramount that economic development leaders have accurate and up-to-date insight on available land and buildings. This ongoing inventory should help inform development priorities in conjunction with both public and private sectors partners.

Further, city leadership should work with a third-party real estate advisory firm to conduct a market and cost analysis on available properties. This analysis should inform city leaders on the current market value of available land and space and help public partners and private developers and businesses ascertain development or redevelopment costs. In addition, the analysis should assess the status of infrastructure, to ensure that properties are marketable to potential tenants. Further, the analysis should provide a comparative analysis with similar cities to Orem competing in the business attraction game. Finally, city leadership should forge strong and sustainable relationships with the regional commercial real estate broker community, to ensure that both parties can successfully collaborate to market available properties.



Action Steps:

- Prioritize ongoing land and building inventory and availability
- Conduct a market and cost analysis with a third-party service provider
- Showcase and list available land and space to a targeted audience via City Economic Development website
- Share monthly article postings on property in local newspapers, media, and showcase articles on the Economic Development website



Strategy 2: Conduct a Target Industry Analysis

No community can compete successfully for every business or industry. Before Orem can launch an extensive business attraction initiative, the project team strongly encourages city leadership to conduct a Target Industry Analysis. A Target Industry Analysis will enable Orem to better understand which industries best fit the economic assets and competitive advantages of the community, and which business types will contribute to achieving the community's vision for the future.

To conduct a Target Industry Analysis city leadership can utilize some of the datasets presented in this plan, including the retail gap analysis, location quotient analysis, and industry and occupation

trends. Further, by conducting more intentional and thorough business outreach visits to the existing business base, city leaders can supplement the quantitative analysis with a better understanding of the needs of the current businesses, including understanding potential suppliers, buyers, service providers, and strategic partners. Both tactics can be used to form the basis of a target industry strategy; however, the project team recommends that the city allocate resources in the future for a professional firm to conduct a more extensive and comprehensive report to increase clarity and to outline clear industry targets. More specifically, the project team recommends the city partner with a professional service firm with direct experience analyzing local market conditions and developing a target industry analysis for the purposes of business attraction.



Action Steps:

- Review the quantitative data, qualitative data, and retail gap analysis in this report to inform the basis of a target industry analysis
- Develop an RFP soliciting professional firms to conduct a target industry analysis
- Hire a professional firm with experience conducting a Target Industry Analysis for the purpose of business attraction



Best Practice:

[Economic Development Authority of Western Nevada](#)

The Greater Reno-Sparks-Tahoe area is a fast-growing region in the United States, and its economic development authority is focused on attracting the right industries to the region. To ensure its industry attraction efforts were appropriately targeted, they conducted a targeted industry analysis which resulted in the identification of eight target industries. These industries include renewable energy, technology, advanced manufacturing, and others with potential for benefitting the regional economy.

Strategy 3: Utilize the Target Industry Analysis to Develop an Integrated Economic Development Marketing and Business Attraction Campaign

To successfully attract new business to the community, city leadership needs to dedicate resources to develop a comprehensive and integrated economic development marketing and business attraction campaign. Adequate resources are required to deploy the multitude of marketing tools required to connect with and influence both site selection firms and key business decision makers. An integrated approach should successfully position Orem as a competitive market for investment – this is achieved by product differentiation, price competitiveness, and market focus.⁸

The qualitative and quantitative analysis in this plan can serve as the foundation for an integrated marketing campaign designed to position Orem as a competitive market. In particular, the SWOT analysis, Retail Gap Analysis, and the Industry and Occupation Analysis can inform the team how to position Orem appropriately. In addition, by completing Strategy 1 and Strategy 2 listed above, city leadership will be well-suited to begin developing a value proposition for site selectors and businesses to consider. While we believe this plan can inform early action and assist city staff in the development of a marketing campaign, the project team suggests that Orem hire a professional marketing firm to develop and execute the campaign – specifically a marketing firm with experience in economic development business attraction.

Action Steps:

- Consider allocating appropriate resources to develop and execute a marketing and business attraction campaign
- Consider developing an RFP soliciting professional firms to develop and manage an integrated marketing campaign
- Focus marketing campaign on industries identified in the target industry analysis to assist in filling office space at University Place and Canyon Park Technology Center
- Consider identifying and purchasing lead generation software
- Identify and attend trade shows and conferences in identified target industries
- Plan and host annual or bi-annual familiarization and/or site selector tours



Best Practice:

[Watertown Development Company](#)

Watertown, South Dakota's Watertown Development Company (WDC) was created in 1947 to establish, fund, and direct programs designed to promote and increase the commercial, financial, and economic vitality of the city. Their website markets many of the community's assets, like affordable housing, quality education systems, and a variety of recreational activities. In addition, it spotlights its top industries, as well as those it is most motivated to attract to the region.

Strategy 4: Prioritize Intentional Collaboration with Regional and State Economic Development Organizations

Best practices suggest that when localities win in the business attraction game, it is in part because they have formed strong partnership with statewide and regional economic development partners. As mentioned earlier in this plan, Utah is widely regarded as a very competitive state for economic development. Traditionally, business attraction projects are managed at the state level, and because of this, the project team suggests that city leadership focuses on building a stronger and more intentional relationship with the Governor's Office of Economic Opportunity. City staff should ensure they have full knowledge of the suite of financial tools and incentives offered through the state. In addition, city leadership should understand and activate the tools and resources offered by the Office of Outdoor Recreation and the Office of Tourism. Further, the project team encourages city leadership to explore the utility of the Utah Main Street program, which will be discussed later in this plan.



Action Steps:

- Connect with state leadership on a regular basis
- Convene regular meetings with state delegation to inform them of economic development goals and strategies
- Research, identify, understand, and be prepared to utilize state capital tools and financial incentives (Resources include Go Utah, Mountainland Association of Governments (MAG), Utah Redevelopment Agency (URA), Utah Alliance for Econ Dev, Utah South Economic Partnership (USEP), World Trade Center of Utah, etc.)

The project team encourages city leadership to create forums for city staff to meet with state leadership on a more consistent basis, take full advantage of the resources and technical assistance provided by the Office of Economic Development, and ensure that Orem's business attraction strategy is well-aligned with the office's statewide focus. Further, regular meetings and communication with the local delegation will ensure that elected representatives are aware, can communicate the community's priorities, and make policy, legislative, and budget related decisions that support Orem's economic development agenda.

Photo courtesy of The Muller Company



Focus Area 3:

Entrepreneurship and Innovation

One of Orem's greatest strengths is its highly capable population. Local colleges and universities graduate thousands of young, ambitious professionals every year, many of whom are eager to contribute to the economy in an innovative way. Entrepreneurial ventures greatly benefit the city, and the Orem Economic Development Division should actively support individuals or groups who are interested in hatching a new business within city limits.

There exist many resources available to prospective entrepreneurs in Orem, but the systems for connecting individuals to those resources could be improved. The local government, educational institutions, existing businesses, and other community actors share responsibility for creating a supportive environment for entrepreneurs. In this section, the project team has outlined several strategies for doing so. Orem has a history of incubating many highly successful startups, including LiveView Technologies, Blendtec, Pura, WordPerfect, Omniture, and it is in the city's best interests to ensure up-and-coming innovators feel supported in their efforts to build out the local economy in forward-thinking ways.



Strategy 1: Increase Access to the Full Spectrum of Capital

During various interviews and focus groups, stakeholders expressed concerns about the lack of adequate resources for small businesses. Most notably, numerous participants cited a lack of capital products and financial incentives for small businesses. While the project team believes there are several appropriate capital products in place in Orem, there is room for improvement in several areas. City leadership should conduct a citywide analysis to evaluate current capital offerings and work with appropriate partners to fill any noticeable gaps. City leadership should work with external partners to ensure that capital is available for businesses at all stages of the business lifecycle – through business ideation to succession, and every step in between.

Several steps will help this process. First, the project team suggests that city leadership survey businesses during business outreach visits on their access and awareness of capital products. Informal surveying during business outreach visits can inform strategic implementation and support decisions to create new funding sources or recapitalize and amend current funding sources. Second, city leadership should consider redeploying interest earned on the city revolving loan funds to create and capitalize small business grant funds. These small grant funds can help small businesses access professional services or make physical improvements to their business exterior and façade. Third, the city should take inventory of available capital products for small businesses at the local and state level and take a more intentional approach to ensuring small businesses are aware of the variety of products available to them. This can be accomplished with a more intentional outreach and marketing approach from the city Economic Development Division. Lastly, the city should consider the continued use of Community Reinvestment Areas (CRAs) along State Street and other strategic corridors to help fund development, infrastructure, and exterior improvements to existing properties.



Action Steps:

- Survey businesses during business outreach visits and at Orem Business Alliance meetings to assess their need for capital
- Use survey results to inform strategic next steps
- Work with private lenders and economic development partners to list, outline, and ensure available and accessible capital across the full business lifecycle – from ideation to succession.
- Consider funding sources and financial incentives for property owners to make exterior improvements
- Think creatively how to utilize the Utah Microloan Fund, Utah Microenterprise Loan Fund, Mountainland Association of Governments Small Business Loan Fund, and possibly Orem CDBG funding
- Consider creating Community Reinvestment Areas (CRAs) along State Street to fund exterior improvements of businesses

Startup Financing Cycle

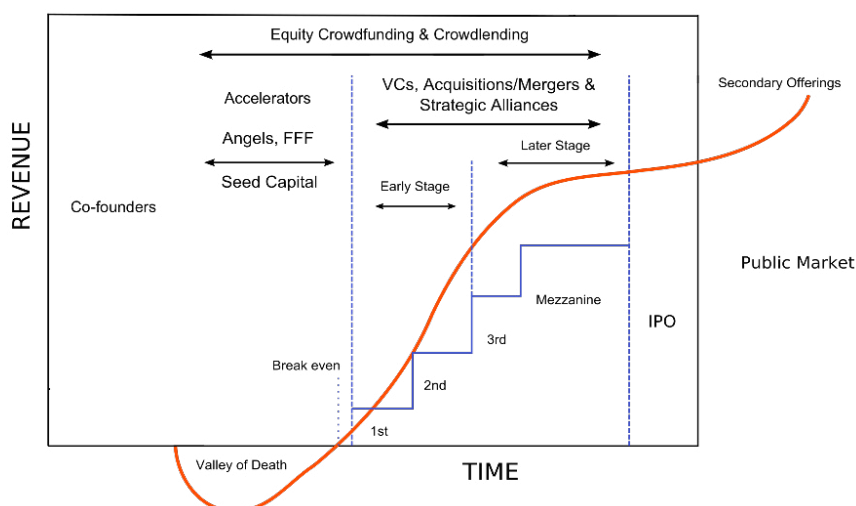


Figure 5: Startup Financing Cycle. Source: Kmuehmel

Strategy 2: Build Places for Entrepreneurs to Flourish

One potential solution to address some of the vacant or underutilized space in Orem is to think differently about how that space can be activated. The project team believes that city leadership can continue to support startup businesses and entrepreneurs by focusing on building out a physical ecosystem that allows them to startup, thrive, and grow. City leadership should work with the private sector, strategic economic development partners, and university leadership to build out coworking spaces, flexible space, and mixed-use space that appropriately accommodates the types of businesses already thriving in Orem, and those they are trying to attract through a business attraction campaign.

The project team believes the highest priority should be working with The Muller Company to fully activate and fill Canyon Park Technology Center. City

leadership should continue to find ways to activate the space through events, programming, and host potential businesses for site tours. In addition, the city should consider helping the Utah Valley Business Resource Center (BRC) build a stronger partnership with The Muller Company. Companies participating in and leasing space at the BRC are in a natural pipeline to fill space at Canyon Park Technology Center. The goal of the incubation and acceleration program at the BRC should be to hatch those companies into long-term space – Canyon Park Technology Center is the perfect fit.

In addition, city leadership should consider reviewing current zoning policy and make the appropriate changes to allow commercial and industrial property owners to subdivide units to accommodate both light manufacturing, retail, warehousing, and shipping in the same location. Commonly referred to as ‘flex space,’ a change in zoning policy could facilitate better utilization of properties and the industry segments that can use this space are well-positioned to complement the current industry mix in Orem.



Action Steps:

- Double down on efforts to activate, market, and fill Canyon Park Technology Center
- Create a pipeline for incubator and accelerator companies to fill vacant space
- Consider reevaluating zoning policy; enable creative mixed-use for vacant and underutilized properties
- Look for and research opportunities to develop modern coworking space(s) at Canyon Park Technology Center and/or University Place



Best Practice:

Scottsdale Fashion Square

In 2019, the former Barneys New York at Scottsdale Fashion Square in Scottsdale, Arizona was repurposed as a coworking space. Partnering with national real estate company Industrious, the mall now features over 33,000 square feet of coworking space for entrepreneurs, small businesses, remote workers, and freelancers. The space embraces the ‘live, work, play’ ethos common across the country, and offers shared office space, coffee lounges, private offices, and access to a number of amenities.

Strategy 3: Focus on Culture Building

Building an entrepreneurial ecosystem is more than offering capital and physical spaces for business startups to flourish. The city must take intentional steps to build a culture that facilitates, supports, and nourishes risk-takers, innovators, and the next generation of great Orem business owners. City leadership can take several steps to harness the talent in the community and facilitate an ecosystem that produces and sustains high-potential 21st century businesses.

First, city leadership should continue its partnership with the Utah Valley Business Resource Center (BRC). More specifically, city leaders should support the BRC in creating innovative and exciting business plan and pitch competitions. Additionally, city leaders should integrate the Orem Business Alliance into efforts to support startups and entrepreneurs – offering support, sponsorship, and evaluators in business pitch competitions. Further, partnerships should be expanded to include local multi-cultural chambers to help facilitate specific opportunities and support services for aspiring and current entrepreneurs from historically underrepresented segments of the population.

Second, city leadership should work with regional partners to launch and support peer-to-peer networking groups and opportunities. Creating an ecosystem of people who can share ideas and experiences is the cornerstone of any great entrepreneurial ecosystem. Intentionally facilitating these opportunities is paramount to launching more organic opportunities for entrepreneurs to connect. In addition to peer-to-peer networks, city leadership should work through the Orem Business Alliance to create a network of mentors who are willing and able to support the next generation of business owners. Lastly, technical support should be offered through existing organizations like the Utah Manufacturing Extension Partnership, Utah Valley University, BYU, and private sector service providers.



Action Steps:

- Offer programming geared towards innovative and technology enabled companies and startups through the Orem Business Alliance
- Support the BRC in creating pitch competitions and business plan competitions
- Facilitate the creation of peer-to-peer and mentorship networks
- Connect with Utah Manufacturing Extension Partnerships (Utah MEP)
- Network with local multi-cultural chambers to help facilitate specific programming and support services for aspiring and current entrepreneurs from historically underrepresented segments of the population



Best Practice:

[Fairfield Iowa Entrepreneurs Association](#)

The Fairfield Entrepreneurs Association is committed to creating a culture of entrepreneurship in Fairfield, Iowa. The website boasts the creation of 5,000 new jobs, \$300 million in investment and \$2 billion in new equity through the association. A variety of programs are offered, including entrepreneurial coaching, financing programs, and relocation programs. Collectively, all the startup resources create a culture which encourages entrepreneurship.

Strategy 4: Take a Targeted Approach to Incubation and Acceleration

One of the most important economic development assets in Orem is the Utah Valley Business Resource Center. As an original funding partner, the City of Orem has both a financial and strategic incentive to fully support the efforts of the BRC. With that in mind, the project team encourages city leadership and the Economic Development Division to support the BRC through enhanced collaboration, business client referrals, events, programming, and shared resources. Further, it is imperative that the BRC has a key seat at the table should the city decide to move forward with a target industry analysis.

While the project team is encouraged by the efforts of the BRC, and more specifically its efforts to incubate and hatch businesses, there appears to be an opportunity to take a more targeted approach. Like in business attraction, incubator programs cannot support all businesses and industries. Because of this, city leadership, along with university and BRC leadership, should become more involved in the pipeline of incubator businesses the BRC supports. This can be accomplished by ensuring BRC leadership is heavily involved in the target industry analysis. The BRC incubator program

should focus on technology-enabled, scalable businesses that support and complement the existing industry base in Orem. Further, the BRC should look to recruit businesses that have the appropriate talent pool to draw from. Building more intentional partnerships with Utah Valley University and BYU is a strategic step to ensure incubator businesses have access to talent as they grow and scale. Lastly, city leadership should be prepared to promote ongoing efforts to build out a citywide fiber network system. The potential Utah Telecommunications Open Infrastructure Agency (UTOPIA) network of fiber optic internet access is an asset that will be attractive to technology-enabled 21st century startups.



Action Steps:

- Continue to support the Utah Valley Business Resource Center through collaboration, business client referrals, events, serving on the BRC Executive Board, advertising BRC programming, etc.
- Ensure leadership at Utah Valley University, BYU, and the Utah Valley Business Resource Center are integral partners in the Target Industry Analysis
- Ensure that business development efforts at the BRC Incubation program are well-aligned with a target industry analysis
- Consider partnering with Canyon Park Technology Center to create an additional business incubator
- Provide information about UTOPIA fiber to high-tech enabled companies



Best Practices:

[Des Moines Iowa Global Insurance Accelerator](#)

Des Moines' Global Insurance Accelerator is a business accelerator designed specifically to support entrepreneurship and innovation in the insurance industry. The accelerator's investors and mentors are comprised mostly of insurance professionals, and the services provided are designed to bolster the growth of the industry in the city. Des Moines has identified the insurance industry as an appropriate business expansion target and provides resources for firms or individuals interested in contributing to the effort.

[Cape Girardeau Codefi Co-Working Space](#)

Codefi is an entrepreneurial system which partners with private and public groups to train workers and innovators in digital professions. Codefi builds and attracts software-focused companies and creates community spaces which can support the expansion of the digital economy in Missouri. In their coworking space they offer large office space, small working stations, and simple desk space to accommodate workers with a variety of needs.

Focus Area 4: Quality of Life

Ultimately, the local economy can flourish only as much as is allowed by its environment. Improvements to the quality-of-life assets in Orem are crucial for ensuring the economy continues to grow. Many challenges face the city in this regard; limited developable land, high housing costs, and poor pedestrian and transit infrastructure will begin to impact the economy more severely if unaddressed.

The Orem Economic Development Division, in partnership with other local government agencies and community actors, should prioritize the exploration of solutions which address these problems; other economic development strategies might be futile without improvements to the infrastructure, regulatory, and political environment within the city. In this section, strategies are provided for increasing public engagement, stimulating new economic growth, and improving the general quality of life afforded to Orem residents.



Strategy 1: Consider Creating a Forum for Community Discussion, Debate, and Research

Consistently through this process, the project team encountered fragmented and conflicting views on the direction and economic future for Orem. During onsite stakeholder sessions, participants ranked an inability to unify around a singular vision for the future as the number one challenge facing the community. The fact that the city's most recent EDSP was adopted over seven years prior and has not been fully revisited in the time since could be a contributing factor to this lack of a unified approach. Further discussion on the matter with community stakeholders yielded constructive and hopeful insights, but participants were unable to arrive at a consensus on a shared vision.

Based on these factors, the project team encourages city leadership to work with local and regional partners to explore the creation of a non-partisan forum for community discussion, debate, and research. The Utah Valley Chamber of Commerce, the Orem Business Alliance, and the Business Resource Center are all potential partners that can help establish forums for healthy community debate and discussion around Orem's future and can help identify and address any issues that may appear.

The project team recognizes that local universities each have some iteration of this concept and working with established groups would be deemed as an acceptable path forward. Whether creating a new organization or building a stronger partnership with existing organizations and initiatives, city leadership should ensure there is a place where healthy conversations can occur, and ideas can take action. This initiative should be anchored on a foundation of academic study and research, as well as constructive discussion that can crystallize a shared vision for the future of Orem.



Action Steps:

- Research and identify ways to engage local and regional Universities, including Utah Valley University, Mountainland Technical College, Weber State University, Southern Utah University, Utah State University, BYU, and University of Utah (Kem C. Gardner Policy Institute) to take the lead in organizing local community forums
- Engage local philanthropic organizations to assess funding
- Research best practice community ambassador and fellowship programs



Best Practice:

[Jefferson Educational Society](#)

The Jefferson Educational Society in Erie, Pennsylvania is a nonprofit organization that promotes civic engagement for societal progress. Through research and discussion about emerging ideas and events, the Jefferson Educational Society aims to facilitate collaboration in a more united community improvement effort. The Society offers courses, seminars, and lectures that can help members understand Erie's past, present, and future opportunities, and provides a platform for members to engage through.

Strategy 2: Review and Re-evaluate Local Zoning and Policies

Many of the concerns and frustrations voiced in the stakeholder engagement sessions revolved around zoning and the regulatory environment in Orem. While it's not uncommon, the project team believes these concerns can be addressed with a balanced approach to reviewing and revising certain policies to facilitate the right kind of growth in Orem. The project team encourages city leadership to allocate resources so that neighborhood plans across Orem can continue to be reviewed and updated. The neighborhood plans that were reviewed by the project team were useful and informative; however, these plans were developed between 2015 and 2020 and some have become quickly outdated due to recent, significant changes in the community and in the country. The COVID-19 pandemic and accelerated growth in the community will continue to shape future change. Continually updating plans may facilitate more substantive feedback from the residents and allow both the Economic Development Division and the Development Services Department to align policies and strategies to meet the needs of residents.



Action Steps:

- Commit to intentional and consistent dialogue with property owners and residents – ensure key city departments are collaborating to address concerns in an appropriate manner
- ~~In targeted and strategic locations, consider revising—and—reducing—restrictions—on duplexes, fourplexes, and townhomes~~
- ~~In targeted and strategic locations, consider zoning changes that will better facilitate medium-density development~~
- Continue to support and consider allocating resources to the Neighborhood Improvement Team
- Update neighborhood plans

The project team further encourages city leadership to consider reviewing and reevaluating zoning policies in Orem. While the project team doesn't suggest making drastic changes to zoning policy overnight, the team suggests that city leadership commit to consistent and constructive discussions with residents and property owners. The project team also encourages the Development Services Department, the Economic Development Division, and the Community Services Division to look for ways to enhance collaboration so the city is well-positioned to make strategic changes to zoning and policy when appropriate.

In addition, city leadership should look for ways to facilitate more mixed-use (**non-residential**) development in targeted and strategic locations. The project team often heard about the desire for more 'flex space'. Flex space, in this instance, refers to the ability to subdivide a unit with retail in the front of the building, and shipping, distribution, or logistics operations in the back half of the building. ~~Lastly, the zoning office should look for ways to facilitate more medium-density residential accommodations in targeted and strategic locations. This includes duplex, four-plex, and townhouse style developments.~~

Lastly, the city of Orem should continue to refine the culture and approach to code enforcement. The project team heard many concerns about absentee landlords. In the project team's experience, overly combative code enforcement is rarely the answer. Instead, the city should continue to allocate resources to the Neighborhood Improvement Team and ensure that collaboration is occurring across key departments in the city hall.

Strategy 3: Focus on Outdoor Recreation and Tourism

Orem is an outdoorsman's paradise; with easy access to mountains, trails, and other recreational sites, the city is an ideal location for its active, healthy population. Local parks are largely considered to be one of Orem's greatest strengths; green space, playgrounds, and sports complexes attract visitors from beyond city limits. City Center Park hosts a weekly farmers market, and the city owns a 55-acre sports park on the southwest side of town. In addition, Sundance is only 15 minutes from Orem and is an excellent location for hiking, snowboarding, and skiing. Mount Timpanogos can be seen from anywhere in the city and is a beacon to adventurous hikers and mountain bikers.

All these features are marketable to residents and tourists alike. The natural environment is attractive to travelers, and the prevalence of the retail and restaurant industries only adds to its appeal for tourists. An expanded marketing strategy which promotes Orem as a destination could help generate local business and increase tax revenue. The effectiveness of this strategy is contingent upon the successful execution of the first strategy outlined in this section; a unified vision for the city is a requirement for its marketing under a single brand.



Action Steps:

- Consider creating a City of Orem Tourism Commission or Advisory Council
- Work with the Utah Valley Visitor's Center, Utah Office of Tourism, and Explore Utah Valley to include and promote Orem as destination
- Research the option of creating a "Recreation District" in the remaining areas available for development from the mouth of Provo Canyon up 800 N all the way to State Street to encourage and facilitate recreation-based development

Orem should not simply be a suburb of Salt Lake City, or as a commuting track between rural towns and urban hubs; the accessibility of the city should be increased. At present, there is no clearly defined city center. University Place is home to a variety of retail vendors and restaurants, but the mall is relatively self-contained and does not connect well to other parts of the city. The city center is not walkable, and it is difficult for residents to travel around Orem without a vehicle.

To attract tourists more effectively to the area, the city must be developed to accommodate travelers. Many tourists will not have easy access to personal transportation, which could justify ~~further consideration to expand the city's public transit options~~ **creating a tourism transportation campaign to inform tourists about existing public transit options and encourage their use**. Additionally, visitors will likely be unfamiliar with many of the experiences Orem has to offer. An intentional effort should be made to provide visitors with resources that enhance their experience within the city.

Ultimately, the expansion of the tourism industry within the city will benefit all aspects of the economy. With increased revenues, the city can make improvements to infrastructure and quality-of-place amenities in the area, which will only attract more tourists and improve the lifestyles of current residents.



Best Practice:

[Visit Richmond, Virginia](#)

Richmond, Virginia's natural environment is one of the city's most valuable assets, and the city has successfully created a unified, marketable identity centered around outdoor recreation. The city hosts the country's largest music and sports festival, maintains more than 70 miles of mountain bike trails, and has been voted Outdoor Magazine's best river town. The recreation page on the city's website, titled "Outdoor RVA," spotlights some of its most popular recreational facilities and invites residents and tourists alike to get outside and enjoy the natural environment.



Strategy 4: Allocate Resources for Façade Improvement, Placemaking, and Accessibility

During stakeholder engagement sessions, and throughout the project team's preliminary discovery, the appearance of State Street was a topic of conversation. A major corridor for residents across the region traveling east and west, State Street has historically been the epicenter of the 'Retail Hub of Utah County'. However, years of neglect and lack of focus have resulted in a corridor that looks dated and need of reimagination and reinvestment. The project team encourages city leadership to explore ways to revitalize the corridor with a focus on façade improvement, placemaking, and accessibility.

First, the project team highly encourages city leadership to explore a Main Street designation through the Governor's Office of Economic

Opportunity. According to the website, "The Utah Main Street Program helps communities revitalize their economy, appearance, and image of downtown commercial districts. They do this by building a strategy centered around a community's unique heritage and attributes that make it a great place to live and visit. The program provides a framework and resources to support a community's downtown revitalization efforts." With a Main Street designation, city leadership, in partnership with business and residents, can tap into resources to revitalize the corridor, preserve the history and culture of the community, and enhance business facades, placemaking, sense-of-place, and accessibility.

Relatively speaking, the project team does not consider Orem to be a walkable city. However, the community has several assets in place that can improve that perception quickly and dramatically. City leaders should consider forging stronger relationships with the Utah Transit Authority, Utah Department of Transportation, Utah Valley University, and other strategic stakeholders to enhance multi-modal transportation options. Drastic measures are not required, instead, city leaders should focus on greater promotion of **existing** public transit options, implement more visible way-finding measures, consider community gateways at strategic locations, and promote walkability, bikeshare programs, and suburban trails throughout the community. Additionally, city leadership should coordinate with the Orem Arts Council to develop and implement public art installations to improve the aesthetic and appeal to strategic nodes across the city.



Action Steps:

- Explore Utah Main Street Designation for State Street
- Work with UTA and UDOT to enhance **existing** multimodal transportation options
- Enhance community gateways
- Work with other departments within the city to develop a plan to invest in public, interactive art exhibits



Best Practice:

[Frederick Maryland Downtown Partnership](#)

The Downtown Frederick Partnership is a nonprofit organization that is dedicated to improving the quality of life of Frederick, Maryland residents. Some of their objectives include increasing diversity, redeveloping old storefronts, opening restaurants and shops, and expanding access to public transportation. This program also manages the city's Main Street program, which is a program that has been active since 2001. The partnership's revitalization efforts have spurred innovation within the city and helped grow the local economy.



Implementation Matrix

Business Retention and Expansion

Strategies	Action Items	Timeline	Metrics for Success
Goal 1: Improve the Small Business Culture in Orem			
Make the Orem Business Alliance a Strategic Priority of the Economic Development Division	- Review and reevaluate business outreach goals - Create an asset map of economic development service providers - Review and reevaluate business outreach marketing strategy - Purchase and utilize a CRM system to collect and analyze primary information; capture trends; track business visits, and economic development strategy and goals	Short (1-2 years)	- Clear list of business outreach goals # of economic development service providers identified - Adoption of CRM system
Engage Elected Officials in Business Outreach and Engagement	- Include city council members in business ribbon cuttings and outreach visits; promote these on social media and through other marketing channels. - Create an economic development bi-annual report for city staff, elected officials, and residents of Orem - Present the economic development bi-annual report to elected officials in a City Council Work Session every six months	Ongoing	# of business outreach meetings with city council # of businesses added to business outreach list # of visits made with city council members or mayor
Lead by Example by Supporting Local Business	- Review city procurement policy with the city's procurement and budget manager; encourage the city to purchase from local vendors where appropriate - Work with the regional PTAC office to assist local businesses become approved Utah government vendors - Help major employers in Orem review and implement buy local procurement initiatives - Reinstate buy local campaigns, initiatives, and events through the Orem Business Alliance	Medium (2-3 years)	# of local businesses approved as government vendors # of buy local events or campaigns # of collaborative initiatives started with local employers
Leverage University Assets to Support Business	- Continue to build strong partnerships with university leadership - Work with university leaders and faculty at Utah Valley University and BYU to facilitate practical education opportunities with local businesses - Connect educational organizations such as the UVU Entrepreneurship Institute, Mountainland Technical College, and the BYU Rollins Center for Entrepreneurship and Technology to support Orem businesses for capstone projects and internship opportunities - Consistently engage with student population through networking events, pitch competitions, lunch and learns, and mentorship meet and greets.	Medium (2-3 years)	# of collaborative events led by universities and the city, jointly # of internship opportunities offered # of interns hired for full-time positions after completion of internship % of graduate retention rate in Orem \$ committed to collaborative initiatives

Champions & Partners: Orem Economic Development Division, City Council, Local Colleges and Universities, Regional PTAC Office

Business Attraction

Strategies	Action Items	Timeline	Metrics for Success
Goal 2: Launch a Business Attraction Campaign			
Prioritize Intentional Collaboration with Regional and State Economic Development Organizations	• Connect with state leadership on a regular basis • Convene regular meetings with state delegation to inform them of economic development goals and strategies • Research, identify, understand, and be prepared to utilize state capital tools and financial incentives (Resources include Go Utah, MAG, URA, Utah Alliance for Econ Dev, USEP, World Trade Center of Utah etc.)	Ongoing	• # of annual meetings with state leadership • Creation of a catalog of state capital tools and financial incentives
Take Inventory of Available Commercial, Industrial, and Office Properties	• Prioritize ongoing land and building inventory and availability • Conduct a market and cost analysis with a third-party service provider • Showcase and list available land and space to a targeted audience via City Economic Development website • Share monthly article postings on property in local newspapers, media, and showcase articles on the Economic Development website	Short (1-2 years), then ongoing	• # of properties identified for commercial or industrial development • Creation of structure to market available land • # of participants in real estate forums • # of article postings made in local media
Conduct a Target Industry Analysis	• Review the quantitative data, qualitative data, and retail gap analysis in this report to inform the basis of a target industry analysis • Develop an RFP soliciting professional firms to conduct a target industry analysis • Hire a professional firm with experience conducting a Target Industry Analysis for the purposes of business attraction	Medium (2-3 years)	• Publish of RFP • Identification of clear target industries
Utilize the Target Industry Analysis to Develop an Integrated Economic Development Marketing and Business Attraction Campaign	• Consider allocating appropriate resources to develop and execute a marketing and business attraction campaign • Consider developing an RFP soliciting professional firms to develop and manage an integrated marketing campaign • Focus marketing campaign on industries identified in the target industry analysis to assist in filling office space at University Place and Canyon Park Technology Center • Consider identifying and purchasing lead generation software • Identify and attend trade shows and conferences in identified target industries • Plan and host annual or bi-annual familiarization and/or site selector tours	Long (3-5 years)	• # of resources committed to marketing and business attraction campaign • Publish of integrated marketing campaign RFP • Purchase of lead generation software • # of trade shows and conferences attended by staff • # of site selection tours hosted

Champions & Partners: Orem Economic Development Division, Utah Governor's Office of Economic Opportunity, Mountainland Association of Governments, Utah Redevelopment Agency, Utah Alliance for Economic Development, Utah South Economic Partnership, World Trade Center of Utah

Entrepreneurship and Innovation

Strategies	Action Items	Timeline	Metrics for Success
Goal 3: Foster an Environment That Allows Risk Takers and Innovators to Start and Grow New Businesses and Industries			
Take a Targeted Approach to Incubation and Acceleration	- Continue to support the Utah Valley Business Resource Center through collaboration, business client referrals, events, advertising BRC programming, etc. - Ensure leadership at Utah Valley University, BYU, and the Utah Valley Business Resource Center are integral partners in the Target Industry Analysis - Ensure that business development efforts at the BRC Incubation program are well-aligned with a target industry analysis - Consider partnering with Canyon Park Technology Center to create an additional business incubator - Advertise UTOPIA fiber to high-tech enabled companies	Ongoing	# of referrals made to BRC # of advertising and marketing events held by BRC # of new businesses incubated # of businesses graduated from incubation space into long-term space # of businesses within BRC that fall under targeted industries
Focus on Culture Building	- Use the Orem Business Alliance to offer programming geared towards innovative and technology enabled companies and startups - Support the BRC in creating pitch competitions and business plan competitions - Facilitate the creation of peer-to-peer and mentorship networks - Connect with Utah Manufacturing Extension Partnerships (Utah MEP) - Network with local multi-cultural chambers to help facilitate specific programming and support services for aspiring and current entrepreneurs from historically underrepresented segments of the population	Short (1-2 years)	# of programs presented to and/or created for startups # of pitch competitions and business plan competitions hosted by BRC # of peer-to-peer mentorship networks created # of partnerships created with MEP and multi-cultural chambers # of chamber programs facilitated

Entrepreneurship and Innovation

Strategies	Action Items	Timeline	Metrics for Success
Goal 3: Foster an Environment That Allows Risk Takers and Innovators to Start and Grow New Businesses and Industries			
Increase Access to the Full Spectrum of Capital	- Survey businesses during business outreach visits and at Orem Business Alliance meetings to assess their need for capital - Use survey results to inform strategic next steps - Work with private lenders and economic development partners to ensure available and accessible capital across the full business lifecycle – from ideation to succession. - Consider funding sources and financial incentives for property owners to make exterior improvements - Think creatively how to utilize the Utah Microloan Fund, Utah Microenterprise Loan Fund, Mountainland Association of Governments Small Business Loan Fund, and possibly Orem CDBG funding. - Consider creating Community Reinvestment Areas (CRDAs) along State Street to fund exterior improvements of businesses	Medium (3-5 years)	# of businesses surveyed # of CDAs created - Catalog of capital products for small businesses
Build Places for Entrepreneurs to Flourish	- Double down on efforts to activate, market, and fill Canyon Park Technology Center - Create a pipeline for incubator and accelerator companies to fill vacant space - Consider reevaluating zoning policy; enable creative mixed-use for vacant and underutilized properties - Look for opportunities to develop modern coworking space(s) at Canyon Park Technology Center and/or University Place	Medium (2-3 years)	- Catalog of available commercial and industrial properties # of advertisements made for Canyon Park Tech Center # of meetings with BRC and the Muller Group # of new tenants in Canyon Park Tech Center # of new coworking spaces created
Champions & Partners: Orem Economic Development Division, Utah Valley Business Resource Center, Utah Redevelopment Agency, Orem Business Alliance, Local Colleges and Universities, Multi-cultural Chambers, private lenders, RLF loan programs			

Quality of Life

Strategies	Action Items	Timeline	Metrics for Success
Goal 4: Enhance the Quality of Life for Orem Residents			
Focus on Outdoor Recreation and Tourism	- Consider creating a City of Orem Tourism Commission or Advisory Council - Work with the Utah Office of Tourism to promote Orem as destination - Research the option of creating a "Recreation District" in the remaining areas available for development from the mouth of Provo Canyon up 800 N all the way to State Street to encourage and facilitate recreation-based development	Short (1-2 years)	\$ increases in revenues from tourism-related industries - Improved health metrics # of marketing campaigns planned which incorporate Orem's brand
Consider Creating a Forum for Community Discussion, Debate, and Research	- Research and identify ways to engage local and regional Universities, including Utah Valley University, Mountainland Technical College, Weber State University, Southern Utah University, Utah State University, BYU, and University of Utah (Kem C. Gardner Policy Institute) to participate and organize local community forums - Engage local philanthropic organizations to assess funding - Research best practice community ambassador and fellowship programs	Medium (2-3 years)	- Detailed research of forum # of members or participants of forum # of universities or other institutions participating \$ raised to support the forum
Allocate Resources for Façade Improvement, Placemaking, and Accessibility	- Explore Utah Main Street Designation for State Street - Work with UTA and UDOT to enhance existing multimodal transportation options - Enhance community gateways - Work with other departments within the city to develop a plan to invest in public, interactive art exhibits	Medium (2-3 years)	- State Street's designation of Utah Main Street # of public transportation options enhanced added/expansion of routes # of public arts exhibits created # of storefronts redeveloped
Review and Re-evaluate Local Zoning and Policies	- Commit to intentional and consistent dialogue with property owners and residents – ensure key city departments are collaborating to address concerns in an appropriate manner. - In targeted and strategic locations, consider revising and reducing restrictions on duplexes, fourplexes, and townhomes. - In targeted and strategic locations, consider zoning changes that will better facilitate medium-density development - Look for ways to support and consider allocating resources to the Neighborhood Improvement Team - Update neighborhood plans	Long (3-5 years)	# of meetings held with a focus on the review of zoning policies - Updated neighborhood plans - Consideration of resources allocated to Neighborhood Improvement Team
Champions & Partners: Orem Economic Development Division, Development Services Department, Community Services Division, Local Colleges & Universities, Utah Office of Tourism, Orem Arts Council, Utah Transit Authority			





APPENDIX

APPENDIX I: QUALITATIVE FINDINGS & STAKEHOLDER ENGAGEMENT	41
Historical Context Review	41
Steering Committee Interviews	42
Interactive SWOT Engagement Sessions	43
On-Site Focus Groups	44
APPENDIX II: QUANTITATIVE DATA ANALYSIS	45
Introduction	45
Population & Socioeconomic Analysis	45
Housing Market Analysis	49
Business & Industry Analysis	55
Workforce Characteristics	59
Labor Force & Employment Analysis	62
Tapestry Segmentation	64
APPENDIX III: SWOT ANALYSIS	65
Strengths	66
Weaknesses	68
Opportunities	70
Threats	72
APPENDIX IV: REVIEW OF THE RETAIL GAP ANALYSIS	74
Introduction	74
Sales Leakage and Capture Rates	75
Previous Retail Gap Analyses	75
Updating the Retail Gap Analysis with 2020 Data	76
Examining the Retail Gap Analysis in 2022	79
Supplement A: Full Zion Public Finance, Inc. Reports (2013 & 2018)	81
Supplement B: Third-Party Leakage/Capture Reports	83
Supplement C: City of Orem Taxable Sales Data	85

Appendix I: Qualitative Findings & Stakeholder Engagement

Historical Context Review

Introduction

A key component of the project methodology for the Economic Development Strategic Plan, the project team conducted a document review by examining various historical planning documents and studies. The analysis provided the project team with insights into the demographic, social, and economic conditions of the region. In addition, the review and analysis of various plans helped inform the project team of previous and existing economic development related goals, strategies, and action steps. Further, the analysis was conducted to ensure the project team did not replicate or duplicate existing efforts. Thus, this analysis will position the project team to build upon existing efforts and earlier analysis to develop a contemporary study with appropriate goals, strategies, and action steps. The following plans were reviewed:

- Transportation Master Plan
- State Street Master Plan
- Geneva Road Area Plan
- Central Corridor Transit Study
- City Center Market Analysis
- University Place Final Project Plan
- University Place CDA Agreement
- University Place CDA Budget Document
- Orem Annual Report 2020
- Orem EDSP 2019 Update
- Orem EDSP 2014
- Aspen Timpview Neighborhood Plan
- Canyon View, Orchard, and Cascade Neighborhood Plan
- Geneva Heights, Orem Park, and Suncrest Neighborhood Plan
- Northridge, Heatheridge, and Windsor Neighborhood Plan
- Orem North and Sharon Park Neighborhood Plan
- Orem, Sharon, and Hilcrest Neighborhood Plan
- Stonewood-Lakeridge Neighborhood Plan
- Orem General Plan 2018
- MEDD Covid-19 Recovery Plan
- MEDD Covid-19 Appendix

Document Review Findings and Key Themes

Key findings and themes from the document review include:

- A lack of developable land puts Orem at a competitive disadvantage. There are little to no greenfield development opportunities to increase the inventory of in-demand commercial, industrial, and residential development.
- Cities to the north, such as Lehi, and cities to the west like Vineyard are rapidly growing, creating strong regional competition.
- As far back as 2010, Orem has aspired to be one of the most bicycle and pedestrian friendly cities in Utah. However, very little demonstrable progress has been made. In addition, previous transportation plans called for improved multi-modal transportation options.
- Previous economic development brand attributes include a prime location, young and skilled workforce, successful start-up culture, and a low cost of doing business.
- The Geneva Road area is a valued industrial asset with strong transportation infrastructure, a highly skilled workforce, and three residential neighborhoods in proximity. However, there remains some potential contamination concerns, limiting its use for potential residential development.
- The Central Corridor Transit study pointed out the need for more efficient transit serving north to south, and that transit improvement could catalyze economic and redevelopment opportunities.
- Previous plans called for strong urban design objectives on State Street, increased pedestrian access, and traffic-calming measures.
- It was recognized that Orem was able to accomplish many of the goals outlined in the 2014 Economic Development Strategic Plan, and the subsequent plan update in 2019.

Steering Committee Interviews

Introduction

Another component of the qualitative analysis, the project team conducted individual interviews with key city staff members. These interviews allowed the project team to garner contextual insights into previous economic development strategies, the progress of those initiatives, and the success of previous planning efforts. In addition, questions were posed to better understand the aspirations of city leadership, specifically the Economic Development Division. The project team recorded the interviews and took verbatim notes to eliminate the possibility of bias when reviewing, synthesizing, and using the feedback to inform strategy.

Key Findings

Key findings and themes from the individual interviews include:

- Goals, strategies, and action steps from the 2014 Economic Development Strategic plan were informed by strong data. The plan provided a clear blueprint with realistic and obtainable goals.
- City staff members want the new Economic Development Strategic Plan to focus on the four key pillars of traditional economic development: business retention and expansion, business attraction, entrepreneurship and innovation, and quality of life.
- There is a strong desire to learn how stronger and more intentional relationships can be forged with Utah Valley University and Brigham Young University. Interactive SWOT Engagement Sessions

Interactive SWOT Engagement Sessions

Process

On January 27th, 2022, the project team, in partnership with city staff members, hosted a preliminary stakeholder engagement session to solicit feedback on the vision for Orem's future, and community strengths, weaknesses, opportunities and threats. 12 individuals representing the regional economic development, education, healthcare, and business community participated in the session. Participants were polled at the conclusion of the session and responded as follows:

- 95% of participants were encouraged by the direction of the Economic Development Strategic Plan
- 100% volunteered to participate in future stakeholder engagement sessions

Key Findings

Key findings and themes from the SWOT sessions include:

- When asked about the vision for Orem's future, an overwhelming majority of participants cited the need for 'managed growth.' Further, participants recognized the need to respect the history of Orem, but to also embrace future possibilities.
- When asked about the most prominent challenges facing Orem, participants cited the housing challenges facing the city, which are exasperated by the lack of development ready land. Further, some participants suggested that economic development leadership at the city does not clearly communicate the services it can offer to the business community.
- When asked about economic development priorities participants suggested that communication and education about managed growth and smart development was paramount to success. Participants suggested that benchmarking similar cities and researching best practices was a first step to achieving this goal.
- When asked about potential solutions to the challenges facing Orem, participants focused on improved communication from city hall and offering forums for community discussion, debate, and research.
- When asked about barriers to success, participants cited a lack of financial incentives to facilitate redevelopment and renovation, and uncertainty about how to manage population growth and increasing housing costs.

On-Site Focus Groups

Process

The project team visited Orem in February 2022 to conduct four two-hour in-person workshops. The workshops were designed to further identify economic development priorities and solicit suggestions and recommendations to address those priorities. In these highly interactive sessions, participants were asked to rank ten issues facing Orem using a 1 to 10 scale (1 being top priority, 10 being lowest priority). Forty-five community stakeholders participated in the exercise. The results of this prioritization process are presented in Table 3 below:

Challenges	Votes
Housing challenges (quality, availability, and affordability)	29
Difficulty achieving consensus on Orem's vision for the future	20
Startup companies are outgrowing Orem	16
Lack of clearly defined target industry strategy	12
Lack of resources to conduct a business campaign strategy	9
Businesses do not have the resources they need to expand and grow	9
Lack of coordination between the public and private sectors	9
There is no clearly defined city center or sense of place	6
Orem resists being a university town	4
Lack of communication, education, accountability, and transparency about development	3
Widely held perception that there is a lack of locally owned businesses	3
Lack of plan for 1600 N	1
Traffic, parking, crime, and water	1
Lack of follow-through on State Street plan	1

Table 3: Prioritization of Challenges by Stakeholders

Key Findings

Key findings and themes from the focus groups include:

- Participants were focused on the need for more attainable housing options
- Participants believed there were opportunities to strengthen the relationship between the business community and the local universities and education providers
- Participants agreed there was a need for a forum to facilitate public discussion, debate, and research
- Participants agreed that the city Economic Development Division could better promote the resources available to the business community
- Participants were overwhelmingly optimistic about Orem's future, however, they recognized there was a need for more clearly articulate vision

Appendix II: Quantitative Data Analysis

Introduction

The plan’s quantitative data analysis has been broken into three sections: population and socioeconomic analysis, housing market analysis, and business and workforce analysis. The data below have been used to guide the stakeholder engagement sessions and are ultimately the foundation of many of the recommendations provided at the beginning of the report.

Population & Socioeconomic Analysis

To understand the City of Orem’s economy, it is important first to understand the broader context. Below, data has been provided to offer insight into the City’s racial, educational, and financial makeup. In addition, health and age statistics are analyzed. An actionable strategic plan must be tailored to meet the specific needs of the community; the purpose of this overview is to highlight some of the community’s defining characteristics.

Population Historical Trends & Projections

The City of Orem has seen substantial population growth in the last two decades. In 2000, the City’s population was 84,464; by 2020, the population had increased by over 16%, or 13,665 residents. This growth is expected to continue for years to come, and the City’s population is projected to surpass 109,000 by 2026. Population growth at the rate observed in Orem has implications for various aspects of the economy; these implications will be discussed and addressed in subsequent sections of the strategy.

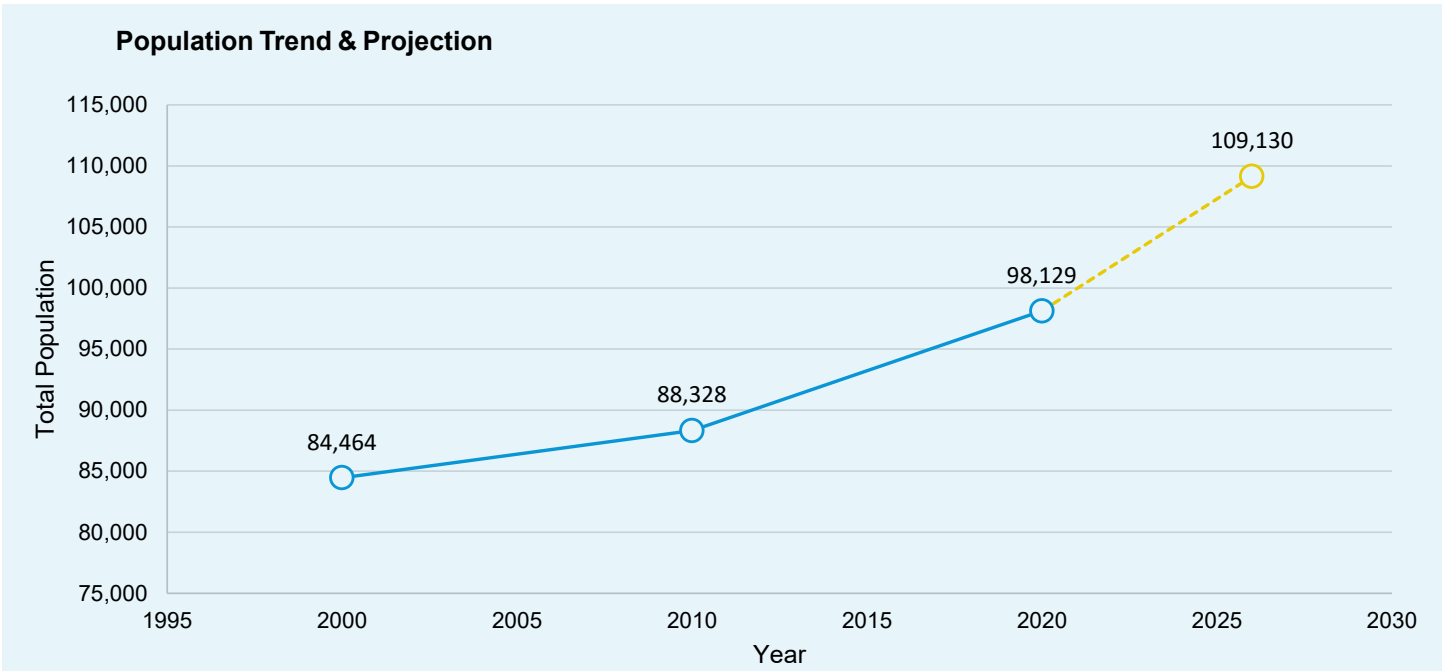


Figure 6: Population Trend & Projection. Source: 2020 U.S. Census and ESRI 2021

Population by Age

As the graph below indicates, Orem's population is young; in 2021, approximately 61% of the population was younger than 35 years. The City's median age in the same year was 28.8, which was exactly 10 years younger than the median for the rest of the United States. The City's unique population characteristics, specifically those which relate to age, will require an economic development strategy that considers the younger population's needs while continuing to provide for residents of all ages. The City's age distribution is predicted to remain relatively constant through 2026.

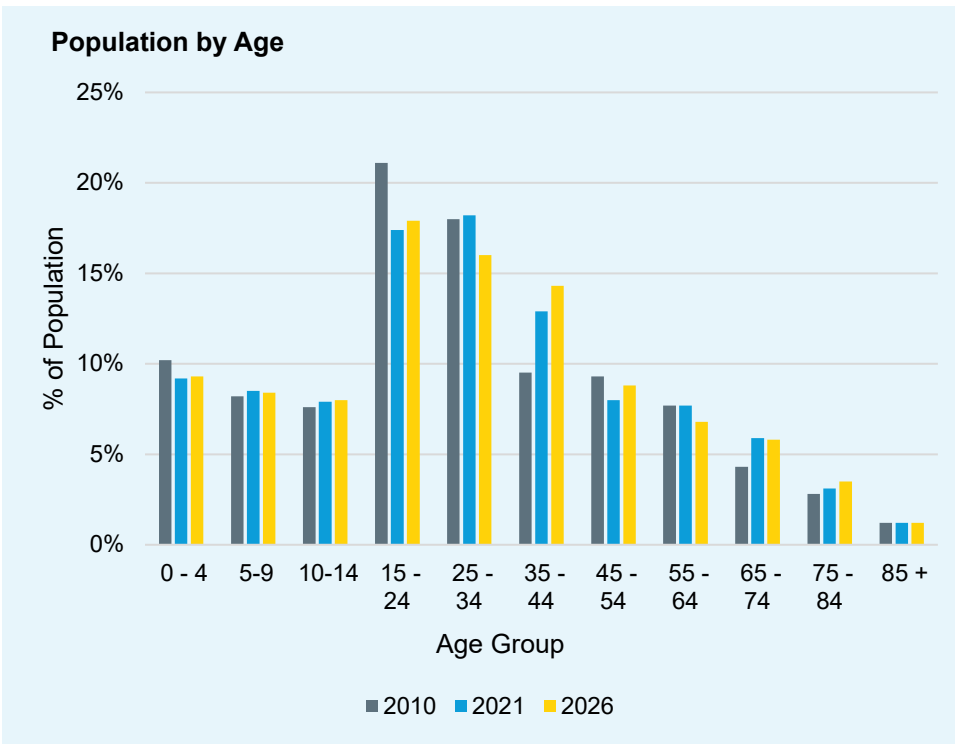


Figure 7: Population by Age. Source: ESRI 2021

Population by Race

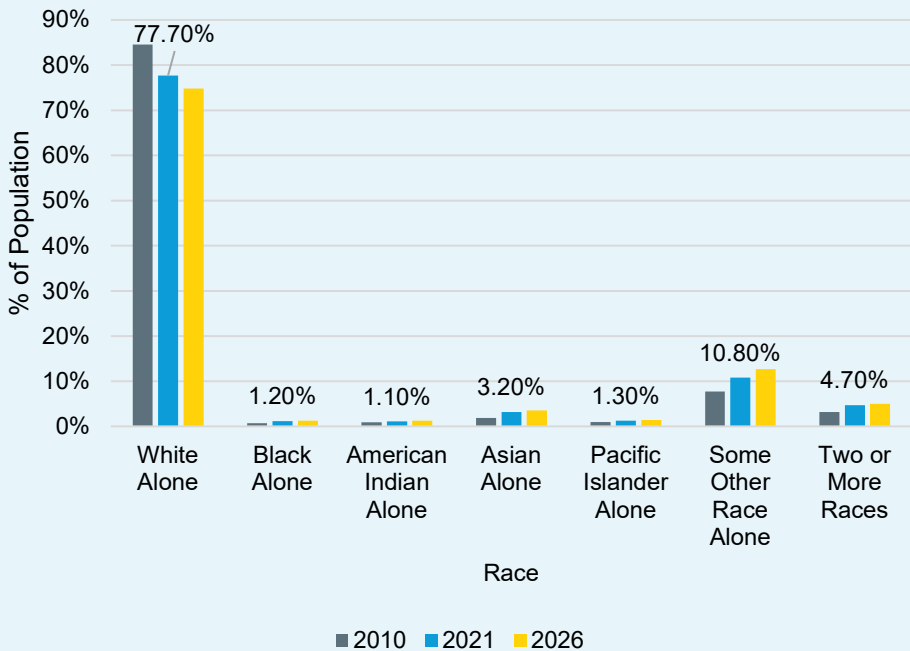


Figure 8: Population by Race. Source: ESRI 2021

Population by Race

The City of Orem's population is predominantly white. However, the City's diversity has increased since 2010, and is expected to continue its increase through 2026, albeit by relatively small margins. By 2026, slightly more than 25% of the population is projected to be comprised of non-white individuals.

Educational Attainment

As is evidenced in the graph below, Orem benefits from a very highly educated population. Approximately 41.7% of the population holds a bachelor’s degree or higher, with only about 6% without any high school diploma or equivalent. A population with high educational attainment is well-positioned to attract investment from a variety of industries and can leverage its human capital in building its economy. Moreover, the rest of Utah County and neighboring Salt Lake County also have high educational attainment rates, which make the region more marketable.

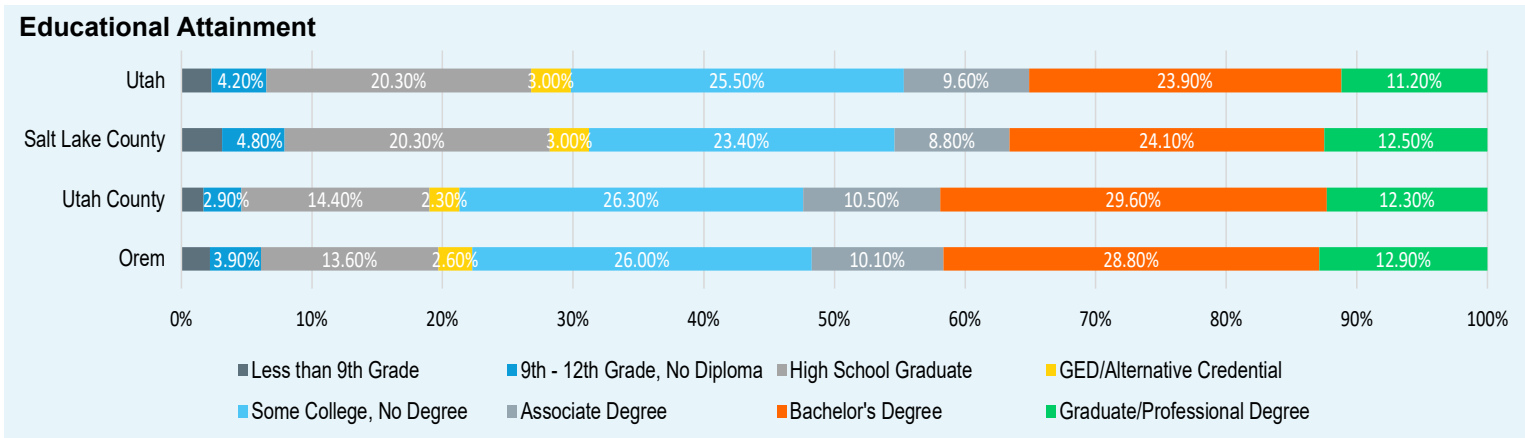


Figure 9: Educational Attainment. Source: Esri, 2021

Income and Earnings

Below, household incomes and earnings in Orem are provided for 2021 and projected to 2026. The median household income in Orem was \$68,435 in 2021 and is expected to climb to \$78,239 by 2026. The median is slightly greater in Orem than in the rest of the United States. Every income group above \$50,000/year is expected to grow in the next five years. Despite an overall upward trend in income and earnings, an economic development strategy can address the needs of residents that fall at both ends of the spectrum.

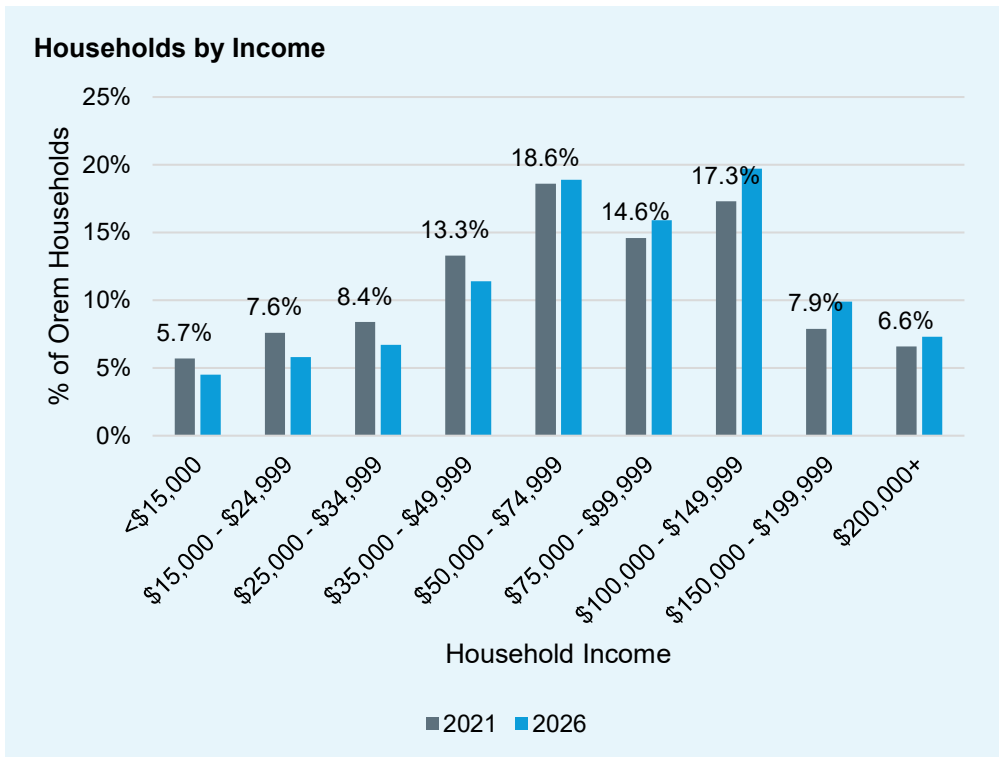


Figure 10: Household Income Estimates & Projections. Source: ESRI 2021

Health and Well-Being

The physical health and general well-being of the population can provide valuable information for an economic development strategy. A community with poor health metrics might require greater access to health services and facilities or could indicate a greater demand for specialized housing. Conversely, a healthy population suggests a strong health infrastructure, as well as the potential for development that tailors to an active community's recreational demand.

Utah County residents have life expectancies that are greater than or equal to the rest of Utah and the United States; the percentage of the population that smokes is 7 percentage points lower than that for the rest of the country. The obesity, heart disease, and stroke rates in Utah County are comparable to the rest of the state, but considerably lower than U.S. rates. The diabetic population is substantially smaller in Utah County than in Utah and the United States. These metrics indicate a healthy, active population, which invites unique opportunities for economic development.

Health Metric	Utah County	Utah	U.S.
Average Male Life Expectancy (2019)	79.42	78.28	76.3
Average Female Life Expectancy (2019)	82.04	82.1	81.3
Obesity Population Percentage (2019)	31.40%	27.20%	42.40%
Smoking Population Percentage (2018)	7.00%	7.90%	14%
Diabetic Population Percentage (2019)	4.90%	8.50%	10.50%
Heart Disease Death Rate per 100,000 (2017-19)	300	286.4	317.4
Stroke Death Rate per 100,000 (2017-19)	71.4	69.5	72.3

Table 4: Orem Health Metrics. Sources: CDC; Utah's Public Health Indicator Based Information System



Housing Market Analysis

Introduction

In this section, an overview of Orem’s housing market is provided. Included is an analysis of the age of the existing housing stock, housing tenure, home and rent values, and vacancy rates. In addition, a cost burden analysis has been conducted in order to measure the financial burden of housing on Orem homeowners and renters. Finally, commuting patterns are analyzed, as is the City’s pedestrian transportation infrastructure.

Housing by Year Built

Understanding the age of Orem’s housing stock can be helpful for estimating the quality of housing available, as well as the rate at which the state of housing can be expected to decline in years to come. For example, an aging housing stock might require of greater investment from homeowners, as maintenance and upkeep costs are likely to be greater. Just under 60 percent of Orem’s total housing units were built between 1970 and 2000; less than 11 percent were built after 2010. While most of the City’s housing is not seriously outdated, there could be the potential to renovate or redevelop existing homes or properties to more effectively meet the community’s needs.

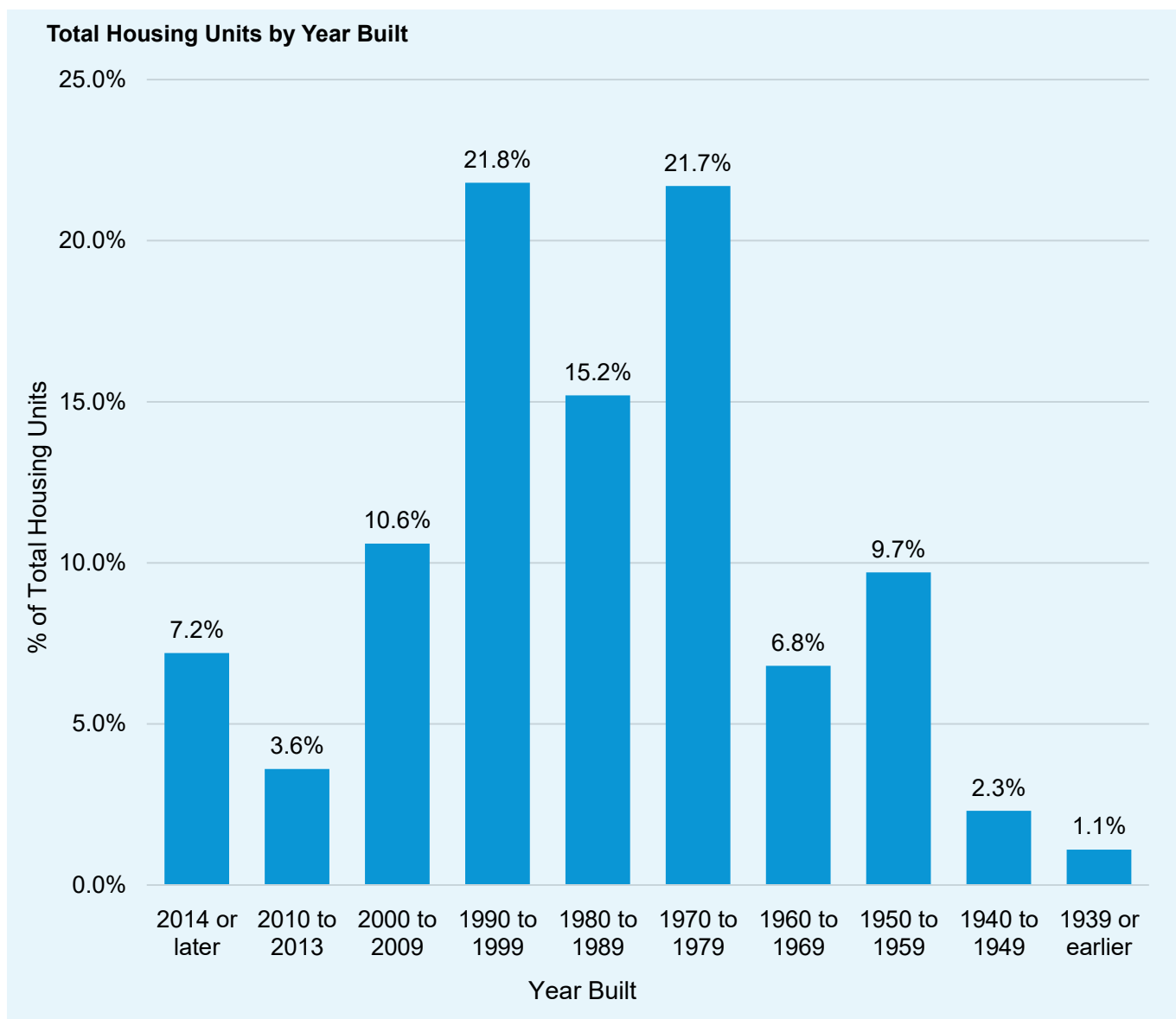


Figure 11: Housing by Year Built. Source: American Community Survey 2020 5-Year Estimates

Occupancy and Vacancy Rates

Vacancy rates in Orem are exceptionally low and have hovered between 3% and 4.5% for the past 20 years. They are expected to remain low through 2026. Low vacancy rates indicate high demand for housing; this high demand is apparent in much of the data and will be addressed in some of the recommendations provided in the report.

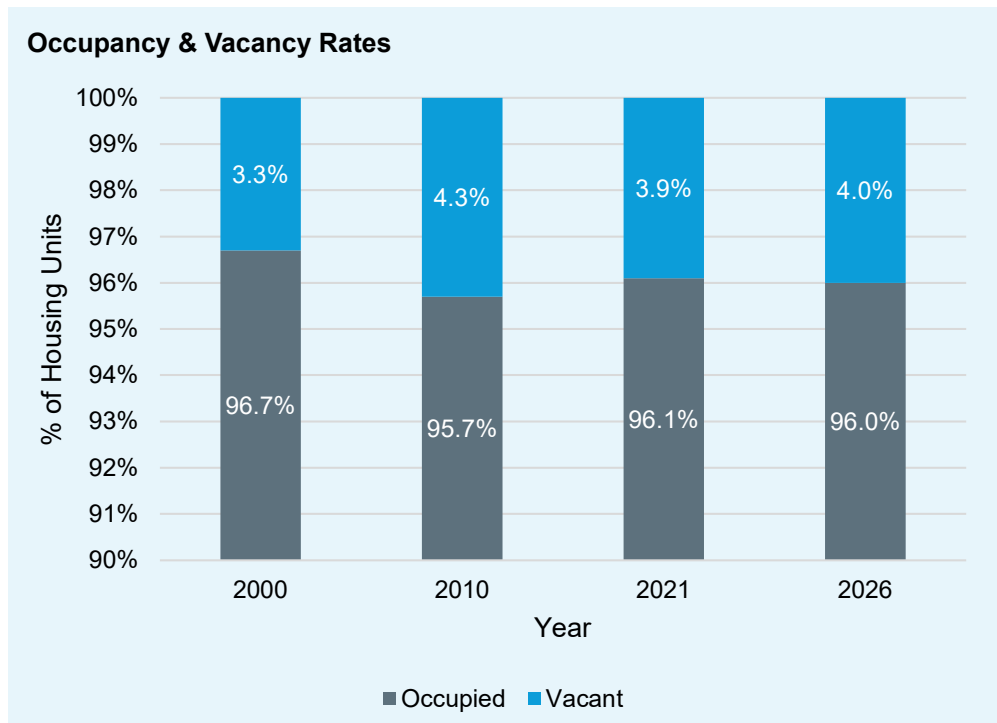


Figure 12: Occupancy & Vacancy Rates. Source: ESRI 2021

Owner vs. Renter Occupancy

The percentage of renter-occupied units in Orem has increased steadily since 2000; renter-occupied units in 2021 comprised a greater percentage of the total housing units by approximately 6.5 percentage points, compared to 2000. The ratio of owner-occupied and renter-occupied housing is expected to remain relatively constant in the next 5 years.

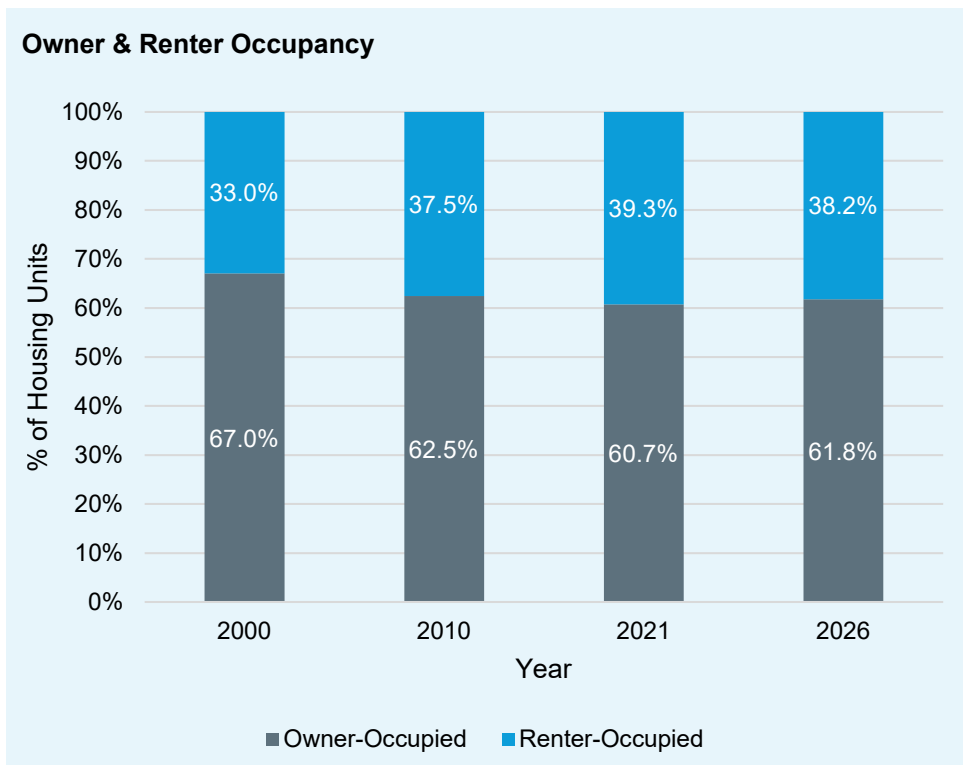


Figure 13: Housing Tenure. Source: ESRI 2021

Owner-Occupied Home Values

The owner-occupied home values are high in Orem. In December 2021, the median housing value as measured by sale price was \$467,500. That was more than \$200,000 greater than the United States' median home value of \$264,021. Between January 2017 and December 2021, the median sale price of a home in Orem increased by \$228,500, from \$239,000 to \$467,500; the median sale price increased by about 25% in 2021 alone. According to a third-party modeling company, the median home value in Orem is supposed to reach \$468,000 by 2026; the fact that the city has nearly reached this price in 2021 means that housing costs in the city are far outpacing model projections. Elevated home values are a further indication of high demand for housing, which will be addressed in this report's recommendations.

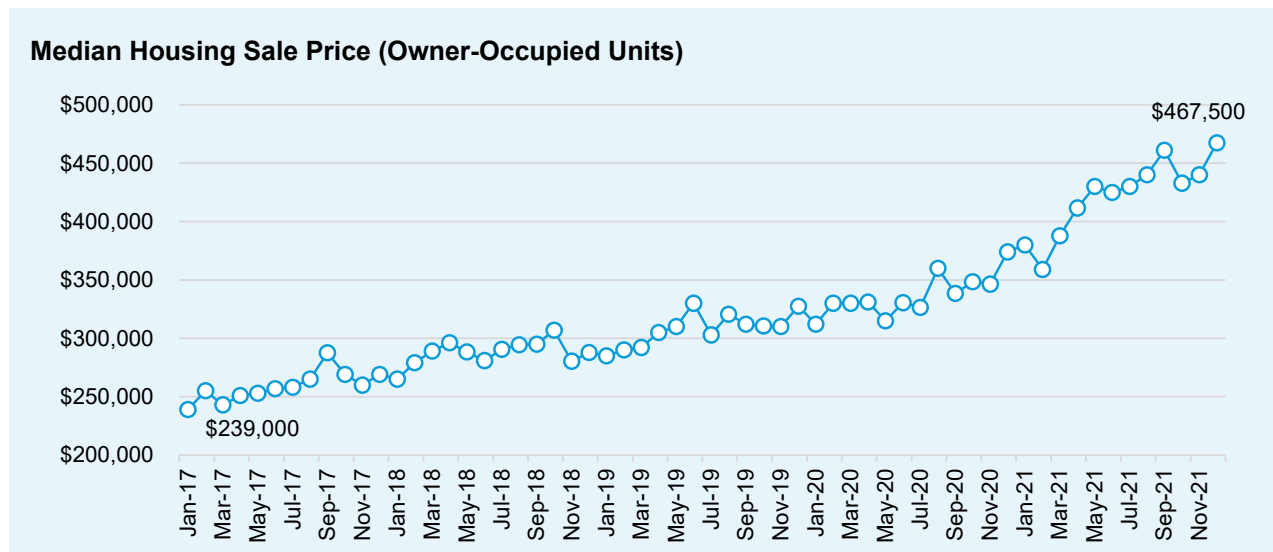


Figure 14: Owner-Occupied Home Values. Source: Redfin 2021

Renter-Occupied Unit Monthly Rents

Monthly rents, too, are high within the city. Approximately 52% of rental units are priced at more than \$1,000 per month, and the average monthly rent falls between \$1,000 and \$1,250. Less than 8% of rental units cost less than \$600 per month. A limited supply of for-rent units likely increases the prices of existing units.

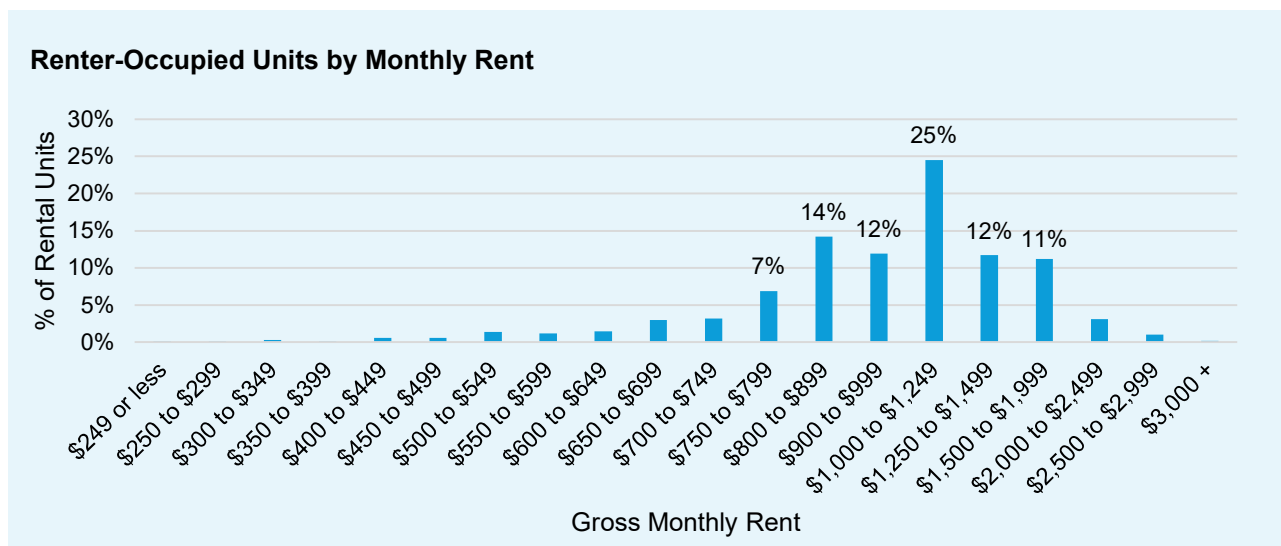


Figure 15: Renter-Occupied Units by Monthly Rent. Source: ESRI 2021

Housing Cost Burden Analysis

HUD defines a household as being moderately cost burdened if between 30% and 50% of their household income is spent on housing. If more than 50% of the household's income is spent on housing, it is considered to be severely cost burdened. Between 2014 and 2019, Orem saw a decrease in the share of owner-occupied households that were moderately or severely cost burdened from 22.68% to 18.47%. This share is lower than the United States' share of cost-burdened households, which was equal to 22.3% in 2019. In 2019, about 7.5% of homeowner households were severely cost burdened.

Renter households are considerably more cost burdened than homeowner households. In 2020, 41.42% of Orem's renter households were cost burdened, which is more than 7 percentage points lower than in 2014. The number of cost-burdened renter households is lower than the United States' percentage, though. In 2019, 17.38% renter households were severely cost burdened.

There are a couple of limitations with this data that are worth noting. First, the cost-burdened percentage of U.S. households is not necessarily a suitable comparison group for Orem; the national housing market behaves much differently than the local housing market, and the demographics of each region are much different. Thus, the overall health of one housing market cannot necessarily be gleaned from a comparison to another dissimilar region. Second, the most recent data available are from 2019; in 2020, the COVID-19 pandemic had a significant impact on the housing market. It is likely that the cost-burdened share of households in Orem will be much greater in 2022 than in 2019, but there are no data yet to show it.

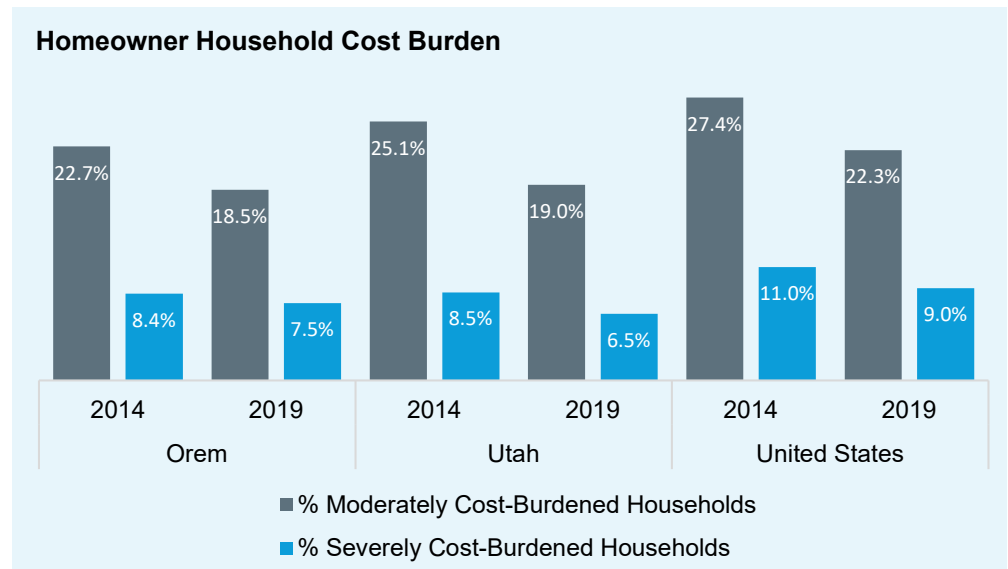


Figure 16: Homeowner Household Cost Burden. Source: American Community Survey

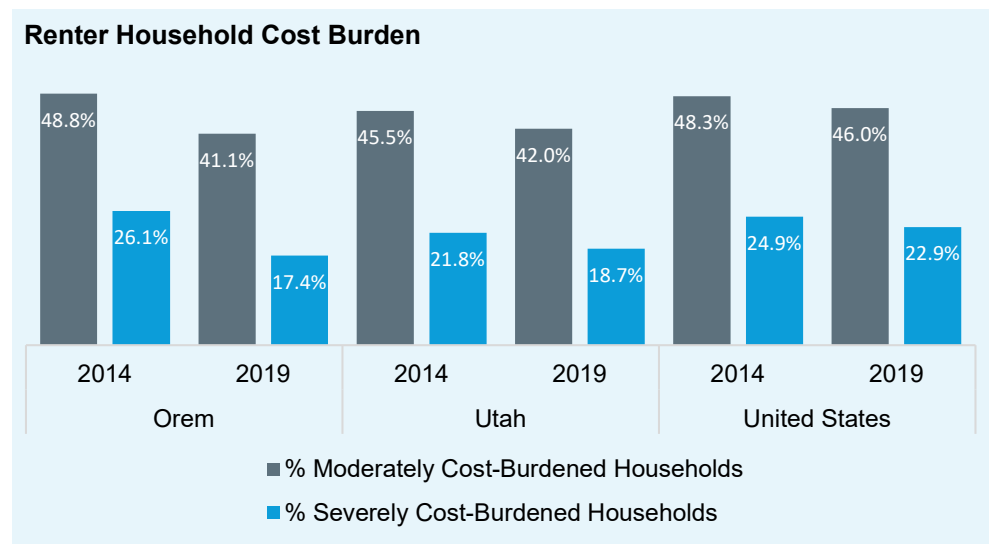


Figure 17: Renter Household Cost Burden. Source: American Community Survey

Housing Cost Burden by Income

Below, the distribution of cost-burdened renter and homeowner households at various income levels is provided for 2019. As one might expect, the most cost-burdened households are those who earn less than \$20,000 per year; it is difficult to find housing which requires less than 30% of an occupant's income if that income is less than \$20,000. Approximately 83.4% of individuals who fall below that income threshold was cost burdened in 2019. The share of cost-burdened households decreases as the income levels of each category increase. 51.96% of renters and 37.42% of homeowners who earn \$75,000 or less are cost burdened. The table below indicates the percentage of Orem households that fall below each income threshold.

Occupant Percentages by Household Income

Household Income	% of Renter Households	% of Homeowner Households
\$20,000 or less	10.4%	4.8%
\$50,000 or less	51.7%	18.9%
\$75,000 or less	74.6%	35.3%

Table 5: Units by HHI Bracket and Occupation Type. Source: ESRI 2021

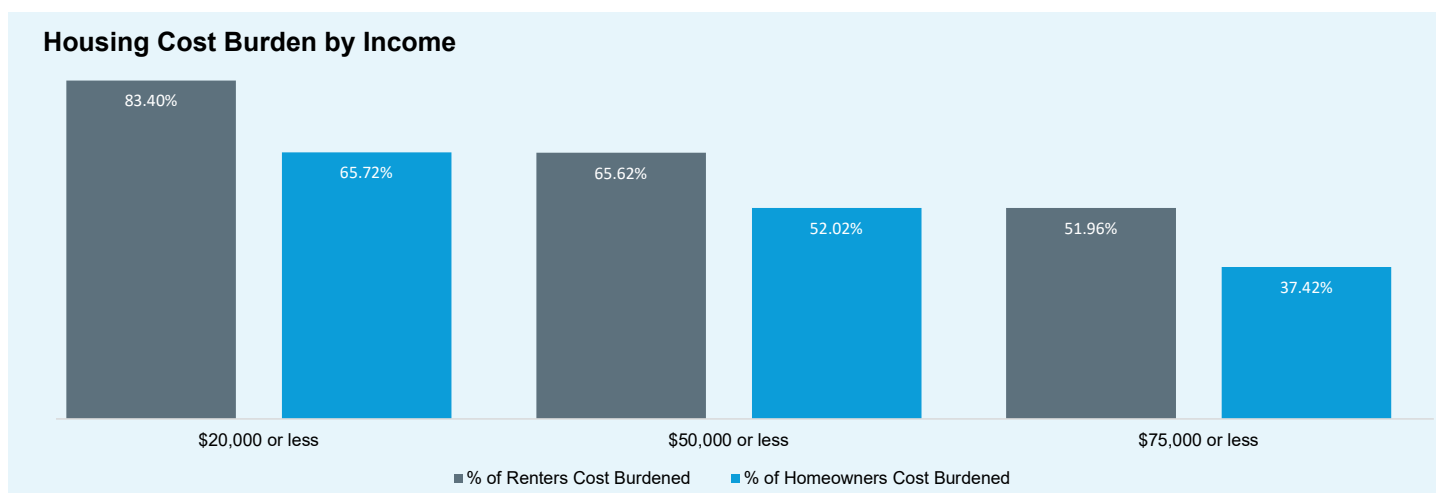


Figure 18: Cost Burden by Income. Source: American Community Survey

Neighborhood Walkability Analysis

A neighborhood walkability analysis can be helpful for gauging the transportation infrastructure within the city. According to WalkScore.com, Orem is a car-dependent city; by its metric of measuring walkability, Orem scores a 43 on a scale of 100. This means that most errands require a car. The transit score for Orem is slightly lower, at 33. There are some transit options available; there are about 10 bus lines and 1 rail line that run through the city. Figure 19 shows the public transit routes within the city.

While Orem's transportation score is lower as it relates to walkability and public transit options, the City scores highly on the biking scale. With a bike score of 58, Orem is considered bike-able and has some biking infrastructure to support cyclists.

Commuting and Traffic Patterns

As the following graph illustrates, slightly more than 36,000 resident workers are employed outside of Orem and must commute beyond its limits for work. Conversely, 38,400 workers live outside of the city and travel into it for work. Approximately 10,500 people both live and work within the city. The net number of commuters who travel into the region for work is 2,222. In other words, after accounting for the number of workers who travel out of the city for work, 2,222 workers travel into the city for work daily. This could indicate positive economic productivity within Orem, or plenty of jobs that attract residents of other cities or counties. Conversely, this could also highlight the lack of affordable housing within the city. If Orem's workers are unable to find suitable housing within the city, they must live outside of its limits and commute in for work.

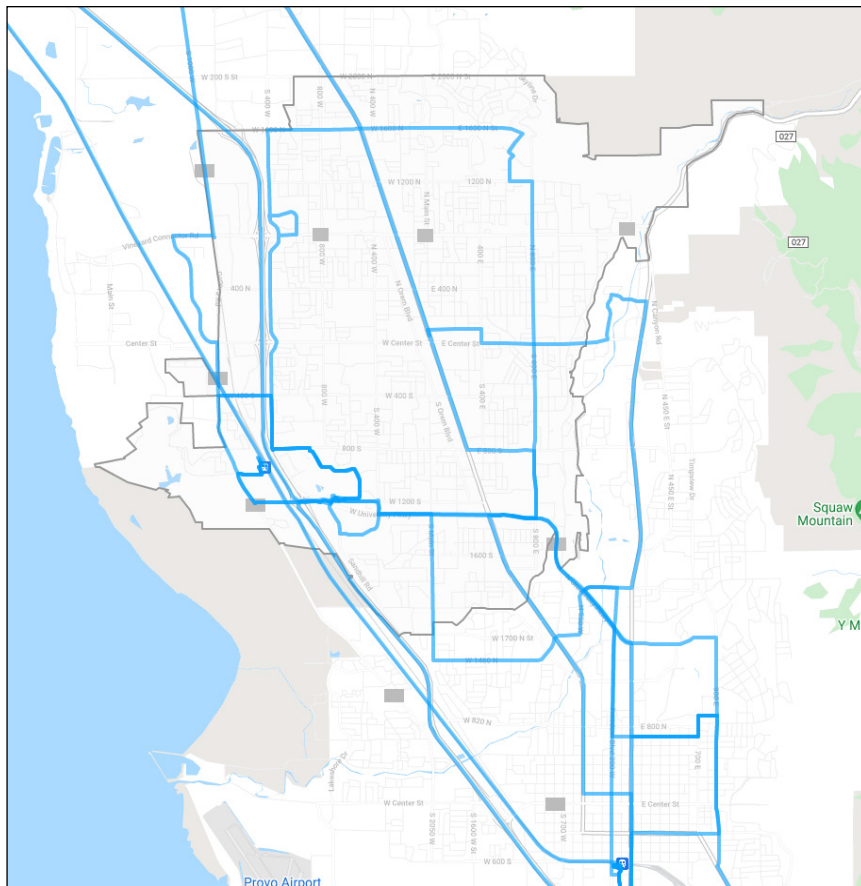


Figure 19: City of Orem Public Transit Routes. Source: Walkscore.com

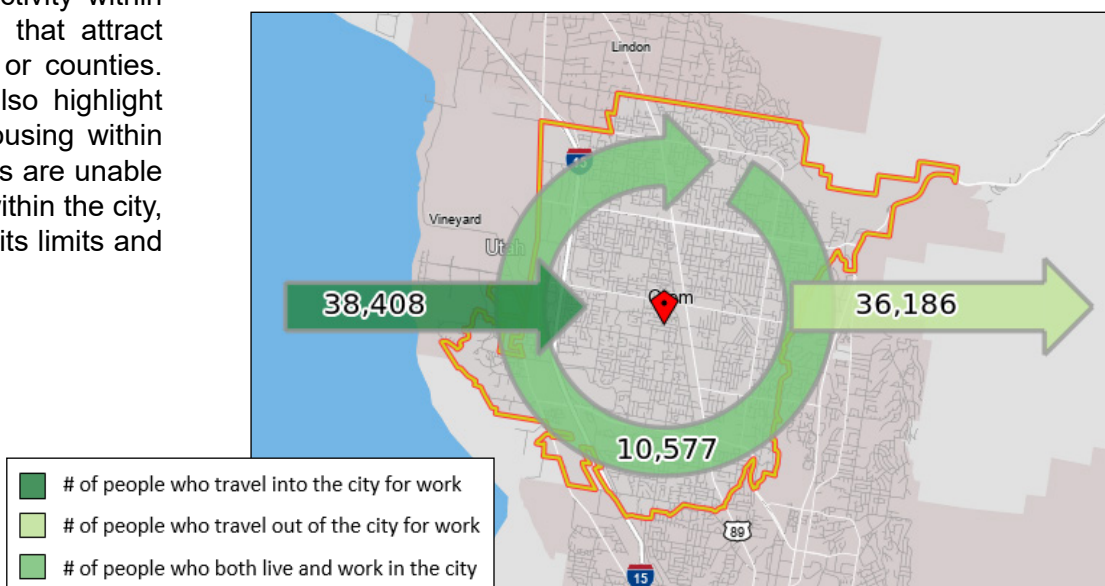


Figure 20: Commuting Patterns. Source: OntheMap, 2019

Business & Industry Analysis

Introduction

In this section, an analysis of Orem’s major industries and occupations is provided, as well as an analysis of the City’s workforce. In the first section, the highest-employing, fastest-growing, and most highly concentrated industries are highlighted. In the next, the area’s top occupations are presented, along with a list of the hard skills most highly demanded by employers. Finally, the most up-to-date labor market information is provided, including unemployment and labor market participation rates.

Largest Industries

Within Orem, the public “Colleges, Universities, and Professional Schools” industry is, by far, the largest. More than 5,300 employees work in this industry, with the overwhelming majority likely finding employment in Utah Valley University (UVU). Quality-of-place industries, like those which include restaurants and shopping centers, also top the chart; collectively, the “Limited-Service Restaurant” and “Warehouse Clubs and Supercenters” industries employ more than 4,600 in Orem.

In the past, retail gap analyses have been used to measure the potential for capturing sales from surrounding areas, as well as reducing sales leakage to those areas. Due to data limitations and the influence of e-commerce on the retail industry, these analyses are less informative as an economic development tool now than they might have been in the past. For a full discussion of the utility of retail gap analyses in 2022, as well as an analysis of the available data, please refer to Appendix IV.

Some technology or web-related industries can also be seen in the Table 6, such as “Custom Computer Programming Services” and “Internet Publishing, Broadcasting, and Web Search Portals” industries, each employing just shy of 1,400 workers. All the top industries in Orem have seen growth in the past 10 years.

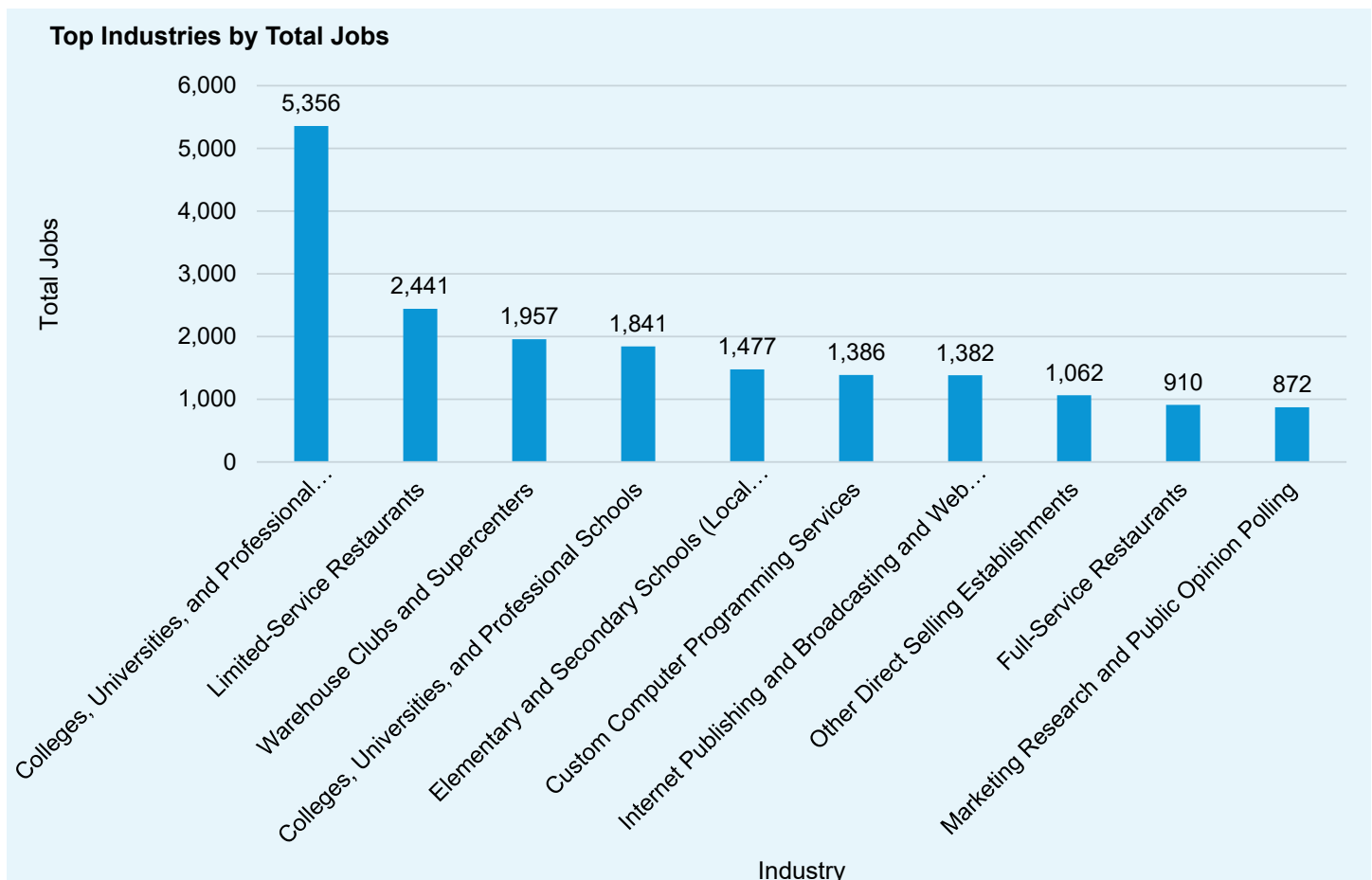


Figure 21: Top Industries. Source: EMSI 2021

Top Growing Industries

The “Colleges, Universities, and Professional Schools” industry saw limited growth since 2016, adding only 63 jobs. As Figure 21 demonstrates, this industry still employs more than any other industry in Orem, indicating its role as an anchor industry within the city. “Warehouse Clubs and Supercenters” saw the largest percent increase adding 526 jobs over the five-year span. With 270 new jobs, Direct Selling continues to be a large and growing industry in the area, following the national growth trends.

Custom Computer Programming Services also saw substantial growth since 2016, adding 320 jobs. This is also a top employer, and its growth implies potential for additional investment. Restaurants, shopping centers, and other direct selling establishments have seen considerable growth, as have some building contractors. Additionally, the “Marketing Research and Public Polling Opinion” industry also added nearly 600 jobs in the last 10 years.

NAICS	Industry	2021 Jobs	2016-2021 Change
902612	Colleges, Universities, and Professional Schools (State Government)	5,356	1.18%
722513	Limited-Service Restaurants	2,441	16.64%
452311	Warehouse Clubs and Supercenters	1,957	26.88%
611310	Colleges, Universities, and Professional Schools	1,841	13.43%
903611	Elementary and Secondary Schools (Local Government)	1,477	4.90%
541511	Custom Computer Programming Services	1,386	23.07%
519130	Internet Publishing and Broadcasting and Web Search Portals	1,382	-1.17%
454390	Other Direct Selling Establishments	1,062	25.44%
722511	Full-Service Restaurants	910	1.46%
541910	Marketing Research and Public Opinion Polling	872	17.48%

Table 6: Top NAICS Industry by 2021 Job Count. Source: EMSI 2021



Figure 22: Top Growing Industries. Source: EMSI 2021

Most Highly Concentrated Industries

Location quotient (LQ) is a metric used to compare the concentration of industries within the region to the national average. Any LQ greater than 1 indicates that the industry is more highly concentrated in Orem than in similar regions. For the purposes of this metric, the following industry information was collected using a broader definition of industry groups (3-digit vs. 6-digit) than the tables relating to job count and growth in the previous sections. LQ scores are more easily skewed by the more detailed industry data.

Industries with high location quotients are often, but not always, significant exporting industries. Their retention and growth within the city are important because they're useful for attracting money into the city from buyers outside of its borders.

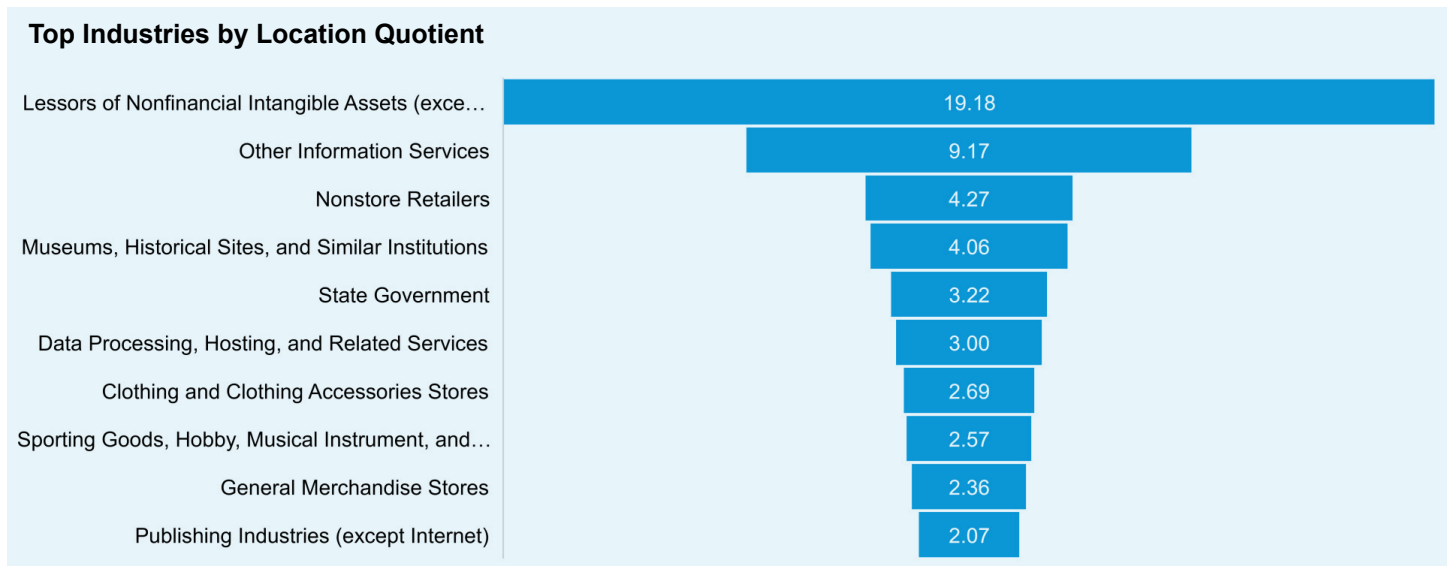


Figure 23: Industry Concentration. Source: EMSI 2021

For Orem, the “Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)” industry is the most highly concentrated industry in the city. This industry has an LQ of 19.18, which means that this industry is over 19 times more concentrated in Orem than the national average, adjusted to scale. However, this industry is also quite small, employing only 97 workers in 2021. “Other Information Services” (9.17) and “Nonstore Retailers” (4.27), including the Direct Sellers mentioned in the previous section, round out the top three 3-digit industry codes as most highly concentrated industries within Orem.

NAICS	Industry	Location Quotient	2021 Total Jobs
533	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	19.18	97
519	Other Information Services	9.17	1,563
454	Nonstore Retailers	4.27	1,177
712	Museums, Historical Sites, and Similar Institutions	4.06	184
902	State Government	3.22	5,694
518	Data Processing, Hosting, and Related Services	3.00	408
448	Clothing and Clothing Accessories Stores	2.69	864
451	Sporting Goods, Hobby, Musical Instrument, and Book Stores	2.57	496
452	General Merchandise Stores	2.36	2,203
511	Publishing Industries (except Internet)	2.07	558

Table 7: Top NAICS Industry by Location Quotient. Source: EMSI 2021

Top Industry GRP

Gross Regional Product, or GRP, measures the final market value of all goods and services produced in the region of study. GRP is the sum of total industry earnings, taxes on production & imports, and profits, minus subsidies. The industries presented in Figure 24 have the highest GRPs in the the three Orem ZIP codes of 84057, 84058, 84097. This geographical selection was made based on the most applicable available data for the City of Orem and should represent a more accurate picture of the city than would data relating to the Provo-Orem Metropolitan Statistical Area (MSA).

In 2021, the “Internet Publishing and Broadcasting and Web Search Portal” industry produced approximately \$637 million in value. The “Lessors of Nonfinancial Intangible Assets” and “Custom Computer Programming Services” industries produced \$409 million and \$288 million, respectively.

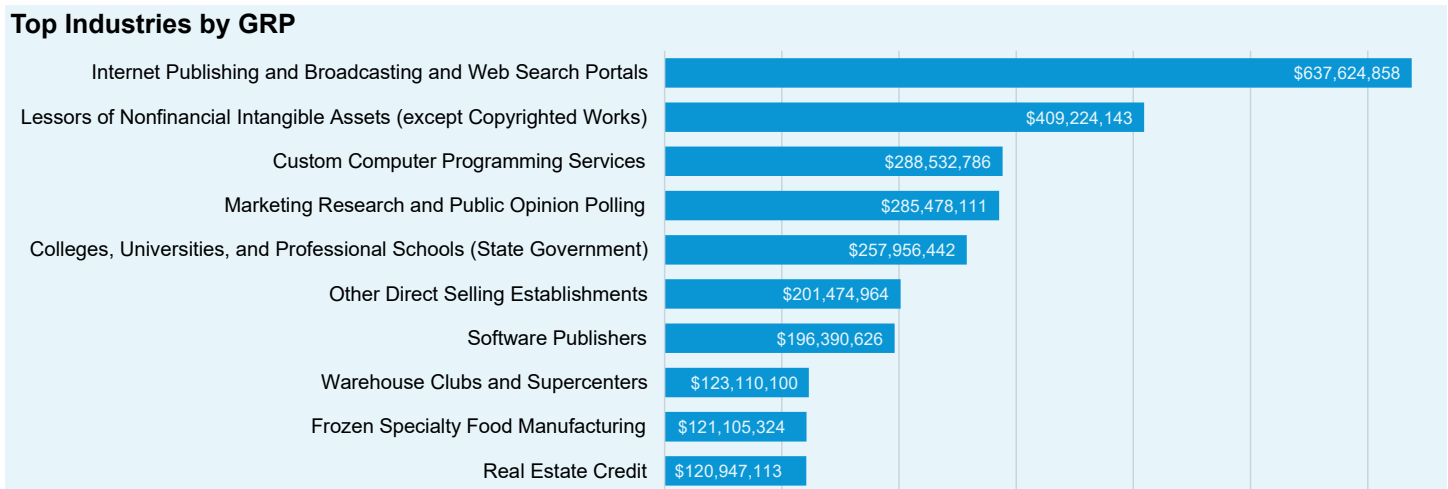


Figure 24: Top Industries by GRP. Source: EMSI 2021

Top Industry Earnings

The total industry earnings for a region include wages, salaries, supplements, and proprietor income. The “Customer Computer Programming Services” industry earned the most in 2021, approximately \$275 million. The “Colleges, Universities, and Professional Schools (State Government)” and “Marketing Research and Public Opinion Polling” industries earned \$258 million and \$248 million, respectively. Many of the top earning industries are also top employers within the city.

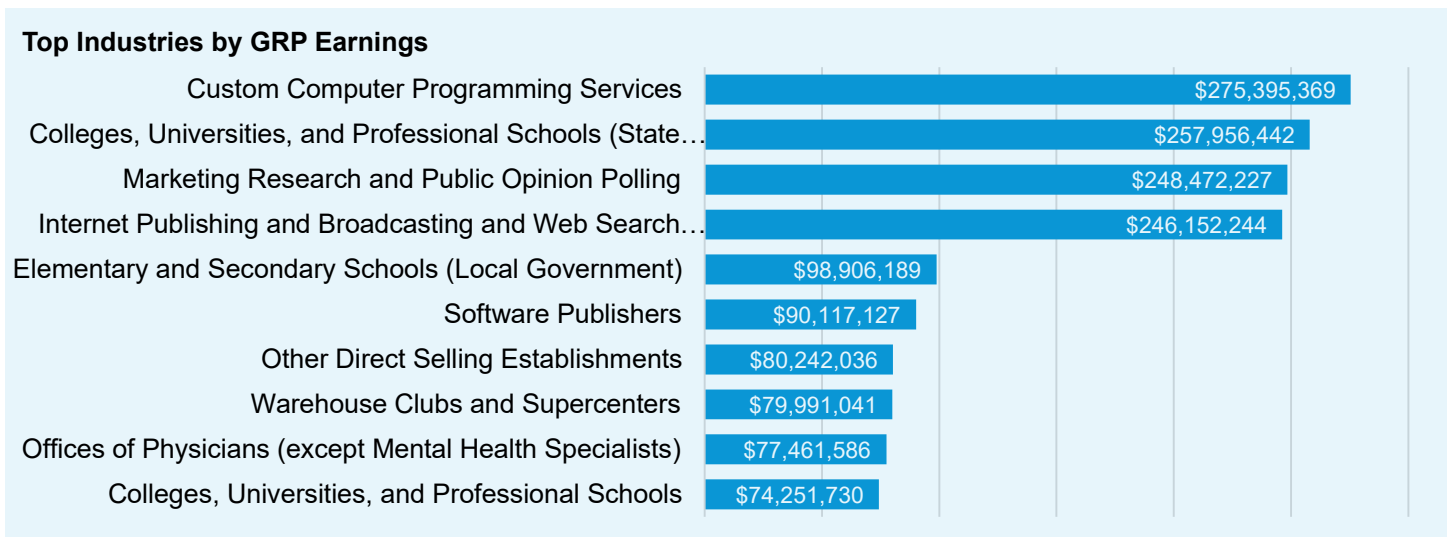


Figure 25: Top Industries by GRP Earnings. Source: EMSI 2021

Workforce Characteristics

Largest Occupations

The top occupation in Orem by total jobs is “Retail Salesperson” followed by “Postsecondary Teachers.” The next several occupations listed in Figure 26 connect to the retail or restaurant industries; “Software Developers and Software Quality Assurance Analysts and Testers” is the only other highly skilled occupation in the top ten. Because most of the top occupations in Orem are relatively low skill, their earnings are low; 7 of the top 10 occupations in the chart below earn less than \$35,000 per year. The yellow line graph provides the median annual earnings of each of the top ten occupations. The fact that much of Orem’s working population is employed in low-paying occupations can be seen to affect other aspects of the economy.

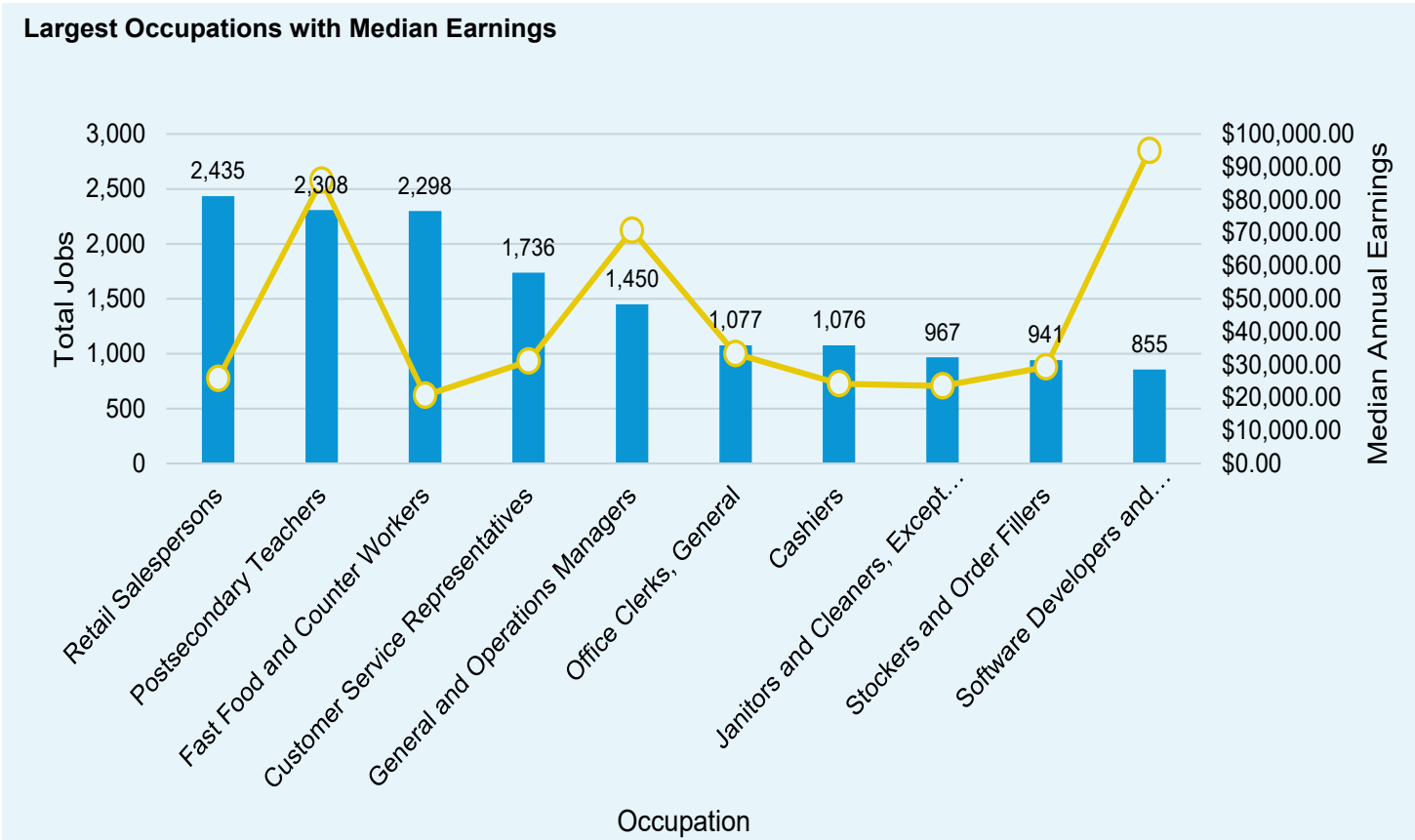


Figure 26: Top Occupations. Source: EMSI 2021



Top Growing Occupations

As with industry trends, occupation growth trends can be helpful in identifying opportunities for economic development. The occupations presented in the Figure 27 are those which saw the most growth between 2016 and 2021. Many of the fastest growing occupations connect to the retail industry. The occupations with the most jobs added during the five-year span were managers and project managers. Some other high-skilled occupations top the charts, as well, including software developers, and market research analysts. Overall, the growth represented in Figure 27 is a relatively healthy mix of low and middle-skill and low- and middle-wage occupations. However, as has been noted in other parts of this report, these are not typically the kinds of jobs and earnings that would allow a person to comfortably live within the City of Orem itself.

SOC	Occupation	2021 Jobs	2016 - 2021 % Change	Median Annual Earnings
41-2031	Retail Salespersons	2,435	9%	\$25,777.94
25-1099	Postsecondary Teachers	2,308	-1%	\$85,921.32
35-3023	Fast Food and Counter Workers	2,298	9%	\$20,625.70
43-4051	Customer Service Representatives	1,736	22%	\$31,088.57
11-1021	General and Operations Managers	1,450	46%	\$70,760.54
43-9061	Office Clerks, General	1,077	12%	\$33,303.80
41-2011	Cashiers	1,076	15%	\$24,199.28
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	967	13%	\$23,512.92
53-7065	Stockers and Order Fillers	941	49%	\$29,289.79
15-1256	Software Developers and Software Quality Assurance Analysts and Testers	855	23%	\$94,988.43

Table 8: Top Occupations in 2021. Source: EMSI 2021



Figure 27: Top Growing Occupations. Source: EMSI 2021

Most In-Demand Occupations

To track the most recent occupational trends, the number of unique job postings for each occupation are counted. The most in-demand occupations are those for which the most jobs were posted between January 2019 and April 2022. The “Retail Salespersons” was the most in demand, with just over 2,250 unique postings. Retail occupations comprised three of the top five most in-demand jobs, which is a testament to the prowess of retail in the area, but also represents national trends through the pandemic-influenced years of 2021 and 2022. Similarly, “Registered Nurses” being among the most in-demand positions tracks with national trends over these years.

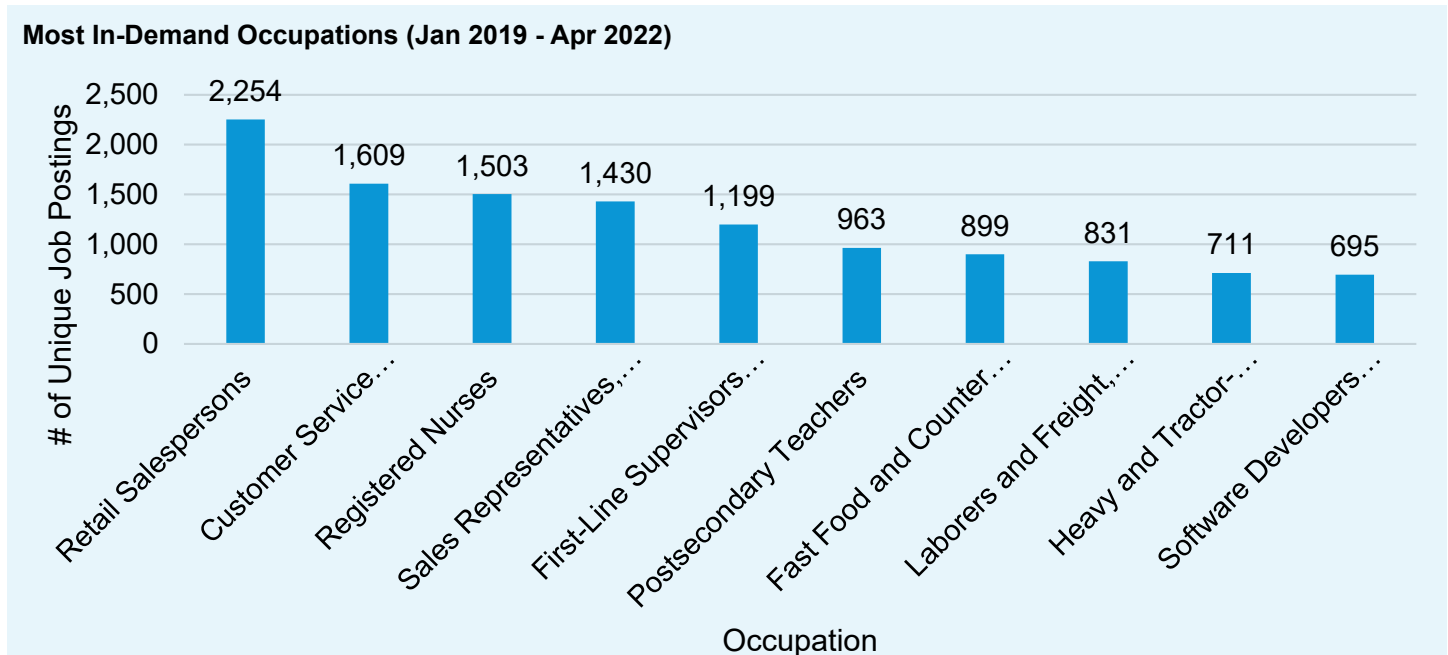


Figure 28: Most In-Demand Occupations. Source: EMSI 2021

In-Demand Skills

The top hard skills in Figure 29 are those which are most frequently mentioned in job postings in Orem. In understanding the demand for hard skills, strategies can be implemented to prepare the workforce to meet employers' needs. Merchandising, selling techniques, and nursing skills are all popular skills, which align with the top industries and occupations presented in previous charts.

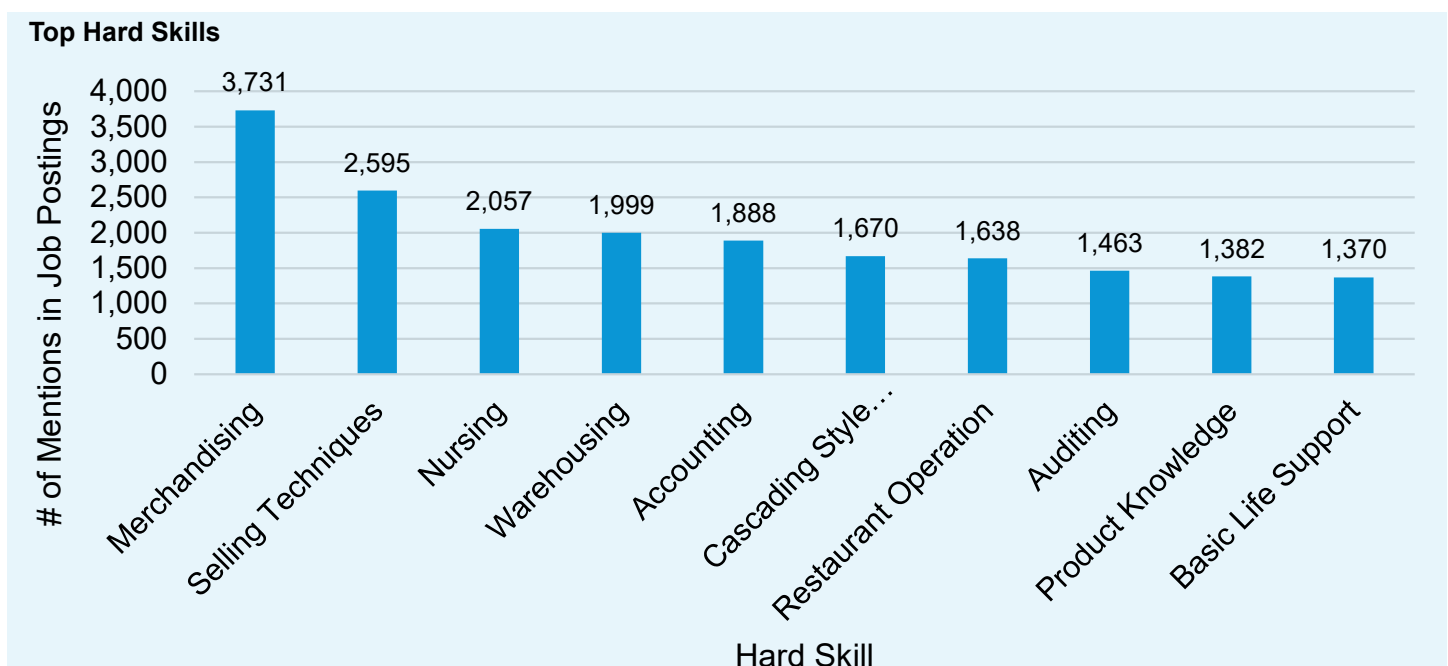


Figure 29: Top Hard Skills. Source: EMSI 2021

Labor Force & Employment Analysis

Labor Force Participation

In 2019, 52,502 of Orem's population above the age of 16 was employed; that equates to about 71.8% of the 16+ population. The unemployment rate averaged in Utah County was 1.5%, lower than the national average for 2021 (5.4%) by 3.9 percentage points. The unemployment rate in the Provo-Orem MSA was the same, at 1.5%.

Labor Force

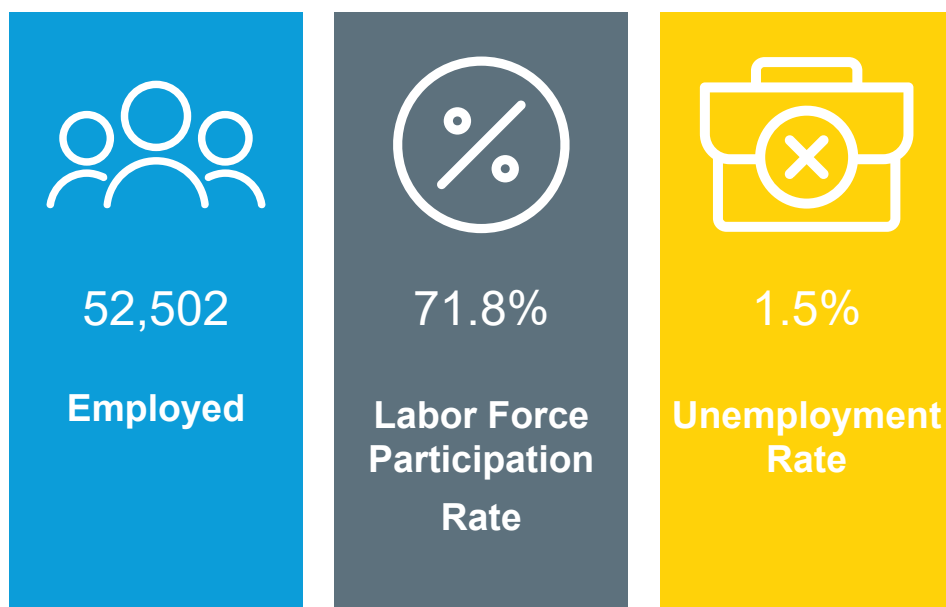


Figure 30: Labor Force Overview. Source: ACS 2015-19 Estimate; Utah Department of Workforce Services

Unemployment by Race

In the graph below, 2020 unemployment rates are given for each racial group in Orem. 3.9% of the White population in the labor force was unemployed in 2020. The "Black or African American" and "American Indian and Alaska Native" groups saw the highest unemployment rates, reaching 7.4% and 8.4%, respectively. The data below indicate employment inequities; the fact that the unemployment rates of some racial groups are 3-4 percentage points higher than others implies that employment opportunities are not equally accessible.

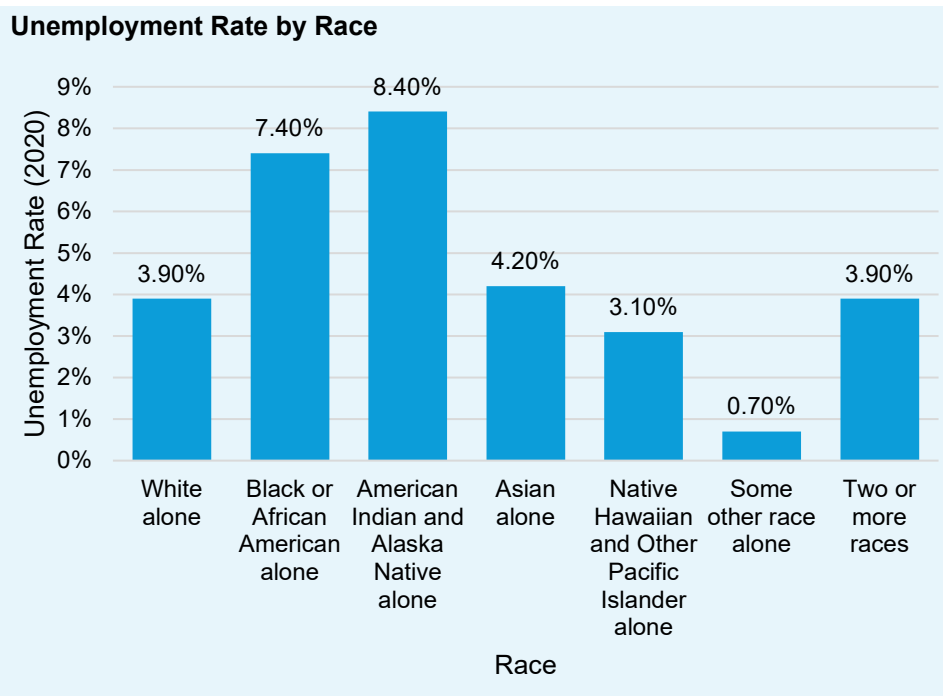


Figure 31: Unemployment by Race. Source: American Community Survey, 2020

Unemployment Rate Trends

The unemployment rate in the Provo-Orem UT metropolitan statistical area (MSA) spiked between March and April of 2020, increasing from 2.5% to 7.8% in one month. Unemployment gradually fell throughout 2020 and 2021, and finally reached pre-pandemic levels at 2.2% in March of 2021. By January 2022, the unemployment rate had dropped to 1.6%, which is nearly 1 percentage point lower than it was at the start of the pandemic in March of 2020.

Remote Worker Trends

One impact of the COVID-19 pandemic was the transition of many occupations to a work-from-home model. While some workers have returned to the office, many businesses have made the decision to allow their employees to work permanently from a remote location. In the graph below, the total number of job postings for all occupations has been provided for 2019 and 2021. In 2019, there were 859 job postings for remote positions in the Provo-Orem MSA; in 2021, that number had increased to 5,384. This increase of more than 600% in remote worker job postings demonstrates one of the tremendous impacts of the COVID-19 pandemic on the workplace.

Unemployment Rate

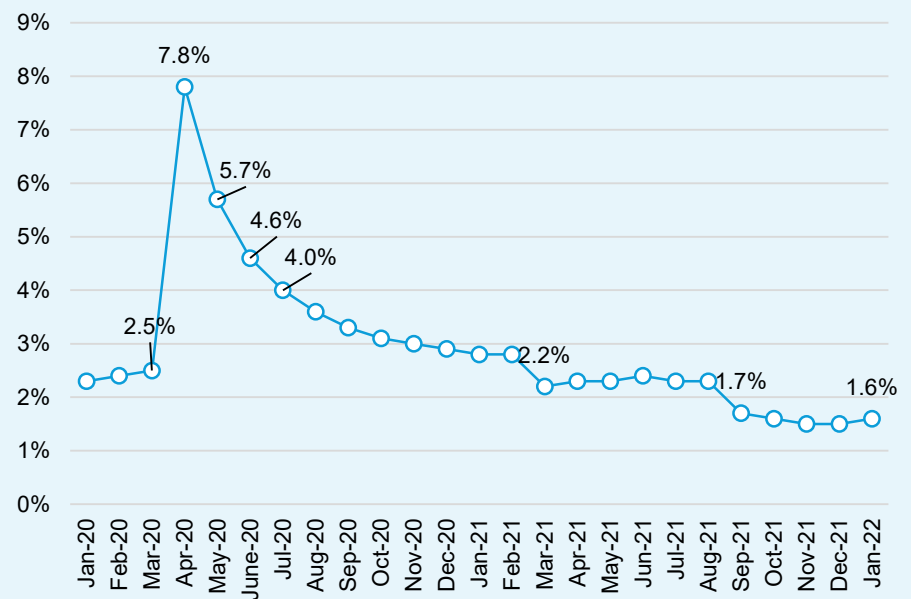


Figure 32: Provo-Orem UT MSA Unemployment Rate by Month. Source: Bureau of Labor Statistics, 2022



Tapestry Segmentation

Esri's Tapestry Market Segmentation characterizes and measures an area's population based on income, age, and general lifestyles. The tapestry segmentation for Orem can be helpful for understanding the population's demand, financial ability, and housing preferences, all of which inform an economic development strategy.

In Table 9, the top ten tapestries in Orem are ranked by the percent of households comprised by each tapestry. Annual growth, owner and renter preferences, household size and income, and financial ability are estimated, as well. Full tapestry profiles and descriptions can be found for all the tapestries below at [this website](#).⁹

Tapestries	Percentage of Households	Annual Population Growth	% Home-owner	% Renter	Median Age	Average Household Size	Median Household Income	Maximum Affordable House Price	Maximum Monthly Affordable Rent
Bright Young Professionals (8C)	25.9%	1.20%	57.20%	42.80%	33	2.41	\$54,000.00	\$162,000	\$1,125.00
Young and Restless (11B)	10.6%	1.30%	86.90%	13.10%	29.8	2.04	\$40,500.00	\$121,500	\$843.75
In Style (5B)	7.0%	0.80%	68%	32%	42	2.35	\$73,000.00	\$219,000	\$1,520.83
Savvy Suburbanites (1D)	6.7%	0.80%	90.60%	9.40%	45.1	2.85	\$108,700.00	\$326,100	\$2,264.58
Comfortable Empty Nesters (5A)	6.2%	0.50%	86.90%	13.10%	48	2.52	\$75,000.00	\$225,000	\$1,562.50
Up and Coming Families (7A)	6.1%	2.80%	73.90%	26.10%	31.4	3.12	\$72,000.00	\$216,000	\$1,500.00
Workday Drive (4A)	5.5%	1.40%	84.90%	15.10%	37	2.97	\$90,500.00	\$271,500	\$1,885.42
College Towns (14B)	5.1%	1.10%	24.60%	75.40%	24.5	2.14	\$32,200.00	\$96,600	\$670.83
Parks and Rec (5C)	4.7%	0.40%	69.70%	30.30%	40.9	2.51	\$60,000.00	\$180,000	\$1,250.00
Urban Edge Families (7C)	4.7%	1%	63.70%	36.30%	32.5	32.5	\$50,900.00	\$152,700	\$1,060.42

Table 9: Tapestry Segmentation for the City of Orem. Source: ESRI 2021.

⁹ <https://doc.arcgis.com/en/esri-demographics/data/tapestry-segmentation.htm>

Appendix III: SWOT Analysis

STRENGTHS



- Highly educated population
- Quality of life
- Strategic location and infrastructure assets
- Retail assets
- Strong and experienced economic development leadership

S

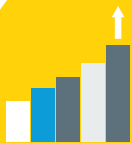
WEAKNESSES



- Housing costs
- Housing supply
- Lack of clearly defined downtown
- Disunity around long-term vision

W

OPPORTUNITIES



- Enhanced business support
- Quality of place improvements
- Embracing a mid-21st century economy

O

THREATS



- Defaulting to the status-quo
- Heavy reliance on sales tax revenue
- Housing cost's effect on workers and businesses

T

Strengths

Highly Educated Population

One of the City of Orem's strengths lies in its highly educated residents. With 41.7% of the resident adult population having obtained a bachelor's degree or higher, Orem residents make up a highly educated workforce that can serve as industry leaders and innovators. This compares positively to Utah's statewide average of 35.1%.

The high educational attainment of Orem is in part due to the strong presence of nearby institutions of higher education. Utah Valley University (UVU) has a student body population of over 40,000 students, and it offers 208 degree options, 91 of which are bachelor's degrees and 11 of which are master's degrees. With tuition that is 42% lower than the nation's average and 15% lower than the state of Utah's average, UVU provides an affordable higher education option for Utah residents.¹⁰ Located just south of Orem, the proximity of Brigham Young University offers residents another high-quality education option. BYU has a student population of over 30,000 students and it offers 185 undergraduate majors, 64 master's programs, and 26 doctoral programs.¹¹

Members of Orem's highly educated population have contributed to the city's strong startup culture. Business incubators, such as the Utah Valley Business Resource Center, provide support and resources for entrepreneurs to plan, strategize, and launch innovative ideas that contribute to the business and economic sectors both locally and nationally. Examples of successful startups that have either originated or grown in Orem include Word Perfect, BlendTec, Clear Task Solutions, Ready2Teach, and Warren.¹²

Quality of Life

There are many quality-of-life advantages that make Orem an attractive location for those seeking a healthy and active lifestyle. The health of residents is high with the local population outperforming the state and country by many health metrics. With several key medical facilities, such as Wasatch Medical Center, Orem Community Hospital, and Timpanogos Regional Hospital, and family practices throughout the city, there are a variety of providers to meet the medical and health needs of residents.

People travel and move to Utah because of its natural beauty and outdoor assets, and one of Orem's key defining features is its outdoor recreation opportunities. Utah Lake, Cascade Mountain, Mt. Timpanogos, and state parks surround the Orem metropolitan area and offer easy access to hiking, fishing, and other outdoor activities. Within the city, an extensive public park system provides families with space to recreate, children with areas to compete in sports, and community members with areas to gather.

In addition to natural assets, indoor assets contribute to the city's quality of life. The Orem Family Fitness Center has workout equipment, lap and leisure pools, a multi-purpose gym, group fitness classes, and sport offerings.¹³ Private gyms also give residents indoor space for fitness and activity. For those who enjoy education activities, Orem Public Library contains hardcopy and digital books; online resources for student academic enrichment; and community events geared toward specific age groups, such as adults, teens, tweens, young children, and toddlers.

Finally, residents overall feel safe within Orem. The city is in the 52nd percentile for safety, which means its crime rate is on par with the national average.¹⁴

¹⁰ <https://www.uvu.edu/whyuvu/>

¹¹ <https://www.byu.edu/facts-figures>

¹² https://www.uvu.edu/uvbrc/incubator_companies/index.html

¹³ <https://www.orem.us/orem-rec-center---orem-utah.html>

¹⁴ <https://crimegrade.org/safest-places-in-orem->

Strategic Location and Infrastructure Assets

Orem's geographic location makes it the epicenter of Utah Valley. With close access to outdoor recreation, surrounding cities in the Valley, and Salt Lake City, residents can easily access different opportunities the area offers. Orem residents also have access to I-15, which connects them to the surrounding areas.

In addition to I-15, Orem contains other important infrastructure assets. Two rail freight lines that run through the city transport goods throughout the state. Orem Central Station is an intermodal center that is a hub for train and bus travel, which residents can use to travel throughout Orem and the parts of Utah. Utah Valley Express is a bus line that makes 15 stops and runs from Orem Central Station to University Place to BYU's campus to Provo Central Station.¹⁵ FrontRunner is a commuter train that makes 15 stops and runs from Provo Central Station to Orem Central Station to Salt Lake and ends at Ogden Station.¹⁶ Finally, Orem is known as a high-speed fiber UTOPIA with high quality broadband.

Orem Tech Center is 788,562 square-foot facility offering retail and warehouse space to businesses.¹⁷ With easy access to I-15 via Geneva Road and up to 30-foot ceilings, it is a prime space to meet business and distributors' needs.¹⁸ Located near this facility is the 368-acre Geneva Road Industrial Corridor. This area currently houses a variety of manufacturers and companies, and it offers space for future expansion including the addition of low-rise industrial facilities, mid-rise manufacturers, and mid-rise residential buildings.¹⁹

Retail Assets

Retail in Orem is an asset and comprises a significant market share of retail sales within Utah Valley. One key driver of retail sales is University Place, which offers retail shopping, dining, recreation, office space, and housing. Within University Place and throughout the city are nationally recognized brands, including Costco, Macy's, Lululemon, and Trader Joe's.

Strong and Experienced Economic Development Leadership

Utah is a competitive state for business, as companies across industries have chosen to start, relocate, or expand their business in the state. This is the case for Orem and the surrounding areas, as many businesses and companies are headquartered in these areas. The Utah Valley area has strong regional leadership through the Mountainland Economic Development District and advances senior services, transportation, and economic development.

Orem has successfully implemented previous economic development strategic plans. Many of the goals from past strategic plans have been successfully implemented, and the city is poised to accomplish additional goals to enhance its business sector, housing offerings, and other amenities.

The Orem Business Alliance has been instrumental in helping expand and enhance the business sector. Through its work, the Alliance advocates for small business, provides networking opportunities, and connects businesses to resources.²⁰

¹⁵ <https://www.rideuta.com/Rider-Tools/Schedules-and-Maps/830X-Utah-Valley-Express>

¹⁶ <https://www.rideuta.com/Rider-Tools/Schedules-and-Maps/750-FrontRunner>

¹⁷ <https://listingsprod.blob.core.windows.net/ourlistings-usa/fb66b6e5-2518-413d-b584-5be33d57d3ec/32a07a3a-4fc7-44be-9454-984e1b2f217a>

¹⁸ <https://listingsprod.blob.core.windows.net/ourlistings-usa/fb66b6e5-2518-413d-b584-5be33d57d3ec/32a07a3a-4fc7-44be-9454-984e1b2f217a>

¹⁹ https://orem.org/wp-content/uploads/2018/08/072018_Draft_GRAP_Alternatives.pdf

²⁰ <https://econ.orem.org/oba/>

Weaknesses

Housing Costs

While the strengths of Orem outlined above attract individuals to the area, the rising cost of housing has become a challenge for many, particularly for young professionals and families hoping to purchase a home. According to the real estate website Redfin's market analytics, the median sale price of a home in Orem in February of 2022 was approximately \$494,500, representing an increase of 39.6% since February of 2021.²¹ While the upward trend in sale price is not unique to Orem, the year-over-year (YoY) increase is substantially larger than the 28.8% growth throughout the state as a whole and the 15.9% increase nationally over the same period.

These high prices make it challenging for both young professionals and families to commit to moving to the city, and those that do are likely to face financial strain. But it is not just people moving to Orem who are likely to feel the impact of rapidly rising housing costs. Currently, 41.42% of renter-occupied households in the city are housing cost burdened, meaning they are spending more than 30% of their household income on housing costs. This number has been steadily increasing over recent years. The impact is increasingly also felt by owner-occupied households, as well.

Compounding the problem of Orem's rising housing costs are below-state-average household incomes (HHI). As of 2020, the median HHI in the city was an estimated \$65,622 (mean of \$87,734), which was considerably lower than the statewide median of \$74,197 and only slightly above the national median of \$64,994. An estimated 36% of Orem households earn an annual income of less than \$50,000, including 55% of renter-occupied households.

Housing Supply

Orem's rising housing costs are heavily influenced by a growing demand for housing without a significant change in supply. Orem has a lack of developable land to build more attainable single-family homes. Only 8% of Orem's land is undeveloped, and of that, only 3% of that is zoned for residential properties. With Orem surrounded by mountains, Utah Lake, and neighboring cities, expansion of homes is extremely limited. Many have proposed high and medium density housing as a potential solution that allows for upward expansion of more attainable housing. However, others are opposed to this concept if proposed over large swaths of land area without a targeted strategic approach. High-density housing projects are frequently met with resistance by the overall community, and because Orem does not have many vacant or available high-density housing options, this exacerbates the affordability of housing challenges in the city.

²¹ <https://www.redfin.com/city/14855/UT/Orem/housing-market>



Lack of Clearly Defined Downtown

Unlike other cities throughout the state and nation that have a distinct downtown, given the layout of Orem, the lack of a clearly defined downtown is an obstacle. State Street, which most closely resembles downtown road, has a rundown appearance compared to the quaintness and attractiveness of downtowns in other Utah cities and towns. State Street also serves as a main transportation channel for commuters and residents. As a seven-lane highway, there is a lack of walkability along State Street, and as a result, instead of walking to and from restaurants and retail establishments, residents and commuters spend their time driving past the city's assets at high speeds.

The high concentration of traffic on State Street also creates another issue: traffic congestion. During peak travel times, State Street easily becomes congested with residents and commuters travelling in and out of the city. Because of the lack of walkability of the area, the high volume of traffic, and the vehicle congestion, individuals spend little of their time accessing Orem's retail and restaurant assets. Moreover, perhaps because of the highly trafficked State Street, among many there is the perception that there is a lack of locally owned small businesses throughout the city.

Disunity Around Long-Term Vision

Due to the expiration of the previous EDSP, Orem has not recently achieved consensus around a long-term vision as it relates to economic development. The number one challenge identified by stakeholders during on-site visits was the disunity around a long-term vision for Orem's economic future. For instance, there is no clearly defined business attraction strategy. It is not clear what businesses Orem desires to attract and what approach or methods the city plans to use to attract those businesses. While Utah Valley University is a key asset to the city, its role in the local and regional economic development ecosystem is not clearly defined. Moreover, although the Utah Valley Business Resource Center is indeed an asset to local businesses and startups, it lacks a detailed and defined strategy to attract, retain, and sustain businesses. A clearly defined, unified vision in these areas would focus Orem's efforts and outreach, which will lead to greater success with business retention and attraction.

The underutilization of commercial and retail space may in part be due to the lack of a clear business strategy. From Canyon Park Technology Center to storefronts along State Street, there are a multitude of vacant office and retail spaces. Additionally, there is a lack of class-A office space for companies to use and expand their business. As a result, many startup companies that initially took root in Orem have moved out of the city to adjacent areas that better meet their office space needs. Some developers have looked to brownfield and contaminated industrial sites as areas to expand office and business space. However, there has been a reluctance to use EPA funds for proper clean-up of these areas. There is also stigma associated with brownfield sites, and many residents are reluctant to live or work in these areas.

Opportunities

Enhanced Business Support

An opportunity exists for Orem to enhance the support it provides to businesses. With a clearly defined focus and plan, Orem has the potential to attract and retain businesses. Additionally, it can help existing businesses expand within the area. There is also opportunity to have stronger alignment with Utah Valley University regarding business support. While still in the development phases, the Orem Business Alliance is a key collaborator for fostering business partnerships and networking.

While the Utah Valley Business Resource Center is an asset to the community, there are additional ways to leverage those assets and create new opportunities. By enhancing the resources within the center, the BRC can provide support to business, particularly startups. What will be paramount is a clear strategy to attract and retain businesses and identified target industries in which the BRC would like to invest. There is also opportunity for the BRC to expand its impact by building a strategic partnership with Canyon Park Technology Center. Additionally, there is an opportunity to make better use of the Smart Cities and Fabrication Lab. New technology could be tested and/or utilized in connection with City Hall.

There are many capital assets and supportive services that Orem can leverage to bring more resources to the city. The Revolving Loan Fund Program through the Economic Development Administration supports small business growth and new employment opportunities.²² Strategically investing in business incubation and acceleration would create and retain businesses within the area. Many grant opportunities exist for minority-owned businesses that local Orem business owners could take advantage of to sustain and grow their business.²³ There are several funds allocated for capital improvements that the city could use to improve buildings and aesthetics. Finally, succession planning is necessary to sustain businesses over an extended period.

Quality of Place Improvements

There are many quality of place improvements that, if implemented effectively, could drastically enhance the attractiveness of Orem. Given the rundown appearance of State Street, the traffic congestion, and other weaknesses outlined above, there are many approaches Orem could take to improve these aspects. Streetscaping efforts, such as landscaping and sidewalk improvements, could make the area more desirable for foot traffic and recreation and encourage residents and visitors to patronize the local retail and restaurants. Traffic calming measures, such as the addition of a median down the middle of State Street, could reduce the fast-paced, vehicular activity. Gateways would improve the overall aesthetic of the area and be a marker of Orem as a distinct community. Establishing design standards will also create the feel of Orem as a distinct, unique community with its own amenities and attractions. Finally, façade improvement to store fronts would make the area more visually appealing and would highlight the uniqueness of the locally owned businesses.

Transit-oriented development and specifically multi-modal strategies are an opportunity for Orem to leverage the healthy and active lifestyle of its residents. Bike share programs are one example. Since 2010, nationally Americans have taken over 343 million trips using bike shares.²⁴ This increasingly popular transportation option provides residents and commuters with an affordable and easy-to-use mode of transportation at any time of day. To make bicycling a safe and viable option, bike lanes would need to be added to State Street and other roads. Properly implemented, a bike share program would encourage less automobile traffic throughout the city. Enhancement of and additions of paths for both biking and walking would complement the outdoor assets of the community and provide additional recreation options. Finally, public transportation campaigns are an opportunity to inform the public of **existing available** public transit options and encourage their use.

With the Infrastructure Investment and Jobs Act that was recently passed and that addresses certain aspects of transportation, funding may be for the traffic and multi-modal ideas outlined above.²⁵ Finally, with the construction of the Orem Utah Temple of the Church of Jesus Christ of Latter-day Saints that is likely to draw many, there is an opportunity to expand housing near this area.

²² <https://www.eda.gov/rif/>

²³ <https://www.governmentgrants.us/minority-grants/>

²⁴ <https://nacto.org/program/bike-share-initiative/>

²⁵ <https://www.congress.gov/bills/117th-congress/house-bill/3684>

Embracing a Mid-21st Century Economy

Orem is well-positioned to take advantage of opportunities of a mid-21st century economy. University Place is a prime location to expand mixed-use development, specifically at the intersection of University and State streets. To attract a younger population to the area that will contribute to the local economy and workforce, many of these individuals are likely to be drawn to mixed-use development that meets their various living, shopping, and recreation needs.

These individuals are also likely to be attracted to experiential retail, recreation, and tourism. There are many approaches Orem can take to offer its residents and visitors unique experiences that set the city apart from others. With a clearly identified business attraction plan, Orem can determine the target attraction industry it would like to market. To increase the aesthetics of the area, public art, such as murals and sculptures, is an attraction for residents and visitors. As mentioned above, gateways can identify the entrance to the City of Orem and indicate to travelers that they are entering a unique, distinct community.

Given that Orem must be thoughtful about how it uses its existing spaces, flex spaces are an opportunity for the city to use limited space to serve multiple purposes. Flex spaces would consist of retail in the front of a building and wholesale and warehouses in the back of the space. By structuring the space in this way, the more visually appealing retail assets would be prominently displayed to the highly trafficked areas while the less visually appealing assets would be more discreet on less-travelled roads.

Although many of the technology companies that took root in Orem now reside in neighboring cities, with close proximity and relationships to technology corporations and start-ups another opportunity arises: offering retail-related technology. To provide key technology to both residents and local and surrounding employers, Orem could become a hub for retail technology. Types of retail to offer include software applications, logistics technology, and inventory management technology.



Threats

Defaulting to the Status-Quo

Demographic and economic trends in Orem appear to be heading in the direction of significant issues in both the short- and long-term. Rising housing costs are likely to put increasing pressure on Orem's workers to relocate or seek better-paying alternatives. Reliance on a robust retail sector is threatened by the rapid growth of e-commerce. Attempts to attract tech companies to diversify the city's industry mix is running up against nearby competitor regions that offer affordable rent, appealing and walkable "15-minute cities," defined senses of place, and developed transportation and accessibility options.

While it is difficult to draw sharp distinctions between each of these inter-related factors and trends, the largest direct threat to the City of Orem comes from potential inaction if these trends are not addressed. Prior to the development of this plan, there was no clearly defined or official short- or long-term vision for the future. Many stakeholders seem willing and able to point out potential problems or shortcomings of the city, but a collaborative approach to meeting these challenges directly is necessary to allow Orem to maximize its many strengths and build a positive future that the community can be proud of and meets the needs of its citizens.

With each month and year that measures are not taken to address the threats detailed below, these trends will become more solidified and the ramifications increasingly serious. Whether desired or not, the population in the City of Orem seems destined to show continued growth. Without action, the cost of housing will continue to rise. Without diversification and innovation, the retail sector will continue to be threatened by advancing technologies and shopping trends, which will, in turn threaten the city's sales tax-dependent budget. Local businesses and the local economy rely on leadership to address these issues head on. Otherwise, Orem is likely to go the way of many other cities that failed to rise to their challenges and meet them with a unified vision and set of goals.

Housing Cost's Effect on Workers and Businesses

Orem is a commuter city. In fact, around 80% of Orem residents commute outside of the city for their jobs. Conversely, around 80% of Orem's workers live outside of the city and commute in. Conversation with local workers suggest that many travel up to and beyond an hour in each direction. In the short-term this may be sustainable, with Vineyard and other surrounding cities building high-density housing mixed-use development, there may be more affordable housing close enough to Orem to maintain its lower-wage retail workforce. However, the trend of rising housing costs presents a significant threat to businesses looking to keep their employees.

In other areas around the country, trends like those seen in Orem have led to a range of negative results. High housing costs can often lead to the departure of young families or a barrier to those looking to move to the area. The families that can locate to the area are taking on excessive or burdensome debt. Either situation may not bode well for the retail sector, whether through the loss of Orem's current businesses or the inability to attract new ones.

Orem's robust retail sector is dependent on the availability of workers willing to work for low-to-moderate wage jobs. Without available housing, it is not a certainty that these companies can keep enough employees to sustain themselves. Small businesses, which often operate with much smaller operating margins, are likely to struggle to find workers or be forced into paying higher wages. In many cases, this pressure causes small businesses to close their doors. The current low unemployment rates in the region add further pressure on local businesses to pay higher wages or risk losing key staff.

Tech companies looking to relocate from more expensive areas are attracted to locations with affordable housing for their employees, too. Orem has a lot to offer tech companies that are looking to relocate from more expensive regions of the country. Access to both outdoor recreation and high-speed internet are among a number of appealing factors in making those decisions. However, these companies are often looking to relocate specifically because of high housing costs for their workers. If Orem cannot offer affordable housing, it is likely to become difficult to attract a diverse mix of businesses and industries to the city.

Heavy Reliance on Sales Tax Revenue

Known as the “Retail Hub of Utah County,” the City of Orem is heavily invested in maintaining its position as the retail center of a prosperous county. As important as it is to keep the retail sector as strong as possible, attempts to diversify the industry mix in the city will help protect the local economy from the threats and fluctuations currently facing the retail industry.

Despite a policy change in 2019 that allows the City to collect taxes on out-of-state sales (including online sales), there is reason to believe that many brick-and-mortar retail stores face a difficult future. Recent trends in retail are moving quickly toward warehousing and distribution and away from in-person shopping. Evidence of this change is already quite visible throughout Orem. There are currently vacant storefronts up and down the State Street corridor. Small businesses in the retail space are likely to continue to face a difficult road ahead with the continued growth of e-commerce platforms.

Instances of new brick-and-mortar retail investment around the county are centered around walkable spaces, cafes, and restaurants. These “15-minute cities” are being constructed around access and the creation of a defined “sense of place.” Although Orem is somewhat land-locked with little-to-no developable land, innovative thinking and planning is likely required to grow or even save the retail that has defined Orem for years. This means that significant investment and a singular vision would be needed to create a more modern retail and living environment that would help attract a broader and more diverse industry mix.

Sales tax revenue is considerably more volatile than property tax revenue and has proven to be increasingly volatile in recent years due to the trends and consolidation of e-commerce. Orem’s 2014 EDSP noted the effect this volatility had on the city’s budget during the 2008 recession. In 2007, 39 percent of the city’s general fund revenues came from sales taxes. By 2010, that number had decreased to 29 percent despite the property tax revenues remaining consistent throughout the recession. Orem’s 2022 budget will mark the first time since 2007 that Orem’s sales tax will comprise more than 40 percent of the general fund revenues.

Fiscal Year	Sales Taxes	% of Total Revenues	Property Taxes	% of Total Revenues
FY15	\$18,839,327	32.78%	\$7,305,594	12.71%
FY16	\$19,471,579	36.17%	\$6,424,109	11.93%
FY17	\$20,722,179	36.79%	\$6,416,808	11.39%
FY18	\$22,198,446	37.34%	\$6,597,887	11.10%
FY19	\$22,736,417	37.16%	\$6,657,969	10.88%
FY20	\$23,737,723	38.77%	\$6,895,505	11.26%
FY21	\$28,004,565	39.90%	\$7,060,159	10.00%
FY22 (Estimate)	\$30,805,022	45.53%	\$7,278,289	10.76%

Table 10: Sales and Property Taxes as Percent of General Fund Revenues. Source: City of Orem Budget

Appendix IV: Review of the Retail Gap Analysis

Introduction

In 2021, the City of Orem contracted with Thomas P. Miller & Associates, an Indianapolis-based economic and workforce development consulting firm to assist in the production of their Economic Development Strategic Plan (EDSP). One component of the agreed upon scope was to provide the City of Orem a retail gap analysis, an update to a major section of the city's 2014 EDSP. As TPMA consultants and data analysts sought to collect and compile the appropriate data to provide this analysis, however, they encountered two significant barriers in their ability to provide such an update.

First, due to changes in Utah state policy in the years between the most recent version of the retail gap analysis and the current effort, TPMA's consultants were not able to retrieve the relevant sales data from the Utah State Tax Commission. Second, multiple attempts to calculate or retrieve a consumer demand estimate resulted in wildly conflicting data sets.

A retail gap analysis, which is explained in greater detail in the report below, uses these two figures to compare the relative supply and demand in each retail sector. The inability of TPMA consultants to collect or calculate reliable numbers for either side of this equation ultimately led to the realization that the retail gap analysis that appeared in the 2014 EDSP, and which was updated again with 2018 numbers, could not be updated, or replicated in any meaningful way.

This report then serves as a detailed account of the inability to provide this update. It includes:

- an explanation of the typical uses of a retail gap analysis;
- how these analyses are commonly calculated, including samples of data from 2014, 2018, and 2020;
- why those calculations could not be made in this case; and
- an investigation of the uses and limitations of retail leakage and capture analyses for the purposes of strategic planning at the local government level in the current retail climate.

At the conclusion of this report, the data provided by Zion Public Finance Bank in the 2014 EDSP, the 2018 data update are provided in their entirety. Additionally, the 2020 estimates provided by a third-party data analysis company are provided. The consultants at TPMA feel it is important to include these analyses to the reader of this report. However, they do not endorse the data, or the calculations used in them.

Sales Leakage and Capture Rates

The City of Orem, Utah has long been recognized as the “retail hub” of Utah County, drawing shoppers who reside throughout the county into Orem to shop at the city’s variety of retail establishments. Beyond the anecdotal, this distinction has been further evidenced by retail sales leakage and capture rate data that demonstrate that Orem retailers are serving a customer base that stretches beyond the city limits and into the surrounding communities. The city’s 2014 Economic Development Strategic Plan and 2019 update, both prepared by Zion Public Finance, Inc., include these retail leakage and capture rates analyses, providing insight into which industries are “capturing” the most sales from surrounding communities and which are “leaking” sales and customers to competitors in other parts of the county.

Sales leakage and capture rates are calculated by comparing the dollar amount of recorded sales over a set period (e.g., one year) at a set location (e.g., within a city’s boundaries) to an estimate of the dollar amount of purchases expected from consumers who reside in that location over the same length of time. For the purposes of these calculations, the recorded number of sales are often referred to as the “supply” and the expected number of purchases are referred to as “demand.”

For example, if local furniture stores combine to have higher sales numbers than their local consumer base is expected to have spent at furniture stores, that industry has “captured” sales from the furniture stores in neighboring communities. As a result, the furniture stores in those surrounding communities are likely to show lower sales than expected and might be said to have “leaked” sales to competitors in a neighboring location.

These calculations are often used to evaluate opportunities for investment. If, for example, the grocery store industry in City A is shown to be “leaking” sales to City B, this analysis might indicate that building a new grocery store in City A is a worthwhile investment – that the current demand in City A is not being met. They have also occasionally been used to inform strategic planning at the local government level, especially in places heavily dependent on the tax revenue generated from retail sales. Such is the case with the City of Orem, for which sales and leakage data comprise a major component of past iterations of the Economic Development Strategic Plan (EDSP).

Previous Retail Gap Analyses

The 2014 EDSP and 2019 Update

In preparing the City of Orem’s 2014 EDSP, Zion Public Finance Bank prepared sales leakage and capture data from taxable sales information provided by the Utah State Tax Commission. Zion also provided a 2019 update to these figures. A sample of these numbers are presented in Table 11.²⁶

	2009 Leakage	2009 Capture Rate	2013 Leakage	2013 Capture Rate	2018 Leakage ²⁷	2018 Capture Rate ²⁷
Motor Vehicle and Parts Dealers (NAICS code 441)	\$26,421,297	162.44%	\$105,724,362	165.24%	\$115,351,879	152.92%
Furniture and Home Furnishing Stores (NAICS code 442)	\$44,780,511	295.60%	\$46,365,720	289.01%	\$68,392,227	299.88%

Table 11: Zion Public Finance, Inc. Leakage & Capture Rates

26 The full reports are provided in Supplement A at the end of this report.
27 May contain data from out-of-state online sales.

To begin to understand the data provided in Table 11, it is important to understand how these figures are presented, as this presentation is somewhat atypical. The dollar amounts in the leakage columns represent the difference between the supply (sales) and the demand (estimated purchases from Orem residents). In Table 11, this amount of leakage is presented as a positive number. However, the corresponding capture rate are greater than 100%, demonstrating that the supply is larger than the demand. Typically, the resulting leakage amount would be presented as a negative number, showing that Orem retailers were not leaking sales to surrounding areas but were instead “capturing” them from the surrounding areas. It is not entirely clear why the writers of this report chose to present the numbers in this way, but in Table 11 and in the full tables presented in Supplement A, a positive number in the leakage column actually represents “negative leakage” and demonstrates that Orem retailers are generating (“capturing”) sales from non-Orem consumers.

As Table 11 demonstrates, 2013 and 2018 calculations show two retail sectors with very high capture rates for the City of Orem, suggesting that many shoppers travelled into Orem for their vehicle and furniture purchases. In total, these reports show the City of Orem with positive capture rates (over 100%) in 13 out of 19 retail sectors measured, demonstrating that Orem was, in fact, the retail hub of Utah County.

However, while the leakage and capture rates provided seem to show evidence of Orem’s retail prowess in these sectors, the raw data used to calculate these figures are not provided in the reports nor was the methodology used to determine demand given in detail. Zion Public Finance was provided taxable sales numbers from the Utah State Tax Commission, broken down by geographic location and retail sector. These numbers effectively provide the supply component in calculating leakage, but they do not account for the demand component. To determine the demand component, some estimate must be used as no actual sales figures can measure demand.

This demand figure is not an easy estimate to determine. Models for determining the demand estimate vary widely in their complexity, and a flawed methodology can have a significant impact on the resulting leakage and capture calculations. This is especially the case when calculating these figures for a large area such as a city, as opposed to a smaller area such as a ZIP code or city block.²⁸

The 2014 and 2019 reports give very little indication as to how this demand estimate was calculated, although there is some reason to believe that the method used was on the simpler end of the spectrum.²⁹ As this report will demonstrate in a later section, different attempts to calculate the same demand can produce wildly different results. Whether the methods used by Zion Public Finance produced an accurate measurement of retail demand or not, it is important to note that there is no standard approach to determining this number.

Updating the Retail Gap Analysis with 2020 Data

Utah State Tax Commission Data

In August 2021, the City of Orem and TPMA requested 2020 sales data from the Utah State Tax Commission with the purpose of performing a retail gap analysis to update the 2018 leakage and capture rates. However, two significant changes in the intervening years impacted the TPMA’s ability to provide this update.

The first change was to the Utah State Tax Commission policy, which restricted the type of sales data that could be made publicly available. As a result, TPMA was unable to obtain the same level of detail as the sales data that were made available for Zion Public Finance in 2014 and 2019. TPMA could only access sales data that had not been disaggregated by zip code as previous years’ data had been. Rather, TPMA was only able to obtain aggregate gross taxable sales and purchase data for the city of Orem as a whole, separated only by retail sector.

²⁸ Retail gap/sales leakage analyses are more commonly used in site selection decisions about whether and where to open a new retail establishment. They are less commonly used in the development of economic development strategy.

²⁹ A footnote in the 2019 Update asserts, “Estimated consumer purchases are based on average annual consumer purchases in the State of Utah.”

Table 12 contains the Utah State Tax Commission's 2020 Gross Aggregate Taxable Sales and Purchases figures for the same two industries represented in Table 11. The number in the second column represents the total dollar amount of sales and purchases made by Orem companies within each industry that was subject to sales or use taxes. TPMA was unable to obtain data relating only to taxable sales, which would ideally be the information used to calculate leakage and capture rates. Although it is assumed to be a small percentage, the portion of the provided dollar amount that comprises taxable purchases is unknown.

Retail Sector	2020 Gross Aggregate Taxable Sales and Purchases
Motor Vehicle and Parts Dealers (NAICS code 441)	\$354,416,317
Furniture and Home Furnishing Stores (NAICS code 442)	\$94,801,699

Table 12: Utah Tax Commission 2020 Gross Aggregate Sales & Purchase Figures

Beyond the aforementioned policy updates regarding publicly available data, another important change took place between the time when Zion Public Finance obtained the 2018 sales numbers and when TPMA made their data request. Beginning in 2019, Utahns who made purchases from out-of-state retailers were required to pay sales tax on these purchases.³⁰ Prior to this, online sales were listed separately by the Utah State Tax Commission and were not included in their aggregate taxable sales data. However, after the 2019 rule change, these data were collected and presented together. This requirement not only had a large impact on the taxes collected by the state, but presumably affected the “aggregated gross taxable sales and purchases” data that were made available, making a comparison between the 2020 and 2018 figures effectively meaningless. This shift points to a larger issue involving out-of-state sales: the increasing effect of e-commerce on the retail market, and the calculation of leakage and capture rates, to which this report will return in the concluding section.

In summary, the data provided to TPMA differed from the data made available to Zion Public Finance in two important ways: in geographic specificity and in the inclusion of out-of-state/online purchases.

Supplementing the Missing 2020 Sales Data with Other Reports and Proprietary Models

Despite these changes, the taxable sales and purchases data provided to TPMA by the Utah State Tax Commission are sufficient to serve as the “supply” component in a standard retail gap analysis, albeit a less informative one than was prepared for the 2014 and 2018 reports. To complete the sales leakage calculations, an estimated “demand” component is needed.

As was mentioned above, there are a number of ways to calculate this demand estimate that range from the simple to the complex. For a simple metric, one might take the average annual consumer purchases for the entire state and scale them down for the population count of the City of Orem. This seems to be the method chosen by Zion Public Finance. This method will produce a demand estimate, but one that problematically assumes a homogeneous population across the State of Utah, treating all consumers the same regardless of age, location, income, etc.

Another option would be to look at more complex calculations such as those performed by third-party data analytics companies. These third-party consumer demand estimates are developed using proprietary algorithms and modeling. For example, the input-output model used by Economic Modeling Specialists International (EMSI) provides sales and demand estimates for a variety of geographic regions. This model utilizes information from a wide variety of sources including data sets from the Bureau of Economic Analysis (BEA), Census LODES data, and the American Community Survey, among others.³¹ Table 13 represents a sample of EMSI's estimates for retail sales and demand for the City of Orem in 2020.

³⁰ <https://www.ksl.com/article/46459266/new-laws-in-2019-include-online-sales-tax-for-out-of-state-purchases>

³¹ For more information on the data sources used in EMSI's Input Output Model, see their glossary entries and articles on the topic here: <https://kb.emsidata.com/faq/what-is-input-output-modeling/>

3-Digit NAICS Code	Industry	2020 Total Demand	2020 Total Sales	Capture/(Leakage)	2020 Aggregate Sales and Demand
441	Motor Vehicle and Parts Dealers	\$94,518,297	\$141,025,205	\$46,506,908	\$235,543,502
442	Furniture and Home Furnishings Stores	\$15,055,563	\$30,382,161	\$15,326,598	\$45,437,724

Table 13: EMSI Leakage/Capture Input-Output Model

EMSI's model produces a leakage dollar amount that can be used to calculate a capture rate. Together, these numbers would amount to a 2020 update to the previous retail gap analyses.³² However, comparing the output of EMSI's models to the "actual" data provided by the Utah State Tax Commission uncovers a potential issue with relying solely on this third-party model.

EMSI's estimated sales for Orem retailers do not come close to matching the 2020 data provided by the state. To highlight the differences between EMSI's sales estimates and those provided by the state, Table 4 compares the two for the Motor Vehicle and Parts Dealers (NAICS 441) and Furniture and Home Furnishing Stores (NAICS 442) industries.

3-Digit NAICS Code	Industry	EMSI 2020 Sales Estimate	Utah State Tax Commission 2020 Aggregate Sales & Purchases
441	Motor Vehicle and Parts Dealers	\$141,025,205	\$354,416,317
442	Furniture and Home Furnishings Stores	\$30,382,161	\$94,801,699

Table 14: Comparison of EMSI estimates and Utah State Tax Commission data

The difference between the "actual" sales numbers and the third-party estimate raises concern about the usefulness of the EMSI model. The model is attempting to estimate the dollar amount of sales in these retail sectors, but the estimate produced is roughly 2.5 to 3 times lower than actual sales figures. This, of course, calls into question the accuracy of both the EMSI sales estimates and the demand estimates. In a situation where the sales figures differ so greatly from the raw data provided by the state, comparing the demand estimates to the actual taxable sales numbers would not produce a useful or accurate set of leakage data.

For further comparison and analysis, TPMA also pulled a sale leakage report from Environmental Systems Research Institute (ESRI), another third-party data analytics company.³³ ESRI uses similar data sources to EMSI but creates their own proprietary models. In 2017, though, the data analytics team at ESRI moved to discontinue their production of the retail gap analysis reports. Explaining this decision, ESRI analysts point to "the changing face of retail." In a 2018 release, they elaborate:

When the Retail MarketPlace database was first developed in 2003, the methodology supported a retail industry that was dominated by a brick-and-mortar business model. Within recent years, and specifically in today's marketplace, larger chunks of retail activity have swung to e-commerce activity. As a result, the larger portion of sales activity taking place online has impacted the traditional models to estimate supply and demand.³⁴

The decision to discontinue a popular report is further evidence of the complicated nature of a modern-day retail gap analysis: the necessary data are hard to acquire and when limited data are available, accurate models are nearly impossible to create. For reference, ESRI's final retail gap analysis for the City of Orem, produced in 2017, is provided in Supplement B at the conclusion of this report.

³² The full report from EMSI can be found in Appendix B at the conclusion of this report.

³³ <https://www.esri.com/en-us/home>

³⁴ Retirement of Esri Retail MarketPlace Data, Report, & Maps. ESRI, 2018

After considering the limitations of available data, as well as the ever-changing retail environment from which the data are derived, there is good reason to evaluate the overall utility of retail gap analyses as tools for economic development in 2022.

Examining the Retail Gap Analysis in 2022

Given the information presented above, it is clear why the comparison of third-party demand models to the Utah State Tax Commission taxable sales data would likely result in an inaccurate, and thus misleading, city-wide retail gap analysis. For this issue, there are two possible solutions: 1) only use EMSI models to determine leakage and capture, or 2) create a new model to compare to the raw taxable sales data. The model referenced in the first solution is provided, along with several other data reports, in Supplement B at the conclusion of this report. However, given the discrepancy between the raw sales data and the third-party estimates, there is good reason to doubt the accuracy or usefulness of the analysis.

The second solution, to create a new model to arrive at a more accurate demand estimate, presents a new set of problems. Chief among them is the difficulty in producing an accurate, useful estimation model (the issues with the methodology adopted by Zion Public Finance in determining this figure are mentioned above). Given the data- and model-related obstacles enumerated to this point, it is worth pausing here to briefly investigate the most common uses of retail gap analyses and retail leakage and capture data in general.

Historically, the most common use for a retail gap analysis is to help inform investment decisions and evaluate potential geographical areas for growth or expansion. For example, if a retail business is deciding whether to open a new store in a new area, a leakage and capture analysis of their retail sector might be a useful tool. If an area appears to have a higher demand in a certain sector than the local stores can meet, the retailer might feel more secure in opening a new store there. These reports are often conducted to assist both the retailer and the lending financial institution in determining whether a positive return on investment is likely. Retail gap analyses, then, are often considered in tandem with a variety of other metrics, to help make these investment decisions on a “micro” level.

Although less common, retail gap analyses can also have uses for more “macro” strategic planning. If, for example, a leakage and capture analysis show a higher demand for clothing stores than is being met by current sales, a city might seek to attract an additional retailer or two in this sector. For example, the 2018 update prepared by Zion Public Finance states that:

There are areas of leakage in the Accommodation and Gasoline Station sales which indicate that the City has an opportunity to expand its ability to capture more of these sales. Increased capture rates in these areas have the potential to benefit the city through complementing large employers currently in the city and by potentially attracting new employers.

As Orem has historically placed significant emphasis on its retail sector, this kind of analysis and interpretation of the data may give crucial insight as to which sectors are currently “capturing” sales (meaning there may not be much room for additional growth) and which sectors are “leaking” sales (meaning there may be potential to grow this industry).

In general, though, retail gap analyses and leakage and capture data are less informative on a “macro” strategic planning process than they are on a “micro” investment decision-making level. One reason for this is that they typically provide information about a single point in time – one that is heavily influenced by a variety of factors.³⁵ For example, the years of 2020 and 2021 have been significantly impacted by the COVID-19 pandemic. While many industries and sectors have been dramatically affected by this once-in-a-century event, the retail sector appears likely to have reshaped entirely. Following trends that have long been noted, the move away from brick-and-mortar stores to e-commerce has been accelerated in the past few years. Moreover, disruption and

35 While it is true that regular updates to these figures can point to trends and give a deeper understanding than a single year's report could offer, this data point is only one in a large number of factors. It is not advised that large-scale decisions are influenced by this analysis alone. One potential result could be an overreliance on tax revenue from brick-and-mortar retail, which can put cities in a precarious position given the rapidly evolving and tumultuous retail market.

innovation driven by Amazon and other online retailers has shifted the retail landscape in ways that will never be fully undone, regardless of how long COVID-19 pandemic lasts.

The consultants at Zion Public Finance note this shift in their 2018 update, asserting that “The City is strong in almost every retail category which indicates that there may be few opportunities for retail growth, especially given trends in the retail industry for less brick-and-mortar development.” The 2014 EDSP, by contrast, only mentions online sales once, clarifying that online sales are not a part of their analysis as they were listed separately by the Utah State Tax Commission.

Although online sales are no longer separated from traditional retail sales, their growing share of sales in the retail sector creates further issues for the evaluating of leakage and capture rates. A vast majority of online sales are out-of-state sales; this is especially the case with national retail giants like Walmart or Amazon. If, for example, all sales on a platform like Amazon appeared in leakage calculations for the appropriate sector, one might interpret that leakage as an opportunity for more brick-and-mortar retail in the online purchaser’s community. This analysis, however, is likely to lead to poor decision-making, considering the recent increase in online sales. Even retail sectors once thought to be safe from the encroachment of online retailers are increasingly feeling the squeeze. Car dealerships, for example, operate in an industry that has seen significant growth in the space of e-commerce. The fact that consumers are purchasing cars online does not necessarily mean that Orem needs more car dealerships – it might actually mean the opposite. These market shifts must be evaluated in conducting and using a traditional retail gap analysis.

To summarize, the state of Orem’s retail environment as presented by a retail gap analysis must be considered within its broader context; an understanding of available data, national economic trends (like those toward e-commerce), and the limitations of models and estimates is required for the retail gap analysis’ use as an economic development tool. The figures and models provided in this report, as well as those provided in the supplements included below and referenced throughout, might be helpful for broadly informing an understanding of retail trends. Their limitations, however, are perhaps more informative and illuminate the need for other economic development tools that use available data more appropriately to inform decisions.

Supplement A: Full Zion Public Finance, Inc. Reports (2013 & 2018)

Zion Public Finance, Inc 2013 Leakage & Capture Rate Report

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%

Zion Public Finance, Inc 2018 Leakage & Capture Rate Report

Category	2018 Leakage	2018 Capture Rate
General Merchandise Stores	\$157,102,778	173.32%
Motor Vehicle and Parts Dealers	\$115,351,879	152.92%
Clothing and Clothing Accessories Stores	\$68,392,227	299.88%
Furniture and Home Furnishings Stores	\$65,205,939	210.47%
Miscellaneous Store Retailers	\$39,169,049	124.61%
Sporting Goods, Hobby, Book, and Music Stores	\$37,728,479	214.81%
Electronics and Appliance Stores	\$36,557,967	124.44%
Food and Beverage Stores	\$36,307,822	131.08%
Food Services and Drinking Places	\$31,815,993	191.95%
Building Material and Garden Equipment and Supplies Dealers	\$29,399,552	156.31%
Repair and Maintenance	\$8,701,912	121.42%
Health and Personal Care Stores	\$6,283,323	138.00%
Nonstore Retailers	\$2,144,208	104.26%
Museums, Historical Sites, and Similar Institutions	(\$1,798,873)	4.61%
Amusement, Gambling, and Recreation Industries	(\$3,419,212)	67.24%
Performing Arts, Spectator Sports, and Related Industries	(\$4,708,159)	1.24%
Personal and Laundry Services	(\$8,503,162)	60.81%
Gasoline Stations	(\$13,548,791)	65.79%
Accommodation	(\$44,129,766)	28.97%
Total	\$558,053,167	142.32%

Supplement B: Third-Party Leakage/Capture Reports

EMSI 2021 Total Sales, Total Demand, and Leakage/Capture Analysis

NAICS	Description	2021 Total Sales	2021 Total Demand	2021 Capture/(Leakage)	2021 Capture Rate
441	Motor Vehicle and Parts Dealers	\$154,359,906	\$107,786,949	\$46,572,957	143.21%
4411	Automobile Dealers	\$104,869,195	\$80,673,942	\$24,195,253	129.99%
4412	Other Motor Vehicle Dealers	\$22,977,220	\$8,158,258	\$14,818,962	281.64%
4413	Automotive Parts, Accessories, and Tire Stores	\$26,513,490	\$18,954,749	\$7,558,741	139.88%
442	Furniture and Home Furnishings Stores	\$34,600,848	\$17,571,378	\$17,029,471	196.92%
4421	Furniture Stores	\$16,376,472	\$9,680,205	\$6,696,267	169.17%
4422	Home Furnishings Stores	\$18,224,376	\$7,891,173	\$10,333,204	230.95%
443	Electronics and Appliance Stores	\$21,265,034	\$20,179,930	\$1,085,104	105.38%
444	Building Material and Garden Equipment and Supplies Dealers	\$97,107,822	\$78,952,273	\$18,155,549	123.00%
4441	Building Material and Supplies Dealers	\$81,504,497	\$69,754,166	\$11,750,331	116.85%
4442	Lawn and Garden Equipment and Supplies Stores	\$15,603,325	\$9,198,107	\$6,405,218	169.64%
445	Food and Beverage Stores	\$56,435,947	\$75,069,708	(\$18,633,761)	75.18%
4451	Grocery Stores	\$48,002,559	\$65,235,198	(\$17,232,639)	73.58%
4452	Specialty Food Stores	\$7,671,305	\$5,745,071	\$1,926,233	133.53%
4453	Beer, Wine, and Liquor Stores	\$762,082	\$4,089,438	(\$3,327,356)	18.64%
446	Health and Personal Care Stores	\$50,419,157	\$31,877,070	\$18,542,086	158.17%
447	Gasoline Stations	\$29,239,626	\$35,835,161	(\$6,595,536)	81.59%
448	Clothing and Clothing Accessories Stores	\$94,510,948	\$39,321,564	\$55,189,384	240.35%
4481	Clothing Stores	\$69,173,793	\$26,390,875	\$42,782,918	262.11%
4482	Shoe Stores	\$10,782,317	\$5,600,299	\$5,182,018	192.53%
4483	Jewelry, Luggage, and Leather Goods Stores	\$14,554,837	\$7,330,389	\$7,224,448	198.55%
451	Sporting Goods, Hobby, Musical Instrument, and Book Stores	\$38,929,075	\$12,570,034	\$26,359,041	309.70%
4511	Sporting Goods, Hobby, and Musical Instrument Stores	\$34,906,959	\$11,326,287	\$23,580,672	308.19%
4512	Book Stores and News Dealers	\$4,022,117	\$1,243,747	\$2,778,369	323.39%
452	General Merchandise Stores	\$221,212,617	\$76,885,193	\$144,327,424	287.72%
4522	Department Stores	\$8,528,935	\$21,134,091	(\$12,605,156)	40.36%
4523	General Merchandise Stores, including Warehouse Clubs and Supercenters	\$212,683,682	\$55,751,102	\$156,932,580	381.49%
453	Miscellaneous Store Retailers	\$97,789,003	\$31,063,548	\$66,725,454	314.80%
4531	Florists	\$706,521	\$1,821,314	(\$1,114,793)	38.79%
4532	Office Supplies, Stationery, and Gift Stores	\$16,421,156	\$6,052,997	\$10,368,159	271.29%
4533	Used Merchandise Stores	\$43,913,389	\$5,237,748	\$38,675,640	838.40%
4539	Other Miscellaneous Store Retailers	\$36,747,937	\$17,951,489	\$18,796,448	204.71%
454	Nonstore Retailers	\$371,962,378	\$95,353,335	\$276,609,043	390.09%
4541	Electronic Shopping and Mail-Order Houses	\$31,603,425	\$67,814,363	(\$36,210,939)	46.60%
4542	Vending Machine Operators	\$0	\$2,117,665	(\$2,117,665)	0.00%
4543	Direct Selling Establishments	\$340,358,953	\$25,421,307	\$314,937,646	1338.87%

ESRI 2017 Retail Gap Analysis

NAICS	2017 Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap
441	Motor Vehicle & Parts Dealers	\$194,627,189	\$495,727,494	\$(301,100,305.00)
4411	Automobile Dealers	\$160,986,503	\$387,625,167	\$(226,638,664.00)
4412	Other Motor Vehicle Dealers	\$17,514,509	\$39,526,463	\$(22,011,954.00)
4413	Auto Parts, Accessories & Tire Stores	\$16,126,177	\$68,575,864	\$(52,449,687.00)
442	Furniture & Home Furnishings Stores	\$28,581,484	\$92,560,436	\$(63,978,952.00)
4421	Furniture Stores	\$18,675,957	\$67,036,234	\$(48,360,277.00)
4422	Home Furnishings Stores	\$9,905,527	\$25,524,202	\$(15,618,675.00)
443	Electronics & Appliance Stores	\$32,486,257	\$140,058,322	\$(107,572,065.00)
444	Bldg Materials, Garden Equip. & Supply Stores	\$57,507,755	\$119,547,458	\$(62,039,703.00)
4441	Bldg Material & Supplies Dealers	\$53,509,117	\$114,557,822	\$(61,048,705.00)
4442	Lawn & Garden Equip & Supply Stores	\$3,998,638	\$4,989,636	\$(990,998.00)
445	Food & Beverage Stores	\$153,452,383	\$125,420,936	\$28,031,447.00
4451	Grocery Stores	\$137,284,429	\$114,023,018	\$23,261,411.00
4452	Specialty Food Stores	\$10,221,169	\$10,779,612	\$(558,443.00)
4453	Beer, Wine & Liquor Stores	\$5,946,785	\$618,306	\$5,328,479.00
446,4461	Health & Personal Care Stores	\$41,624,400	\$99,188,956	\$(57,564,556.00)
447,4471	Gasoline Stations	\$101,309,300	\$106,254,057	\$(4,944,757.00)
448	Clothing & Clothing Accessories Stores	\$45,585,044	\$155,131,107	\$(109,546,063.00)
4481	Clothing Stores	\$31,777,560	\$124,951,485	\$(93,173,925.00)
4482	Shoe Stores	\$5,129,958	\$19,442,046	\$(14,312,088.00)
4483	Jewelry, Luggage & Leather Goods Stores	\$8,677,526	\$10,737,576	\$(2,060,050.00)
451	Sporting Goods, Hobby, Book & Music Stores	\$38,609,952	\$93,140,565	\$(54,530,613.00)
4511	Sporting Goods/Hobby/Musical Instr Stores	\$34,183,911	\$81,002,219	\$(46,818,308.00)
4512	Book, Periodical & Music Stores	\$4,426,041	\$12,138,346	\$(7,712,305.00)
452	General Merchandise Stores	\$171,763,491	\$401,988,158	\$(230,224,667.00)
4521	Department Stores Excluding Leased Depts.	\$101,404,516	\$240,734,331	\$(139,329,815.00)
4529	Other General Merchandise Stores	\$70,358,975	\$161,253,827	\$(90,894,852.00)
453	Miscellaneous Store Retailers	\$37,864,965	\$52,437,601	\$(14,572,636.00)
4531	Florists	\$1,389,554	\$1,050,247	\$339,307.00
4532	Office Supplies, Stationery & Gift Stores	\$8,059,475	\$16,479,116	\$(8,419,641.00)
4533	Used Merchandise Stores	\$4,717,004	\$6,527,507	\$(1,810,503.00)
4539	Other Miscellaneous Store Retailers	\$23,698,932	\$28,380,731	\$(4,681,799.00)
454	Nonstore Retailers	\$16,200,440	\$24,303,387	\$(8,102,947.00)
4541	Electronic Shopping & Mail-Order Houses	\$14,476,451	\$21,433,451	\$(6,957,000.00)
4542	Vending Machine Operators	\$387,525	\$0	\$387,525.00
4543	Direct Selling Establishments	\$1,336,464	\$2,869,936	\$(1,533,472.00)
722	Food Services & Drinking Places	\$101,148,080	\$126,001,563	\$(24,853,483.00)
7223	Special Food Services	\$1,866,567	\$1,575,987	\$290,580.00
7224	Drinking Places - Alcoholic Beverages	\$3,099,948	\$275,353	\$2,824,595.00
7225	Restaurants/Other Eating Places	\$96,181,565	\$124,150,223	\$(27,968,658.00)
Total		\$1,866,101,523	\$3,718,018,745	\$(1,851,917,222.00)

Supplement C: City of Orem Taxable Sales Data

2020 Gross Aggregate Taxable Sales and Purchases Data Provided by the Utah State Tax Commission

Industry Description	2020 Gross Aggregate Taxable Sales and Purchases
MOTOR VEHICLE AND PARTS DEALERS	
New Car Dealers	\$201,824,190.00
Used Car Dealers	\$107,658,744.00
Other Motor Vehicle Dealers	\$12,523,023.00
Automotive Parts, Accessories, and Tire Stores	\$32,410,360.00
Total	\$354,416,317.00
FURNITURE AND HOME FURNISHINGS STORES	
Furniture Stores	\$78,219,954.00
Home Furnishing Stores	\$16,581,745.00
Total	\$94,801,699.00
ELECTRONICS AND APPLIANCE STORES	
Electronics and Appliance Stores	\$50,905,997.00
Total	\$50,905,997.00
BUILDING MATERIAL AND GARDEN EQUIPMENT AND SUPPLIES DEALERS	
Building Material and Supplies Dealers	\$172,809,939.00
Lawn and Garden Equipment and Supplies Stores	\$18,873,870.00
Total	\$191,683,809.00
FOOD AND BEVERAGE STORES	
Grocery Stores	\$205,483,565.00
Specialty Food Stores	\$11,870,054.00
Beer, Wine, and Liquor Stores (Fewer than 10)	\$6,500,000.00
Total	\$223,853,619.00
HEALTH AND PERSONAL CARE STORES	
Cosmetics, Beauty Supplies, and Perfume Stores	\$14,278,010.00
Optical Goods Stores	\$5,023,979.00
Other Health and Personal Care Stores	\$6,243,002.00
Pharmacies & Drug Stores	\$240,787.00
Total	\$25,785,778.00

Industry Description

2020 Gross Aggregate Taxable Sales and Purchases

GASOLINE STATIONS

Gasoline Stations	\$28,359,562.00
Other Gasoline Stations (Fewer than 10)	\$500,000.00
Total	\$28,859,562.00

CLOTHING AND CLOTHING ACCESSORIES STORES

Clothing Stores	\$89,257,934.00
Shoe Stores	\$7,962,841.00
Jewelry, Luggage, and Leather Goods Stores	\$8,119,567.00
Total	\$105,340,342.00

SPORTING GOODS, HOBBY, BOOK, AND MUSIC STORES

Book Stores and New Dealers	\$9,335,855.00
Hobby, Toy, and Game Stores	\$5,405,639.00
Musical Instruments and Supplies Stores	\$11,656,605.00
Sewing, Needlework, and Piece Goods Stores	\$4,680,116.00
Sporting Goods Stores	\$61,041,310.00
Total	\$92,119,525.00

GENERAL MERCHANDISE STORES

Department Stores (Fewer than 10)	\$150,000.00
General Merchandise Stores, Including Warehouse Clubs and Supercenters	\$474,537.00
Total	\$624,537.00

MISC. STORE RETAILERS

Florists	\$473,506.00
Office Supplies, Stationery, and Gift Stores	\$11,236,644.00
Other Miscellaneous Store Retailers	\$60,635,701.00
Used Merchandise Stores	\$3,416,026.00
Total	\$75,761,877.00

NONSTORE RETAILERS

Electronic Shopping and Mail-Order Houses	\$157,663,019.00
Vending Machine Operators	\$303,059.00
Direct Selling Establishments	\$7,801,449.00
Total	\$165,767,527.00

Industry Description

2020 Gross Aggregate Taxable Sales and Purchases

PERFORMING ARTS, SPECTATOR SPORTS, AND RELATED INDUSTRIES

Performing Arts Companies (Fewer than 10)	\$1,000.00
Spectator Sports (Fewer than 10)	\$20,000.00
Promoters of Performing Arts, Sports, and Similar Events (Fewer than 10)	\$3,000.00
Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures (Fewer than 10)	\$1,000.00
Independent Artists, Writers, and Performers	\$84,509.00
Total	\$109,509.00

MUSEUMS, HISTORICAL SITES, AND SIMILAR INSTITUTIONS

Museums, Historical Sites, and Similar Institutions (Fewer than 10)	\$45,000.00
Total	\$45,000.00

AMUSEMENT, GAMBLING, AND RECREATION INDUSTRIES

Amusement, Gambling, and Recreation Industries	\$15,039,695.00
Total	\$15,039,695.00

ACCOMMODATION

Bed-and-Breakfast Inns and All Other Traveler Accommodation	\$4,018,364.00
Hotels and Motels	\$7,632,540.00
Total	\$11,650,904.00

FOOD SERVICES AND DRINKING PLACES

Full-Service Restaurants	\$11,549,649.00
Limited-Service Restaurants	\$7,808,904.00
Special Food Services	\$21,150,232.00
Cafeterias, Grill Buffets, Buffets, Snack and Nonalcoholic Beverage Bars	\$2,755,855.00
Drinking Places (Alcoholic Beverages) (Fewer than 10)	\$350,000.00
Total	\$43,614,640.00

REPAIR AND MAINTENANCE

Automotive Repair and Maintenance	\$45,605,599.00
Electronic and Precision Equipment Repair and Maintenance	\$1,376,492.00
Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	\$163,233.00
Personal and Household Goods Repair and Maintenance	\$2,183,746.00
Total	\$49,329,070.00

PERSONAL AND LAUNDRY SERVICES

Personal and Laundry Services	\$7,676,869.00
Religious, Grantmaking, Civic, Professional, and Similar Organizations	\$371,027.00
Total	\$8,047,896.00
GRAND TOTAL	\$1,537,757,303.00



FAMILY CITY USA

June 2022

City of Orem Economic Development Division



Economic Development Strategic Plan





INTRODUCTION	4
SUMMARY OF FINDINGS	5
STRATEGIC FRAMEWORK	11
FOCUS AREA 1: BUSINESS RETENTION AND EXPANSION	12
Strategy 1: Make the Orem Business Alliance a Strategic Priority of the Economic Development Division	13
Strategy 2: Engage Elected Officials in Business Outreach and Engagement	14
Strategy 3: Lead by Example by Supporting Local Business	15
Strategy 4: Leverage University Assets to Support Business	16
FOCUS AREA 2: BUSINESS ATTRACTION	17
Strategy 1: Take Inventory of Available Commercial, Industrial, and Office Properties	18
Strategy 2: Conduct a Target Industry Analysis	19
Strategy 3: Utilize the Target Industry Analysis to Develop an Integrated Economic Development Marketing and Business Attraction Campaign	20
Strategy 4: Prioritize Intentional Collaboration with Regional and State Economic Development Organizations	21
FOCUS AREA 3: ENTREPRENEURSHIP AND INNOVATION	22
Strategy 1: Increase Access to the Full Spectrum of Capital	23
Strategy 2: Build Places for Entrepreneurs to Flourish	24
Strategy 3: Focus on Culture Building	25
Strategy 4: Take a Targeted Approach to Incubation and Acceleration	26
FOCUS AREA 4: QUALITY OF LIFE	27
Strategy 1: Consider Creating a Forum for Community Discussion, Debate, and Research	28
Strategy 2: Review and Re-evaluate Local Zoning and Policies	29
Strategy 3: Focus on Outdoor Recreation and Tourism	30
Strategy 4: Allocate Resources for Façade Improvement, Placemaking, and Accessibility	32
IMPLEMENTATION MATRIX	34
APPENDIX	40
APPENDIX I: QUALITATIVE FINDINGS & STAKEHOLDER ENGAGEMENT	41
APPENDIX II: QUANTITATIVE DATA ANALYSIS	45
APPENDIX III: SWOT ANALYSIS	65
APPENDIX IV: REVIEW OF THE RETAIL GAP ANALYSIS	74



Introduction

Orem, Utah

Nestled in the heart of Utah County, the City of Orem, Utah is a charming and proud community with a rich history and bright future. The fifth-largest municipality in Utah with 98,129 residents in 2020, Orem is known as a great place to live, raise a family, or start and grow a business. Often called the ‘retail hub of Utah County,’ Orem’s economy has been known for its concentration of high-end retail establishments, a multitude of dining options, and its history of launching technology-enabled startups. To flourish in the mid-21st century, the city is poised to capitalize on existing assets and prepared to outline a vision for the future with intentionality and purposeful planning. With an evolving retail landscape in a post-COVID world, a growing population, and an emerging anchor in Utah Valley University increasing in regional prominence, the city is in position to take the appropriate steps to flourish in the next decade and beyond.

Pursuant to Orem City Code Section 22-1-10, the Economic Development Strategic Plan, as part of the Orem General Plan shall serve as an advisory guide only and is not a binding document.

Project Scope

In May 2021, the City of Orem released a Request for Proposal (RFP) soliciting the services of a professional consulting firm to conduct a comprehensive update to build upon the 2014 Economic Development Strategic Plan (EDSP). According to the RFP, the purpose of the project was to explore existing economic conditions and create an updated EDSP with economic development goals, strategies, implementation steps, and indicators of success that reflect the vast differences in the economic environment as well as the city itself. Thomas P. Miller and Associates (TPMA or the Project Team) was selected to conduct the EDSP in July 2021.

Process and Methodology

TPMA utilized an integrative methodology to develop the Economic Development Strategic Plan for Orem. The project consisted of three interconnected activities including analysis, alignment, and action.

The analysis phase of the project involved an extensive and comprehensive review of historical planning documents, a quantitative data scan and analysis, a retail gap analysis, best practice research, and numerous stakeholder engagement sessions to garner feedback and input from a wide cross-section of community leaders. To generate alignment, the project team considered existing physical and resource infrastructure that could facilitate a prosperous local community characterized by innovation, entrepreneurship, wealth generation, and resiliency. Lastly, the project team, informed by the results of the analysis and alignment phases, developed strategies and action steps for the city to consider in the short, medium, and long term to achieve a shared vision of Orem’s economic future.

Defining an ‘Economic Development Strategic Plan’

Economic Development Strategic Plans provide a community with an opportunity to envision their future and formulate the appropriate steps to achieve that desired future. A solid plan is critical for a prosperous future, long-term economic viability, and a high-quality of life for residents. When done correctly, the economic development strategic planning process facilitates conversations between public and private leaders, residents, students, faith leaders, optimists, skeptics, and other key community stakeholders.

Following a structure outlined by the International Economic Development Council, the project team has developed an economic development strategic plan that provides:

- A realistic appraisal of available resources, constraints, and opportunities;
- A formulation of a clear mission and shared vision;
- The development of achievable and measurable goals;
- The formulation and implementation of project action plans to reach these goals and identify who will champion them;
- The design of clear metrics of success.¹

¹ Girdwood, C. (2015). Introduction to economic development (Vol. 1). International Economic Development Council.

Summary of Findings

The key findings summarized below are informed by the project’s discovery phase, the components of which are detailed in the appendices of this report. Document review, data analysis, focus groups, and interviews collectively provide insight into the current condition of Orem’s economy. These findings are ultimately the basis for the recommendations provided at the conclusion of the report.

Highly Capable Population

A city’s residents are its most important assets, and Orem is fortunate to attract residential and working populations that are well-prepared to contribute to the local economy in productive ways. Across a variety of metrics, Orem is young, healthy, educated, and growing rapidly.

When compared to the rest of the state and the country, educational attainment rates in Orem are exceptionally high; Utah Valley University and Brigham Young University are largely responsible for producing well-trained workers who are familiar with Orem’s business environment and can positively contribute to its growing economy. An educated workforce is attractive to businesses which require highly skilled and well-educated workers, and the residents of Orem have much to offer.

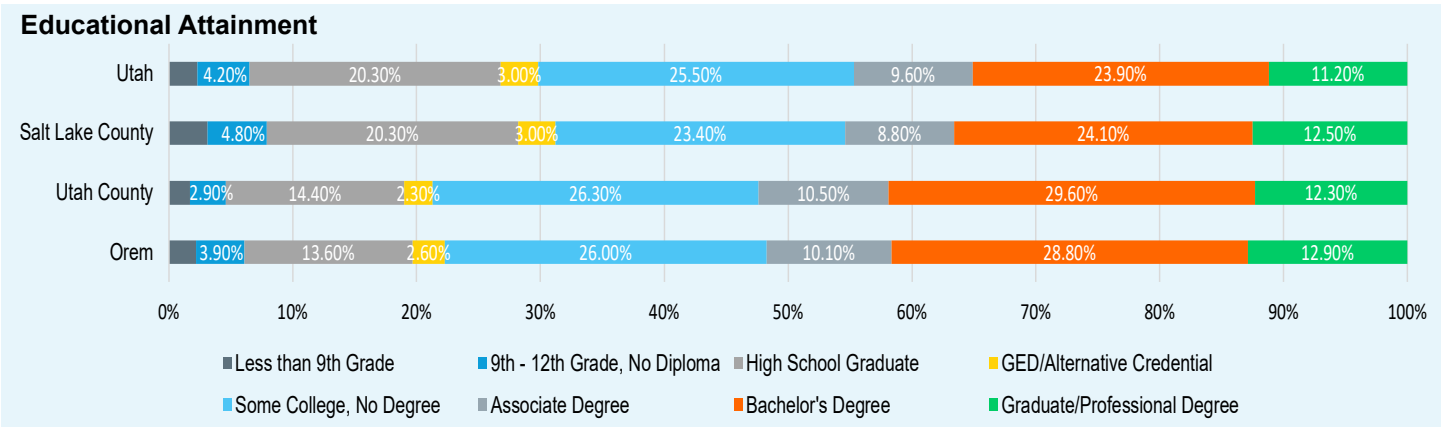


Figure 1: Educational Attainment. Source: Esri, 2021

Furthermore, the residents of Orem are young, active, and healthy. The median age of residents is just under 29 years, which is about 10 years younger than the national median. The population’s health metrics compare favorably to both state and national averages. A prevalent recreational culture within the city is further reflected in the natural assets of the region – Mt. Timpanogos, for example, is a symbol of the energetic, adventurous culture which is demonstrated in the community’s health and lifestyle habits. A healthy community improves all parts of the economy, and Orem is a very healthy city.

Health Metric	Utah County	Utah	U.S.
Average Male Life Expectancy (2019)	79.42	78.28	76.3
Average Female Life Expectancy (2019)	82.04	82.1	81.3
Obesity Population Percentage (2019)	31.40%	27.20%	42.40%
Smoking Population Percentage (2018)	7.00%	7.90%	14%
Diabetic Population Percentage (2019)	4.90%	8.50%	10.50%
Heart Disease Death Rate per 100,000 (2017-19)	300	286.4	317.4
Stroke Death Rate per 100,000 (2017-19)	71.4	69.5	72.3

Table 1: Orem Health Metrics. Sources: CDC; Utah’s Public Health Indicator Based Information System

Many Marketable Assets for Business Attraction

In addition to a healthy, well-educated population, there are many characteristics of Orem's business environment that further benefit business development efforts. The City of Orem has a strong and well-established business startup culture; the resources available to emerging businesses support innovation and entrepreneurship. There's a history of high-performing technology companies starting in Orem, and the presence of entrepreneurs within the city contributes to its supportive business environment, which is attractive for up-and-coming companies.

Moreover, the city's strategic, central location affords businesses many geographic advantages. Only 45 minutes from Salt Lake City, Orem residents and businesses have easy access to a booming urban hub. As remote work becomes increasingly common, Orem's advantageous location could make it a prime location for businesses that prefer access to an urban center without the high rents and added hassle of metropolitan office space. Access to high-quality, reliable broadband services and high-speed UTOPIA Fiber increases the city's appeal to tech-focused or remote businesses.

Lastly, much of the built and natural environment is appealing to growing businesses. There exist some marketable, underutilized office spaces in the city that could be attractive to the right businesses. Canyon Park Tech Center, for example, has recently undergone a nearly \$12 million renovation and is prepared to support businesses in a variety of industries. In addition, there are many quality-of-place amenities that are accessible for workers and residents within the city, like fitness centers, a library, trails, and more. Orem's active recreational culture can provide workers with a variety of leisure options to enjoy in their free time. Together, all these assets support a lively business environment in Orem, which can be marketed to target industries or businesses of interest.

Industry Mix and the Business Environment

Orem is anecdotally known as the "Retail Hub of Utah County," a distinction that is supported by many quantitative industry and occupation metrics. Service-related occupations are prevalent in the city, with a large share of Orem's working population finding employment in retail, restaurant, or other service industries.

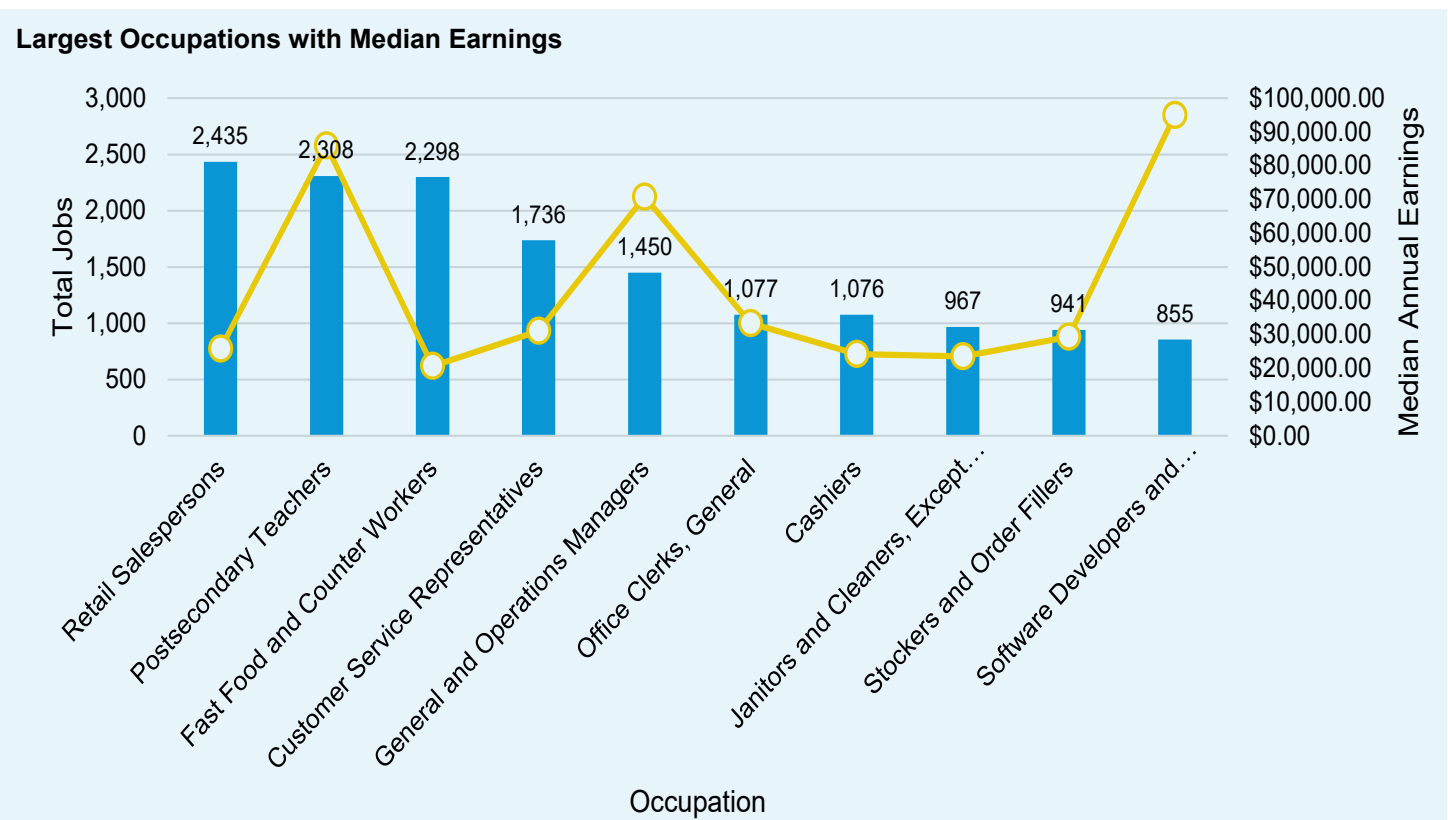


Figure 2: Top Occupations by Job Count with Median EarningsEducational Attainment. Source: EMSI, 2021.

A strong retail industry provides many benefits to the city; namely, retail businesses and restaurants improve the quality of life for residents and increase tax revenue collected by the city. It is important for communities to leverage their strengths in an economic development plan, and the retail industry is presently the cornerstone of Orem's economy. However, there are certainly dangers of overreliance on the retail industry. As housing costs rise and lodging becomes inaccessible for the working population, service industries might face staffing-related challenges. To keep the city from becoming overly dependent on retail or other service industries, the city's industry mix could be diversified through an intentional business retention, expansion, and attraction plan.

Some other developmental issues that are unrelated to housing are perceived to be hindering business growth as well, like the lack of a clear city center. A high-traffic, multi-lane highway intersects the city, and it's difficult for pedestrians to walk from business to business. University Place is home to a variety of retail vendors, but the mall is self-contained and is not well-connected to other parts of the town. Improvements to the built business environment could support the local business community while simultaneously creating a more enjoyable downtown area for residents to enjoy.

Reliance on Sales Tax Revenue

The primary goal listed in the 2014 EDSP was to "increase the sustainability of the City's tax base through increased property values." In part, this top-priority goal was put in place to help stabilize the city's tax base, leaving the city's budget and revenues less susceptible to economic downturns such as the one experienced in the years following the 2008 recession.

At the time of that plan's adoption, Orem had the highest percentage of its General Fund Revenues coming from sales taxes (34%) and the second-lowest percentage coming from property taxes (11%) when compared to the other cities in Utah County. The plan noted that most of these neighboring cities reported property taxes at around 20% of their General Fund Revenue, laying the groundwork for the top economic development goal of bolstering the property tax base.

The percentage of the city's revenues generated by property taxes has remained relatively constant since 2014. The reliance

on sales tax, however, has steadily increased. Since Fiscal Year 2015, the percentage of the General Fund Revenue coming from sales taxes has increased dramatically, eclipsing the 45% mark in the estimates for Fiscal Year 2022 – an increase of over 13 percentage points since the last EDSP.

During the pandemic, sales tax revenues increased dramatically across most of the country. In fact, a report by the National Association of State Budget Officers shows that sales tax revenues grew by nine percent in FY21.² Utah was one of 42 states that reported year-over-year growth in sales taxes collected from summer of 2020 to summer of 2021.³ There are a number of reasons for these increases (e.g., government stimulus checks and a shift in purchases from non-taxed service to taxable goods) including the move to begin collecting sales tax on out-of-state sales in the years leading up the pandemic. A ruling by the State Supreme Court 2019 helped bring this change about in Utah.

Fiscal Year	Sales Taxes	% of Total Revenues	Property Taxes	% of Total Revenues
FY15	\$18,839,327	32.78%	\$7,305,594	12.71%
FY16	\$19,471,579	36.17%	\$6,424,109	11.93%
FY17	\$20,722,179	36.79%	\$6,416,808	11.39%
FY18	\$22,198,446	37.34%	\$6,597,887	11.10%
FY19	\$22,736,417	37.16%	\$6,657,969	10.88%
FY20	\$23,737,723	38.77%	\$6,895,505	11.26%
FY21	\$28,004,565	39.90%	\$7,060,159	10.00%
FY22 (Estimate)	\$30,805,022	45.53%	\$7,278,289	10.76%

Table 2: City of Orem Taxes and Revenues

² <https://www.nasbo.org/reports-data/state-expenditure-report>

³ <https://www.forbes.com/sites/lizfarmer/2021/11/30/sales-taxes-in-2022---issues-to-watch-for-online-retailers/?sh=49a7c24d4b5a>

While this increase in sales tax revenue is certainly a positive in the short term, the recent surge in the amount of sales taxes collected is itself a representation of the volatility of this form of revenue. Sales tax is deeply connected to consumer spending habits and therefore the overall conditions of the economy. An over-reliance on sales tax revenues can make the city susceptible to economic shocks or trends that do not always favor the local economy.

Growth Constraints

Orem’s population has grown rapidly in the last twenty years, and the effects of such growth can be seen in many areas of the economy. Efforts to increase residential development to accommodate the growing population are unable to keep up. There’s very little developable land remaining within city limits; only 8% of the total land within the city is developable, with only 3% zoned for residential development.

The combination of a growing population and limited developable land makes for a tight housing market. Compared to state and national levels, the vacancy rate in Orem is exceptionally low. Due to high demand and limited supply, housing prices are very high – the median sale price of a home in Orem is nearly \$200,000 greater than the average home value for the rest of the United States. Despite elevated housing prices, though, the data indicate that Orem residents are not any more burdened by housing costs than the average American. While the housing market is suitable for high-earning households, it is more inaccessible for much of the working population in Orem, which earns relatively low wages.

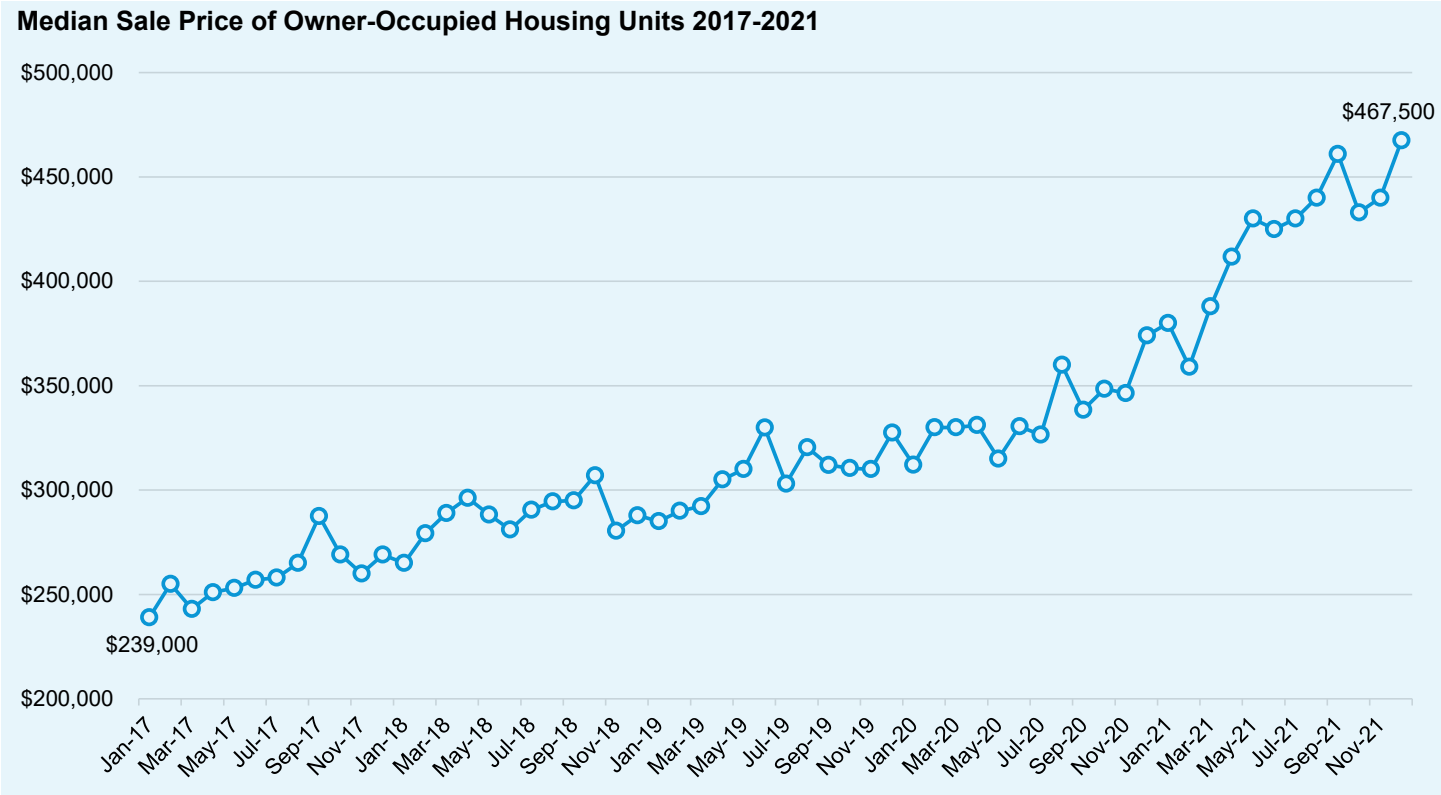


Figure 3: Median Sales Price of Owner-Occupied Units. Source: Redfin 2021

As a result of the types of available jobs in the city, the typical wages for those jobs, and the high housing costs, the residential and working populations in Orem are largely two different populations; approximately 78% of Orem’s workers live outside of city limits, and about 77% of Orem residents work outside of city limits. Figure 4 shows the inflow of the working population and the outflow of the resident population for work. As of 2019, an estimated 46,763 workers lived in Orem, Utah. Of those, just over 10,500 individuals worked in the city and over 36,000 commuted elsewhere for work. According to these estimates from the U.S. Census Bureau, more Orem residents work jobs in Provo and Lehi (25.7% combined) than in their home city (22.6%). Conversely, many of the workers in Orem do not live within the city. There are about 49,000 workers employed in Orem, only about 10,500 of which live in the city.

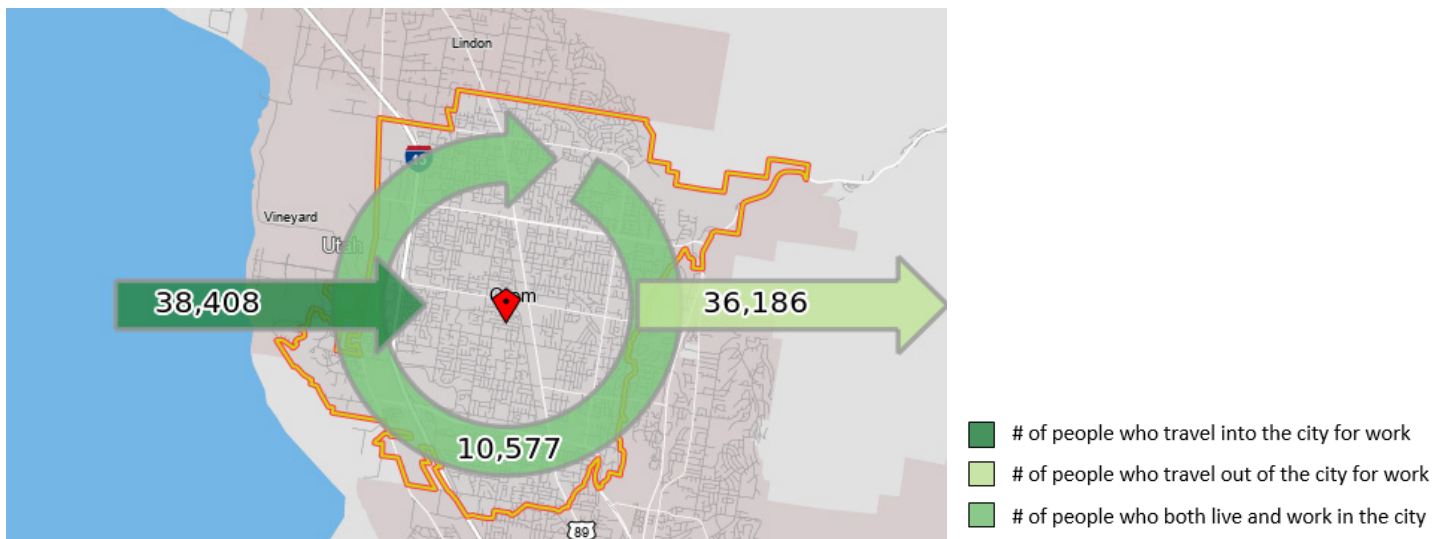


Figure 4: Orem Commuting Patterns. Source: OntheMap 2019

While these commuting data alone do not provide a full explanation for the significant differences between the working and residential populations of the city, the tension between high housing costs and the prevalence of low-wage jobs is likely a major cause. Ultimately, many of Orem’s workers must choose between paying high housing costs to live close to work or living affordably elsewhere and commuting.

Because Orem is unaffordable for many workers, it can be difficult to attract or retain the talent required by up-and-coming businesses in any industry. Utah Valley University, for example, graduates many talented students every year, many of whom are unable to stay in the city following graduation due to high costs of living. Ideally, an economic strategy would outline a plan for retaining this talent, which could help support some of the growing industries described throughout the report, like software developers, market research analysts, or project management specialists. This talent cannot be expected to stay in Orem without adequate support from the city, and an intentional effort to retain talent should be made.

Limited availability of developable land makes further growth difficult due to an inability to create new housing and office space. The combination of a growing population and this lack of undeveloped space creates a growing imbalance between supply and demand in the housing market. The result is the rapid increase in housing costs as shown in Figure 3. This furthermore creates opportunities for neighboring cities, like Lehi and Vineyard in recent years, to become more economically competitive due to their ability to develop housing for a working population.

Population growth, housing costs, and land availability are all important issues to consider in the development of an economic plan, as each impacts the opportunities that are available for economic growth. A lack of developable land limits the city’s ability to accommodate residential growth, but also hinders their ability to develop Class A office space for businesses in target industries, like growing and emerging tech companies. Both are important to consider as Orem plans for its economic future.

Strong Economic Development Leadership

Orem is fortunate to be under the leadership of a well-trained and thoughtful economic development team. According to the 2022 Milken Institute Best-Performing Cities Index, the Orem-Provo MSA demonstrated the best economic performance among large cities for the second year in a row.⁴ The city has a track record of successfully implementing strategic plans, and it can be expected that the individuals responsible for managing future development efforts can reliably achieve ambitious goals.

The city's fiscal strength is a testament to the high-quality work of its Economic Development Division. A variety of economic development tools are utilized by the economic development team, and many have been very successful in stimulating growth in the past. Tax increment financing programs, often referred to as RDAs in Orem, have been implemented and are helpful for supporting development within the city. Similar methods could be used in a future plan.

Ultimately, the economic development leadership can be expected to engage the community, explore suitable development options, and make measurable progress in realizing Orem's economic potential.

⁴ <https://milkeninstitute.org/report/best-performing-cities-2022>

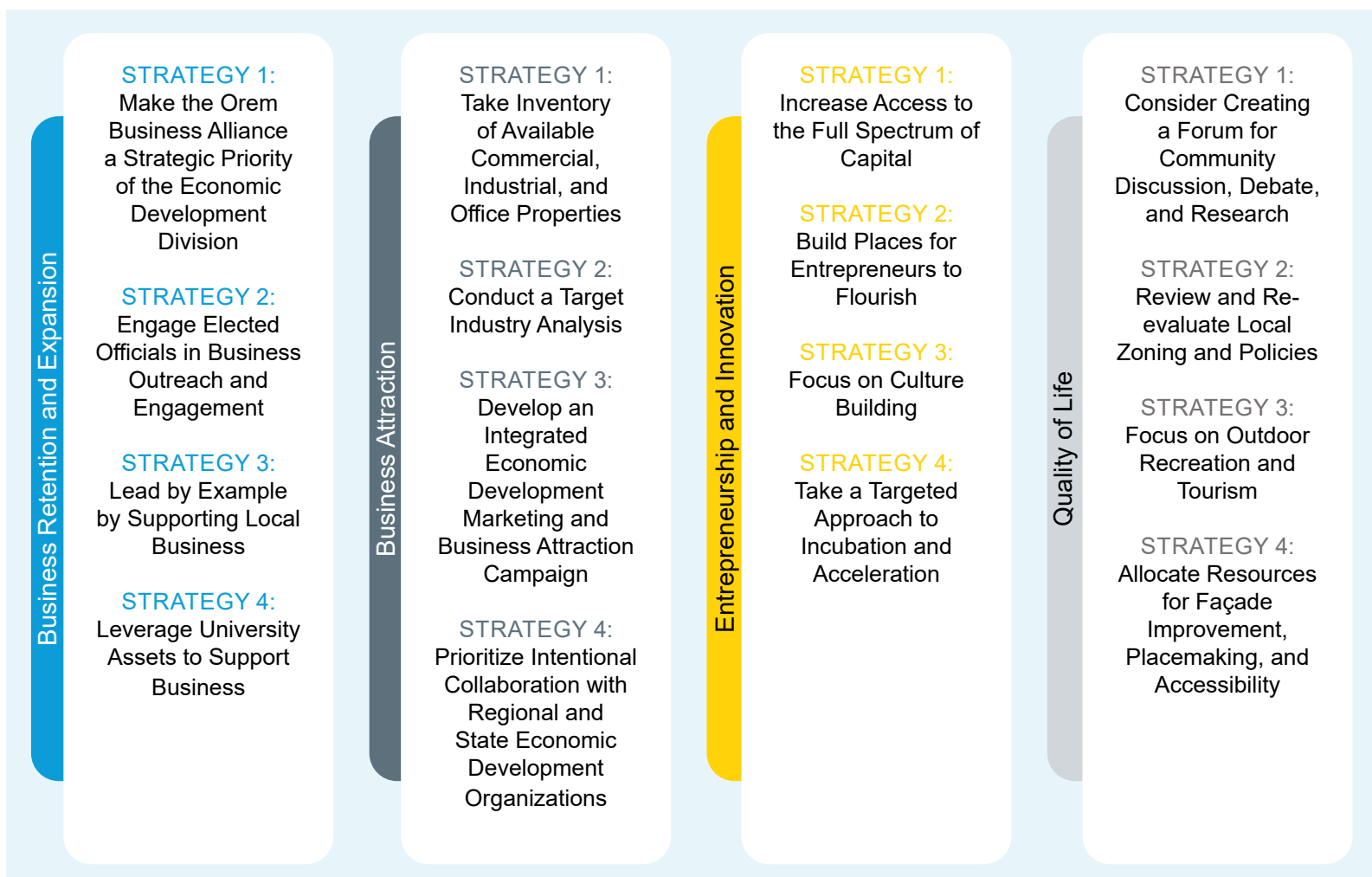


Strategic Framework

The International Economic Development Council defines economic development as a “program, group of policies, or set of activities that seeks to improve the economic well-being and quality of life for a community by creating and retaining jobs that facilitate growth and provide a stable tax base.” For economic development organizations to be successful, best practices suggest they must focus on four key strategic areas: business retention and expansion, business attraction, entrepreneurship and innovation, and quality of life. As such, the project team has structured the strategic framework for this Economic Development Strategic Plan around those four foundations of classic economic development practice.

The following strategic framework was informed by a process and methodology presented earlier in this document. The project team relied on a discovery phase which included historical document review, a quantitative data scan and analysis, a retail demand analysis, interviews with City of Orem staff members, and numerous on-site visits. In addition, the strategic framework was developed after a multitude of stakeholder engagement sessions, conducted both online and in-person, which included the following: city leaders; elected officials; local, regional, and state economic development organizations; local business owners; students; and residents of Orem. The stakeholder sessions, which are summarized in Appendix I, were designed to both inform the strategic recommendations early in the process and affirm the recommendations at the conclusion of the planning process. A final session was held in May of 2022 to collect a final round of feedback and review the recommendations presented below.

The Strategic Framework | Four Focus Areas



FOCUS AREA 1:

Business Retention and Expansion

Efforts and action steps designed to facilitate local business retention and expansion opportunities should be at the core of any economic development strategy. From a cost-benefit standpoint, dedicating and deploying resources to existing businesses in a community makes good financial sense. A comprehensive and sophisticated approach to business retention and expansion allows a community to support business owners that have already made an investment in the community. Supporting your existing business base is the most economical way to facilitate both job retention and job creation.

Supporting the existing business base in Orem should be the primary mission of the Orem Economic Development Division. While the project team is encouraged by current efforts, this strategic plan outlines ways that the city can elevate and enhance activities that will support that existing business base and open doors for potential future expansions and job creation.



Strategy 1: Make the Orem Business Alliance a Strategic Priority of the Economic Development Division

The Orem Business Alliance, embedded in the Economic Development Division, is a collaborative group of organizations across Orem “focused on building the local business community and supporting and uplifting Orem businesses by providing opportunity for business networking, advocating for small businesses, and connecting Orem businesses to valuable resources.” In addition, the Orem Business Alliance regularly meets with business owners, hosts monthly Lunch & Learn and new business Meet and Greet events, offers informational webinars, facilitates ribbon cuttings for new businesses, and highlights member businesses through their annual Stand-Out Orem Business Awards.



Action Steps:

- Review and reevaluate business outreach goals
- Create an asset map of economic development service providers, programs, and resources
- Review, reevaluate, and update the business outreach retention and expansion strategy
- Purchase and utilize a CRM system to collect and analyze primary information; capture trends; track business visits, and economic development strategy and goals

Throughout the process, the project team repeatedly heard concerns about businesses leaving or startups ‘outgrowing Orem.’ Orem should take every step possible to continue to build strong relationships with local businesses to alleviate these losses, including Implementing more ambitious and intentional business outreach goals through the Orem Business Alliance. In addition, city leadership should investigate and adopt Business Retention and Expansion best practices from across the country, including the two cited below. Best practices suggest that each community should have a ‘gateway organization’ that businesses turn to when looking to overcome a challenge or take advantage of an opportunity. The Orem Economic Development Division should strive to be that trusted partner and facilitate meaningful connections to both public and private sector service providers. In addition, the Division should consider adopting a Customer Relations Management (CRM) system to track visits, inventory key businesses and contacts, and capture primary data on the local businesses. More importantly, this intelligence gathered through business outreach should remain confidential, but aggregate information should be used to identify trends and ultimately inform strategy, policy, and programming to best support the business community.



Best Practices:

[Grenada Mississippi Economic Development District](#)

The Grenada County Economic Development District (GCEDD) has made business retention and expansion a priority for the last eight years; as a result, they’ve helped local businesses create more than 2,000 new jobs. To support local businesses, the GCEDD offers training, leadership and mentorship programs, incentive programs, and research focused on improving the local business environment. Roundtable events, surveys, and targeted incentive programs are important components of their well-rounded business retention and expansion strategy.

[Virginia Beach Department of Economic Development](#)

As is evidenced by their website’s homepage, the Virginia Beach Department of Economic Development is focused on attracting new businesses, growing existing businesses, and supporting entrepreneurs in their efforts to start businesses. Some of their attractive workforce characteristics are highlighted, their top industries are showcased, and their strategic location is emphasized – all on the website’s homepage. The Department provides other resources throughout the site that provide information on the business environment, key industries, business districts, and quality-of-life information, all of which are helpful resources to showcase in a business attraction effort.

Strategy 2: Engage Elected Officials in Business Outreach and Engagement

Throughout stakeholder engagement sessions, the project team heard about a disconnect between the business community and elected officials in Orem. While we believe Orem's elected officials are committed to supporting the business community, we believe city staff can help create more intentional interactions between elected officials and business owners in the city. More intentional interactions enhance the likelihood that elected officials can make policy and budget related decisions that will support business and enhance their ability to reinvest in their companies and in their workforce.

City leadership can take two complimentary approaches to facilitate better engagement between business owners and elected officials. First, the Economic Development Division should facilitate

more opportunities for the mayor and city council members to join them on business outreach visits. This should not be used as a political tool, but rather an opportunity for council members to gain a firsthand perspective on the opportunities and challenges facing business owners in Orem. In addition, visits by elected officials should be used to promote and support businesses – the economic development team can promote and share information on the visits through social media and the city website to increase visibility for businesses.

Second, city leadership and the Economic Development Division should commit to creating a bi-annual report to inform city staff, elected officials, and residents of the Division's activities and outcomes. This report should be both informative and serve to inform future budget and policy-related decisions. Information for consideration can include the number of business visits, the types of businesses visited, common trends, common challenges, and actions taken to support businesses. In addition, the project team encourages business outreach practitioners to consider how they can calculate and track the impact of the business visit. Metrics could include referrals made, programs and events offered, financing secured, and jobs indirectly created.



Action Steps:

- Include city council members in business ribbon cuttings and outreach visits; promote these on social media and through other marketing channels
- Create an economic development bi-annual report for city staff, elected officials, and residents of Orem
- Present the economic development bi-annual report to elected officials in a City Council Work Session every six months



Best Practice:

[City of Birmingham Small Business Council](#)

The City of Birmingham's Department of Innovation and Economic Opportunity has created a system for involving the city mayor and his administration in local business support efforts. Launched in 2019, the Small Business Council (SBC) assists and advises the mayor on small-business strategies and practical matters. The SBC comprises 22 small business owners, startup founders, and other ecosystem builders, all of whom provide unique insights into the city's business environment.

Strategy 3: Lead by Example by Supporting Local Business

For years, study after study has demonstrated how supporting local businesses ultimately enhances local and regional economies. According to the Small Business Administration (SBA), approximately 68% of money spent locally stays local. That percentage goes toward the following: local taxes, which support local school districts, fire, police, and critical public services; compensation for employees; and local support services like accounting, legal, marketing, etc.

The City of Orem's Economic Development Division is in prime position to not only actively promote a 'buy local' campaign and culture, but the city is also in position to lead by example. City leadership can take several steps to actively support local small business. First, city leadership, in partnership with the city procurement manager and budget manager, should review current city procurement policies and procedures to ensure more city supplies and services

are purchased through local vendors. City government is an anchor employer and should take steps to buy local when it's both economically and practically appropriate. Additionally, city procurement managers should look for opportunities to purchase from business owners from historically underrepresented communities. Further, city leadership should work with other local businesses to develop local procurement policies of their own.

Finally, city staff should work with economic development partners and local business owners to create, and support buy local campaigns, events, and initiatives. The project team understands that buy local campaigns have existed in the past in Orem; the team suggests that buy local campaigns be reinstated. More importantly, our experience suggests that buy local campaigns are most effective when developed and supported at the local level. The Orem Business Alliance is in prime position to lead the charge to implement, and support buy local campaigns, events, and celebrations.



Action Steps:

- Review city procurement policy with the city's procurement and budget manager; encourage the city to purchase from local vendors where appropriate
- Work with the regional Procurement Technical Assistance Center (PTAC) office to assist local businesses become approved government vendors
- Help major employers in Orem review and implement buy local procurement initiatives
- Continue supporting buy local campaigns, initiatives, and events through the Orem Business Alliance



Best Practice:

[Buy Newark](#)

Newark's 'buy local' campaign is focused on increasing the number of purchases made by Newark residents within their own community. Their campaign employs three strategies: institute formal local preferences, build the capacity of local businesses; and cultivate relationships with the local business community. Collectively, these strategies attempt to retain local resources, improving the local economy as a result.

Strategy 4: Leverage University Assets to Support Business

Established as a vocational school in 1941, Utah Valley University has grown into the largest university in the state of Utah. Featuring accolades such as the number one school in Utah for alumni earnings, number 2 in the state of Utah for 'best bang for your buck,' and the number 3 ranking for best return on investment in the nation⁵. Utah Valley University is an anchor institution that most communities can only dream of. The City of Orem should continue to take steps to build synergy with the university by recognizing and leveraging the human and intellectual capital residing in the community every day.

In addition to Utah Valley University, Brigham Young University (BYU) sits just outside city limits. Founded in 1875 by religious leader Brigham Young, this private research university offers over 180 undergraduate majors and 64 master's programs to over 30,000 students⁶. The city should continue to foster strong partnerships with BYU, tapping into its research capability and capacity to support local Orem technology and manufacturing companies.



Action Steps:

- Continue to build strong partnerships with university leadership
- Work with university leaders and faculty at Utah Valley University and BYU to facilitate practical education opportunities with local businesses
- Connect educational organizations such as the UVU Entrepreneurship Institute, Mountainland Technical College, and the BYU Rollins Center for Entrepreneurship and Technology to support Orem businesses for capstone projects and internship opportunities
- Consistently engage with student population through networking events, pitch competitions, lunch and learns, and mentorship meet and greets.

To strengthen these university relationships Orem can consider creating and hosting annual Orem Business Alliance Lunch and Learns to connect Orem businesses to students and faculty. Orem leadership should work with organizations like the UVU Entrepreneurship Institute, Mountainland Technical College, and the BYU Rollins Center for Entrepreneurship and Technology. Students and faculty should have clear pathways to support businesses on capstone projects, obtain internships, and connect with potential professional mentors. The overarching goal should be to enable students and faculty to support Orem businesses but to also foster an environment that allows students and faculty to innovate, create, and take risks to create the next generation of great Orem businesses.

FOCUS AREA 2:

Business Attraction

While business retention and expansion efforts are crucial to the mission of the Orem Economic Development Division, an intentional business attraction campaign should also be designed to attract businesses that can capitalize on local assets and complement the existing business environment. The attraction of new businesses to the city will diversify the industry mix, add new jobs, and stimulate novel economic growth. An overreliance on any single industry places the community in a precarious situation; an economic shock –like a pandemic—could cause conditions to change and the local economy could become destabilized. A business attraction campaign would provide the city with the opportunity to explore the potential for new, growing industries to add value to the community.

Orem’s business environment is home to many valuable assets; an abundance of human capital, available Class A office space, and a strategic location all give Orem a competitive advantage in business attraction efforts. The city should aim to understand which businesses would best complement the city’s economy, and then should leverage its assets to attract targeted businesses to the area.



Strategy 1: Take Inventory of Available Commercial, Industrial, and Office Properties

Repeatedly throughout the planning process, business and community leaders expressed concern about the growing inventory of vacant and underutilized commercial and retail space. In addition, the project team was informed of several parcels of land that were prime for development, but to date, no action has been taken. A common expression in economic development states that ‘no product, no project.’ In other words, if Orem does not have shovel-ready marketable land, or move-in ready quality commercial space, business attraction efforts will yield negligible results.

The project team suggests that city leadership develop a formal process to inventory and catalog available land, and commercial and industrial space. This should be an ongoing exercise; it's paramount that economic development leaders have accurate and up-to-date insight on available land and buildings. This ongoing inventory should help inform development priorities in conjunction with both public and private sectors partners.

Further, city leadership should work with a third-party real estate advisory firm to conduct a market and cost analysis on available properties. This analysis should inform city leaders on the current market value of available land and space and help public partners and private developers and businesses ascertain development or redevelopment costs. In addition, the analysis should assess the status of infrastructure, to ensure that properties are marketable to potential tenants. Further, the analysis should provide a comparative analysis with similar cities to Orem competing in the business attraction game. Finally, city leadership should forge strong and sustainable relationships with the regional commercial real estate broker community, to ensure that both parties can successfully collaborate to market available properties.



Action Steps:

- Prioritize ongoing land and building inventory and availability
- Conduct a market and cost analysis with a third-party service provider
- Showcase and list available land and space to a targeted audience via City Economic Development website
- Share monthly article postings on property in local newspapers, media, and showcase articles on the Economic Development website



Strategy 2: Conduct a Target Industry Analysis

No community can compete successfully for every business or industry. Before Orem can launch an extensive business attraction initiative, the project team strongly encourages city leadership to conduct a Target Industry Analysis. A Target Industry Analysis will enable Orem to better understand which industries best fit the economic assets and competitive advantages of the community, and which business types will contribute to achieving the community's vision for the future.

To conduct a Target Industry Analysis city leadership can utilize some of the datasets presented in this plan, including the retail gap analysis, location quotient analysis, and industry and occupation

trends. Further, by conducting more intentional and thorough business outreach visits to the existing business base, city leaders can supplement the quantitative analysis with a better understanding of the needs of the current businesses, including understanding potential suppliers, buyers, service providers, and strategic partners. Both tactics can be used to form the basis of a target industry strategy; however, the project team recommends that the city allocate resources in the future for a professional firm to conduct a more extensive and comprehensive report to increase clarity and to outline clear industry targets. More specifically, the project team recommends the city partner with a professional service firm with direct experience analyzing local market conditions and developing a target industry analysis for the purposes of business attraction.



Action Steps:

- Review the quantitative data, qualitative data, and retail gap analysis in this report to inform the basis of a target industry analysis
- Develop an RFP soliciting professional firms to conduct a target industry analysis
- Hire a professional firm with experience conducting a Target Industry Analysis for the purpose of business attraction



Best Practice:

[Economic Development Authority of Western Nevada](#)

The Greater Reno-Sparks-Tahoe area is a fast-growing region in the United States, and its economic development authority is focused on attracting the right industries to the region. To ensure its industry attraction efforts were appropriately targeted, they conducted a targeted industry analysis which resulted in the identification of eight target industries. These industries include renewable energy, technology, advanced manufacturing, and others with potential for benefitting the regional economy.

Strategy 3: Utilize the Target Industry Analysis to Develop an Integrated Economic Development Marketing and Business Attraction Campaign

To successfully attract new business to the community, city leadership needs to dedicate resources to develop a comprehensive and integrated economic development marketing and business attraction campaign. Adequate resources are required to deploy the multitude of marketing tools required to connect with and influence both site selection firms and key business decision makers. An integrated approach should successfully position Orem as a competitive market for investment – this is achieved by product differentiation, price competitiveness, and market focus.⁸

The qualitative and quantitative analysis in this plan can serve as the foundation for an integrated marketing campaign designed to position Orem as a competitive market. In particular, the SWOT analysis, Retail Gap Analysis, and the Industry and Occupation Analysis can inform the team how to position Orem appropriately. In addition, by completing Strategy 1 and Strategy 2 listed above, city leadership will be well-suited to begin developing a value proposition for site selectors and businesses to consider. While we believe this plan can inform early action and assist city staff in the development of a marketing campaign, the project team suggests that Orem hire a professional marketing firm to develop and execute the campaign – specifically a marketing firm with experience in economic development business attraction.

Action Steps:

- Consider allocating appropriate resources to develop and execute a marketing and business attraction campaign
- Consider developing an RFP soliciting professional firms to develop and manage an integrated marketing campaign
- Focus marketing campaign on industries identified in the target industry analysis to assist in filling office space at University Place and Canyon Park Technology Center
- Consider identifying and purchasing lead generation software
- Identify and attend trade shows and conferences in identified target industries
- Plan and host annual or bi-annual familiarization and/or site selector tours



Best Practice:

[Watertown Development Company](#)

Watertown, South Dakota's Watertown Development Company (WDC) was created in 1947 to establish, fund, and direct programs designed to promote and increase the commercial, financial, and economic vitality of the city. Their website markets many of the community's assets, like affordable housing, quality education systems, and a variety of recreational activities. In addition, it spotlights its top industries, as well as those it is most motivated to attract to the region.

Strategy 4: Prioritize Intentional Collaboration with Regional and State Economic Development Organizations

Best practices suggest that when localities win in the business attraction game, it is in part because they have formed strong partnership with statewide and regional economic development partners. As mentioned earlier in this plan, Utah is widely regarded as a very competitive state for economic development. Traditionally, business attraction projects are managed at the state level, and because of this, the project team suggests that city leadership focuses on building a stronger and more intentional relationship with the Governor's Office of Economic Opportunity. City staff should ensure they have full knowledge of the suite of financial tools and incentives offered through the state. In addition, city leadership should understand and activate the tools and resources offered by the Office of Outdoor Recreation and the Office of Tourism. Further, the project team encourages city leadership to explore the utility of the Utah Main Street program, which will be discussed later in this plan.



Action Steps:

- Connect with state leadership on a regular basis
- Convene regular meetings with state delegation to inform them of economic development goals and strategies
- Research, identify, understand, and be prepared to utilize state capital tools and financial incentives (Resources include Go Utah, Mountainland Association of Governments (MAG), Utah Redevelopment Agency (URA), Utah Alliance for Econ Dev, Utah South Economic Partnership (USEP), World Trade Center of Utah, etc.)

The project team encourages city leadership to create forums for city staff to meet with state leadership on a more consistent basis, take full advantage of the resources and technical assistance provided by the Office of Economic Development, and ensure that Orem's business attraction strategy is well-aligned with the office's statewide focus. Further, regular meetings and communication with the local delegation will ensure that elected representatives are aware, can communicate the community's priorities, and make policy, legislative, and budget related decisions that support Orem's economic development agenda.

Photo courtesy of The Muller Company



Focus Area 3:

Entrepreneurship and Innovation

One of Orem's greatest strengths is its highly capable population. Local colleges and universities graduate thousands of young, ambitious professionals every year, many of whom are eager to contribute to the economy in an innovative way. Entrepreneurial ventures greatly benefit the city, and the Orem Economic Development Division should actively support individuals or groups who are interested in hatching a new business within city limits.

There exist many resources available to prospective entrepreneurs in Orem, but the systems for connecting individuals to those resources could be improved. The local government, educational institutions, existing businesses, and other community actors share responsibility for creating a supportive environment for entrepreneurs. In this section, the project team has outlined several strategies for doing so. Orem has a history of incubating many highly successful startups, including LiveView Technologies, Blendtec, Pura, WordPerfect, Omniture, and it is in the city's best interests to ensure up-and-coming innovators feel supported in their efforts to build out the local economy in forward-thinking ways.



Strategy 1: Increase Access to the Full Spectrum of Capital

During various interviews and focus groups, stakeholders expressed concerns about the lack of adequate resources for small businesses. Most notably, numerous participants cited a lack of capital products and financial incentives for small businesses. While the project team believes there are several appropriate capital products in place in Orem, there is room for improvement in several areas. City leadership should conduct a citywide analysis to evaluate current capital offerings and work with appropriate partners to fill any noticeable gaps. City leadership should work with external partners to ensure that capital is available for businesses at all stages of the business lifecycle – through business ideation to succession, and every step in between.

Several steps will help this process. First, the project team suggests that city leadership survey businesses during business outreach visits on their access and awareness of capital products. Informal surveying during business outreach visits can inform strategic implementation and support decisions to create new funding sources or recapitalize and amend current funding sources. Second, city leadership should consider redeploying interest earned on the city revolving loan funds to create and capitalize small business grant funds. These small grant funds can help small businesses access professional services or make physical improvements to their business exterior and façade. Third, the city should take inventory of available capital products for small businesses at the local and state level and take a more intentional approach to ensuring small businesses are aware of the variety of products available to them. This can be accomplished with a more intentional outreach and marketing approach from the city Economic Development Division. Lastly, the city should consider the continued use of Community Reinvestment Areas (CRAs) along State Street and other strategic corridors to help fund development, infrastructure, and exterior improvements to existing properties.



Action Steps:

- Survey businesses during business outreach visits and at Orem Business Alliance meetings to assess their need for capital
- Use survey results to inform strategic next steps
- Work with private lenders and economic development partners to list, outline, and ensure available and accessible capital across the full business lifecycle – from ideation to succession.
- Consider funding sources and financial incentives for property owners to make exterior improvements
- Think creatively how to utilize the Utah Microloan Fund, Utah Microenterprise Loan Fund, Mountainland Association of Governments Small Business Loan Fund, and possibly Orem CDBG funding
- Consider creating Community Reinvestment Areas (CRAs) along State Street to fund exterior improvements of businesses

Startup Financing Cycle

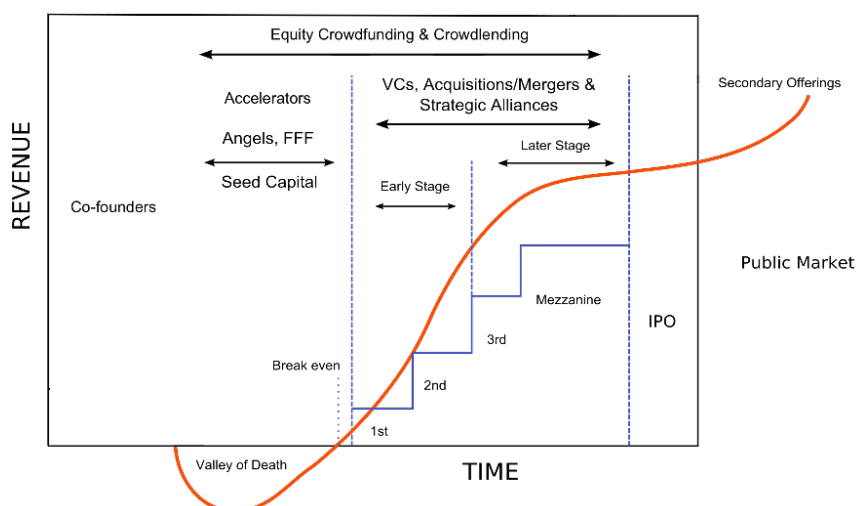


Figure 5: Startup Financing Cycle. Source: Kmuehmel

Strategy 2: Build Places for Entrepreneurs to Flourish

One potential solution to address some of the vacant or underutilized space in Orem is to think differently about how that space can be activated. The project team believes that city leadership can continue to support startup businesses and entrepreneurs by focusing on building out a physical ecosystem that allows them to startup, thrive, and grow. City leadership should work with the private sector, strategic economic development partners, and university leadership to build out coworking spaces, flexible space, and mixed-use space that appropriately accommodates the types of businesses already thriving in Orem, and those they are trying to attract through a business attraction campaign.

The project team believes the highest priority should be working with The Muller Company to fully activate and fill Canyon Park Technology Center. City

leadership should continue to find ways to activate the space through events, programming, and host potential businesses for site tours. In addition, the city should consider helping the Utah Valley Business Resource Center (BRC) build a stronger partnership with The Muller Company. Companies participating in and leasing space at the BRC are in a natural pipeline to fill space at Canyon Park Technology Center. The goal of the incubation and acceleration program at the BRC should be to hatch those companies into long-term space – Canyon Park Technology Center is the perfect fit.

In addition, city leadership should consider reviewing current zoning policy and make the appropriate changes to allow commercial and industrial property owners to subdivide units to accommodate both light manufacturing, retail, warehousing, and shipping in the same location. Commonly referred to as ‘flex space,’ a change in zoning policy could facilitate better utilization of properties and the industry segments that can use this space are well-positioned to complement the current industry mix in Orem.



Action Steps:

- Double down on efforts to activate, market, and fill Canyon Park Technology Center
- Create a pipeline for incubator and accelerator companies to fill vacant space
- Consider reevaluating zoning policy; enable creative mixed-use for vacant and underutilized properties
- Look for and research opportunities to develop modern coworking space(s) at Canyon Park Technology Center and/or University Place



Best Practice:

Scottsdale Fashion Square

In 2019, the former Barneys New York at Scottsdale Fashion Square in Scottsdale, Arizona was repurposed as a coworking space. Partnering with national real estate company Industrious, the mall now features over 33,000 square feet of coworking space for entrepreneurs, small businesses, remote workers, and freelancers. The space embraces the ‘live, work, play’ ethos common across the country, and offers shared office space, coffee lounges, private offices, and access to a number of amenities.

Strategy 3: Focus on Culture Building

Building an entrepreneurial ecosystem is more than offering capital and physical spaces for business startups to flourish. The city must take intentional steps to build a culture that facilitates, supports, and nourishes risk-takers, innovators, and the next generation of great Orem business owners. City leadership can take several steps to harness the talent in the community and facilitate an ecosystem that produces and sustains high-potential 21st century businesses.

First, city leadership should continue its partnership with the Utah Valley Business Resource Center (BRC). More specifically, city leaders should support the BRC in creating innovative and exciting business plan and pitch competitions. Additionally, city leaders should integrate the Orem Business Alliance into efforts to support startups and entrepreneurs – offering support, sponsorship, and evaluators in business pitch competitions. Further, partnerships should be expanded to include local multi-cultural chambers to help facilitate specific opportunities and support services for aspiring and current entrepreneurs from historically underrepresented segments of the population.

Second, city leadership should work with regional partners to launch and support peer-to-peer networking groups and opportunities. Creating an ecosystem of people who can share ideas and experiences is the cornerstone of any great entrepreneurial ecosystem. Intentionally facilitating these opportunities is paramount to launching more organic opportunities for entrepreneurs to connect. In addition to peer-to-peer networks, city leadership should work through the Orem Business Alliance to create a network of mentors who are willing and able to support the next generation of business owners. Lastly, technical support should be offered through existing organizations like the Utah Manufacturing Extension Partnership, Utah Valley University, BYU, and private sector service providers.



Action Steps:

- Offer programming geared towards innovative and technology enabled companies and startups through the Orem Business Alliance
- Support the BRC in creating pitch competitions and business plan competitions
- Facilitate the creation of peer-to-peer and mentorship networks
- Connect with Utah Manufacturing Extension Partnerships (Utah MEP)
- Network with local multi-cultural chambers to help facilitate specific programming and support services for aspiring and current entrepreneurs from historically underrepresented segments of the population



Best Practice:

[Fairfield Iowa Entrepreneurs Association](#)

The Fairfield Entrepreneurs Association is committed to creating a culture of entrepreneurship in Fairfield, Iowa. The website boasts the creation of 5,000 new jobs, \$300 million in investment and \$2 billion in new equity through the association. A variety of programs are offered, including entrepreneurial coaching, financing programs, and relocation programs. Collectively, all the startup resources create a culture which encourages entrepreneurship.

Strategy 4: Take a Targeted Approach to Incubation and Acceleration

One of the most important economic development assets in Orem is the Utah Valley Business Resource Center. As an original funding partner, the City of Orem has both a financial and strategic incentive to fully support the efforts of the BRC. With that in mind, the project team encourages city leadership and the Economic Development Division to support the BRC through enhanced collaboration, business client referrals, events, programming, and shared resources. Further, it is imperative that the BRC has a key seat at the table should the city decide to move forward with a target industry analysis.

While the project team is encouraged by the efforts of the BRC, and more specifically its efforts to incubate and hatch businesses, there appears to be an opportunity to take a more targeted approach. Like in business attraction, incubator programs cannot support all businesses and industries. Because of this, city leadership, along with university and BRC leadership, should become more involved in the pipeline of incubator businesses the BRC supports. This can be accomplished by ensuring BRC leadership is heavily involved in the target industry analysis. The BRC incubator program

should focus on technology-enabled, scalable businesses that support and complement the existing industry base in Orem. Further, the BRC should look to recruit businesses that have the appropriate talent pool to draw from. Building more intentional partnerships with Utah Valley University and BYU is a strategic step to ensure incubator businesses have access to talent as they grow and scale. Lastly, city leadership should be prepared to promote ongoing efforts to build out a citywide fiber network system. The potential Utah Telecommunications Open Infrastructure Agency (UTOPIA) network of fiber optic internet access is an asset that will be attractive to technology-enabled 21st century startups.



Action Steps:

- Continue to support the Utah Valley Business Resource Center through collaboration, business client referrals, events, serving on the BRC Executive Board, advertising BRC programming, etc.
- Ensure leadership at Utah Valley University, BYU, and the Utah Valley Business Resource Center are integral partners in the Target Industry Analysis
- Ensure that business development efforts at the BRC Incubation program are well-aligned with a target industry analysis
- Consider partnering with Canyon Park Technology Center to create an additional business incubator
- Provide information about UTOPIA fiber to high-tech enabled companies



Best Practices:

[Des Moines Iowa Global Insurance Accelerator](#)

Des Moines' Global Insurance Accelerator is a business accelerator designed specifically to support entrepreneurship and innovation in the insurance industry. The accelerator's investors and mentors are comprised mostly of insurance professionals, and the services provided are designed to bolster the growth of the industry in the city. Des Moines has identified the insurance industry as an appropriate business expansion target and provides resources for firms or individuals interested in contributing to the effort.

[Cape Girardeau Codefi Co-Working Space](#)

Codefi is an entrepreneurial system which partners with private and public groups to train workers and innovators in digital professions. Codefi builds and attracts software-focused companies and creates community spaces which can support the expansion of the digital economy in Missouri. In their coworking space they offer large office space, small working stations, and simple desk space to accommodate workers with a variety of needs.

Focus Area 4: Quality of Life

Ultimately, the local economy can flourish only as much as is allowed by its environment. Improvements to the quality-of-life assets in Orem are crucial for ensuring the economy continues to grow. Many challenges face the city in this regard; limited developable land, high housing costs, and poor pedestrian and transit infrastructure will begin to impact the economy more severely if unaddressed.

The Orem Economic Development Division, in partnership with other local government agencies and community actors, should prioritize the exploration of solutions which address these problems; other economic development strategies might be futile without improvements to the infrastructure, regulatory, and political environment within the city. In this section, strategies are provided for increasing public engagement, stimulating new economic growth, and improving the general quality of life afforded to Orem residents.



Strategy 1: Consider Creating a Forum for Community Discussion, Debate, and Research

Consistently through this process, the project team encountered fragmented and conflicting views on the direction and economic future for Orem. During onsite stakeholder sessions, participants ranked an inability to unify around a singular vision for the future as the number one challenge facing the community. The fact that the city's most recent EDSP was adopted over seven years prior and has not been fully revisited in the time since could be a contributing factor to this lack of a unified approach. Further discussion on the matter with community stakeholders yielded constructive and hopeful insights, but participants were unable to arrive at a consensus on a shared vision.

Based on these factors, the project team encourages city leadership to work with local and regional partners to explore the creation of a non-partisan forum for community discussion, debate, and research. The Utah Valley Chamber of Commerce, the Orem Business Alliance, and the Business Resource Center are all potential partners that can help establish forums for healthy community debate and discussion around Orem's future and can help identify and address any issues that may appear.

The project team recognizes that local universities each have some iteration of this concept and working with established groups would be deemed as an acceptable path forward. Whether creating a new organization or building a stronger partnership with existing organizations and initiatives, city leadership should ensure there is a place where healthy conversations can occur, and ideas can take action. This initiative should be anchored on a foundation of academic study and research, as well as constructive discussion that can crystallize a shared vision for the future of Orem.



Action Steps:

- Research and identify ways to engage local and regional Universities, including Utah Valley University, Mountainland Technical College, Weber State University, Southern Utah University, Utah State University, BYU, and University of Utah (Kem C. Gardner Policy Institute) to take the lead in organizing local community forums
- Engage local philanthropic organizations to assess funding
- Research best practice community ambassador and fellowship programs



Best Practice:

[Jefferson Educational Society](#)

The Jefferson Educational Society in Erie, Pennsylvania is a nonprofit organization that promotes civic engagement for societal progress. Through research and discussion about emerging ideas and events, the Jefferson Educational Society aims to facilitate collaboration in a more united community improvement effort. The Society offers courses, seminars, and lectures that can help members understand Erie's past, present, and future opportunities, and provides a platform for members to engage through.

Strategy 2: Review and Re-evaluate Local Zoning and Policies

Many of the concerns and frustrations voiced in the stakeholder engagement sessions revolved around zoning and the regulatory environment in Orem. While it's not uncommon, the project team believes these concerns can be addressed with a balanced approach to reviewing and revising certain policies to facilitate the right kind of growth in Orem. The project team encourages city leadership to allocate resources so that neighborhood plans across Orem can continue to be reviewed and updated. The neighborhood plans that were reviewed by the project team were useful and informative; however, these plans were developed between 2015 and 2020 and some have become quickly outdated due to recent, significant changes in the community and in the country. The COVID-19 pandemic and

accelerated growth in the community will continue to shape future change. Continually updating plans may facilitate more substantive feedback from the residents and allow both the Economic Development Division and the Development Services Department to align policies and strategies to meet the needs of residents.

The project team further encourages city leadership to consider reviewing and reevaluating zoning policies in Orem. While the project team doesn't suggest making drastic changes to zoning policy overnight, the team suggests that city leadership commit to consistent and constructive discussions with residents and property owners. The project team also encourages the Development Services Department, the Economic Development Division, and the Community Services Division to look for ways to enhance collaboration so the city is well-positioned to make strategic changes to zoning and policy when appropriate.

In addition, city leadership should look for ways to facilitate more mixed-use (non-residential) development in targeted and strategic locations. The project team often heard about the desire for more 'flex space'. Flex space, in this instance, refers to the ability to subdivide a unit with retail in the front of the building, and shipping, distribution, or logistics operations in the back half of the building.

Lastly, the city of Orem should continue to refine the culture and approach to code enforcement. The project team heard many concerns about absentee landlords. In the project team's experience, overly combative code enforcement is rarely the answer. Instead, the city should continue to allocate resources to the Neighborhood Improvement Team and ensure that collaboration is occurring across key departments in the city hall.



Action Steps:

- Commit to intentional and consistent dialogue with property owners and residents – ensure key city departments are collaborating to address concerns in an appropriate manner
- Continue to support and consider allocating resources to the Neighborhood Improvement Team
- Update neighborhood plans

Strategy 3: Focus on Outdoor Recreation and Tourism

Orem is an outdoorsman's paradise; with easy access to mountains, trails, and other recreational sites, the city is an ideal location for its active, healthy population. Local parks are largely considered to be one of Orem's greatest strengths; green space, playgrounds, and sports complexes attract visitors from beyond city limits. City Center Park hosts a weekly farmers market, and the city owns a 55-acre sports park on the southwest side of town. In addition, Sundance is only 15 minutes from Orem and is an excellent location for hiking, snowboarding, and skiing. Mount Timpanogos can be seen from anywhere in the city and is a beacon to adventurous hikers and mountain bikers.

All these features are marketable to residents and tourists alike. The natural environment is attractive to travelers, and the prevalence of the retail and restaurant industries only adds to its appeal for tourists. An expanded marketing strategy which promotes Orem as a destination could help generate local business and increase tax revenue. The effectiveness of this strategy is contingent upon the successful execution of the first strategy outlined in this section; a unified vision for the city is a requirement for its marketing under a single brand.



Action Steps:

- Consider creating a City of Orem Tourism Commission or Advisory Council
- Work with the Utah Valley Visitor's Center, Utah Office of Tourism, and Explore Utah Valley to include and promote Orem as destination
- Research the option of creating a "Recreation District" in the remaining areas available for development from the mouth of Provo Canyon up 800 N all the way to State Street to encourage and facilitate recreation-based development

Orem should not simply be a suburb of Salt Lake City, or as a commuting track between rural towns and urban hubs; the accessibility of the city should be increased. At present, there is no clearly defined city center. University Place is home to a variety of retail vendors and restaurants, but the mall is relatively self-contained and does not connect well to other parts of the city. The city center is not walkable, and it is difficult for residents to travel around Orem without a vehicle.

To attract tourists more effectively to the area, the city must be developed to accommodate travelers. Many tourists will not have easy access to personal transportation, which could justify creating a tourism transportation campaign to inform tourists about existing public transit options and encourage their use. Additionally, visitors will likely be unfamiliar with many of the experiences Orem has to offer. An intentional effort should be made to provide visitors with resources that enhance their experience within the city.

Ultimately, the expansion of the tourism industry within the city will benefit all aspects of the economy. With increased revenues, the city can make improvements to infrastructure and quality-of-place amenities in the area, which will only attract more tourists and improve the lifestyles of current residents.



Best Practice:

[Visit Richmond, Virginia](#)

Richmond, Virginia's natural environment is one of the city's most valuable assets, and the city has successfully created a unified, marketable identity centered around outdoor recreation. The city hosts the country's largest music and sports festival, maintains more than 70 miles of mountain bike trails, and has been voted Outdoor Magazine's best river town. The recreation page on the city's website, titled "Outdoor RVA," spotlights some of its most popular recreational facilities and invites residents and tourists alike to get outside and enjoy the natural environment.



Strategy 4: Allocate Resources for Façade Improvement, Placemaking, and Accessibility

During stakeholder engagement sessions, and throughout the project team's preliminary discovery, the appearance of State Street was a topic of conversation. A major corridor for residents across the region traveling east and west, State Street has historically been the epicenter of the 'Retail Hub of Utah County'. However, years of neglect and lack of focus have resulted in a corridor that looks dated and need of reimagination and reinvestment. The project team encourages city leadership to explore ways to revitalize the corridor with a focus on façade improvement, placemaking, and accessibility.

First, the project team highly encourages city leadership to explore a Main Street designation through the Governor's Office of Economic

Opportunity. According to the website, "The Utah Main Street Program helps communities revitalize their economy, appearance, and image of downtown commercial districts. They do this by building a strategy centered around a community's unique heritage and attributes that make it a great place to live and visit. The program provides a framework and resources to support a community's downtown revitalization efforts." With a Main Street designation, city leadership, in partnership with business and residents, can tap into resources to revitalize the corridor, preserve the history and culture of the community, and enhance business facades, placemaking, sense-of-place, and accessibility.

Relatively speaking, the project team does not consider Orem to be a walkable city. However, the community has several assets in place that can improve that perception quickly and dramatically. City leaders should consider forging stronger relationships with the Utah Transit Authority, Utah Department of Transportation, Utah Valley University, and other strategic stakeholders to enhance multi-modal transportation options. Drastic measures are not required, instead, city leaders should focus on greater promotion of existing public transit options, implement more visible way-finding measures, consider community gateways at strategic locations, and promote walkability, bikeshare programs, and suburban trails throughout the community. Additionally, city leadership should coordinate with the Orem Arts Council to develop and implement public art installations to improve the aesthetic and appeal to strategic nodes across the city.



Action Steps:

- Explore Utah Main Street Designation for State Street
- Work with UTA and UDOT to enhance existing multimodal transportation options
- Enhance community gateways
- Work with other departments within the city to develop a plan to invest in public, interactive art exhibits



Best Practice:

[Frederick Maryland Downtown Partnership](#)

The Downtown Frederick Partnership is a nonprofit organization that is dedicated to improving the quality of life of Frederick, Maryland residents. Some of their objectives include increasing diversity, redeveloping old storefronts, opening restaurants and shops, and expanding access to public transportation. This program also manages the city's Main Street program, which is a program that has been active since 2001. The partnership's revitalization efforts have spurred innovation within the city and helped grow the local economy.



Implementation Matrix

Business Retention and Expansion

Strategies	Action Items	Timeline	Metrics for Success
Goal 1: Improve the Small Business Culture in Orem			
Make the Orem Business Alliance a Strategic Priority of the Economic Development Division	- Review and reevaluate business outreach goals - Create an asset map of economic development service providers - Review and reevaluate business outreach marketing strategy - Purchase and utilize a CRM system to collect and analyze primary information; capture trends; track business visits, and economic development strategy and goals	Short (1-2 years)	- Clear list of business outreach goals # of economic development service providers identified - Adoption of CRM system
Engage Elected Officials in Business Outreach and Engagement	- Include city council members in business ribbon cuttings and outreach visits; promote these on social media and through other marketing channels. - Create an economic development bi-annual report for city staff, elected officials, and residents of Orem - Present the economic development bi-annual report to elected officials in a City Council Work Session every six months	Ongoing	# of business outreach meetings with city council # of businesses added to business outreach list # of visits made with city council members or mayor
Lead by Example by Supporting Local Business	- Review city procurement policy with the city's procurement and budget manager; encourage the city to purchase from local vendors where appropriate - Work with the regional PTAC office to assist local businesses become approved Utah government vendors - Help major employers in Orem review and implement buy local procurement initiatives - Reinstate buy local campaigns, initiatives, and events through the Orem Business Alliance	Medium (2-3 years)	# of local businesses approved as government vendors # of buy local events or campaigns # of collaborative initiatives started with local employers
Leverage University Assets to Support Business	- Continue to build strong partnerships with university leadership - Work with university leaders and faculty at Utah Valley University and BYU to facilitate practical education opportunities with local businesses - Connect educational organizations such as the UVU Entrepreneurship Institute, Mountainland Technical College, and the BYU Rollins Center for Entrepreneurship and Technology to support Orem businesses for capstone projects and internship opportunities - Consistently engage with student population through networking events, pitch competitions, lunch and learns, and mentorship meet and greets.	Medium (2-3 years)	# of collaborative events led by universities and the city, jointly # of internship opportunities offered # of interns hired for full-time positions after completion of internship % of graduate retention rate in Orem \$ committed to collaborative initiatives

Champions & Partners: Orem Economic Development Division, City Council, Local Colleges and Universities, Regional PTAC Office

Business Attraction

Strategies	Action Items	Timeline	Metrics for Success
Goal 2: Launch a Business Attraction Campaign			
Prioritize Intentional Collaboration with Regional and State Economic Development Organizations	• Connect with state leadership on a regular basis • Convene regular meetings with state delegation to inform them of economic development goals and strategies • Research, identify, understand, and be prepared to utilize state capital tools and financial incentives (Resources include Go Utah, MAG, URA, Utah Alliance for Econ Dev, USEP, World Trade Center of Utah etc.)	Ongoing	• # of annual meetings with state leadership • Creation of a catalog of state capital tools and financial incentives
Take Inventory of Available Commercial, Industrial, and Office Properties	• Prioritize ongoing land and building inventory and availability • Conduct a market and cost analysis with a third-party service provider • Showcase and list available land and space to a targeted audience via City Economic Development website • Share monthly article postings on property in local newspapers, media, and showcase articles on the Economic Development website	Short (1-2 years), then ongoing	• # of properties identified for commercial or industrial development • Creation of structure to market available land • # of participants in real estate forums • # of article postings made in local media
Conduct a Target Industry Analysis	• Review the quantitative data, qualitative data, and retail gap analysis in this report to inform the basis of a target industry analysis • Develop an RFP soliciting professional firms to conduct a target industry analysis • Hire a professional firm with experience conducting a Target Industry Analysis for the purposes of business attraction	Medium (2-3 years)	• Publish of RFP • Identification of clear target industries
Utilize the Target Industry Analysis to Develop an Integrated Economic Development Marketing and Business Attraction Campaign	• Consider allocating appropriate resources to develop and execute a marketing and business attraction campaign • Consider developing an RFP soliciting professional firms to develop and manage an integrated marketing campaign • Focus marketing campaign on industries identified in the target industry analysis to assist in filling office space at University Place and Canyon Park Technology Center • Consider identifying and purchasing lead generation software • Identify and attend trade shows and conferences in identified target industries • Plan and host annual or bi-annual familiarization and/or site selector tours	Long (3-5 years)	• # of resources committed to marketing and business attraction campaign • Publish of integrated marketing campaign RFP • Purchase of lead generation software • # of trade shows and conferences attended by staff • # of site selection tours hosted

Champions & Partners: Orem Economic Development Division, Utah Governor's Office of Economic Opportunity, Mountainland Association of Governments, Utah Redevelopment Agency, Utah Alliance for Economic Development, Utah South Economic Partnership, World Trade Center of Utah

Entrepreneurship and Innovation

Strategies	Action Items	Timeline	Metrics for Success
Goal 3: Foster an Environment That Allows Risk Takers and Innovators to Start and Grow New Businesses and Industries			
Take a Targeted Approach to Incubation and Acceleration	- Continue to support the Utah Valley Business Resource Center through collaboration, business client referrals, events, advertising BRC programming, etc. - Ensure leadership at Utah Valley University, BYU, and the Utah Valley Business Resource Center are integral partners in the Target Industry Analysis - Ensure that business development efforts at the BRC Incubation program are well-aligned with a target industry analysis - Consider partnering with Canyon Park Technology Center to create an additional business incubator - Advertise UTOPIA fiber to high-tech enabled companies	Ongoing	# of referrals made to BRC # of advertising and marketing events held by BRC # of new businesses incubated # of businesses graduated from incubation space into long-term space # of businesses within BRC that fall under targeted industries
Focus on Culture Building	- Use the Orem Business Alliance to offer programming geared towards innovative and technology enabled companies and startups - Support the BRC in creating pitch competitions and business plan competitions - Facilitate the creation of peer-to-peer and mentorship networks - Connect with Utah Manufacturing Extension Partnerships (Utah MEP) - Network with local multi-cultural chambers to help facilitate specific programming and support services for aspiring and current entrepreneurs from historically underrepresented segments of the population	Short (1-2 years)	# of programs presented to and/or created for startups # of pitch competitions and business plan competitions hosted by BRC # of peer-to-peer mentorship networks created # of partnerships created with MEP and multi-cultural chambers # of chamber programs facilitated

Entrepreneurship and Innovation

Strategies	Action Items	Timeline	Metrics for Success
Goal 3: Foster an Environment That Allows Risk Takers and Innovators to Start and Grow New Businesses and Industries			
Increase Access to the Full Spectrum of Capital	- Survey businesses during business outreach visits and at Orem Business Alliance meetings to assess their need for capital - Use survey results to inform strategic next steps - Work with private lenders and economic development partners to ensure available and accessible capital across the full business lifecycle – from ideation to succession. - Consider funding sources and financial incentives for property owners to make exterior improvements - Think creatively how to utilize the Utah Microloan Fund, Utah Microenterprise Loan Fund, Mountainland Association of Governments Small Business Loan Fund, and possibly Orem CDBG funding. - Consider creating Community Reinvestment Areas (CRDAs) along State Street to fund exterior improvements of businesses	Medium (3-5 years)	# of businesses surveyed # of CDAs created - Catalog of capital products for small businesses
Build Places for Entrepreneurs to Flourish	- Double down on efforts to activate, market, and fill Canyon Park Technology Center - Create a pipeline for incubator and accelerator companies to fill vacant space - Consider reevaluating zoning policy; enable creative mixed-use for vacant and underutilized properties - Look for opportunities to develop modern coworking space(s) at Canyon Park Technology Center and/or University Place	Medium (2-3 years)	- Catalog of available commercial and industrial properties # of advertisements made for Canyon Park Tech Center # of meetings with BRC and the Muller Group # of new tenants in Canyon Park Tech Center # of new coworking spaces created
Champions & Partners: Orem Economic Development Division, Utah Valley Business Resource Center, Utah Redevelopment Agency, Orem Business Alliance, Local Colleges and Universities, Multi-cultural Chambers, private lenders, RLF loan programs			

Quality of Life

Strategies	Action Items	Timeline	Metrics for Success
Goal 4: Enhance the Quality of Life for Orem Residents			
Focus on Outdoor Recreation and Tourism	- Consider creating a City of Orem Tourism Commission or Advisory Council - Work with the Utah Office of Tourism to promote Orem as destination - Research the option of creating a "Recreation District" in the remaining areas available for development from the mouth of Provo Canyon up 800 N all the way to State Street to encourage and facilitate recreation-based development	Short (1-2 years)	\$ increases in revenues from tourism-related industries - Improved health metrics # of marketing campaigns planned which incorporate Orem's brand
Consider Creating a Forum for Community Discussion, Debate, and Research	- Research and identify ways to engage local and regional Universities, including Utah Valley University, Mountainland Technical College, Weber State University, Southern Utah University, Utah State University, BYU, and University of Utah (Kem C. Gardner Policy Institute) to participate and organize local community forums - Engage local philanthropic organizations to assess funding - Research best practice community ambassador and fellowship programs	Medium (2-3 years)	- Detailed research of forum # of members or participants of forum # of universities or other institutions participating \$ raised to support the forum
Allocate Resources for Façade Improvement, Placemaking, and Accessibility	- Explore Utah Main Street Designation for State Street - Work with UTA and UDOT to enhance existing multimodal transportation options - Enhance community gateways - Work with other departments within the city to develop a plan to invest in public, interactive art exhibits	Medium (2-3 years)	- State Street's designation of Utah Main Street # of public transportation options enhanced # of public arts exhibits created # of storefronts redeveloped
Review and Re-evaluate Local Zoning and Policies	- Commit to intentional and consistent dialogue with property owners and residents – ensure key city departments are collaborating to address concerns in an appropriate manner. - In targeted and strategic locations, consider revising and reducing restrictions on duplexes, fourplexes, and townhomes. - In targeted and strategic locations, consider zoning changes that will better facilitate medium-density development - Look for ways to support and consider allocating resources to the Neighborhood Improvement Team - Update neighborhood plans	Long (3-5 years)	# of meetings held with a focus on the review of zoning policies - Updated neighborhood plans - Consideration of resources allocated to Neighborhood Improvement Team

Champions & Partners: Orem Economic Development Division, Development Services Department, Community Services Division, Local Colleges & Universities, Utah Office of Tourism, Orem Arts Council, Utah Transit Authority





APPENDIX

APPENDIX I: QUALITATIVE FINDINGS & STAKEHOLDER ENGAGEMENT	41
Historical Context Review	41
Steering Committee Interviews	42
Interactive SWOT Engagement Sessions	43
On-Site Focus Groups	44
APPENDIX II: QUANTITATIVE DATA ANALYSIS	45
Introduction	45
Population & Socioeconomic Analysis	45
Housing Market Analysis	49
Business & Industry Analysis	55
Workforce Characteristics	59
Labor Force & Employment Analysis	62
Tapestry Segmentation	64
APPENDIX III: SWOT ANALYSIS	65
Strengths	66
Weaknesses	68
Opportunities	70
Threats	72
APPENDIX IV: REVIEW OF THE RETAIL GAP ANALYSIS	74
Introduction	74
Sales Leakage and Capture Rates	75
Previous Retail Gap Analyses	75
Updating the Retail Gap Analysis with 2020 Data	76
Examining the Retail Gap Analysis in 2022	79
Supplement A: Full Zion Public Finance, Inc. Reports (2013 & 2018)	81
Supplement B: Third-Party Leakage/Capture Reports	83
Supplement C: City of Orem Taxable Sales Data	85

Appendix I: Qualitative Findings & Stakeholder Engagement

Historical Context Review

Introduction

A key component of the project methodology for the Economic Development Strategic Plan, the project team conducted a document review by examining various historical planning documents and studies. The analysis provided the project team with insights into the demographic, social, and economic conditions of the region. In addition, the review and analysis of various plans helped inform the project team of previous and existing economic development related goals, strategies, and action steps. Further, the analysis was conducted to ensure the project team did not replicate or duplicate existing efforts. Thus, this analysis will position the project team to build upon existing efforts and earlier analysis to develop a contemporary study with appropriate goals, strategies, and action steps. The following plans were reviewed:

- Transportation Master Plan
- State Street Master Plan
- Geneva Road Area Plan
- Central Corridor Transit Study
- City Center Market Analysis
- University Place Final Project Plan
- University Place CDA Agreement
- University Place CDA Budget Document
- Orem Annual Report 2020
- Orem EDSP 2019 Update
- Orem EDSP 2014
- Aspen Timpview Neighborhood Plan
- Canyon View, Orchard, and Cascade Neighborhood Plan
- Geneva Heights, Orem Park, and Suncrest Neighborhood Plan
- Northridge, Heatheridge, and Windsor Neighborhood Plan
- Orem North and Sharon Park Neighborhood Plan
- Orem, Sharon, and Hilcrest Neighborhood Plan
- Stonewood-Lakeridge Neighborhood Plan
- Orem General Plan 2018
- MEDD Covid-19 Recovery Plan
- MEDD Covid-19 Appendix

Document Review Findings and Key Themes

Key findings and themes from the document review include:

- A lack of developable land puts Orem at a competitive disadvantage. There are little to no greenfield development opportunities to increase the inventory of in-demand commercial, industrial, and residential development.
- Cities to the north, such as Lehi, and cities to the west like Vineyard are rapidly growing, creating strong regional competition.
- As far back as 2010, Orem has aspired to be one of the most bicycle and pedestrian friendly cities in Utah. However, very little demonstrable progress has been made. In addition, previous transportation plans called for improved multi-modal transportation options.
- Previous economic development brand attributes include a prime location, young and skilled workforce, successful start-up culture, and a low cost of doing business.
- The Geneva Road area is a valued industrial asset with strong transportation infrastructure, a highly skilled workforce, and three residential neighborhoods in proximity. However, there remains some potential contamination concerns, limiting its use for potential residential development.
- The Central Corridor Transit study pointed out the need for more efficient transit serving north to south, and that transit improvement could catalyze economic and redevelopment opportunities.
- Previous plans called for strong urban design objectives on State Street, increased pedestrian access, and traffic-calming measures.
- It was recognized that Orem was able to accomplish many of the goals outlined in the 2014 Economic Development Strategic Plan, and the subsequent plan update in 2019.

Steering Committee Interviews

Introduction

Another component of the qualitative analysis, the project team conducted individual interviews with key city staff members. These interviews allowed the project team to garner contextual insights into previous economic development strategies, the progress of those initiatives, and the success of previous planning efforts. In addition, questions were posed to better understand the aspirations of city leadership, specifically the Economic Development Division. The project team recorded the interviews and took verbatim notes to eliminate the possibility of bias when reviewing, synthesizing, and using the feedback to inform strategy.

Key Findings

Key findings and themes from the individual interviews include:

- Goals, strategies, and action steps from the 2014 Economic Development Strategic plan were informed by strong data. The plan provided a clear blueprint with realistic and obtainable goals.
- City staff members want the new Economic Development Strategic Plan to focus on the four key pillars of traditional economic development: business retention and expansion, business attraction, entrepreneurship and innovation, and quality of life.
- There is a strong desire to learn how stronger and more intentional relationships can be forged with Utah Valley University and Brigham Young University. Interactive SWOT Engagement Sessions

Interactive SWOT Engagement Sessions

Process

On January 27th, 2022, the project team, in partnership with city staff members, hosted a preliminary stakeholder engagement session to solicit feedback on the vision for Orem's future, and community strengths, weaknesses, opportunities and threats. 12 individuals representing the regional economic development, education, healthcare, and business community participated in the session. Participants were polled at the conclusion of the session and responded as follows:

- 95% of participants were encouraged by the direction of the Economic Development Strategic Plan
- 100% volunteered to participate in future stakeholder engagement sessions

Key Findings

Key findings and themes from the SWOT sessions include:

- When asked about the vision for Orem's future, an overwhelming majority of participants cited the need for 'managed growth.' Further, participants recognized the need to respect the history of Orem, but to also embrace future possibilities.
- When asked about the most prominent challenges facing Orem, participants cited the housing challenges facing the city, which are exasperated by the lack of development ready land. Further, some participants suggested that economic development leadership at the city does not clearly communicate the services it can offer to the business community.
- When asked about economic development priorities participants suggested that communication and education about managed growth and smart development was paramount to success. Participants suggested that benchmarking similar cities and researching best practices was a first step to achieving this goal.
- When asked about potential solutions to the challenges facing Orem, participants focused on improved communication from city hall and offering forums for community discussion, debate, and research.
- When asked about barriers to success, participants cited a lack of financial incentives to facilitate redevelopment and renovation, and uncertainty about how to manage population growth and increasing housing costs.

On-Site Focus Groups

Process

The project team visited Orem in February 2022 to conduct four two-hour in-person workshops. The workshops were designed to further identify economic development priorities and solicit suggestions and recommendations to address those priorities. In these highly interactive sessions, participants were asked to rank ten issues facing Orem using a 1 to 10 scale (1 being top priority, 10 being lowest priority). Forty-five community stakeholders participated in the exercise. The results of this prioritization process are presented in Table 3 below:

Challenges	Votes
Housing challenges (quality, availability, and affordability)	29
Difficulty achieving consensus on Orem's vision for the future	20
Startup companies are outgrowing Orem	16
Lack of clearly defined target industry strategy	12
Lack of resources to conduct a business campaign strategy	9
Businesses do not have the resources they need to expand and grow	9
Lack of coordination between the public and private sectors	9
There is no clearly defined city center or sense of place	6
Orem resists being a university town	4
Lack of communication, education, accountability, and transparency about development	3
Widely held perception that there is a lack of locally owned businesses	3
Lack of plan for 1600 N	1
Traffic, parking, crime, and water	1
Lack of follow-through on State Street plan	1

Table 3: Prioritization of Challenges by Stakeholders

Key Findings

Key findings and themes from the focus groups include:

- Participants were focused on the need for more attainable housing options
- Participants believed there were opportunities to strengthen the relationship between the business community and the local universities and education providers
- Participants agreed there was a need for a forum to facilitate public discussion, debate, and research
- Participants agreed that the city Economic Development Division could better promote the resources available to the business community
- Participants were overwhelmingly optimistic about Orem's future, however, they recognized there was a need for more clearly articulate vision

Appendix II: Quantitative Data Analysis

Introduction

The plan’s quantitative data analysis has been broken into three sections: population and socioeconomic analysis, housing market analysis, and business and workforce analysis. The data below have been used to guide the stakeholder engagement sessions and are ultimately the foundation of many of the recommendations provided at the beginning of the report.

Population & Socioeconomic Analysis

To understand the City of Orem’s economy, it is important first to understand the broader context. Below, data has been provided to offer insight into the City’s racial, educational, and financial makeup. In addition, health and age statistics are analyzed. An actionable strategic plan must be tailored to meet the specific needs of the community; the purpose of this overview is to highlight some of the community’s defining characteristics.

Population Historical Trends & Projections

The City of Orem has seen substantial population growth in the last two decades. In 2000, the City’s population was 84,464; by 2020, the population had increased by over 16%, or 13,665 residents. This growth is expected to continue for years to come, and the City’s population is projected to surpass 109,000 by 2026. Population growth at the rate observed in Orem has implications for various aspects of the economy; these implications will be discussed and addressed in subsequent sections of the strategy.

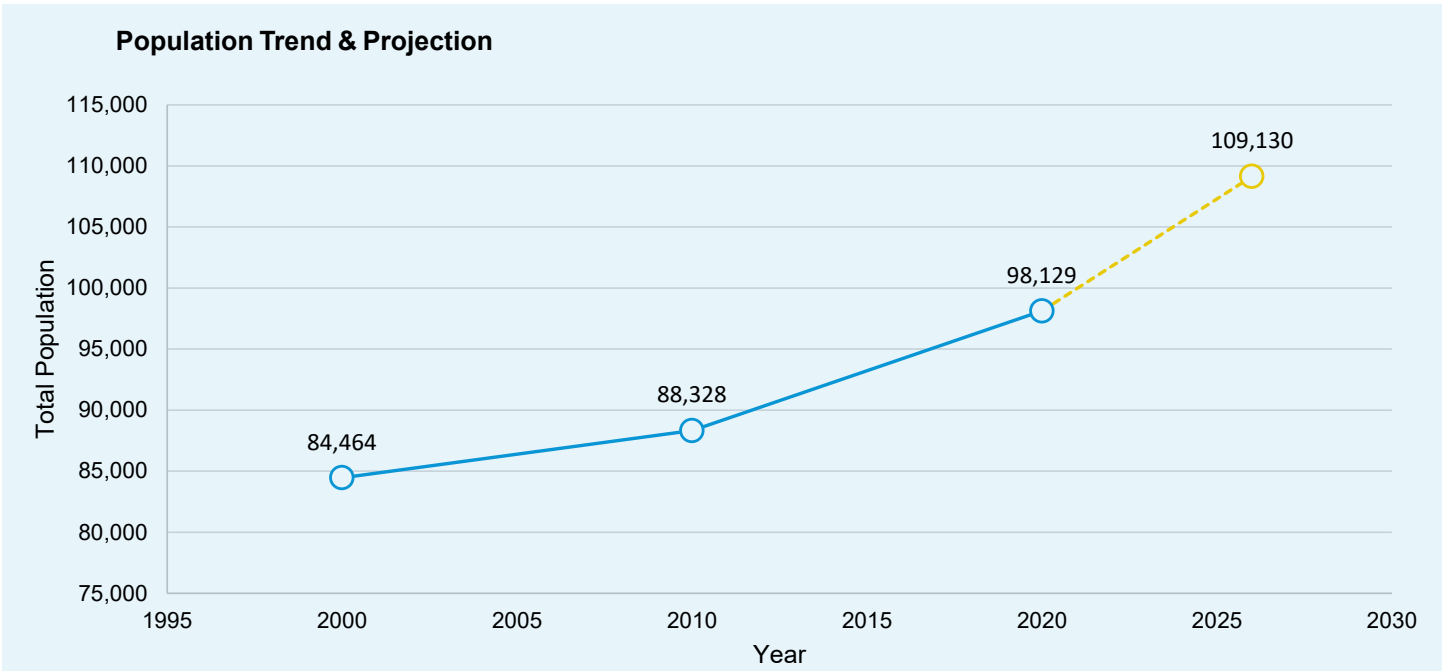


Figure 6: Population Trend & Projection. Source: 2020 U.S. Census and ESRI 2021

Population by Age

As the graph below indicates, Orem's population is young; in 2021, approximately 61% of the population was younger than 35 years. The City's median age in the same year was 28.8, which was exactly 10 years younger than the median for the rest of the United States. The City's unique population characteristics, specifically those which relate to age, will require an economic development strategy that considers the younger population's needs while continuing to provide for residents of all ages. The City's age distribution is predicted to remain relatively constant through 2026.

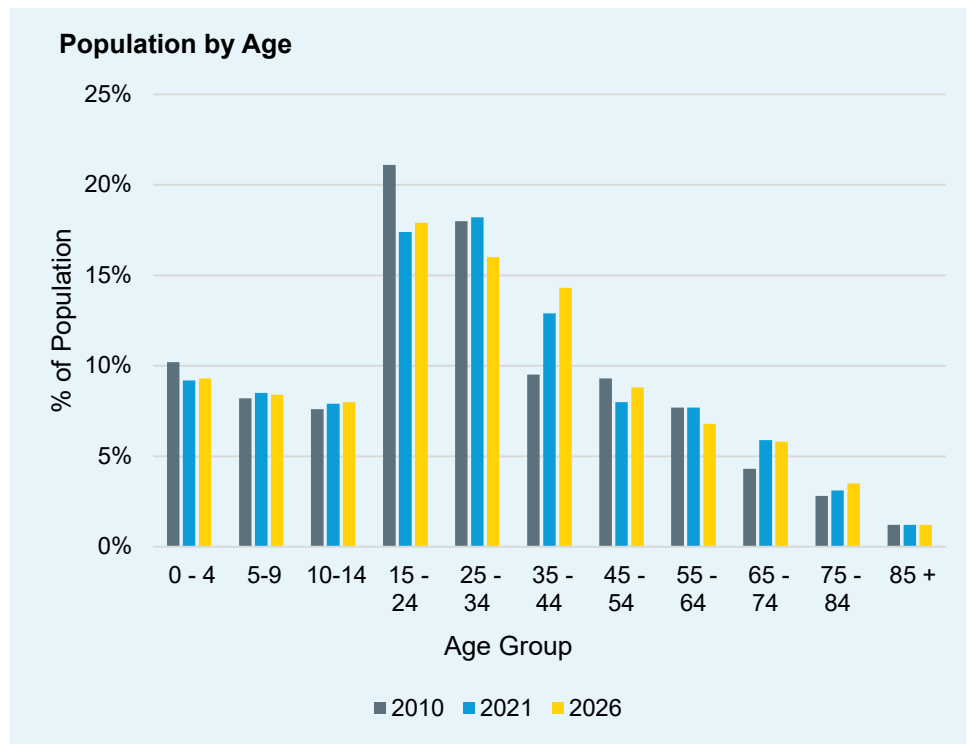


Figure 7: Population by Age. Source: ESRI 2021

Population by Race

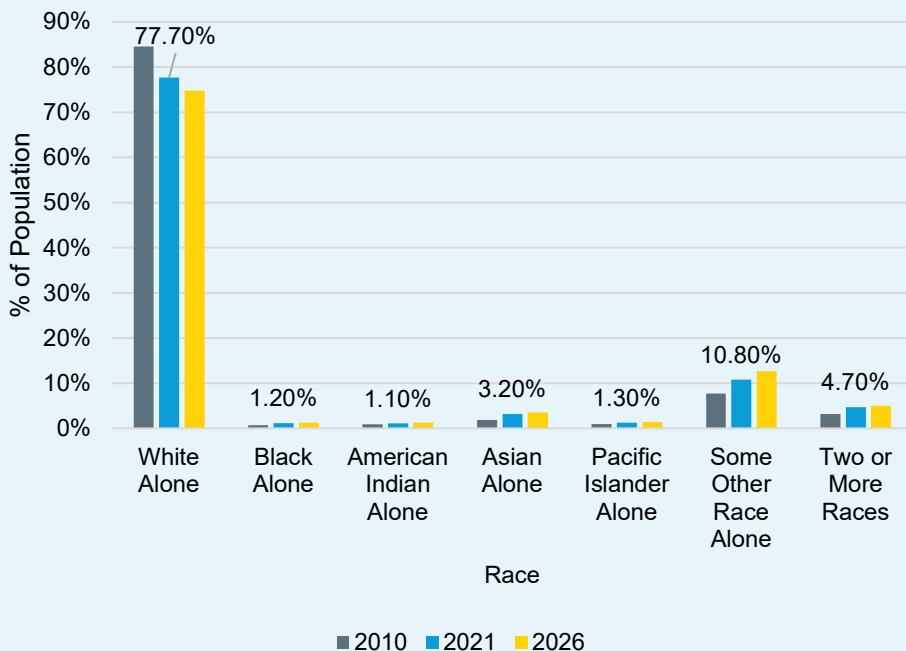


Figure 8: Population by Race. Source: ESRI 2021

Population by Race

The City of Orem's population is predominantly white. However, the City's diversity has increased since 2010, and is expected to continue its increase through 2026, albeit by relatively small margins. By 2026, slightly more than 25% of the population is projected to be comprised of non-white individuals.

Educational Attainment

As is evidenced in the graph below, Orem benefits from a very highly educated population. Approximately 41.7% of the population holds a bachelor’s degree or higher, with only about 6% without any high school diploma or equivalent. A population with high educational attainment is well-positioned to attract investment from a variety of industries and can leverage its human capital in building its economy. Moreover, the rest of Utah County and neighboring Salt Lake County also have high educational attainment rates, which make the region more marketable.

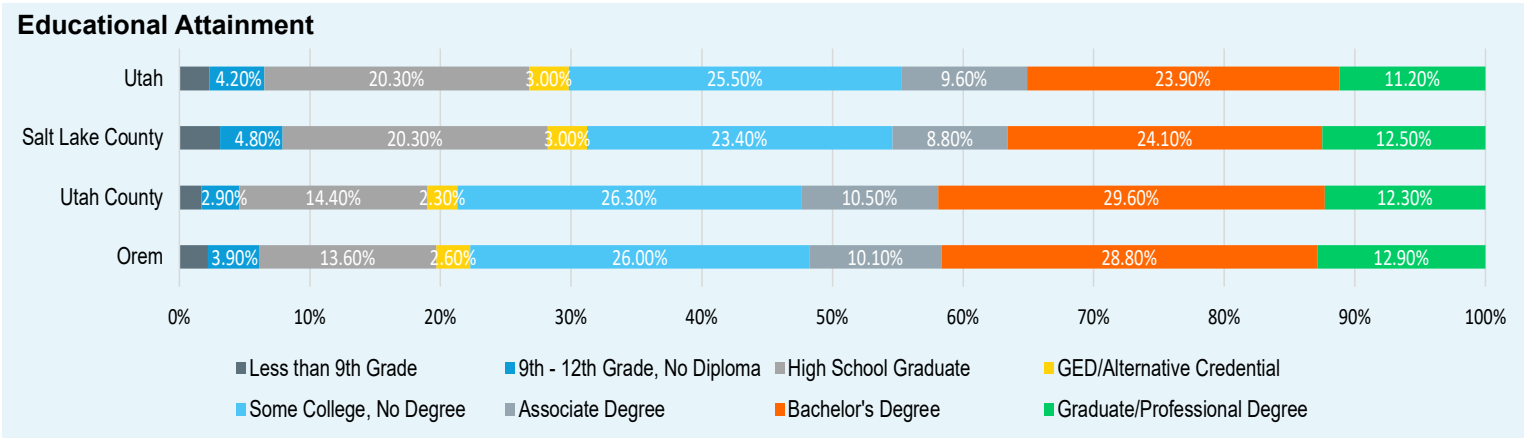


Figure 9: Educational Attainment. Source: Esri, 2021

Income and Earnings

Below, household incomes and earnings in Orem are provided for 2021 and projected to 2026. The median household income in Orem was \$68,435 in 2021 and is expected to climb to \$78,239 by 2026. The median is slightly greater in Orem than in the rest of the United States. Every income group above \$50,000/year is expected to grow in the next five years. Despite an overall upward trend in income and earnings, an economic development strategy can address the needs of residents that fall at both ends of the spectrum.

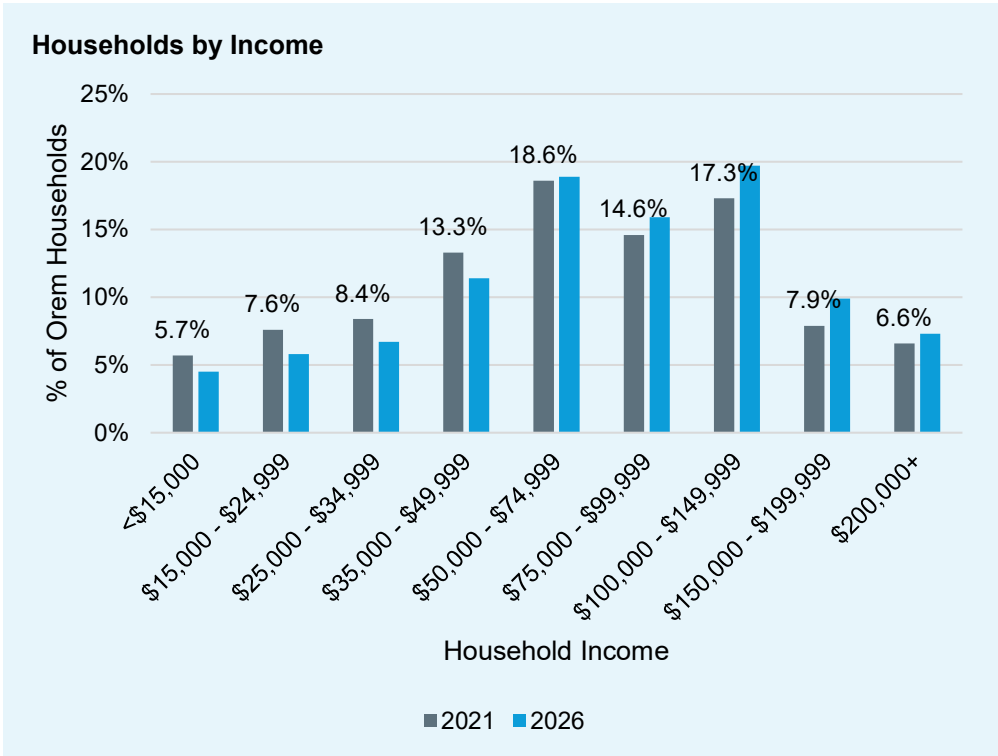


Figure 10: Household Income Estimates & Projections. Source: ESRI 2021

Health and Well-Being

The physical health and general well-being of the population can provide valuable information for an economic development strategy. A community with poor health metrics might require greater access to health services and facilities or could indicate a greater demand for specialized housing. Conversely, a healthy population suggests a strong health infrastructure, as well as the potential for development that tailors to an active community's recreational demand.

Utah County residents have life expectancies that are greater than or equal to the rest of Utah and the United States; the percentage of the population that smokes is 7 percentage points lower than that for the rest of the country. The obesity, heart disease, and stroke rates in Utah County are comparable to the rest of the state, but considerably lower than U.S. rates. The diabetic population is substantially smaller in Utah County than in Utah and the United States. These metrics indicate a healthy, active population, which invites unique opportunities for economic development.

Health Metric	Utah County	Utah	U.S.
Average Male Life Expectancy (2019)	79.42	78.28	76.3
Average Female Life Expectancy (2019)	82.04	82.1	81.3
Obesity Population Percentage (2019)	31.40%	27.20%	42.40%
Smoking Population Percentage (2018)	7.00%	7.90%	14%
Diabetic Population Percentage (2019)	4.90%	8.50%	10.50%
Heart Disease Death Rate per 100,000 (2017-19)	300	286.4	317.4
Stroke Death Rate per 100,000 (2017-19)	71.4	69.5	72.3

Table 4: Orem Health Metrics. Sources: CDC; Utah's Public Health Indicator Based Information System



Housing Market Analysis

Introduction

In this section, an overview of Orem's housing market is provided. Included is an analysis of the age of the existing housing stock, housing tenure, home and rent values, and vacancy rates. In addition, a cost burden analysis has been conducted in order to measure the financial burden of housing on Orem homeowners and renters. Finally, commuting patterns are analyzed, as is the City's pedestrian transportation infrastructure.

Housing by Year Built

Understanding the age of Orem's housing stock can be helpful for estimating the quality of housing available, as well as the rate at which the state of housing can be expected to decline in years to come. For example, an aging housing stock might require of greater investment from homeowners, as maintenance and upkeep costs are likely to be greater. Just under 60 percent of Orem's total housing units were built between 1970 and 2000; less than 11 percent were built after 2010. While most of the City's housing is not seriously outdated, there could be the potential to renovate or redevelop existing homes or properties to more effectively meet the community's needs.

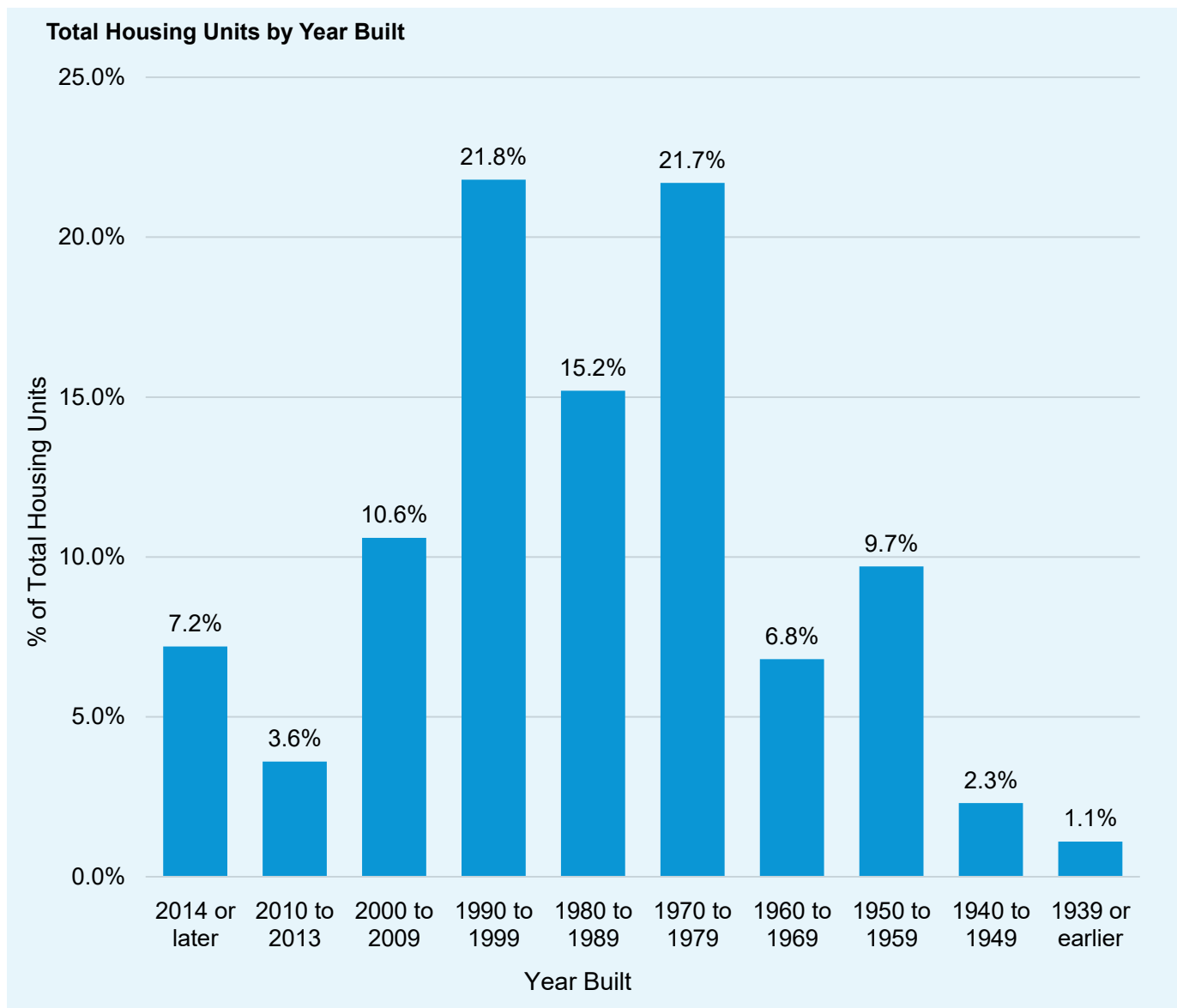


Figure 11: Housing by Year Built. Source: American Community Survey 2020 5-Year Estimates

Occupancy and Vacancy Rates

Vacancy rates in Orem are exceptionally low and have hovered between 3% and 4.5% for the past 20 years. They are expected to remain low through 2026. Low vacancy rates indicate high demand for housing; this high demand is apparent in much of the data and will be addressed in some of the recommendations provided in the report.

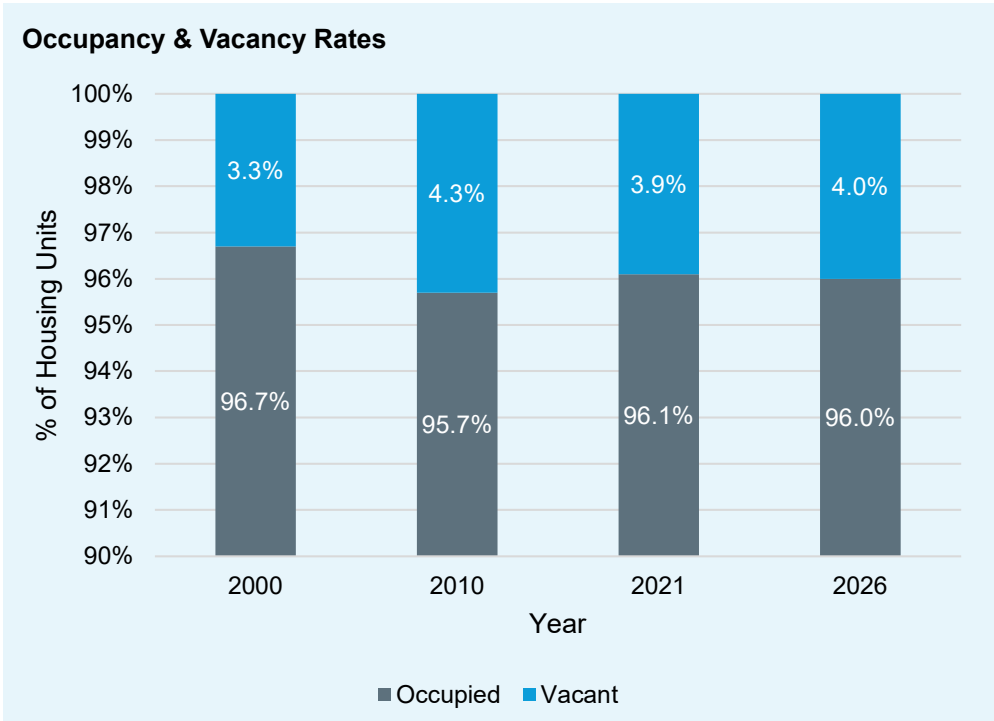


Figure 12: Occupancy & Vacancy Rates. Source: ESRI 2021

Owner vs. Renter Occupancy

The percentage of renter-occupied units in Orem has increased steadily since 2000; renter-occupied units in 2021 comprised a greater percentage of the total housing units by approximately 6.5 percentage points, compared to 2000. The ratio of owner-occupied and renter-occupied housing is expected to remain relatively constant in the next 5 years.

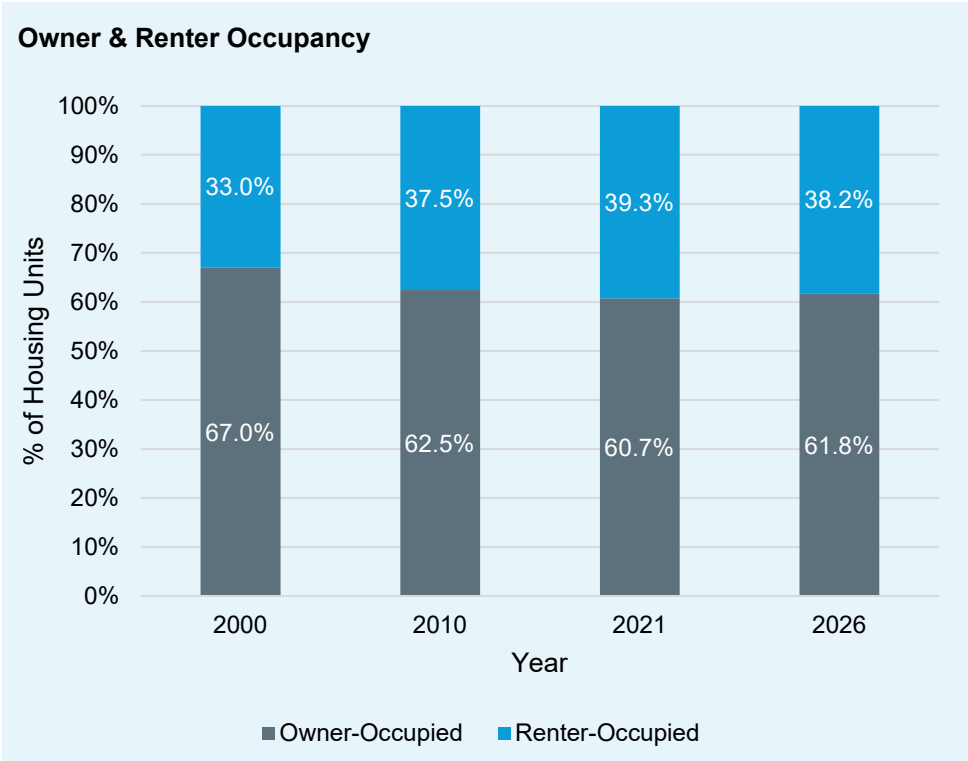


Figure 13: Housing Tenure. Source: ESRI 2021

Owner-Occupied Home Values

The owner-occupied home values are high in Orem. In December 2021, the median housing value as measured by sale price was \$467,500. That was more than \$200,000 greater than the United States' median home value of \$264,021. Between January 2017 and December 2021, the median sale price of a home in Orem increased by \$228,500, from \$239,000 to \$467,500; the median sale price increased by about 25% in 2021 alone. According to a third-party modeling company, the median home value in Orem is supposed to reach \$468,000 by 2026; the fact that the city has nearly reached this price in 2021 means that housing costs in the city are far outpacing model projections. Elevated home values are a further indication of high demand for housing, which will be addressed in this report's recommendations.

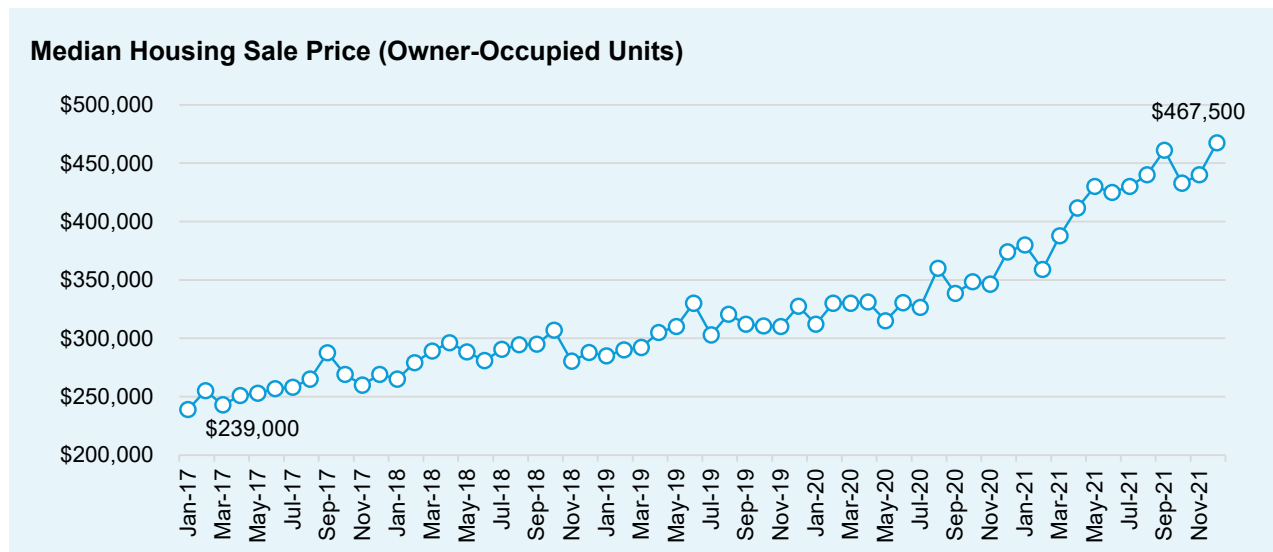


Figure 14: Owner-Occupied Home Values. Source: Redfin 2021

Renter-Occupied Unit Monthly Rents

Monthly rents, too, are high within the city. Approximately 52% of rental units are priced at more than \$1,000 per month, and the average monthly rent falls between \$1,000 and \$1,250. Less than 8% of rental units cost less than \$600 per month. A limited supply of for-rent units likely increases the prices of existing units.

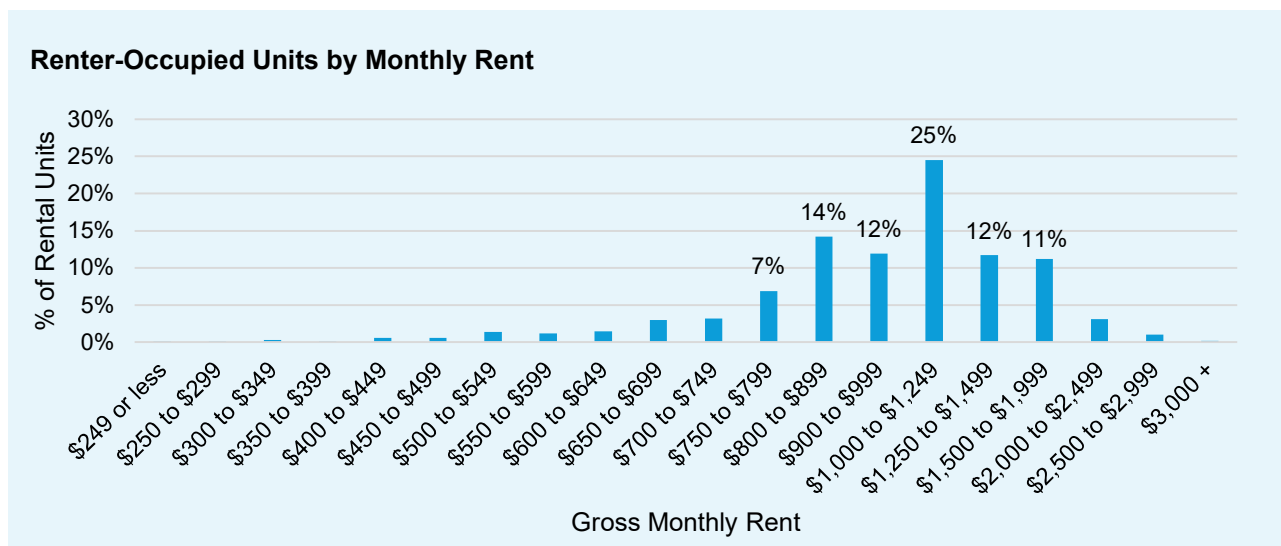


Figure 15: Renter-Occupied Units by Monthly Rent. Source: ESRI 2021

Housing Cost Burden Analysis

HUD defines a household as being moderately cost burdened if between 30% and 50% of their household income is spent on housing. If more than 50% of the household's income is spent on housing, it is considered to be severely cost burdened. Between 2014 and 2019, Orem saw a decrease in the share of owner-occupied households that were moderately or severely cost burdened from 22.68% to 18.47%. This share is lower than the United States' share of cost-burdened households, which was equal to 22.3% in 2019. In 2019, about 7.5% of homeowner households were severely cost burdened.

Renter households are considerably more cost burdened than homeowner households. In 2020, 41.42% of Orem's renter households were cost burdened, which is more than 7 percentage points lower than in 2014. The number of cost-burdened renter households is lower than the United States' percentage, though. In 2019, 17.38% renter households were severely cost burdened.

There are a couple of limitations with this data that are worth noting. First, the cost-burdened percentage of U.S. households is not necessarily a suitable comparison group for Orem; the national housing market behaves much differently than the local housing market, and the demographics of each region are much different. Thus, the overall health of one housing market cannot necessarily be gleaned from a comparison to another dissimilar region. Second, the most recent data available are from 2019; in 2020, the COVID-19 pandemic had a significant impact on the housing market. It is likely that the cost-burdened share of households in Orem will be much greater in 2022 than in 2019, but there are no data yet to show it.

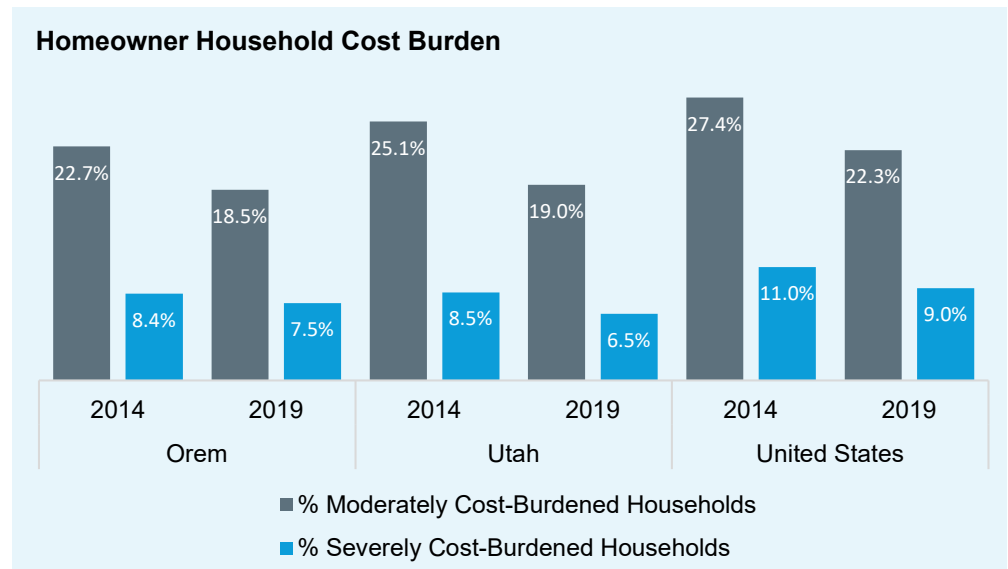


Figure 16: Homeowner Household Cost Burden. Source: American Community Survey

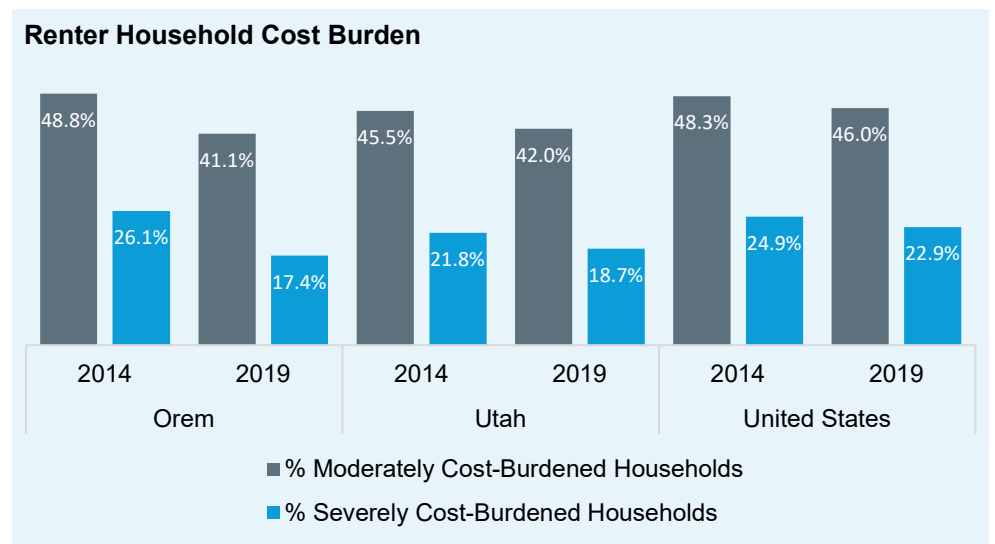


Figure 17: Renter Household Cost Burden. Source: American Community Survey

Housing Cost Burden by Income

Below, the distribution of cost-burdened renter and homeowner households at various income levels is provided for 2019. As one might expect, the most cost-burdened households are those who earn less than \$20,000 per year; it is difficult to find housing which requires less than 30% of an occupant's income if that income is less than \$20,000. Approximately 83.4% of individuals who fall below that income threshold was cost burdened in 2019. The share of cost-burdened households decreases as the income levels of each category increase. 51.96% of renters and 37.42% of homeowners who earn \$75,000 or less are cost burdened. The table below indicates the percentage of Orem households that fall below each income threshold.

Occupant Percentages by Household Income

Household Income	% of Renter Households	% of Homeowner Households
\$20,000 or less	10.4%	4.8%
\$50,000 or less	51.7%	18.9%
\$75,000 or less	74.6%	35.3%

Table 5: Units by HHI Bracket and Occupation Type. Source: ESRI 2021

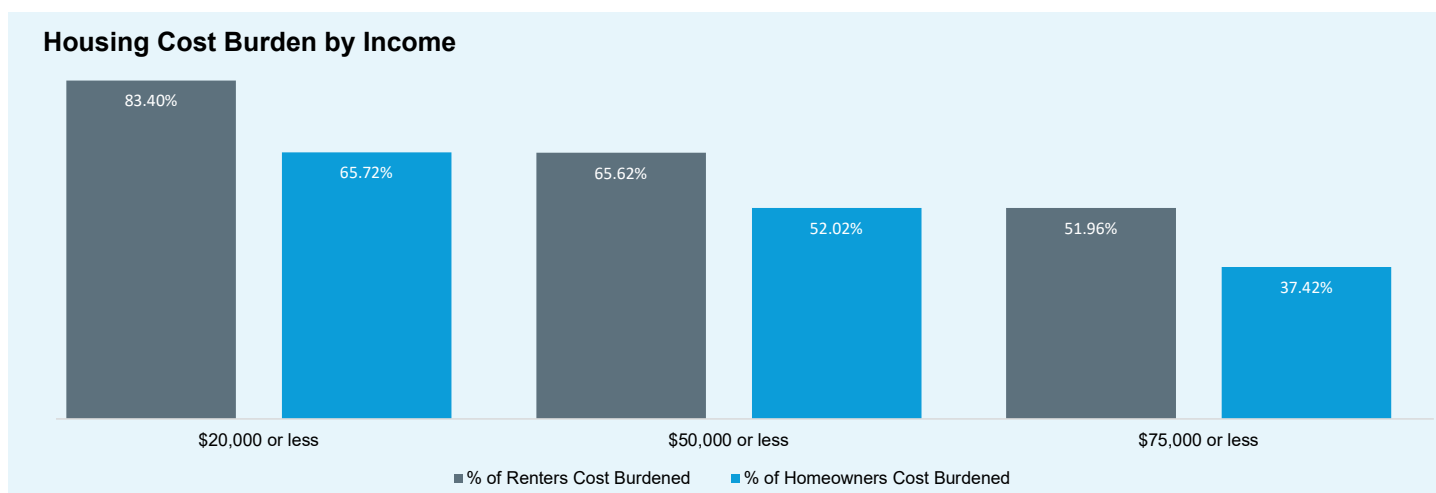


Figure 18: Cost Burden by Income. Source: American Community Survey

Neighborhood Walkability Analysis

A neighborhood walkability analysis can be helpful for gauging the transportation infrastructure within the city. According to WalkScore.com, Orem is a car-dependent city; by its metric of measuring walkability, Orem scores a 43 on a scale of 100. This means that most errands require a car. The transit score for Orem is slightly lower, at 33. There are some transit options available; there are about 10 bus lines and 1 rail line that run through the city. Figure 19 shows the public transit routes within the city.

While Orem's transportation score is lower as it relates to walkability and public transit options, the City scores highly on the biking scale. With a bike score of 58, Orem is considered bike-able and has some biking infrastructure to support cyclists.

Commuting and Traffic Patterns

As the following graph illustrates, slightly more than 36,000 resident workers are employed outside of Orem and must commute beyond its limits for work. Conversely, 38,400 workers live outside of the city and travel into it for work. Approximately 10,500 people both live and work within the city. The net number of commuters who travel into the region for work is 2,222. In other words, after accounting for the number of workers who travel out of the city for work, 2,222 workers travel into the city for work daily. This could indicate positive economic productivity within Orem, or plenty of jobs that attract residents of other cities or counties. Conversely, this could also highlight the lack of affordable housing within the city. If Orem's workers are unable to find suitable housing within the city, they must live outside of its limits and commute in for work.

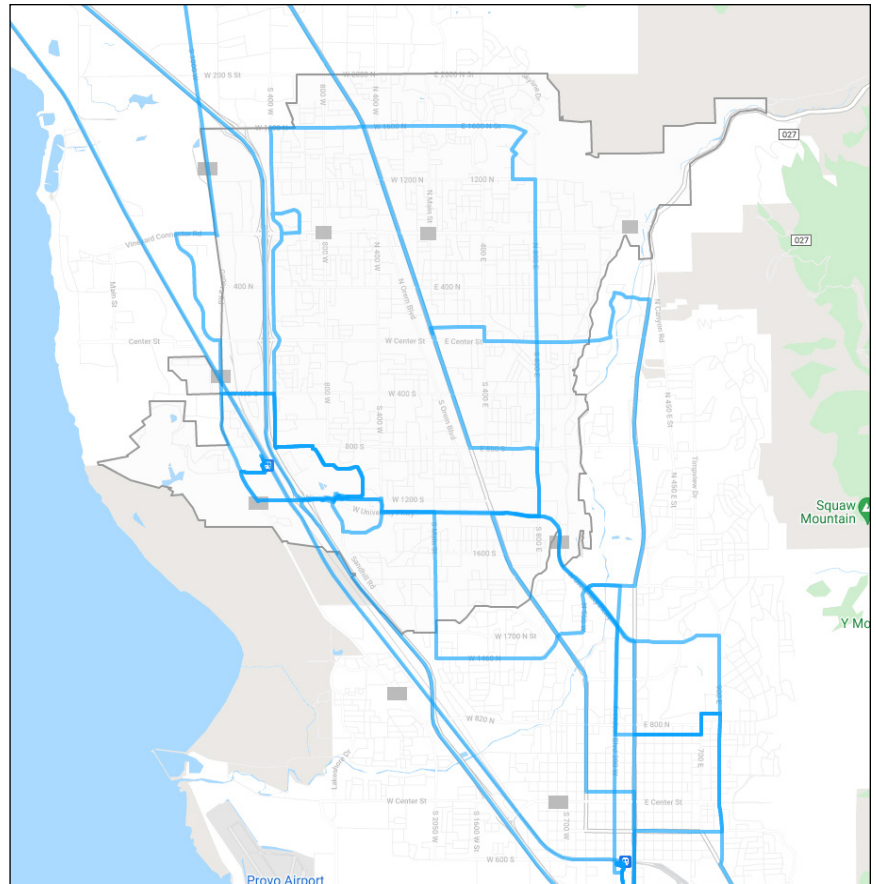


Figure 19: City of Orem Public Transit Routes. Source: Walkscore.com

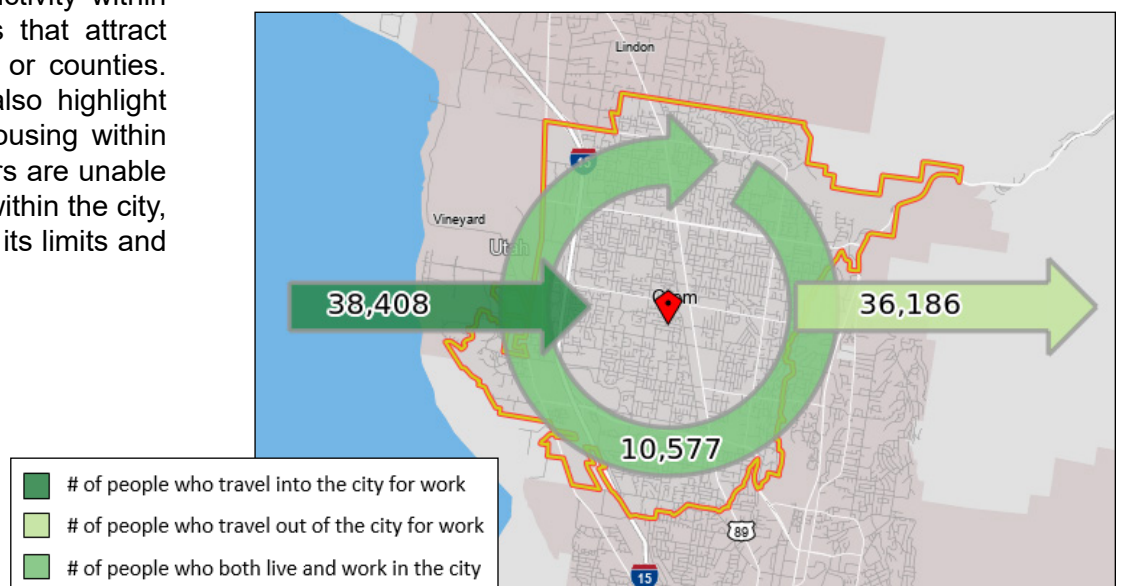


Figure 20: Commuting Patterns. Source: OntheMap, 2019

Business & Industry Analysis

Introduction

In this section, an analysis of Orem’s major industries and occupations is provided, as well as an analysis of the City’s workforce. In the first section, the highest-employing, fastest-growing, and most highly concentrated industries are highlighted. In the next, the area’s top occupations are presented, along with a list of the hard skills most highly demanded by employers. Finally, the most up-to-date labor market information is provided, including unemployment and labor market participation rates.

Largest Industries

Within Orem, the public “Colleges, Universities, and Professional Schools” industry is, by far, the largest. More than 5,300 employees work in this industry, with the overwhelming majority likely finding employment in Utah Valley University (UVU). Quality-of-place industries, like those which include restaurants and shopping centers, also top the chart; collectively, the “Limited-Service Restaurant” and “Warehouse Clubs and Supercenters” industries employ more than 4,600 in Orem.

In the past, retail gap analyses have been used to measure the potential for capturing sales from surrounding areas, as well as reducing sales leakage to those areas. Due to data limitations and the influence of e-commerce on the retail industry, these analyses are less informative as an economic development tool now than they might have been in the past. For a full discussion of the utility of retail gap analyses in 2022, as well as an analysis of the available data, please refer to Appendix IV.

Some technology or web-related industries can also be seen in the Table 6, such as “Custom Computer Programming Services” and “Internet Publishing, Broadcasting, and Web Search Portals” industries, each employing just shy of 1,400 workers. All the top industries in Orem have seen growth in the past 10 years.

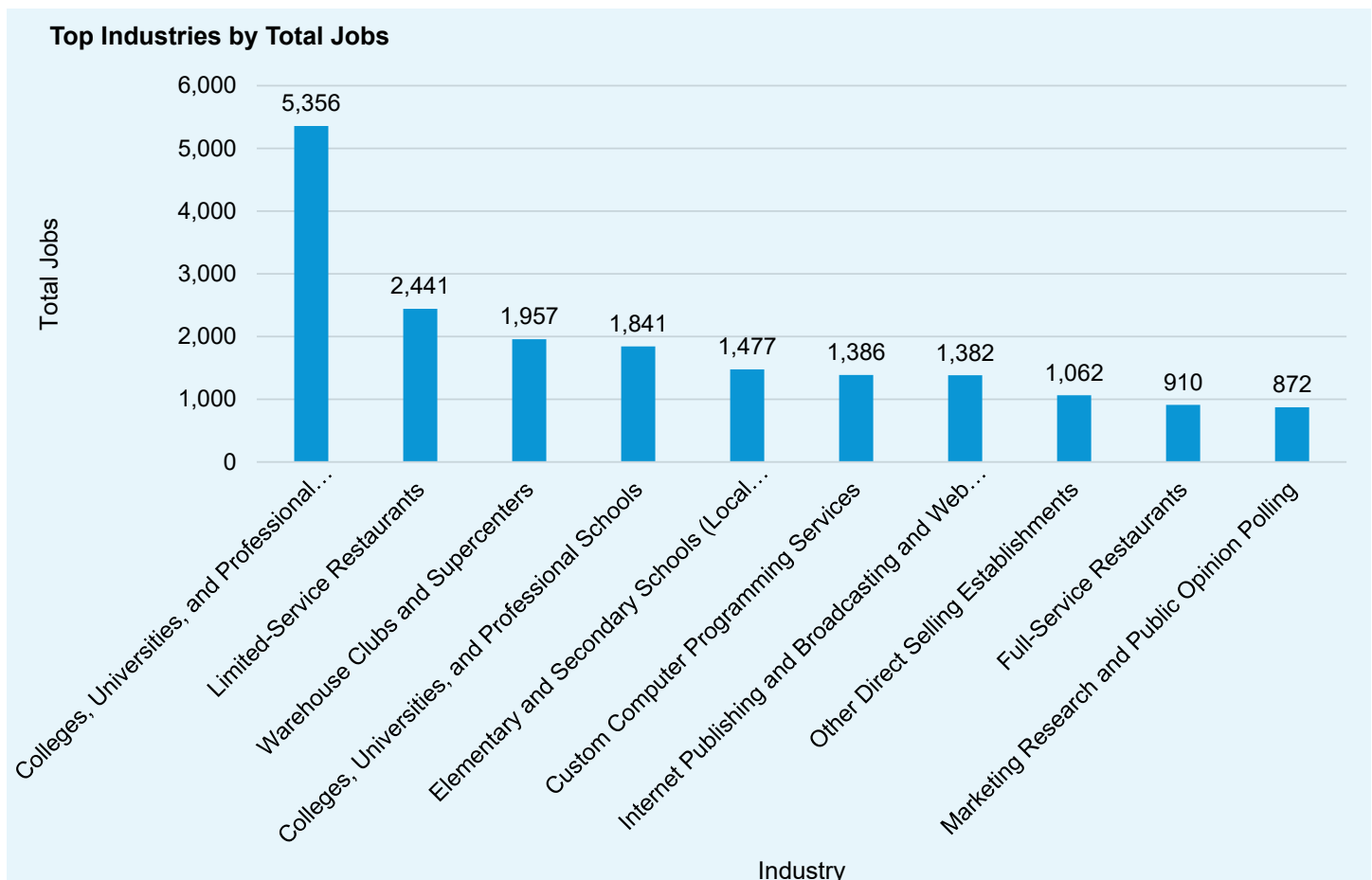


Figure 21: Top Industries. Source: EMSI 2021

Top Growing Industries

The “Colleges, Universities, and Professional Schools” industry saw limited growth since 2016, adding only 63 jobs. As Figure 21 demonstrates, this industry still employs more than any other industry in Orem, indicating its role as an anchor industry within the city. “Warehouse Clubs and Supercenters” saw the largest percent increase adding 526 jobs over the five-year span. With 270 new jobs, Direct Selling continues to be a large and growing industry in the area, following the national growth trends.

Custom Computer Programming Services also saw substantial growth since 2016, adding 320 jobs. This is also a top employer, and its growth implies potential for additional investment. Restaurants, shopping centers, and other direct selling establishments have seen considerable growth, as have some building contractors. Additionally, the “Marketing Research and Public Polling Opinion” industry also added nearly 600 jobs in the last 10 years.

NAICS	Industry	2021 Jobs	2016-2021 Change
902612	Colleges, Universities, and Professional Schools (State Government)	5,356	1.18%
722513	Limited-Service Restaurants	2,441	16.64%
452311	Warehouse Clubs and Supercenters	1,957	26.88%
611310	Colleges, Universities, and Professional Schools	1,841	13.43%
903611	Elementary and Secondary Schools (Local Government)	1,477	4.90%
541511	Custom Computer Programming Services	1,386	23.07%
519130	Internet Publishing and Broadcasting and Web Search Portals	1,382	-1.17%
454390	Other Direct Selling Establishments	1,062	25.44%
722511	Full-Service Restaurants	910	1.46%
541910	Marketing Research and Public Opinion Polling	872	17.48%

Table 6: Top NAICS Industry by 2021 Job Count. Source: EMSI 2021



Figure 22: Top Growing Industries. Source: EMSI 2021

Most Highly Concentrated Industries

Location quotient (LQ) is a metric used to compare the concentration of industries within the region to the national average. Any LQ greater than 1 indicates that the industry is more highly concentrated in Orem than in similar regions. For the purposes of this metric, the following industry information was collected using a broader definition of industry groups (3-digit vs. 6-digit) than the tables relating to job count and growth in the previous sections. LQ scores are more easily skewed by the more detailed industry data.

Industries with high location quotients are often, but not always, significant exporting industries. Their retention and growth within the city are important because they're useful for attracting money into the city from buyers outside of its borders.

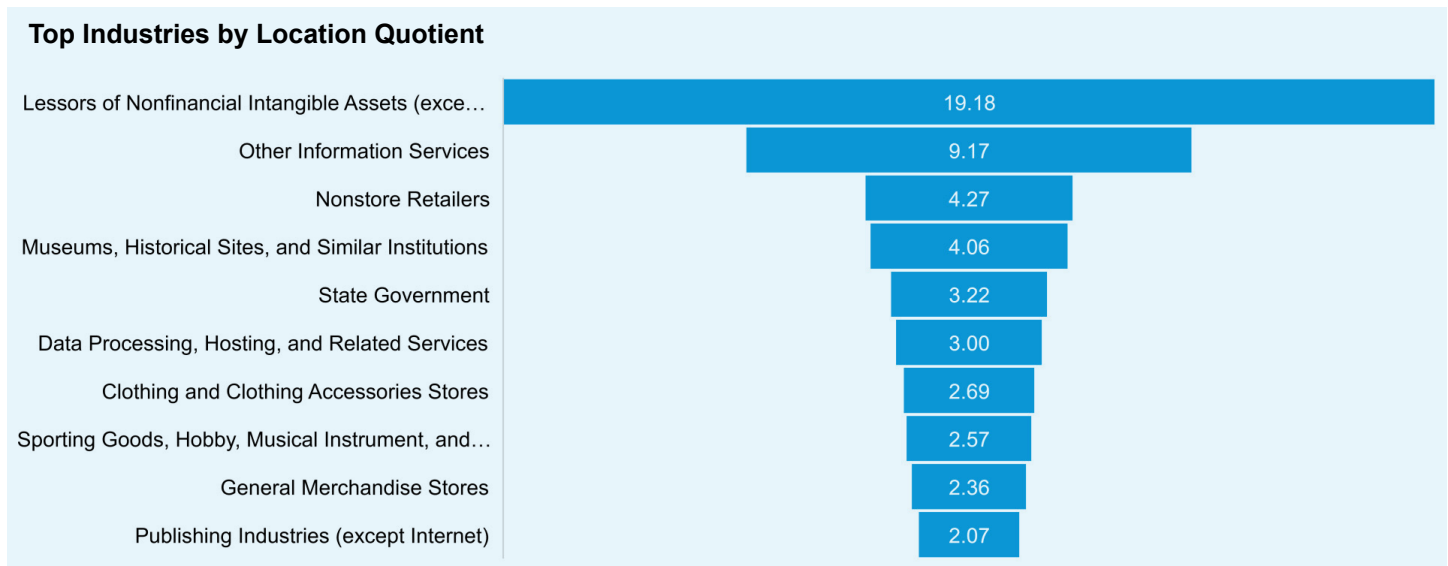


Figure 23: Industry Concentration. Source: EMSI 2021

For Orem, the “Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)” industry is the most highly concentrated industry in the city. This industry has an LQ of 19.18, which means that this industry is over 19 times more concentrated in Orem than the national average, adjusted to scale. However, this industry is also quite small, employing only 97 workers in 2021. “Other Information Services” (9.17) and “Nonstore Retailers” (4.27), including the Direct Sellers mentioned in the previous section, round out the top three 3-digit industry codes as most highly concentrated industries within Orem.

NAICS	Industry	Location Quotient	2021 Total Jobs
533	Lessors of Nonfinancial Intangible Assets (except Copyrighted Works)	19.18	97
519	Other Information Services	9.17	1,563
454	Nonstore Retailers	4.27	1,177
712	Museums, Historical Sites, and Similar Institutions	4.06	184
902	State Government	3.22	5,694
518	Data Processing, Hosting, and Related Services	3.00	408
448	Clothing and Clothing Accessories Stores	2.69	864
451	Sporting Goods, Hobby, Musical Instrument, and Book Stores	2.57	496
452	General Merchandise Stores	2.36	2,203
511	Publishing Industries (except Internet)	2.07	558

Table 7: Top NAICS Industry by Location Quotient. Source: EMSI 2021

Top Industry GRP

Gross Regional Product, or GRP, measures the final market value of all goods and services produced in the region of study. GRP is the sum of total industry earnings, taxes on production & imports, and profits, minus subsidies. The industries presented in Figure 24 have the highest GRPs in the the three Orem ZIP codes of 84057, 84058, 84097. This geographical selection was made based on the most applicable available data for the City of Orem and should represent a more accurate picture of the city than would data relating to the Provo-Orem Metropolitan Statistical Area (MSA).

In 2021, the “Internet Publishing and Broadcasting and Web Search Portal” industry produced approximately \$637 million in value. The “Lessors of Nonfinancial Intangible Assets” and “Custom Computer Programming Services” industries produced \$409 million and \$288 million, respectively.

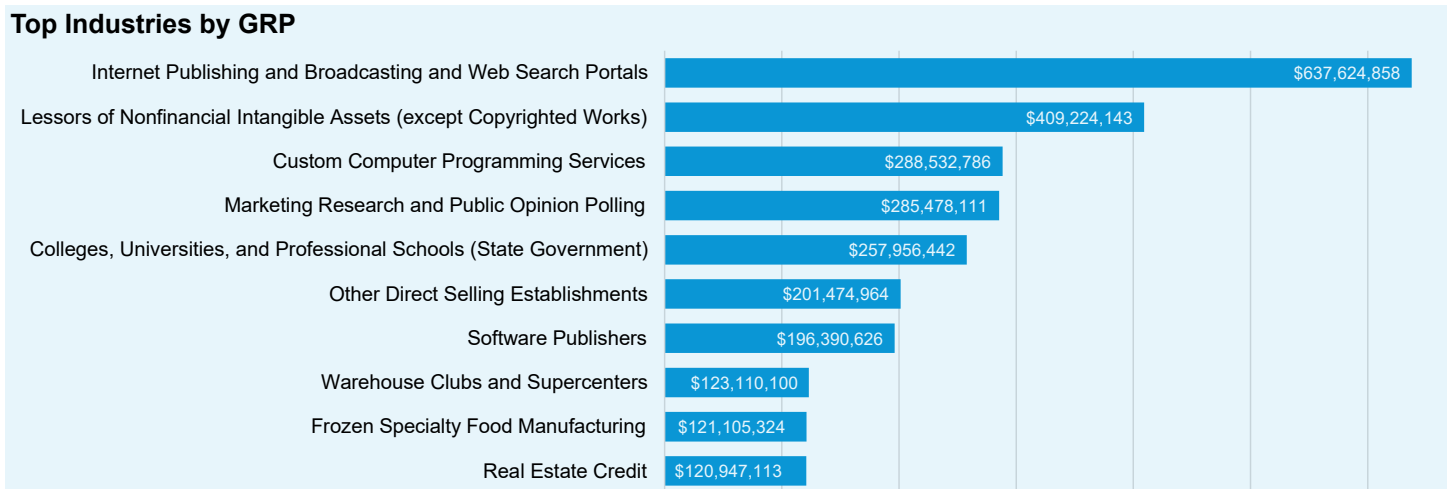


Figure 24: Top Industries by GRP. Source: EMSI 2021

Top Industry Earnings

The total industry earnings for a region include wages, salaries, supplements, and proprietor income. The “Customer Computer Programming Services” industry earned the most in 2021, approximately \$275 million. The “Colleges, Universities, and Professional Schools (State Government)” and “Marketing Research and Public Opinion Polling” industries earned \$258 million and \$248 million, respectively. Many of the top earning industries are also top employers within the city.

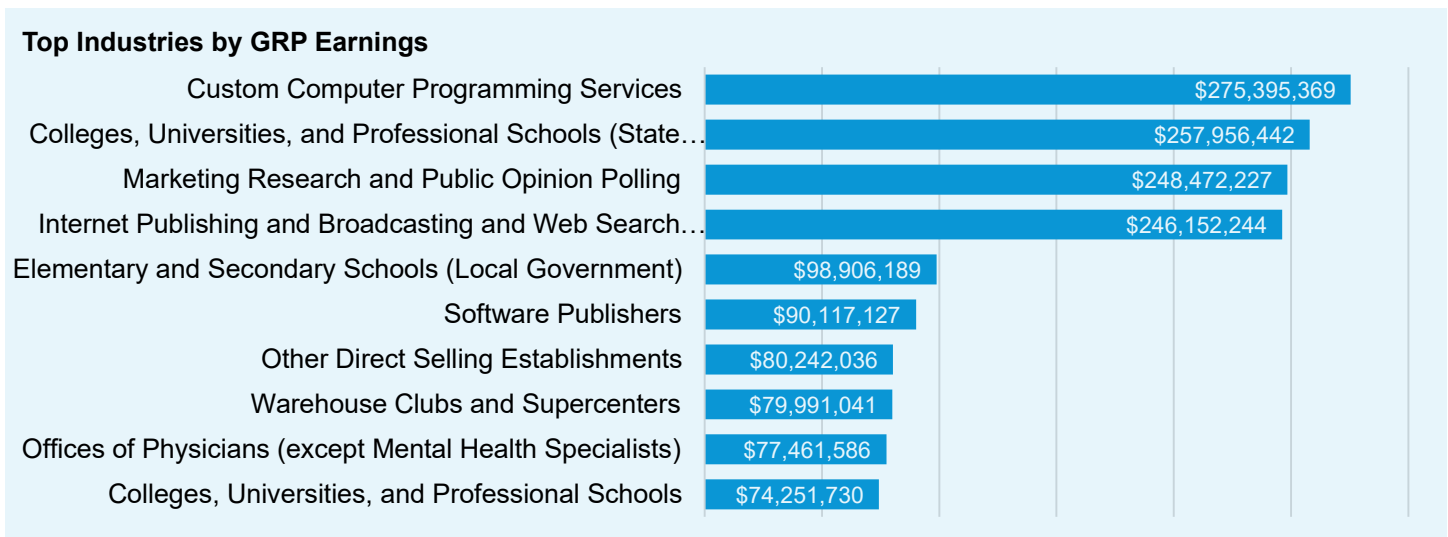


Figure 25: Top Industries by GRP Earnings. Source: EMSI 2021

Workforce Characteristics

Largest Occupations

The top occupation in Orem by total jobs is “Retail Salesperson” followed by “Postsecondary Teachers.” The next several occupations listed in Figure 26 connect to the retail or restaurant industries; “Software Developers and Software Quality Assurance Analysts and Testers” is the only other highly skilled occupation in the top ten. Because most of the top occupations in Orem are relatively low skill, their earnings are low; 7 of the top 10 occupations in the chart below earn less than \$35,000 per year. The yellow line graph provides the median annual earnings of each of the top ten occupations. The fact that much of Orem’s working population is employed in low-paying occupations can be seen to affect other aspects of the economy.

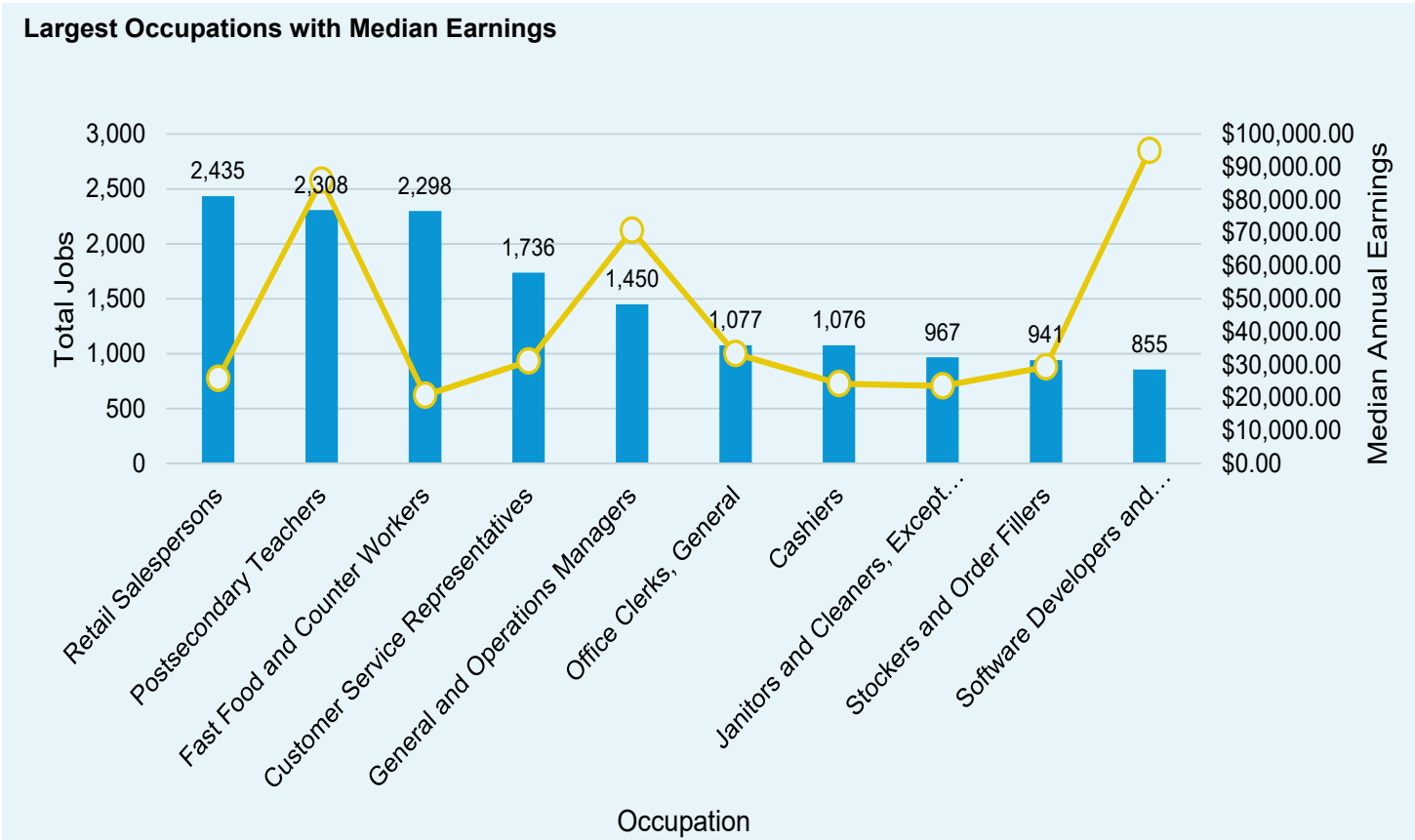


Figure 26: Top Occupations. Source: EMSI 2021



Top Growing Occupations

As with industry trends, occupation growth trends can be helpful in identifying opportunities for economic development. The occupations presented in the Figure 27 are those which saw the most growth between 2016 and 2021. Many of the fastest growing occupations connect to the retail industry. The occupations with the most jobs added during the five-year span were managers and project managers. Some other high-skilled occupations top the charts, as well, including software developers, and market research analysts. Overall, the growth represented in Figure 27 is a relatively healthy mix of low and middle-skill and low- and middle-wage occupations. However, as has been noted in other parts of this report, these are not typically the kinds of jobs and earnings that would allow a person to comfortably live within the City of Orem itself.

SOC	Occupation	2021 Jobs	2016 - 2021 % Change	Median Annual Earnings
41-2031	Retail Salespersons	2,435	9%	\$25,777.94
25-1099	Postsecondary Teachers	2,308	-1%	\$85,921.32
35-3023	Fast Food and Counter Workers	2,298	9%	\$20,625.70
43-4051	Customer Service Representatives	1,736	22%	\$31,088.57
11-1021	General and Operations Managers	1,450	46%	\$70,760.54
43-9061	Office Clerks, General	1,077	12%	\$33,303.80
41-2011	Cashiers	1,076	15%	\$24,199.28
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	967	13%	\$23,512.92
53-7065	Stockers and Order Fillers	941	49%	\$29,289.79
15-1256	Software Developers and Software Quality Assurance Analysts and Testers	855	23%	\$94,988.43

Table 8: Top Occupations in 2021. Source: EMSI 2021



Figure 27: Top Growing Occupations. Source: EMSI 2021

Most In-Demand Occupations

To track the most recent occupational trends, the number of unique job postings for each occupation are counted. The most in-demand occupations are those for which the most jobs were posted between January 2019 and April 2022. The “Retail Salespersons” was the most in demand, with just over 2,250 unique postings. Retail occupations comprised three of the top five most in-demand jobs, which is a testament to the prowess of retail in the area, but also represents national trends through the pandemic-influenced years of 2021 and 2022. Similarly, “Registered Nurses” being among the most in-demand positions tracks with national trends over these years.

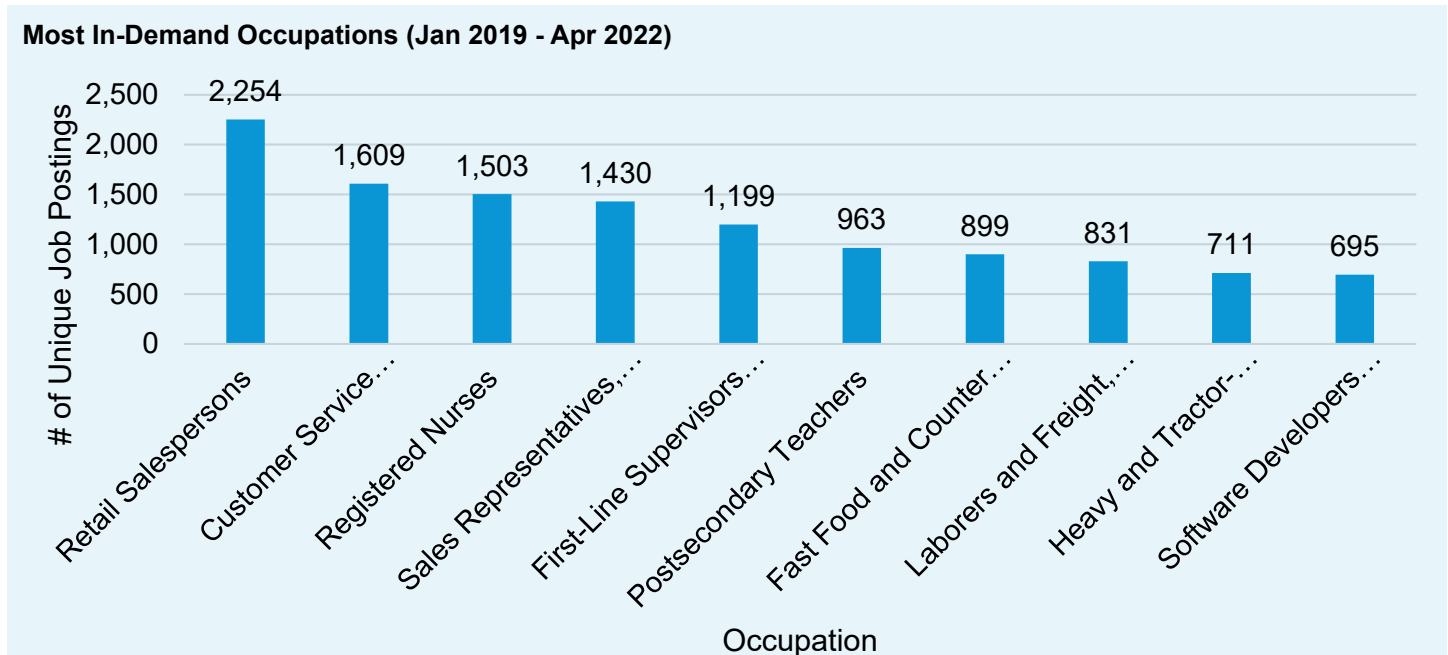


Figure 28: Most In-Demand Occupations. Source: EMSI 2021

In-Demand Skills

The top hard skills in Figure 29 are those which are most frequently mentioned in job postings in Orem. In understanding the demand for hard skills, strategies can be implemented to prepare the workforce to meet employers' needs. Merchandising, selling techniques, and nursing skills are all popular skills, which align with the top industries and occupations presented in previous charts.

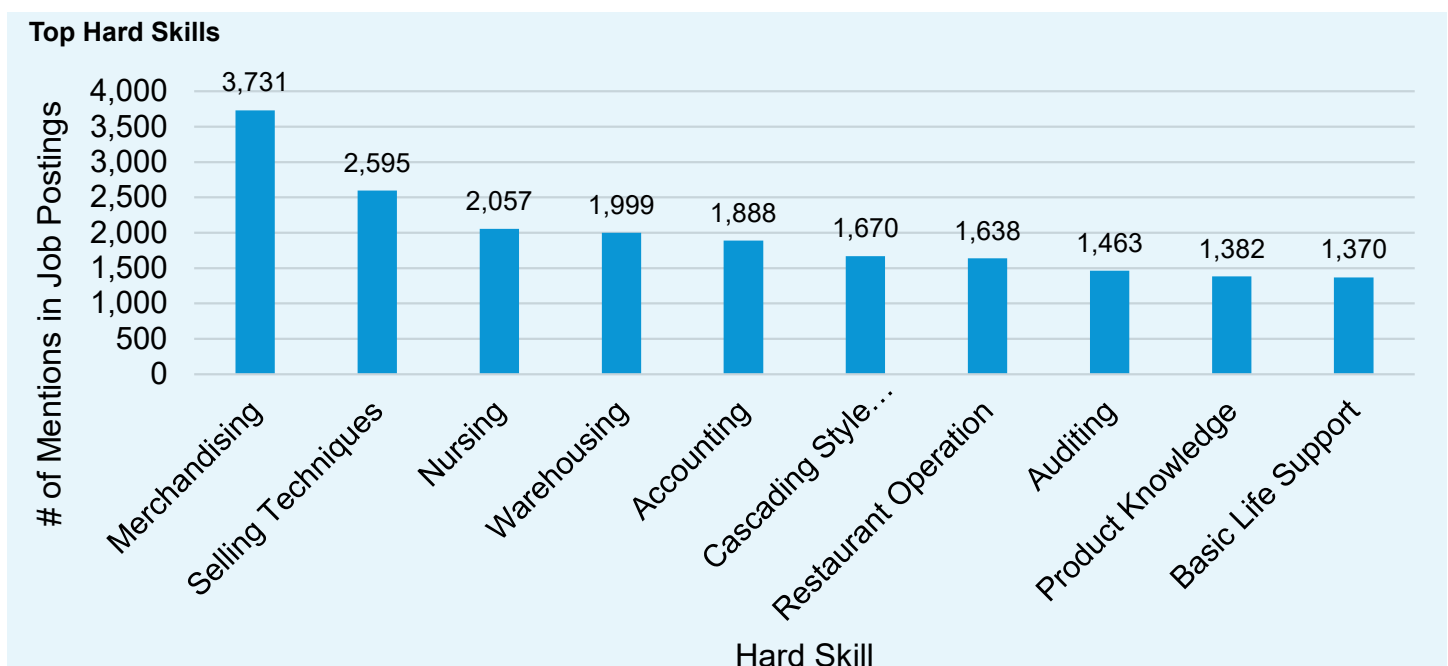


Figure 29: Top Hard Skills. Source: EMSI 2021

Labor Force & Employment Analysis

Labor Force Participation

In 2019, 52,502 of Orem’s population above the age of 16 was employed; that equates to about 71.8% of the 16+ population. The unemployment rate averaged in Utah County was 1.5%, lower than the national average for 2021 (5.4%) by 3.9 percentage points. The unemployment rate in the Provo-Orem MSA was the same, at 1.5%.

Labor Force

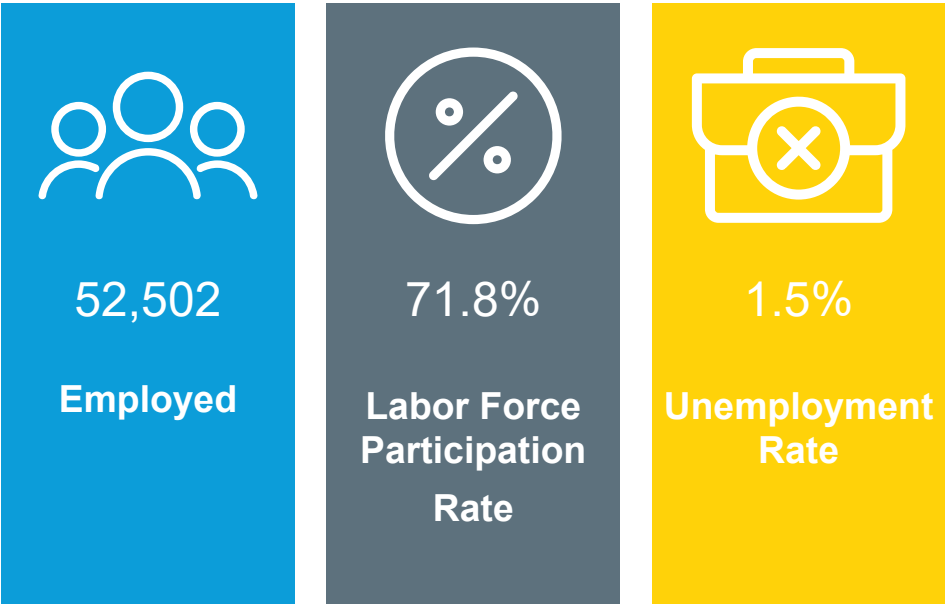


Figure 30: Labor Force Overview. Source: ACS 2015-19 Estimate; Utah Department of Workforce Services

Unemployment by Race

In the graph below, 2020 unemployment rates are given for each racial group in Orem. 3.9% of the White population in the labor force was unemployed in 2020. The “Black or African American” and “American Indian and Alaska Native” groups saw the highest unemployment rates, reaching 7.4% and 8.4%, respectively. The data below indicate employment inequities; the fact that the unemployment rates of some racial groups are 3-4 percentage points higher than others implies that employment opportunities are not equally accessible.

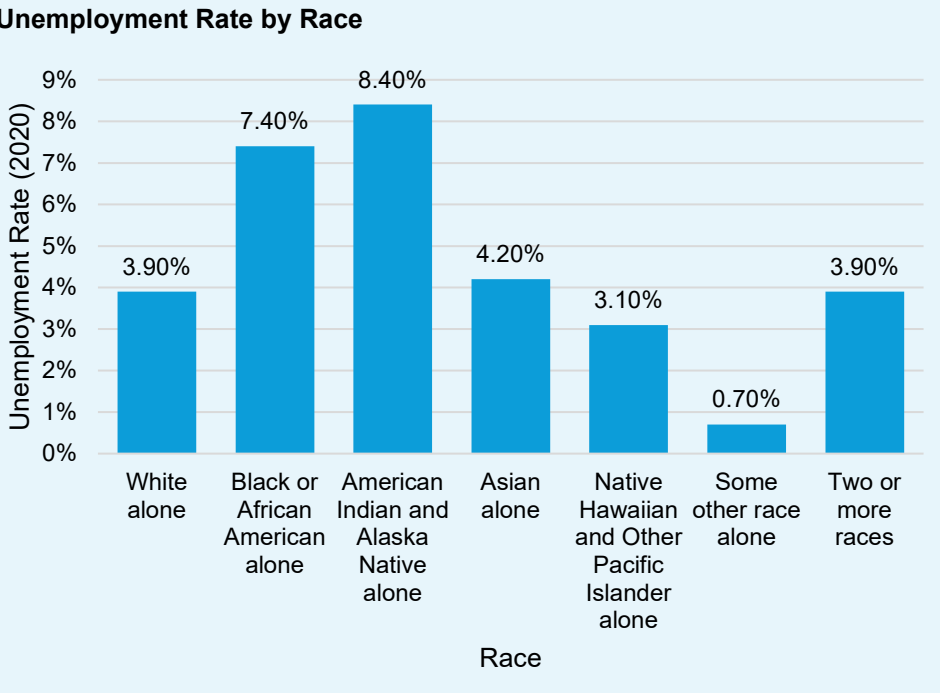


Figure 31: Unemployment by Race. Source: American Community Survey, 2020

Unemployment Rate Trends

The unemployment rate in the Provo-Orem UT metropolitan statistical area (MSA) spiked between March and April of 2020, increasing from 2.5% to 7.8% in one month. Unemployment gradually fell throughout 2020 and 2021, and finally reached pre-pandemic levels at 2.2% in March of 2021. By January 2022, the unemployment rate had dropped to 1.6%, which is nearly 1 percentage point lower than it was at the start of the pandemic in March of 2020.

Remote Worker Trends

One impact of the COVID-19 pandemic was the transition of many occupations to a work-from-home model. While some workers have returned to the office, many businesses have made the decision to allow their employees to work permanently from a remote location. In the graph below, the total number of job postings for all occupations has been provided for 2019 and 2021. In 2019, there were 859 job postings for remote positions in the Provo-Orem MSA; in 2021, that number had increased to 5,384. This increase of more than 600% in remote worker job postings demonstrates one of the tremendous impacts of the COVID-19 pandemic on the workplace.

Unemployment Rate

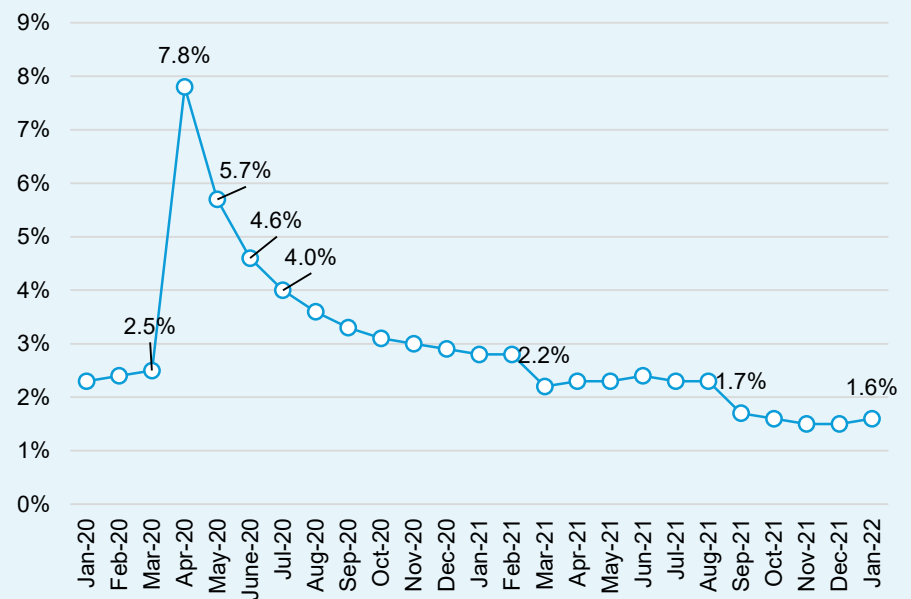


Figure 32: Provo-Orem UT MSA Unemployment Rate by Month. Source: Bureau of Labor Statistics, 2022



Tapestry Segmentation

Esri's Tapestry Market Segmentation characterizes and measures an area's population based on income, age, and general lifestyles. The tapestry segmentation for Orem can be helpful for understanding the population's demand, financial ability, and housing preferences, all of which inform an economic development strategy.

In Table 9, the top ten tapestries in Orem are ranked by the percent of households comprised by each tapestry. Annual growth, owner and renter preferences, household size and income, and financial ability are estimated, as well. Full tapestry profiles and descriptions can be found for all the tapestries below at [this website](#).⁹

Tapestries	Percentage of Households	Annual Population Growth	% Home-owner	% Renter	Median Age	Average Household Size	Median Household Income	Maximum Affordable House Price	Maximum Monthly Affordable Rent
Bright Young Professionals (8C)	25.9%	1.20%	57.20%	42.80%	33	2.41	\$54,000.00	\$162,000	\$1,125.00
Young and Restless (11B)	10.6%	1.30%	86.90%	13.10%	29.8	2.04	\$40,500.00	\$121,500	\$843.75
In Style (5B)	7.0%	0.80%	68%	32%	42	2.35	\$73,000.00	\$219,000	\$1,520.83
Savvy Suburbanites (1D)	6.7%	0.80%	90.60%	9.40%	45.1	2.85	\$108,700.00	\$326,100	\$2,264.58
Comfortable Empty Nesters (5A)	6.2%	0.50%	86.90%	13.10%	48	2.52	\$75,000.00	\$225,000	\$1,562.50
Up and Coming Families (7A)	6.1%	2.80%	73.90%	26.10%	31.4	3.12	\$72,000.00	\$216,000	\$1,500.00
Workday Drive (4A)	5.5%	1.40%	84.90%	15.10%	37	2.97	\$90,500.00	\$271,500	\$1,885.42
College Towns (14B)	5.1%	1.10%	24.60%	75.40%	24.5	2.14	\$32,200.00	\$96,600	\$670.83
Parks and Rec (5C)	4.7%	0.40%	69.70%	30.30%	40.9	2.51	\$60,000.00	\$180,000	\$1,250.00
Urban Edge Families (7C)	4.7%	1%	63.70%	36.30%	32.5	32.5	\$50,900.00	\$152,700	\$1,060.42

Table 9: Tapestry Segmentation for the City of Orem. Source: ESRI 2021.

⁹ <https://doc.arcgis.com/en/esri-demographics/data/tapestry-segmentation.htm>

Appendix III: SWOT Analysis

STRENGTHS



- Highly educated population
- Quality of life
- Strategic location and infrastructure assets
- Retail assets
- Strong and experienced economic development leadership

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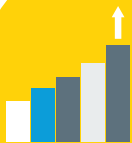
WEAKNESSES



- Housing costs
- Housing supply
- Lack of clearly defined downtown
- Disunity around long-term vision

W

OPPORTUNITIES



- Enhanced business support
- Quality of place improvements
- Embracing a mid-21st century economy

O

THREATS



- Defaulting to the status-quo
- Heavy reliance on sales tax revenue
- Housing cost's effect on workers and businesses

T

Strengths

Highly Educated Population

One of the City of Orem's strengths lies in its highly educated residents. With 41.7% of the resident adult population having obtained a bachelor's degree or higher, Orem residents make up a highly educated workforce that can serve as industry leaders and innovators. This compares positively to Utah's statewide average of 35.1%.

The high educational attainment of Orem is in part due to the strong presence of nearby institutions of higher education. Utah Valley University (UVU) has a student body population of over 40,000 students, and it offers 208 degree options, 91 of which are bachelor's degrees and 11 of which are master's degrees. With tuition that is 42% lower than the nation's average and 15% lower than the state of Utah's average, UVU provides an affordable higher education option for Utah residents.¹⁰ Located just south of Orem, the proximity of Brigham Young University offers residents another high-quality education option. BYU has a student population of over 30,000 students and it offers 185 undergraduate majors, 64 master's programs, and 26 doctoral programs.¹¹

Members of Orem's highly educated population have contributed to the city's strong startup culture. Business incubators, such as the Utah Valley Business Resource Center, provide support and resources for entrepreneurs to plan, strategize, and launch innovative ideas that contribute to the business and economic sectors both locally and nationally. Examples of successful startups that have either originated or grown in Orem include Word Perfect, BlendTec, Clear Task Solutions, Ready2Teach, and Warren.¹²

Quality of Life

There are many quality-of-life advantages that make Orem an attractive location for those seeking a healthy and active lifestyle. The health of residents is high with the local population outperforming the state and country by many health metrics. With several key medical facilities, such as Wasatch Medical Center, Orem Community Hospital, and Timpanogos Regional Hospital, and family practices throughout the city, there are a variety of providers to meet the medical and health needs of residents.

People travel and move to Utah because of its natural beauty and outdoor assets, and one of Orem's key defining features is its outdoor recreation opportunities. Utah Lake, Cascade Mountain, Mt. Timpanogos, and state parks surround the Orem metropolitan area and offer easy access to hiking, fishing, and other outdoor activities. Within the city, an extensive public park system provides families with space to recreate, children with areas to compete in sports, and community members with areas to gather.

In addition to natural assets, indoor assets contribute to the city's quality of life. The Orem Family Fitness Center has workout equipment, lap and leisure pools, a multi-purpose gym, group fitness classes, and sport offerings.¹³ Private gyms also give residents indoor space for fitness and activity. For those who enjoy education activities, Orem Public Library contains hardcopy and digital books; online resources for student academic enrichment; and community events geared toward specific age groups, such as adults, teens, tweens, young children, and toddlers.

Finally, residents overall feel safe within Orem. The city is in the 52nd percentile for safety, which means its crime rate is on par with the national average.¹⁴

¹⁰ <https://www.uvu.edu/whyuvu/>

¹¹ <https://www.byu.edu/facts-figures>

¹² https://www.uvu.edu/uvbrc/incubator_companies/index.html

¹³ <https://www.orem.us/orem-rec-center---orem-utah.html>

¹⁴ <https://crimegrade.org/safest-places-in-orem->

Strategic Location and Infrastructure Assets

Orem's geographic location makes it the epicenter of Utah Valley. With close access to outdoor recreation, surrounding cities in the Valley, and Salt Lake City, residents can easily access different opportunities the area offers. Orem residents also have access to I-15, which connects them to the surrounding areas.

In addition to I-15, Orem contains other important infrastructure assets. Two rail freight lines that run through the city transport goods throughout the state. Orem Central Station is an intermodal center that is a hub for train and bus travel, which residents can use to travel throughout Orem and the parts of Utah. Utah Valley Express is a bus line that makes 15 stops and runs from Orem Central Station to University Place to BYU's campus to Provo Central Station.¹⁵ FrontRunner is a commuter train that makes 15 stops and runs from Provo Central Station to Orem Central Station to Salt Lake and ends at Ogden Station.¹⁶ Finally, Orem is known as a high-speed fiber UTOPIA with high quality broadband.

Orem Tech Center is 788,562 square-foot facility offering retail and warehouse space to businesses.¹⁷ With easy access to I-15 via Geneva Road and up to 30-foot ceilings, it is a prime space to meet business and distributors' needs.¹⁸ Located near this facility is the 368-acre Geneva Road Industrial Corridor. This area currently houses a variety of manufacturers and companies, and it offers space for future expansion including the addition of low-rise industrial facilities, mid-rise manufacturers, and mid-rise residential buildings.¹⁹

Retail Assets

Retail in Orem is an asset and comprises a significant market share of retail sales within Utah Valley. One key driver of retail sales is University Place, which offers retail shopping, dining, recreation, office space, and housing. Within University Place and throughout the city are nationally recognized brands, including Costco, Macy's, Lululemon, and Trader Joe's.

Strong and Experienced Economic Development Leadership

Utah is a competitive state for business, as companies across industries have chosen to start, relocate, or expand their business in the state. This is the case for Orem and the surrounding areas, as many businesses and companies are headquartered in these areas. The Utah Valley area has strong regional leadership through the Mountainland Economic Development District and advances senior services, transportation, and economic development.

Orem has successfully implemented previous economic development strategic plans. Many of the goals from past strategic plans have been successfully implemented, and the city is poised to accomplish additional goals to enhance its business sector, housing offerings, and other amenities.

The Orem Business Alliance has been instrumental in helping expand and enhance the business sector. Through its work, the Alliance advocates for small business, provides networking opportunities, and connects businesses to resources.²⁰

¹⁵ <https://www.rideuta.com/Rider-Tools/Schedules-and-Maps/830X-Utah-Valley-Express>

¹⁶ <https://www.rideuta.com/Rider-Tools/Schedules-and-Maps/750-FrontRunner>

¹⁷ <https://listingsprod.blob.core.windows.net/ourlistings-usa/fb66b6e5-2518-413d-b584-5be33d57d3ec/32a07a3a-4fc7-44be-9454-984e1b2f217a>

¹⁸ <https://listingsprod.blob.core.windows.net/ourlistings-usa/fb66b6e5-2518-413d-b584-5be33d57d3ec/32a07a3a-4fc7-44be-9454-984e1b2f217a>

¹⁹ https://orem.org/wp-content/uploads/2018/08/072018_Draft_GRAP_Alternatives.pdf

²⁰ <https://econ.orem.org/oba/>

Weaknesses

Housing Costs

While the strengths of Orem outlined above attract individuals to the area, the rising cost of housing has become a challenge for many, particularly for young professionals and families hoping to purchase a home. According to the real estate website Redfin's market analytics, the median sale price of a home in Orem in February of 2022 was approximately \$494,500, representing an increase of 39.6% since February of 2021.²¹ While the upward trend in sale price is not unique to Orem, the year-over-year (YoY) increase is substantially larger than the 28.8% growth throughout the state as a whole and the 15.9% increase nationally over the same period.

These high prices make it challenging for both young professionals and families to commit to moving to the city, and those that do are likely to face financial strain. But it is not just people moving to Orem who are likely to feel the impact of rapidly rising housing costs. Currently, 41.42% of renter-occupied households in the city are housing cost burdened, meaning they are spending more than 30% of their household income on housing costs. This number has been steadily increasing over recent years. The impact is increasingly also felt by owner-occupied households, as well.

Compounding the problem of Orem's rising housing costs are below-state-average household incomes (HHI). As of 2020, the median HHI in the city was an estimated \$65,622 (mean of \$87,734), which was considerably lower than the statewide median of \$74,197 and only slightly above the national median of \$64,994. An estimated 36% of Orem households earn an annual income of less than \$50,000, including 55% of renter-occupied households.

Housing Supply

Orem's rising housing costs are heavily influenced by a growing demand for housing without a significant change in supply. Orem has a lack of developable land to build more attainable single-family homes. Only 8% of Orem's land is undeveloped, and of that, only 3% of that is zoned for residential properties. With Orem surrounded by mountains, Utah Lake, and neighboring cities, expansion of homes is extremely limited. Many have proposed high and medium density housing as a potential solution that allows for upward expansion of more attainable housing. However, others are opposed to this concept if proposed over large swaths of land area without a targeted strategic approach. High-density housing projects are frequently met with resistance by the overall community, and because Orem does not have many vacant or available high-density housing options, this exacerbates the affordability of housing challenges in the city.

²¹ <https://www.redfin.com/city/14855/UT/Orem/housing-market>



Lack of Clearly Defined Downtown

Unlike other cities throughout the state and nation that have a distinct downtown, given the layout of Orem, the lack of a clearly defined downtown is an obstacle. State Street, which most closely resembles downtown road, has a rundown appearance compared to the quaintness and attractiveness of downtowns in other Utah cities and towns. State Street also serves as a main transportation channel for commuters and residents. As a seven-lane highway, there is a lack of walkability along State Street, and as a result, instead of walking to and from restaurants and retail establishments, residents and commuters spend their time driving past the city's assets at high speeds.

The high concentration of traffic on State Street also creates another issue: traffic congestion. During peak travel times, State Street easily becomes congested with residents and commuters travelling in and out of the city. Because of the lack of walkability of the area, the high volume of traffic, and the vehicle congestion, individuals spend little of their time accessing Orem's retail and restaurant assets. Moreover, perhaps because of the highly trafficked State Street, among many there is the perception that there is a lack of locally owned small businesses throughout the city.

Disunity Around Long-Term Vision

Due to the expiration of the previous EDSP, Orem has not recently achieved consensus around a long-term vision as it relates to economic development. The number one challenge identified by stakeholders during on-site visits was the disunity around a long-term vision for Orem's economic future. For instance, there is no clearly defined business attraction strategy. It is not clear what businesses Orem desires to attract and what approach or methods the city plans to use to attract those businesses. While Utah Valley University is a key asset to the city, its role in the local and regional economic development ecosystem is not clearly defined. Moreover, although the Utah Valley Business Resource Center is indeed an asset to local businesses and startups, it lacks a detailed and defined strategy to attract, retain, and sustain businesses. A clearly defined, unified vision in these areas would focus Orem's efforts and outreach, which will lead to greater success with business retention and attraction.

The underutilization of commercial and retail space may in part be due to the lack of a clear business strategy. From Canyon Park Technology Center to storefronts along State Street, there are a multitude of vacant office and retail spaces. Additionally, there is a lack of class-A office space for companies to use and expand their business. As a result, many startup companies that initially took root in Orem have moved out of the city to adjacent areas that better meet their office space needs. Some developers have looked to brownfield and contaminated industrial sites as areas to expand office and business space. However, there has been a reluctance to use EPA funds for proper clean-up of these areas. There is also stigma associated with brownfield sites, and many residents are reluctant to live or work in these areas.

Opportunities

Enhanced Business Support

An opportunity exists for Orem to enhance the support it provides to businesses. With a clearly defined focus and plan, Orem has the potential to attract and retain businesses. Additionally, it can help existing businesses expand within the area. There is also opportunity to have stronger alignment with Utah Valley University regarding business support. While still in the development phases, the Orem Business Alliance is a key collaborator for fostering business partnerships and networking.

While the Utah Valley Business Resource Center is an asset to the community, there are additional ways to leverage those assets and create new opportunities. By enhancing the resources within the center, the BRC can provide support to business, particularly startups. What will be paramount is a clear strategy to attract and retain businesses and identified target industries in which the BRC would like to invest. There is also opportunity for the BRC to expand its impact by building a strategic partnership with Canyon Park Technology Center. Additionally, there is an opportunity to make better use of the Smart Cities and Fabrication Lab. New technology could be tested and/or utilized in connection with City Hall.

There are many capital assets and supportive services that Orem can leverage to bring more resources to the city. The Revolving Loan Fund Program through the Economic Development Administration supports small business growth and new employment opportunities.²² Strategically investing in business incubation and acceleration would create and retain businesses within the area. Many grant opportunities exist for minority-owned businesses that local Orem business owners could take advantage of to sustain and grow their business.²³ There are several funds allocated for capital improvements that the city could use to improve buildings and aesthetics. Finally, succession planning is necessary to sustain businesses over an extended period.

Quality of Place Improvements

There are many quality of place improvements that, if implemented effectively, could drastically enhance the attractiveness of Orem. Given the rundown appearance of State Street, the traffic congestion, and other weaknesses outlined above, there are many approaches Orem could take to improve these aspects. Streetscaping efforts, such as landscaping and sidewalk improvements, could make the area more desirable for foot traffic and recreation and encourage residents and visitors to patronize the local retail and restaurants. Traffic calming measures, such as the addition of a median down the middle of State Street, could reduce the fast-paced, vehicular activity. Gateways would improve the overall aesthetic of the area and be a marker of Orem as a distinct community. Establishing design standards will also create the feel of Orem as a distinct, unique community with its own amenities and attractions. Finally, façade improvement to store fronts would make the area more visually appealing and would highlight the uniqueness of the locally owned businesses.

Transit-oriented development and specifically multi-modal strategies are an opportunity for Orem to leverage the healthy and active lifestyle of its residents. Bike share programs are one example. Since 2010, nationally Americans have taken over 343 million trips using bike shares.²⁴ This increasingly popular transportation option provides residents and commuters with an affordable and easy-to-use mode of transportation at any time of day. To make bicycling a safe and viable option, bike lanes would need to be added to State Street and other roads. Properly implemented, a bike share program would encourage less automobile traffic throughout the city. Enhancement of and additions of paths for both biking and walking would complement the outdoor assets of the community and provide additional recreation options. Finally, public transportation campaigns are an opportunity to inform the public of existing public transit options and encourage their use.

With the Infrastructure Investment and Jobs Act that was recently passed and that addresses certain aspects of transportation, funding may be for the traffic and multi-modal ideas outlined above.²⁵ Finally, with the construction of the Orem Utah Temple of the Church of Jesus Christ of Latter-day Saints that is likely to draw many, there is an opportunity to expand housing near this area.

²² <https://www.eda.gov/rif/>

²³ <https://www.governmentgrants.us/minority-grants/>

²⁴ <https://nacto.org/program/bike-share-initiative/>

²⁵ <https://www.congress.gov/bills/117th-congress/house-bill/3684>

Embracing a Mid-21st Century Economy

Orem is well-positioned to take advantage of opportunities of a mid-21st century economy. University Place is a prime location to expand mixed-use development, specifically at the intersection of University and State streets. To attract a younger population to the area that will contribute to the local economy and workforce, many of these individuals are likely to be drawn to mixed-use development that meets their various living, shopping, and recreation needs.

These individuals are also likely to be attracted to experiential retail, recreation, and tourism. There are many approaches Orem can take to offer its residents and visitors unique experiences that set the city apart from others. With a clearly identified business attraction plan, Orem can determine the target attraction industry it would like to market. To increase the aesthetics of the area, public art, such as murals and sculptures, is an attraction for residents and visitors. As mentioned above, gateways can identify the entrance to the City of Orem and indicate to travelers that they are entering a unique, distinct community.

Given that Orem must be thoughtful about how it uses its existing spaces, flex spaces are an opportunity for the city to use limited space to serve multiple purposes. Flex spaces would consist of retail in the front of a building and wholesale and warehouses in the back of the space. By structuring the space in this way, the more visually appealing retail assets would be prominently displayed to the highly trafficked areas while the less visually appealing assets would be more discreet on less-travelled roads.

Although many of the technology companies that took root in Orem now reside in neighboring cities, with close proximity and relationships to technology corporations and start-ups another opportunity arises: offering retail-related technology. To provide key technology to both residents and local and surrounding employers, Orem could become a hub for retail technology. Types of retail to offer include software applications, logistics technology, and inventory management technology.



Threats

Defaulting to the Status-Quo

Demographic and economic trends in Orem appear to be heading in the direction of significant issues in both the short- and long-term. Rising housing costs are likely to put increasing pressure on Orem's workers to relocate or seek better-paying alternatives. Reliance on a robust retail sector is threatened by the rapid growth of e-commerce. Attempts to attract tech companies to diversify the city's industry mix is running up against nearby competitor regions that offer affordable rent, appealing and walkable "15-minute cities," defined senses of place, and developed transportation and accessibility options.

While it is difficult to draw sharp distinctions between each of these inter-related factors and trends, the largest direct threat to the City of Orem comes from potential inaction if these trends are not addressed. Prior to the development of this plan, there was no clearly defined or official short- or long-term vision for the future. Many stakeholders seem willing and able to point out potential problems or shortcomings of the city, but a collaborative approach to meeting these challenges directly is necessary to allow Orem to maximize its many strengths and build a positive future that the community can be proud of and meets the needs of its citizens.

With each month and year that measures are not taken to address the threats detailed below, these trends will become more solidified and the ramifications increasingly serious. Whether desired or not, the population in the City of Orem seems destined to show continued growth. Without action, the cost of housing will continue to rise. Without diversification and innovation, the retail sector will continue to be threatened by advancing technologies and shopping trends, which will, in turn threaten the city's sales tax-dependent budget. Local businesses and the local economy rely on leadership to address these issues head on. Otherwise, Orem is likely to go the way of many other cities that failed to rise to their challenges and meet them with a unified vision and set of goals.

Housing Cost's Effect on Workers and Businesses

Orem is a commuter city. In fact, around 80% of Orem residents commute outside of the city for their jobs. Conversely, around 80% of Orem's workers live outside of the city and commute in. Conversation with local workers suggest that many travel up to and beyond an hour in each direction. In the short-term this may be sustainable, with Vineyard and other surrounding cities building high-density housing mixed-use development, there may be more affordable housing close enough to Orem to maintain its lower-wage retail workforce. However, the trend of rising housing costs presents a significant threat to businesses looking to keep their employees.

In other areas around the country, trends like those seen in Orem have led to a range of negative results. High housing costs can often lead to the departure of young families or a barrier to those looking to move to the area. The families that can locate to the area are taking on excessive or burdensome debt. Either situation may not bode well for the retail sector, whether through the loss of Orem's current businesses or the inability to attract new ones.

Orem's robust retail sector is dependent on the availability of workers willing to work for low-to-moderate wage jobs. Without available housing, it is not a certainty that these companies can keep enough employees to sustain themselves. Small businesses, which often operate with much smaller operating margins, are likely to struggle to find workers or be forced into paying higher wages. In many cases, this pressure causes small businesses to close their doors. The current low unemployment rates in the region add further pressure on local businesses to pay higher wages or risk losing key staff.

Tech companies looking to relocate from more expensive areas are attracted to locations with affordable housing for their employees, too. Orem has a lot to offer tech companies that are looking to relocate from more expensive regions of the country. Access to both outdoor recreation and high-speed internet are among a number of appealing factors in making those decisions. However, these companies are often looking to relocate specifically because of high housing costs for their workers. If Orem cannot offer affordable housing, it is likely to become difficult to attract a diverse mix of businesses and industries to the city.

Heavy Reliance on Sales Tax Revenue

Known as the “Retail Hub of Utah County,” the City of Orem is heavily invested in maintaining its position as the retail center of a prosperous county. As important as it is to keep the retail sector as strong as possible, attempts to diversify the industry mix in the city will help protect the local economy from the threats and fluctuations currently facing the retail industry.

Despite a policy change in 2019 that allows the City to collect taxes on out-of-state sales (including online sales), there is reason to believe that many brick-and-mortar retail stores face a difficult future. Recent trends in retail are moving quickly toward warehousing and distribution and away from in-person shopping. Evidence of this change is already quite visible throughout Orem. There are currently vacant storefronts up and down the State Street corridor. Small businesses in the retail space are likely to continue to face a difficult road ahead with the continued growth of e-commerce platforms.

Instances of new brick-and-mortar retail investment around the county are centered around walkable spaces, cafes, and restaurants. These “15-minute cities” are being constructed around access and the creation of a defined “sense of place.” Although Orem is somewhat land-locked with little-to-no developable land, innovative thinking and planning is likely required to grow or even save the retail that has defined Orem for years. This means that significant investment and a singular vision would be needed to create a more modern retail and living environment that would help attract a broader and more diverse industry mix.

Sales tax revenue is considerably more volatile than property tax revenue and has proven to be increasingly volatile in recent years due to the trends and consolidation of e-commerce. Orem’s 2014 EDSP noted the effect this volatility had on the city’s budget during the 2008 recession. In 2007, 39 percent of the city’s general fund revenues came from sales taxes. By 2010, that number had decreased to 29 percent despite the property tax revenues remaining consistent throughout the recession. Orem’s 2022 budget will mark the first time since 2007 that Orem’s sales tax will comprise more than 40 percent of the general fund revenues.

Fiscal Year	Sales Taxes	% of Total Revenues	Property Taxes	% of Total Revenues
FY15	\$18,839,327	32.78%	\$7,305,594	12.71%
FY16	\$19,471,579	36.17%	\$6,424,109	11.93%
FY17	\$20,722,179	36.79%	\$6,416,808	11.39%
FY18	\$22,198,446	37.34%	\$6,597,887	11.10%
FY19	\$22,736,417	37.16%	\$6,657,969	10.88%
FY20	\$23,737,723	38.77%	\$6,895,505	11.26%
FY21	\$28,004,565	39.90%	\$7,060,159	10.00%
FY22 (Estimate)	\$30,805,022	45.53%	\$7,278,289	10.76%

Table 10: Sales and Property Taxes as Percent of General Fund Revenues. Source: City of Orem Budget

Appendix IV: Review of the Retail Gap Analysis

Introduction

In 2021, the City of Orem contracted with Thomas P. Miller & Associates, an Indianapolis-based economic and workforce development consulting firm to assist in the production of their Economic Development Strategic Plan (EDSP). One component of the agreed upon scope was to provide the City of Orem a retail gap analysis, an update to a major section of the city's 2014 EDSP. As TPMA consultants and data analysts sought to collect and compile the appropriate data to provide this analysis, however, they encountered two significant barriers in their ability to provide such an update.

First, due to changes in Utah state policy in the years between the most recent version of the retail gap analysis and the current effort, TPMA's consultants were not able to retrieve the relevant sales data from the Utah State Tax Commission. Second, multiple attempts to calculate or retrieve a consumer demand estimate resulted in wildly conflicting data sets.

A retail gap analysis, which is explained in greater detail in the report below, uses these two figures to compare the relative supply and demand in each retail sector. The inability of TPMA consultants to collect or calculate reliable numbers for either side of this equation ultimately led to the realization that the retail gap analysis that appeared in the 2014 EDSP, and which was updated again with 2018 numbers, could not be updated, or replicated in any meaningful way.

This report then serves as a detailed account of the inability to provide this update. It includes:

- an explanation of the typical uses of a retail gap analysis;
- how these analyses are commonly calculated, including samples of data from 2014, 2018, and 2020;
- why those calculations could not be made in this case; and
- an investigation of the uses and limitations of retail leakage and capture analyses for the purposes of strategic planning at the local government level in the current retail climate.

At the conclusion of this report, the data provided by Zion Public Finance Bank in the 2014 EDSP, the 2018 data update are provided in their entirety. Additionally, the 2020 estimates provided by a third-party data analysis company are provided. The consultants at TPMA feel it is important to include these analyses to the reader of this report. However, they do not endorse the data, or the calculations used in them.

Sales Leakage and Capture Rates

The City of Orem, Utah has long been recognized as the “retail hub” of Utah County, drawing shoppers who reside throughout the county into Orem to shop at the city’s variety of retail establishments. Beyond the anecdotal, this distinction has been further evidenced by retail sales leakage and capture rate data that demonstrate that Orem retailers are serving a customer base that stretches beyond the city limits and into the surrounding communities. The city’s 2014 Economic Development Strategic Plan and 2019 update, both prepared by Zion Public Finance, Inc., include these retail leakage and capture rates analyses, providing insight into which industries are “capturing” the most sales from surrounding communities and which are “leaking” sales and customers to competitors in other parts of the county.

Sales leakage and capture rates are calculated by comparing the dollar amount of recorded sales over a set period (e.g., one year) at a set location (e.g., within a city’s boundaries) to an estimate of the dollar amount of purchases expected from consumers who reside in that location over the same length of time. For the purposes of these calculations, the recorded number of sales are often referred to as the “supply” and the expected number of purchases are referred to as “demand.”

For example, if local furniture stores combine to have higher sales numbers than their local consumer base is expected to have spent at furniture stores, that industry has “captured” sales from the furniture stores in neighboring communities. As a result, the furniture stores in those surrounding communities are likely to show lower sales than expected and might be said to have “leaked” sales to competitors in a neighboring location.

These calculations are often used to evaluate opportunities for investment. If, for example, the grocery store industry in City A is shown to be “leaking” sales to City B, this analysis might indicate that building a new grocery store in City A is a worthwhile investment – that the current demand in City A is not being met. They have also occasionally been used to inform strategic planning at the local government level, especially in places heavily dependent on the tax revenue generated from retail sales. Such is the case with the City of Orem, for which sales and leakage data comprise a major component of past iterations of the Economic Development Strategic Plan (EDSP).

Previous Retail Gap Analyses

The 2014 EDSP and 2019 Update

In preparing the City of Orem’s 2014 EDSP, Zion Public Finance Bank prepared sales leakage and capture data from taxable sales information provided by the Utah State Tax Commission. Zion also provided a 2019 update to these figures. A sample of these numbers are presented in Table 11.²⁶

	2009 Leakage	2009 Capture Rate	2013 Leakage	2013 Capture Rate	2018 Leakage ²⁷	2018 Capture Rate ²⁷
Motor Vehicle and Parts Dealers (NAICS code 441)	\$26,421,297	162.44%	\$105,724,362	165.24%	\$115,351,879	152.92%
Furniture and Home Furnishing Stores (NAICS code 442)	\$44,780,511	295.60%	\$46,365,720	289.01%	\$68,392,227	299.88%

Table 11: Zion Public Finance, Inc. Leakage & Capture Rates

26 The full reports are provided in Supplement A at the end of this report.
27 May contain data from out-of-state online sales.

To begin to understand the data provided in Table 11, it is important to understand how these figures are presented, as this presentation is somewhat atypical. The dollar amounts in the leakage columns represent the difference between the supply (sales) and the demand (estimated purchases from Orem residents). In Table 11, this amount of leakage is presented as a positive number. However, the corresponding capture rate are greater than 100%, demonstrating that the supply is larger than the demand. Typically, the resulting leakage amount would be presented as a negative number, showing that Orem retailers were not leaking sales to surrounding areas but were instead “capturing” them from the surrounding areas. It is not entirely clear why the writers of this report chose to present the numbers in this way, but in Table 11 and in the full tables presented in Supplement A, a positive number in the leakage column actually represents “negative leakage” and demonstrates that Orem retailers are generating (“capturing”) sales from non-Orem consumers.

As Table 11 demonstrates, 2013 and 2018 calculations show two retail sectors with very high capture rates for the City of Orem, suggesting that many shoppers travelled into Orem for their vehicle and furniture purchases. In total, these reports show the City of Orem with positive capture rates (over 100%) in 13 out of 19 retail sectors measured, demonstrating that Orem was, in fact, the retail hub of Utah County.

However, while the leakage and capture rates provided seem to show evidence of Orem’s retail prowess in these sectors, the raw data used to calculate these figures are not provided in the reports nor was the methodology used to determine demand given in detail. Zion Public Finance was provided taxable sales numbers from the Utah State Tax Commission, broken down by geographic location and retail sector. These numbers effectively provide the supply component in calculating leakage, but they do not account for the demand component. To determine the demand component, some estimate must be used as no actual sales figures can measure demand.

This demand figure is not an easy estimate to determine. Models for determining the demand estimate vary widely in their complexity, and a flawed methodology can have a significant impact on the resulting leakage and capture calculations. This is especially the case when calculating these figures for a large area such as a city, as opposed to a smaller area such as a ZIP code or city block.²⁸

The 2014 and 2019 reports give very little indication as to how this demand estimate was calculated, although there is some reason to believe that the method used was on the simpler end of the spectrum.²⁹ As this report will demonstrate in a later section, different attempts to calculate the same demand can produce wildly different results. Whether the methods used by Zion Public Finance produced an accurate measurement of retail demand or not, it is important to note that there is no standard approach to determining this number.

Updating the Retail Gap Analysis with 2020 Data

Utah State Tax Commission Data

In August 2021, the City of Orem and TPMA requested 2020 sales data from the Utah State Tax Commission with the purpose of performing a retail gap analysis to update the 2018 leakage and capture rates. However, two significant changes in the intervening years impacted the TPMA’s ability to provide this update.

The first change was to the Utah State Tax Commission policy, which restricted the type of sales data that could be made publicly available. As a result, TPMA was unable to obtain the same level of detail as the sales data that were made available for Zion Public Finance in 2014 and 2019. TPMA could only access sales data that had not been disaggregated by zip code as previous years’ data had been. Rather, TPMA was only able to obtain aggregate gross taxable sales and purchase data for the city of Orem as a whole, separated only by retail sector.

²⁸ Retail gap/sales leakage analyses are more commonly used in site selection decisions about whether and where to open a new retail establishment. They are less commonly used in the development of economic development strategy.

²⁹ A footnote in the 2019 Update asserts, “Estimated consumer purchases are based on average annual consumer purchases in the State of Utah.”

Table 12 contains the Utah State Tax Commission's 2020 Gross Aggregate Taxable Sales and Purchases figures for the same two industries represented in Table 11. The number in the second column represents the total dollar amount of sales and purchases made by Orem companies within each industry that was subject to sales or use taxes. TPMA was unable to obtain data relating only to taxable sales, which would ideally be the information used to calculate leakage and capture rates. Although it is assumed to be a small percentage, the portion of the provided dollar amount that comprises taxable purchases is unknown.

Retail Sector	2020 Gross Aggregate Taxable Sales and Purchases
Motor Vehicle and Parts Dealers (NAICS code 441)	\$354,416,317
Furniture and Home Furnishing Stores (NAICS code 442)	\$94,801,699

Table 12: Utah Tax Commission 2020 Gross Aggregate Sales & Purchase Figures

Beyond the aforementioned policy updates regarding publicly available data, another important change took place between the time when Zion Public Finance obtained the 2018 sales numbers and when TPMA made their data request. Beginning in 2019, Utahns who made purchases from out-of-state retailers were required to pay sales tax on these purchases.³⁰ Prior to this, online sales were listed separately by the Utah State Tax Commission and were not included in their aggregate taxable sales data. However, after the 2019 rule change, these data were collected and presented together. This requirement not only had a large impact on the taxes collected by the state, but presumably affected the “aggregated gross taxable sales and purchases” data that were made available, making a comparison between the 2020 and 2018 figures effectively meaningless. This shift points to a larger issue involving out-of-state sales: the increasing effect of e-commerce on the retail market, and the calculation of leakage and capture rates, to which this report will return in the concluding section.

In summary, the data provided to TPMA differed from the data made available to Zion Public Finance in two important ways: in geographic specificity and in the inclusion of out-of-state/online purchases.

Supplementing the Missing 2020 Sales Data with Other Reports and Proprietary Models

Despite these changes, the taxable sales and purchases data provided to TPMA by the Utah State Tax Commission are sufficient to serve as the “supply” component in a standard retail gap analysis, albeit a less informative one than was prepared for the 2014 and 2018 reports. To complete the sales leakage calculations, an estimated “demand” component is needed.

As was mentioned above, there are a number of ways to calculate this demand estimate that range from the simple to the complex. For a simple metric, one might take the average annual consumer purchases for the entire state and scale them down for the population count of the City of Orem. This seems to be the method chosen by Zion Public Finance. This method will produce a demand estimate, but one that problematically assumes a homogeneous population across the State of Utah, treating all consumers the same regardless of age, location, income, etc.

Another option would be to look at more complex calculations such as those performed by third-party data analytics companies. These third-party consumer demand estimates are developed using proprietary algorithms and modeling. For example, the input-output model used by Economic Modeling Specialists International (EMSI) provides sales and demand estimates for a variety of geographic regions. This model utilizes information from a wide variety of sources including data sets from the Bureau of Economic Analysis (BEA), Census LODES data, and the American Community Survey, among others.³¹ Table 13 represents a sample of EMSI’s estimates for retail sales and demand for the City of Orem in 2020.

30 <https://www.ksl.com/article/46459266/new-laws-in-2019-include-online-sales-tax-for-out-of-state-purchases>
31 For more information on the data sources used in EMSI’s Input Output Model, see their glossary entries and articles on the topic here: <https://kb.emsidata.com/faq/what-is-input-output-modeling/>

3-Digit NAICS Code	Industry	2020 Total Demand	2020 Total Sales	Capture/(Leakage)	2020 Aggregate Sales and Demand
441	Motor Vehicle and Parts Dealers	\$94,518,297	\$141,025,205	\$46,506,908	\$235,543,502
442	Furniture and Home Furnishings Stores	\$15,055,563	\$30,382,161	\$15,326,598	\$45,437,724

Table 13: EMSI Leakage/Capture Input-Output Model

EMSI's model produces a leakage dollar amount that can be used to calculate a capture rate. Together, these numbers would amount to a 2020 update to the previous retail gap analyses.³² However, comparing the output of EMSI's models to the "actual" data provided by the Utah State Tax Commission uncovers a potential issue with relying solely on this third-party model.

EMSI's estimated sales for Orem retailers do not come close to matching the 2020 data provided by the state. To highlight the differences between EMSI's sales estimates and those provided by the state, Table 4 compares the two for the Motor Vehicle and Parts Dealers (NAICS 441) and Furniture and Home Furnishing Stores (NAICS 442) industries.

3-Digit NAICS Code	Industry	EMSI 2020 Sales Estimate	Utah State Tax Commission 2020 Aggregate Sales & Purchases
441	Motor Vehicle and Parts Dealers	\$141,025,205	\$354,416,317
442	Furniture and Home Furnishings Stores	\$30,382,161	\$94,801,699

Table 14: Comparison of EMSI estimates and Utah State Tax Commission data

The difference between the "actual" sales numbers and the third-party estimate raises concern about the usefulness of the EMSI model. The model is attempting to estimate the dollar amount of sales in these retail sectors, but the estimate produced is roughly 2.5 to 3 times lower than actual sales figures. This, of course, calls into question the accuracy of both the EMSI sales estimates and the demand estimates. In a situation where the sales figures differ so greatly from the raw data provided by the state, comparing the demand estimates to the actual taxable sales numbers would not produce a useful or accurate set of leakage data.

For further comparison and analysis, TPMA also pulled a sale leakage report from Environmental Systems Research Institute (ESRI), another third-party data analytics company.³³ ESRI uses similar data sources to EMSI but creates their own proprietary models. In 2017, though, the data analytics team at ESRI moved to discontinue their production of the retail gap analysis reports. Explaining this decision, ESRI analysts point to "the changing face of retail." In a 2018 release, they elaborate:

When the Retail MarketPlace database was first developed in 2003, the methodology supported a retail industry that was dominated by a brick-and-mortar business model. Within recent years, and specifically in today's marketplace, larger chunks of retail activity have swung to e-commerce activity. As a result, the larger portion of sales activity taking place online has impacted the traditional models to estimate supply and demand.³⁴

The decision to discontinue a popular report is further evidence of the complicated nature of a modern-day retail gap analysis: the necessary data are hard to acquire and when limited data are available, accurate models are nearly impossible to create. For reference, ESRI's final retail gap analysis for the City of Orem, produced in 2017, is provided in Supplement B at the conclusion of this report.

³² The full report from EMSI can be found in Appendix B at the conclusion of this report.

³³ <https://www.esri.com/en-us/home>

³⁴ Retirement of Esri Retail MarketPlace Data, Report, & Maps. ESRI, 2018

After considering the limitations of available data, as well as the ever-changing retail environment from which the data are derived, there is good reason to evaluate the overall utility of retail gap analyses as tools for economic development in 2022.

Examining the Retail Gap Analysis in 2022

Given the information presented above, it is clear why the comparison of third-party demand models to the Utah State Tax Commission taxable sales data would likely result in an inaccurate, and thus misleading, city-wide retail gap analysis. For this issue, there are two possible solutions: 1) only use EMSI models to determine leakage and capture, or 2) create a new model to compare to the raw taxable sales data. The model referenced in the first solution is provided, along with several other data reports, in Supplement B at the conclusion of this report. However, given the discrepancy between the raw sales data and the third-party estimates, there is good reason to doubt the accuracy or usefulness of the analysis.

The second solution, to create a new model to arrive at a more accurate demand estimate, presents a new set of problems. Chief among them is the difficulty in producing an accurate, useful estimation model (the issues with the methodology adopted by Zion Public Finance in determining this figure are mentioned above). Given the data- and model-related obstacles enumerated to this point, it is worth pausing here to briefly investigate the most common uses of retail gap analyses and retail leakage and capture data in general.

Historically, the most common use for a retail gap analysis is to help inform investment decisions and evaluate potential geographical areas for growth or expansion. For example, if a retail business is deciding whether to open a new store in a new area, a leakage and capture analysis of their retail sector might be a useful tool. If an area appears to have a higher demand in a certain sector than the local stores can meet, the retailer might feel more secure in opening a new store there. These reports are often conducted to assist both the retailer and the lending financial institution in determining whether a positive return on investment is likely. Retail gap analyses, then, are often considered in tandem with a variety of other metrics, to help make these investment decisions on a “micro” level.

Although less common, retail gap analyses can also have uses for more “macro” strategic planning. If, for example, a leakage and capture analysis show a higher demand for clothing stores than is being met by current sales, a city might seek to attract an additional retailer or two in this sector. For example, the 2018 update prepared by Zion Public Finance states that:

There are areas of leakage in the Accommodation and Gasoline Station sales which indicate that the City has an opportunity to expand its ability to capture more of these sales. Increased capture rates in these areas have the potential to benefit the city through complementing large employers currently in the city and by potentially attracting new employers.

As Orem has historically placed significant emphasis on its retail sector, this kind of analysis and interpretation of the data may give crucial insight as to which sectors are currently “capturing” sales (meaning there may not be much room for additional growth) and which sectors are “leaking” sales (meaning there may be potential to grow this industry).

In general, though, retail gap analyses and leakage and capture data are less informative on a “macro” strategic planning process than they are on a “micro” investment decision-making level. One reason for this is that they typically provide information about a single point in time – one that is heavily influenced by a variety of factors.³⁵ For example, the years of 2020 and 2021 have been significantly impacted by the COVID-19 pandemic. While many industries and sectors have been dramatically affected by this once-in-a-century event, the retail sector appears likely to have reshaped entirely. Following trends that have long been noted, the move away from brick-and-mortar stores to e-commerce has been accelerated in the past few years. Moreover, disruption and

35 While it is true that regular updates to these figures can point to trends and give a deeper understanding than a single year's report could offer, this data point is only one in a large number of factors. It is not advised that large-scale decisions are influenced by this analysis alone. One potential result could be an overreliance on tax revenue from brick-and-mortar retail, which can put cities in a precarious position given the rapidly evolving and tumultuous retail market.

innovation driven by Amazon and other online retailers has shifted the retail landscape in ways that will never be fully undone, regardless of how long COVID-19 pandemic lasts.

The consultants at Zion Public Finance note this shift in their 2018 update, asserting that “The City is strong in almost every retail category which indicates that there may be few opportunities for retail growth, especially given trends in the retail industry for less brick-and-mortar development.” The 2014 EDSP, by contrast, only mentions online sales once, clarifying that online sales are not a part of their analysis as they were listed separately by the Utah State Tax Commission.

Although online sales are no longer separated from traditional retail sales, their growing share of sales in the retail sector creates further issues for the evaluating of leakage and capture rates. A vast majority of online sales are out-of-state sales; this is especially the case with national retail giants like Walmart or Amazon. If, for example, all sales on a platform like Amazon appeared in leakage calculations for the appropriate sector, one might interpret that leakage as an opportunity for more brick-and-mortar retail in the online purchaser’s community. This analysis, however, is likely to lead to poor decision-making, considering the recent increase in online sales. Even retail sectors once thought to be safe from the encroachment of online retailers are increasingly feeling the squeeze. Car dealerships, for example, operate in an industry that has seen significant growth in the space of e-commerce. The fact that consumers are purchasing cars online does not necessarily mean that Orem needs more car dealerships – it might actually mean the opposite. These market shifts must be evaluated in conducting and using a traditional retail gap analysis.

To summarize, the state of Orem’s retail environment as presented by a retail gap analysis must be considered within its broader context; an understanding of available data, national economic trends (like those toward e-commerce), and the limitations of models and estimates is required for the retail gap analysis’ use as an economic development tool. The figures and models provided in this report, as well as those provided in the supplements included below and referenced throughout, might be helpful for broadly informing an understanding of retail trends. Their limitations, however, are perhaps more informative and illuminate the need for other economic development tools that use available data more appropriately to inform decisions.

Supplement A: Full Zion Public Finance, Inc. Reports (2013 & 2018)

Zion Public Finance, Inc 2013 Leakage & Capture Rate Report

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%

Zion Public Finance, Inc 2018 Leakage & Capture Rate Report

Category	2018 Leakage	2018 Capture Rate
General Merchandise Stores	\$157,102,778	173.32%
Motor Vehicle and Parts Dealers	\$115,351,879	152.92%
Clothing and Clothing Accessories Stores	\$68,392,227	299.88%
Furniture and Home Furnishings Stores	\$65,205,939	210.47%
Miscellaneous Store Retailers	\$39,169,049	124.61%
Sporting Goods, Hobby, Book, and Music Stores	\$37,728,479	214.81%
Electronics and Appliance Stores	\$36,557,967	124.44%
Food and Beverage Stores	\$36,307,822	131.08%
Food Services and Drinking Places	\$31,815,993	191.95%
Building Material and Garden Equipment and Supplies Dealers	\$29,399,552	156.31%
Repair and Maintenance	\$8,701,912	121.42%
Health and Personal Care Stores	\$6,283,323	138.00%
Nonstore Retailers	\$2,144,208	104.26%
Museums, Historical Sites, and Similar Institutions	(\$1,798,873)	4.61%
Amusement, Gambling, and Recreation Industries	(\$3,419,212)	67.24%
Performing Arts, Spectator Sports, and Related Industries	(\$4,708,159)	1.24%
Personal and Laundry Services	(\$8,503,162)	60.81%
Gasoline Stations	(\$13,548,791)	65.79%
Accommodation	(\$44,129,766)	28.97%
Total	\$558,053,167	142.32%

Supplement B: Third-Party Leakage/Capture Reports

EMSI 2021 Total Sales, Total Demand, and Leakage/Capture Analysis

NAICS	Description	2021 Total Sales	2021 Total Demand	2021 Capture/(Leakage)	2021 Capture Rate
441	Motor Vehicle and Parts Dealers	\$154,359,906	\$107,786,949	\$46,572,957	143.21%
4411	Automobile Dealers	\$104,869,195	\$80,673,942	\$24,195,253	129.99%
4412	Other Motor Vehicle Dealers	\$22,977,220	\$8,158,258	\$14,818,962	281.64%
4413	Automotive Parts, Accessories, and Tire Stores	\$26,513,490	\$18,954,749	\$7,558,741	139.88%
442	Furniture and Home Furnishings Stores	\$34,600,848	\$17,571,378	\$17,029,471	196.92%
4421	Furniture Stores	\$16,376,472	\$9,680,205	\$6,696,267	169.17%
4422	Home Furnishings Stores	\$18,224,376	\$7,891,173	\$10,333,204	230.95%
443	Electronics and Appliance Stores	\$21,265,034	\$20,179,930	\$1,085,104	105.38%
444	Building Material and Garden Equipment and Supplies Dealers	\$97,107,822	\$78,952,273	\$18,155,549	123.00%
4441	Building Material and Supplies Dealers	\$81,504,497	\$69,754,166	\$11,750,331	116.85%
4442	Lawn and Garden Equipment and Supplies Stores	\$15,603,325	\$9,198,107	\$6,405,218	169.64%
445	Food and Beverage Stores	\$56,435,947	\$75,069,708	(\$18,633,761)	75.18%
4451	Grocery Stores	\$48,002,559	\$65,235,198	(\$17,232,639)	73.58%
4452	Specialty Food Stores	\$7,671,305	\$5,745,071	\$1,926,233	133.53%
4453	Beer, Wine, and Liquor Stores	\$762,082	\$4,089,438	(\$3,327,356)	18.64%
446	Health and Personal Care Stores	\$50,419,157	\$31,877,070	\$18,542,086	158.17%
447	Gasoline Stations	\$29,239,626	\$35,835,161	(\$6,595,536)	81.59%
448	Clothing and Clothing Accessories Stores	\$94,510,948	\$39,321,564	\$55,189,384	240.35%
4481	Clothing Stores	\$69,173,793	\$26,390,875	\$42,782,918	262.11%
4482	Shoe Stores	\$10,782,317	\$5,600,299	\$5,182,018	192.53%
4483	Jewelry, Luggage, and Leather Goods Stores	\$14,554,837	\$7,330,389	\$7,224,448	198.55%
451	Sporting Goods, Hobby, Musical Instrument, and Book Stores	\$38,929,075	\$12,570,034	\$26,359,041	309.70%
4511	Sporting Goods, Hobby, and Musical Instrument Stores	\$34,906,959	\$11,326,287	\$23,580,672	308.19%
4512	Book Stores and News Dealers	\$4,022,117	\$1,243,747	\$2,778,369	323.39%
452	General Merchandise Stores	\$221,212,617	\$76,885,193	\$144,327,424	287.72%
4522	Department Stores	\$8,528,935	\$21,134,091	(\$12,605,156)	40.36%
4523	General Merchandise Stores, including Warehouse Clubs and Supercenters	\$212,683,682	\$55,751,102	\$156,932,580	381.49%
453	Miscellaneous Store Retailers	\$97,789,003	\$31,063,548	\$66,725,454	314.80%
4531	Florists	\$706,521	\$1,821,314	(\$1,114,793)	38.79%
4532	Office Supplies, Stationery, and Gift Stores	\$16,421,156	\$6,052,997	\$10,368,159	271.29%
4533	Used Merchandise Stores	\$43,913,389	\$5,237,748	\$38,675,640	838.40%
4539	Other Miscellaneous Store Retailers	\$36,747,937	\$17,951,489	\$18,796,448	204.71%
454	Nonstore Retailers	\$371,962,378	\$95,353,335	\$276,609,043	390.09%
4541	Electronic Shopping and Mail-Order Houses	\$31,603,425	\$67,814,363	(\$36,210,939)	46.60%
4542	Vending Machine Operators	\$0	\$2,117,665	(\$2,117,665)	0.00%
4543	Direct Selling Establishments	\$340,358,953	\$25,421,307	\$314,937,646	1338.87%

ESRI 2017 Retail Gap Analysis

NAICS	2017 Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap
441	Motor Vehicle & Parts Dealers	\$194,627,189	\$495,727,494	\$(301,100,305.00)
4411	Automobile Dealers	\$160,986,503	\$387,625,167	\$(226,638,664.00)
4412	Other Motor Vehicle Dealers	\$17,514,509	\$39,526,463	\$(22,011,954.00)
4413	Auto Parts, Accessories & Tire Stores	\$16,126,177	\$68,575,864	\$(52,449,687.00)
442	Furniture & Home Furnishings Stores	\$28,581,484	\$92,560,436	\$(63,978,952.00)
4421	Furniture Stores	\$18,675,957	\$67,036,234	\$(48,360,277.00)
4422	Home Furnishings Stores	\$9,905,527	\$25,524,202	\$(15,618,675.00)
443	Electronics & Appliance Stores	\$32,486,257	\$140,058,322	\$(107,572,065.00)
444	Bldg Materials, Garden Equip. & Supply Stores	\$57,507,755	\$119,547,458	\$(62,039,703.00)
4441	Bldg Material & Supplies Dealers	\$53,509,117	\$114,557,822	\$(61,048,705.00)
4442	Lawn & Garden Equip & Supply Stores	\$3,998,638	\$4,989,636	\$(990,998.00)
445	Food & Beverage Stores	\$153,452,383	\$125,420,936	\$28,031,447.00
4451	Grocery Stores	\$137,284,429	\$114,023,018	\$23,261,411.00
4452	Specialty Food Stores	\$10,221,169	\$10,779,612	\$(558,443.00)
4453	Beer, Wine & Liquor Stores	\$5,946,785	\$618,306	\$5,328,479.00
446,4461	Health & Personal Care Stores	\$41,624,400	\$99,188,956	\$(57,564,556.00)
447,4471	Gasoline Stations	\$101,309,300	\$106,254,057	\$(4,944,757.00)
448	Clothing & Clothing Accessories Stores	\$45,585,044	\$155,131,107	\$(109,546,063.00)
4481	Clothing Stores	\$31,777,560	\$124,951,485	\$(93,173,925.00)
4482	Shoe Stores	\$5,129,958	\$19,442,046	\$(14,312,088.00)
4483	Jewelry, Luggage & Leather Goods Stores	\$8,677,526	\$10,737,576	\$(2,060,050.00)
451	Sporting Goods, Hobby, Book & Music Stores	\$38,609,952	\$93,140,565	\$(54,530,613.00)
4511	Sporting Goods/Hobby/Musical Instr Stores	\$34,183,911	\$81,002,219	\$(46,818,308.00)
4512	Book, Periodical & Music Stores	\$4,426,041	\$12,138,346	\$(7,712,305.00)
452	General Merchandise Stores	\$171,763,491	\$401,988,158	\$(230,224,667.00)
4521	Department Stores Excluding Leased Depts.	\$101,404,516	\$240,734,331	\$(139,329,815.00)
4529	Other General Merchandise Stores	\$70,358,975	\$161,253,827	\$(90,894,852.00)
453	Miscellaneous Store Retailers	\$37,864,965	\$52,437,601	\$(14,572,636.00)
4531	Florists	\$1,389,554	\$1,050,247	\$339,307.00
4532	Office Supplies, Stationery & Gift Stores	\$8,059,475	\$16,479,116	\$(8,419,641.00)
4533	Used Merchandise Stores	\$4,717,004	\$6,527,507	\$(1,810,503.00)
4539	Other Miscellaneous Store Retailers	\$23,698,932	\$28,380,731	\$(4,681,799.00)
454	Nonstore Retailers	\$16,200,440	\$24,303,387	\$(8,102,947.00)
4541	Electronic Shopping & Mail-Order Houses	\$14,476,451	\$21,433,451	\$(6,957,000.00)
4542	Vending Machine Operators	\$387,525	\$0	\$387,525.00
4543	Direct Selling Establishments	\$1,336,464	\$2,869,936	\$(1,533,472.00)
722	Food Services & Drinking Places	\$101,148,080	\$126,001,563	\$(24,853,483.00)
7223	Special Food Services	\$1,866,567	\$1,575,987	\$290,580.00
7224	Drinking Places - Alcoholic Beverages	\$3,099,948	\$275,353	\$2,824,595.00
7225	Restaurants/Other Eating Places	\$96,181,565	\$124,150,223	\$(27,968,658.00)
Total		\$1,866,101,523	\$3,718,018,745	\$(1,851,917,222.00)

Supplement C: City of Orem Taxable Sales Data

2020 Gross Aggregate Taxable Sales and Purchases Data Provided by the Utah State Tax Commission

Industry Description	2020 Gross Aggregate Taxable Sales and Purchases
MOTOR VEHICLE AND PARTS DEALERS	
New Car Dealers	\$201,824,190.00
Used Car Dealers	\$107,658,744.00
Other Motor Vehicle Dealers	\$12,523,023.00
Automotive Parts, Accessories, and Tire Stores	\$32,410,360.00
Total	\$354,416,317.00
FURNITURE AND HOME FURNISHINGS STORES	
Furniture Stores	\$78,219,954.00
Home Furnishing Stores	\$16,581,745.00
Total	\$94,801,699.00
ELECTRONICS AND APPLIANCE STORES	
Electronics and Appliance Stores	\$50,905,997.00
Total	\$50,905,997.00
BUILDING MATERIAL AND GARDEN EQUIPMENT AND SUPPLIES DEALERS	
Building Material and Supplies Dealers	\$172,809,939.00
Lawn and Garden Equipment and Supplies Stores	\$18,873,870.00
Total	\$191,683,809.00
FOOD AND BEVERAGE STORES	
Grocery Stores	\$205,483,565.00
Specialty Food Stores	\$11,870,054.00
Beer, Wine, and Liquor Stores (Fewer than 10)	\$6,500,000.00
Total	\$223,853,619.00
HEALTH AND PERSONAL CARE STORES	
Cosmetics, Beauty Supplies, and Perfume Stores	\$14,278,010.00
Optical Goods Stores	\$5,023,979.00
Other Health and Personal Care Stores	\$6,243,002.00
Pharmacies & Drug Stores	\$240,787.00
Total	\$25,785,778.00

Industry Description

2020 Gross Aggregate Taxable Sales and Purchases

GASOLINE STATIONS

Gasoline Stations	\$28,359,562.00
Other Gasoline Stations (Fewer than 10)	\$500,000.00
Total	\$28,859,562.00

CLOTHING AND CLOTHING ACCESSORIES STORES

Clothing Stores	\$89,257,934.00
Shoe Stores	\$7,962,841.00
Jewelry, Luggage, and Leather Goods Stores	\$8,119,567.00
Total	\$105,340,342.00

SPORTING GOODS, HOBBY, BOOK, AND MUSIC STORES

Book Stores and New Dealers	\$9,335,855.00
Hobby, Toy, and Game Stores	\$5,405,639.00
Musical Instruments and Supplies Stores	\$11,656,605.00
Sewing, Needlework, and Piece Goods Stores	\$4,680,116.00
Sporting Goods Stores	\$61,041,310.00
Total	\$92,119,525.00

GENERAL MERCHANDISE STORES

Department Stores (Fewer than 10)	\$150,000.00
General Merchandise Stores, Including Warehouse Clubs and Supercenters	\$474,537.00
Total	\$624,537.00

MISC. STORE RETAILERS

Florists	\$473,506.00
Office Supplies, Stationery, and Gift Stores	\$11,236,644.00
Other Miscellaneous Store Retailers	\$60,635,701.00
Used Merchandise Stores	\$3,416,026.00
Total	\$75,761,877.00

NONSTORE RETAILERS

Electronic Shopping and Mail-Order Houses	\$157,663,019.00
Vending Machine Operators	\$303,059.00
Direct Selling Establishments	\$7,801,449.00
Total	\$165,767,527.00

Industry Description

2020 Gross Aggregate Taxable Sales and Purchases

PERFORMING ARTS, SPECTATOR SPORTS, AND RELATED INDUSTRIES

Performing Arts Companies (Fewer than 10)	\$1,000.00
Spectator Sports (Fewer than 10)	\$20,000.00
Promoters of Performing Arts, Sports, and Similar Events (Fewer than 10)	\$3,000.00
Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures (Fewer than 10)	\$1,000.00
Independent Artists, Writers, and Performers	\$84,509.00
Total	\$109,509.00

MUSEUMS, HISTORICAL SITES, AND SIMILAR INSTITUTIONS

Museums, Historical Sites, and Similar Institutions (Fewer than 10)	\$45,000.00
Total	\$45,000.00

AMUSEMENT, GAMBLING, AND RECREATION INDUSTRIES

Amusement, Gambling, and Recreation Industries	\$15,039,695.00
Total	\$15,039,695.00

ACCOMMODATION

Bed-and-Breakfast Inns and All Other Traveler Accommodation	\$4,018,364.00
Hotels and Motels	\$7,632,540.00
Total	\$11,650,904.00

FOOD SERVICES AND DRINKING PLACES

Full-Service Restaurants	\$11,549,649.00
Limited-Service Restaurants	\$7,808,904.00
Special Food Services	\$21,150,232.00
Cafeterias, Grill Buffets, Buffets, Snack and Nonalcoholic Beverage Bars	\$2,755,855.00
Drinking Places (Alcoholic Beverages) (Fewer than 10)	\$350,000.00
Total	\$43,614,640.00

REPAIR AND MAINTENANCE

Automotive Repair and Maintenance	\$45,605,599.00
Electronic and Precision Equipment Repair and Maintenance	\$1,376,492.00
Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	\$163,233.00
Personal and Household Goods Repair and Maintenance	\$2,183,746.00
Total	\$49,329,070.00

PERSONAL AND LAUNDRY SERVICES

Personal and Laundry Services	\$7,676,869.00
Religious, Grantmaking, Civic, Professional, and Similar Organizations	\$371,027.00
Total	\$8,047,896.00
GRAND TOTAL	\$1,537,757,303.00



FAMILY CITY USA

RESOLUTION NO. _____

A RESOLUTION BY THE OREM CITY COUNCIL
AMENDING CHAPTER 5, *ECONOMICS*,
OF THE OREM GENERAL PLAN AND APPROVING THE
OREM ECONOMIC DEVELOPMENT STRATEGIC PLAN

WHEREAS on May 31, 2022, the Economic Development Division filed an application with the City of Orem requesting the City amend Chapter 5, *Economics*, of the Orem General Plan and approve the Orem Economic Development Strategic Plan; and

WHEREAS the intent of the revised Plan is to update Chapter 5 to specify that ongoing economic development efforts in the City of Orem should follow the recommendations in the Orem Economic Development Strategic Plan dated June 2022; and

WHEREAS the Orem City Planning Commission considered the subject application at public meetings and the Planning Commission recommended approval of the plan with certain revisions, and

WHEREAS the City posted the City Council agenda in the City Offices at 56 North State Street, at www.orem.org, and at www.utah.gov/pmn; and

WHEREAS a public meeting to consider the subject application was held before the City Council on August 23, 2022; and

WHEREAS the matter having been submitted and the City Council having fully considered the request as it relates to the health, safety and general welfare of the City; the orderly development of land in the City; and the special conditions applicable to the request.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OREM, UTAH, as follows:

1. The City Council finds that this request is in the City's best interest because it will guide the City in making decisions that will promote economic development in the City.
2. The City Council hereby amends Chapter 5, *Economics*, of the Orem General Plan to read as shown in Exhibit 'A' which is attached hereto and incorporated herein by reference.
3. The City Council hereby adopts the Orem Economic Development Strategic Plan as Appendix E of the Orem General Plan as shown in Exhibit 'B', with the recommendations incorporated as shown in Exhibit 'A' which are attached hereto and incorporated herein by reference.
4. If any part of this resolution shall be declared invalid, such decision shall not affect the validity of the remainder of this resolution.

This resolution shall take effect immediately upon passage.

PASSED and APPROVED this 13th day of September, 2022.

David Young, Mayor

ATTEST:

JoD'Ann Bates, City Recorder

COUNCILMEMBER	YES	NO	ABSTAIN
Mayor David A. Young	☐	☐	☐
Jeff Lambson	☐	☐	☐
Debby Lauret	☐	☐	☐
Tom Macdonald	☐	☐	☐
LaNae Millett	☐	☐	☐
Terry Peterson	☐	☐	☐
David Spencer	☐	☐	☐



**CITY OF OREM
CITY COUNCIL
MEETING
SEPTEMBER 13, 2022**

REQUEST:	APPOINTMENT TO THE NATURAL RESOURCE STEWARDSHIP COMMITTEE - Paul Dunn, Reappointment
APPLICANT:	
NOTICES:	
SITE INFORMATION:	
PREPARED BY:	

REQUEST:

BACKGROUND:

RECOMMENDATION:



Board, Commission & Committee Application

City of Orem

Submitted On:

May 10th, 2019 @ 2:57pm

Personal Information

Full Name	Paul Dunn
Full Address	[REDACTED] Orem UT [REDACTED]
Phone Number	[REDACTED]
Email	[REDACTED]

Boards & Commissions

What board or commission are you applying for?	Natural Resources Stewardship Committee
If a position on your preferred board or commission isn't available, would you like to be considered for openings on other boards or commissions?	No
Summarize why you wish to serve on a city commission and if there are areas of concern that you would like to see addressed by a city commission.	As an ecologist and a concerned citizen of this city, state, country, and world, I am interested in helping people and governments make informed decisions about how we use resources and interact with the world around us. Cleaning up our air and waterways as well as encouraging sustainable choices like waste reduction and green transport options are of particular interest to me.
Please tell us a little about yourself. Also include a summary of the special skills and qualifications you have acquired from employment, previous appointments, previous volunteer work, or through other activities.	I lived in Orem between 1994 and 2006 before moving to Oregon to pursue a PhD in biology. I'm excited that I've been able to return to this beautiful city now as an assistant professor in Utah Valley University's Biology Department. Orem has changed a lot since I first got to know her, and with all of this growth comes new challenges, including how best to use our resources. Each semester at UVU I teach General Ecology. In this course I try to instill in my students a desire and responsibility to go out and make the world a better place for all living things. I'd love the chance to do just that as a member of the Natural Resources Stewardship Committee.
Please upload your resume.	https://seam.ly/oIG906qv

Signature Data

First Name: Paul

Last Name: Dunn

Email Address: [REDACTED]

Paul Dunn

Signed at: 05/10/2019 02:57PM



**CITY OF OREM
CITY COUNCIL
MEETING
SEPTEMBER 13, 2022**

REQUEST:	APPOINTMENT TO THE BOARD OF BUILDING AND FIRE CODE APPEALS - Bryant Chrstensen, Reappointment - Stephen Frisby, Reappointment - Micahel Sroufe, Reappointment - James Williams, Reappointment
APPLICANT:	
NOTICES:	
SITE INFORMATION:	
PREPARED BY:	

REQUEST:

BACKGROUND:

RECOMMENDATION:

First Name: Stephen

Last Name: Frisby

Street Address 1: [REDACTED]

Street Address 2:

City: Orem

State: Utah

ZIP: 84058

Phone Number: [REDACTED]

Email: [REDACTED]

Board/Commission

: Board of Building & Fire Code Appeals

If a position on your preferred board or commission isn't available, would you like to be considered for openings on other boards or commissions?: No

Summarize why you wish to serve on a city commission and if there are areas of concern that you would like to see addressed by a city commission.: provide a safe place for the public to live, work and play

Please tell us a little about yourself. Also include a summary of the special skills and qualifications you have acquired from employment, previous appointments, previous volunteer work, or through other activities.: I have served on this board in the past and at the request of Paul Ashton, I would like to continue my service

First Name: Stephen

Last Name: Frisby

Email: [REDACTED]



Board, Commission & Committee Application

City of Orem

Submitted On:

October 2nd, 2019 @ 7:08pm

Personal Information

Full Name	Michael Sroufe
Full Address	[Redacted] Orem UT 84057
Phone Number	[Redacted]
Email	[Redacted]

Boards & Commissions

What board or commission are you applying for?	Board of Building & Fire Code Appeals
If a position on your preferred board or commission isn't available, would you like to be considered for openings on other boards or commissions?	No
Summarize why you wish to serve on a city commission and if there are areas of concern that you would like to see addressed by a city commission.	Working in the field of Architecture, I love seeing peoples visions become a reality. I would enjoy serving on this board to help the many great contractors working with our city overcome obstacles that prevent great buildings from being built, including ever changing and sometimes confusing building codes.
Please tell us a little about yourself. Also include a summary of the special skills and qualifications you have acquired from employment, previous appointments, previous volunteer work, or through other activities.	I moved to Orem when I was 6 years old and have been here ever since. I attended grades 2-12 in Orem, and studied 3 years at UVSC/UVU. I served a church mission for 2 years in Washington DC. My wife and I own a home in Orem, from which I transferred, and commuted to the University of Utah and studied there for a most 6 years. I have a background in residential construction and drafting and design. I have a Masters of Architecture and over the career have had so far designing commercial buildings and preparing for licensure as an architect.

Signature Data

First Name: Michael

Last Name: Sroufe

Email Address: [REDACTED]

A handwritten signature in black ink that reads "Mike Sroufe". The script is cursive and fluid, with the first name "Mike" and last name "Sroufe" clearly legible.

Signed at: 10/02/2019 07:03PM



Board, Commission & Committee Application

City of Orem

Submitted On:

September 24th, 2019 @

11:43am

Personal Information

Full Name	JAMES WILLIAMS
Full Address	[REDACTED] Orem UT 84097
Phone Number	[REDACTED]
Email	[REDACTED]

Boards & Commissions

What board or commission are you applying for?	Board of Building & Fire Code Appeals
If a position on your preferred board or commission isn't available, would you like to be considered for openings on other boards or commissions?	No
Summarize why you wish to serve on a city commission and if there are areas of concern that you would like to see addressed by a city commission.	I would like to help to protect the health, safety and welfare of the public. I would like to promote the proper use and interpretation of the building codes. I would like to serve the community.
Please tell us a little about yourself. Also include a summary of the special skills and qualifications you have acquired from employment, previous appointments, previous volunteer work, or through other activities.	I am a licensed structural engineer, and a licensed architect. I am currently serving on the AIA's national codes and standards committee. I am a member of the 2018 ICC national General Code Development Committee. I am appointed by the governor of Utah to serve on the Uniform Building Code Commission on Fire Protection Advisory Committee / Unified Code Analysis Council. I am president of AE URBIA and J.M. Williams and Associates, Inc. I served on the Orem City's Board of Building and Fire Code Appeals from 2003 - 2010 representing engineers and then architects.
Please upload your resume.	https://seam.y/d2nuQBkF

Signature Data

First Name: James

Last Name: Williams

Email Address: [REDACTED]

James M Williams

Signed at: 09/24/2019 11:43AM



Board, Commission & Committee Application

City of Orem

Submitted On:

September 20th, 2019 @ 3:51pm

Personal Information

Full Name	R Bryant Chr stensen
Full Address	[REDACTED] Orem UT 84097
Phone Number	[REDACTED]
Email	[REDACTED]

Boards & Commissions

What board or commission are you applying for?	Board of Bu d ng & F re Code Appea s
If a position on your preferred board or commission isn't available, would you like to be considered for openings on other boards or commissions?	Yes
Summarize why you wish to serve on a city commission and if there are areas of concern that you would like to see addressed by a city commission.	Concern for overa wefare of the cty of Orem
Please tell us a little about yourself. Also include a summary of the special skills and qualifications you have acquired from employment, previous appointments, previous volunteer work, or through other activities.	I have worked construct on for over 30 years. I went nto bus ness w th my brother as genera contractors n 1995 and ncorporated as CL Chr stensen Brothers, Inc. I have worked n a areas of bu d ng construct on from nfrastructure through f n shed project. I have a so bu t, ma nta n and manage 100 apartments n Orem and P easant Grove. I have spent many years n vo unteer work w th the Boy Scouts of Amer ca and other youth programs. I current y serve on the Orem F tness Center Board.
Please upload your resume.	https://seam.y/0saxhzob

Signature Data

First Name: R Bryant

Last Name: Christensen

Email Address: [REDACTED]

R. Bryant Christensen

Signed at: 09/20/2019 03:51PM



**CITY OF OREM
CITY COUNCIL
MEETING
SEPTEMBER 13, 2022**

REQUEST:	CITY MANAGERS APPOINTMENT Mr. Davidson asks for the Council's advice and consent of the following appointment: -City Attorney Appointment of Steve Earl
APPLICANT:	
NOTICES:	
SITE INFORMATION:	
PREPARED BY:	

REQUEST:

BACKGROUND:

RECOMMENDATION:

CITY OF OREM
CITY COUNCIL MEETING
SEPTEMBER 13, 2022



REQUEST:	6:00 P.M. SCHEDULED ITEM PUBLIC HEARING - Amending Section 22-5-3(A) and the zoning map of the City of Orem by rezoning the property located generally at 258 North 800 East from the R8 zone to the R6.5 zone.
APPLICANT:	McKay Matthews
FISCAL IMPACT:	None

NOTICES:

- Posted in 2 public places
- Posted on City webpage
- Posted on the State noticing website
- Faxed to newspapers
- Emailed to newspapers
- Mailed to 114 property owners within 500 feet of the property

SITE INFORMATION:

General Plan Designation:

Low Density Residential

Current Zone: **R8**

Acreage: **.36**

Neighborhood: **Cascade**

**PLANNING
COMMISSION
RECOMMENDATION**
6-0 for approval

PREPARED BY:
Rachel Stevens,
Associate Planner

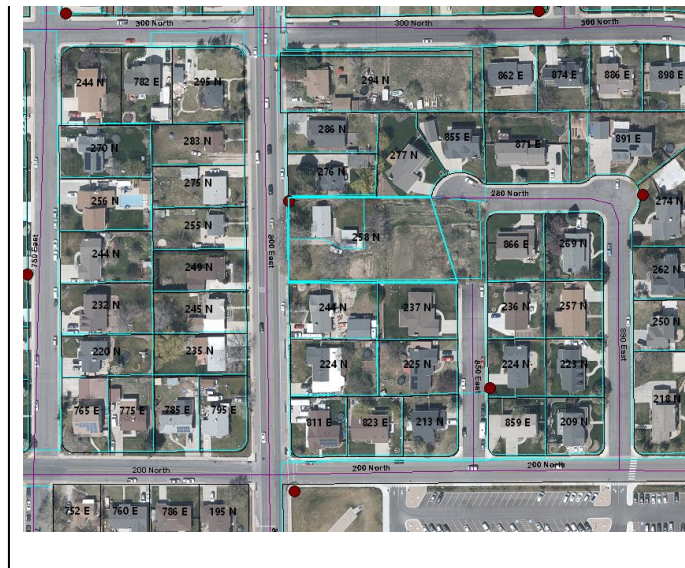
REQUEST: The applicant requests the City Council Amend Section 22-5-3(A) and the zoning map of the City of Orem by rezoning the property located generally at 258 North 800 East from the R8 zone to the R6.5 zone.

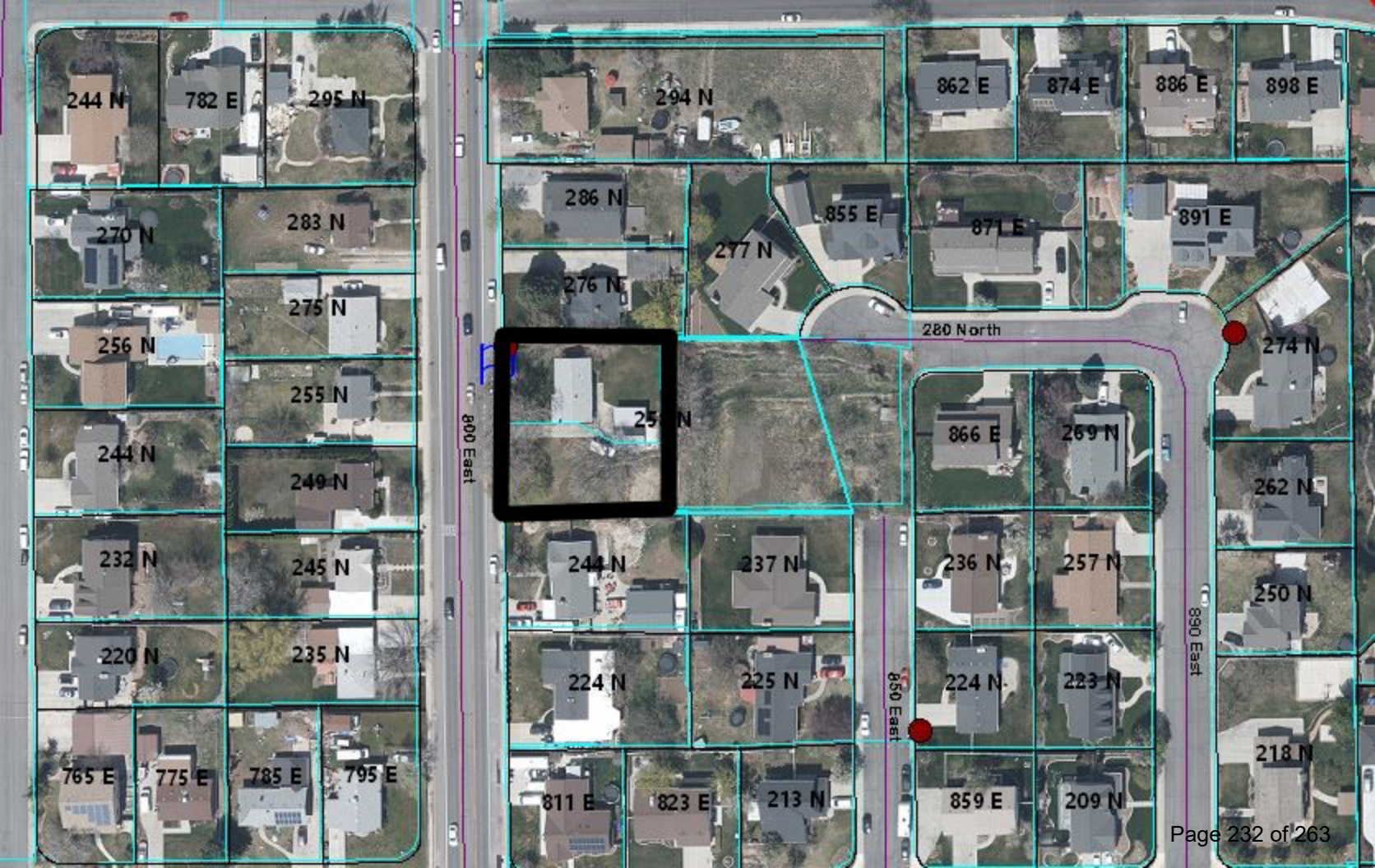
BACKGROUND: The applicant owns approximately 0.77 acre of land and requests a zoning map amendment to approximately 0.36 acre of land from R8 to R6.5. The 0.36 acre they are requesting to be rezoned is on the west side of the property fronting 800 East street. The applicant wishes the east side of the property to remain R8.

The existing parcel has 132 feet of frontage along 800 E. In order to fit two lots along 800 E the lot needs to be rezoned from R8 to R6.5. Lot 1 would be 8,684 square feet with 66.23 feet of frontage. The existing home and garage would remain on lot 1. Lot 2 would be 7,156 square feet with 67.77 feet of frontage. Lots 1 and 2 would share the existing driveway for access. The concept plan has been included in the staff report for your review.

If the City Council approves the rezone application, the applicant will need to apply for a preliminary and final plat and be approved by the Planning Commission.

RECOMMENDATION: The Planning Commission recommends the City Council, by ordinance, amend Section 22-5-3(A) and the zoning map of the City of Orem by rezoning the property located at approximately 258 North 800 East from the R8 zone to the R6.5 zone





244 N

782 E

295 N

294 N

862 E

874 E

886 E

898 E

270 N

283 N

286 N

855 E

871 E

891 E

275 N

256 N

276 N

277 N

280 North

274 N

255 N

250 N

866 E

269 N

262 N

244 N

249 N

244 N

237 N

236 N

257 N

250 N

232 N

245 N

220 N

235 N

224 N

225 N

224 N

223 N

218 N

765 E

775 E

785 E

795 E

811 E

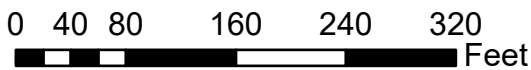
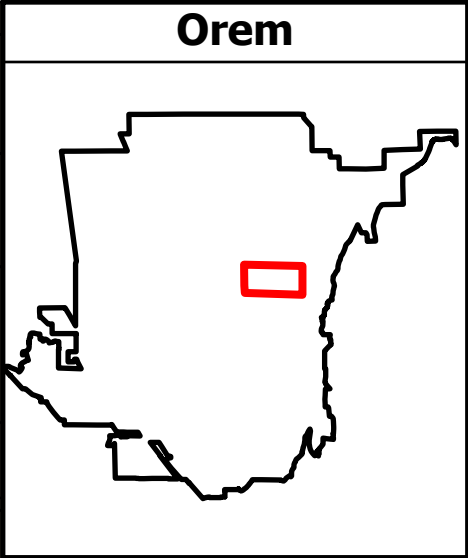
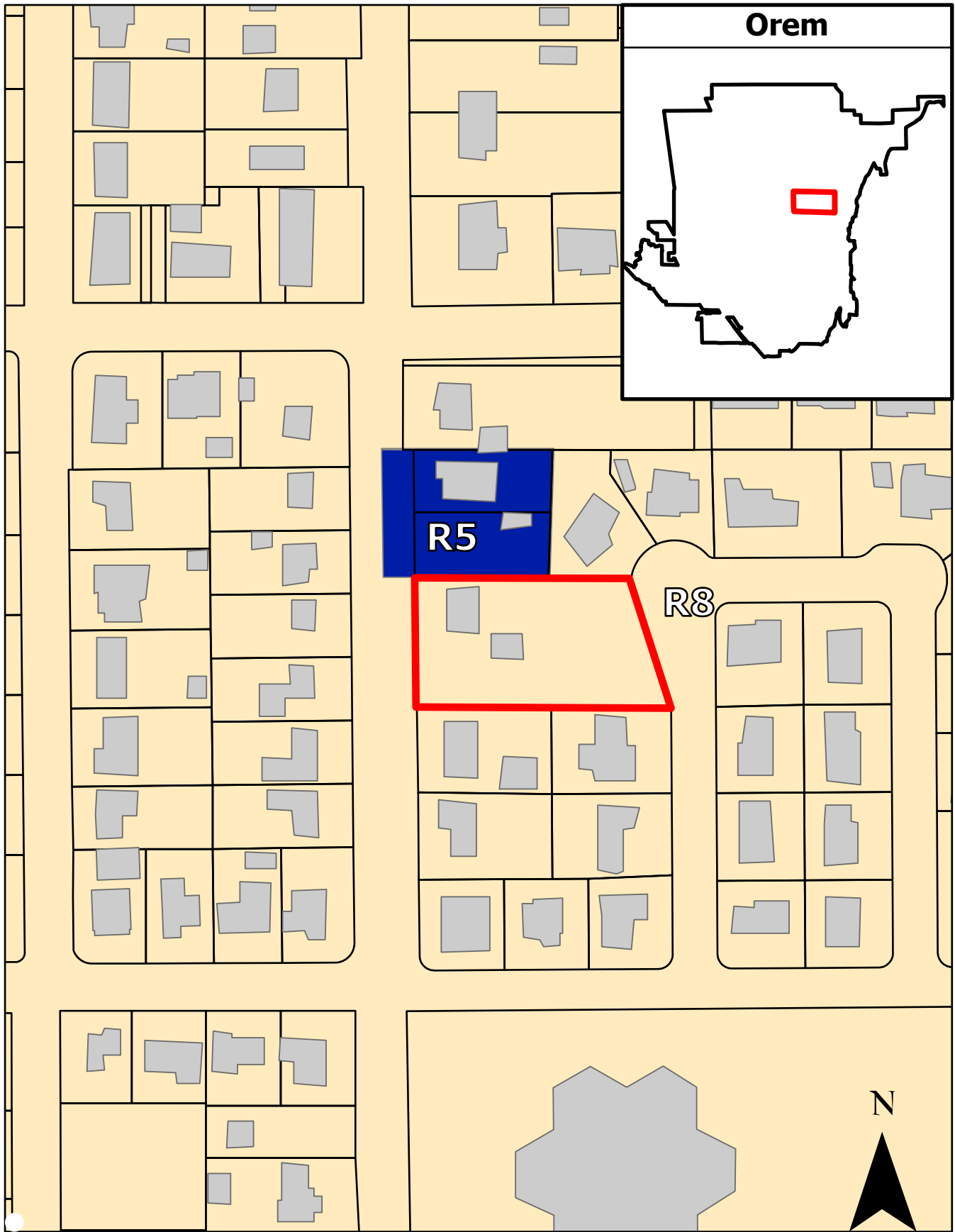
823 E

213 N

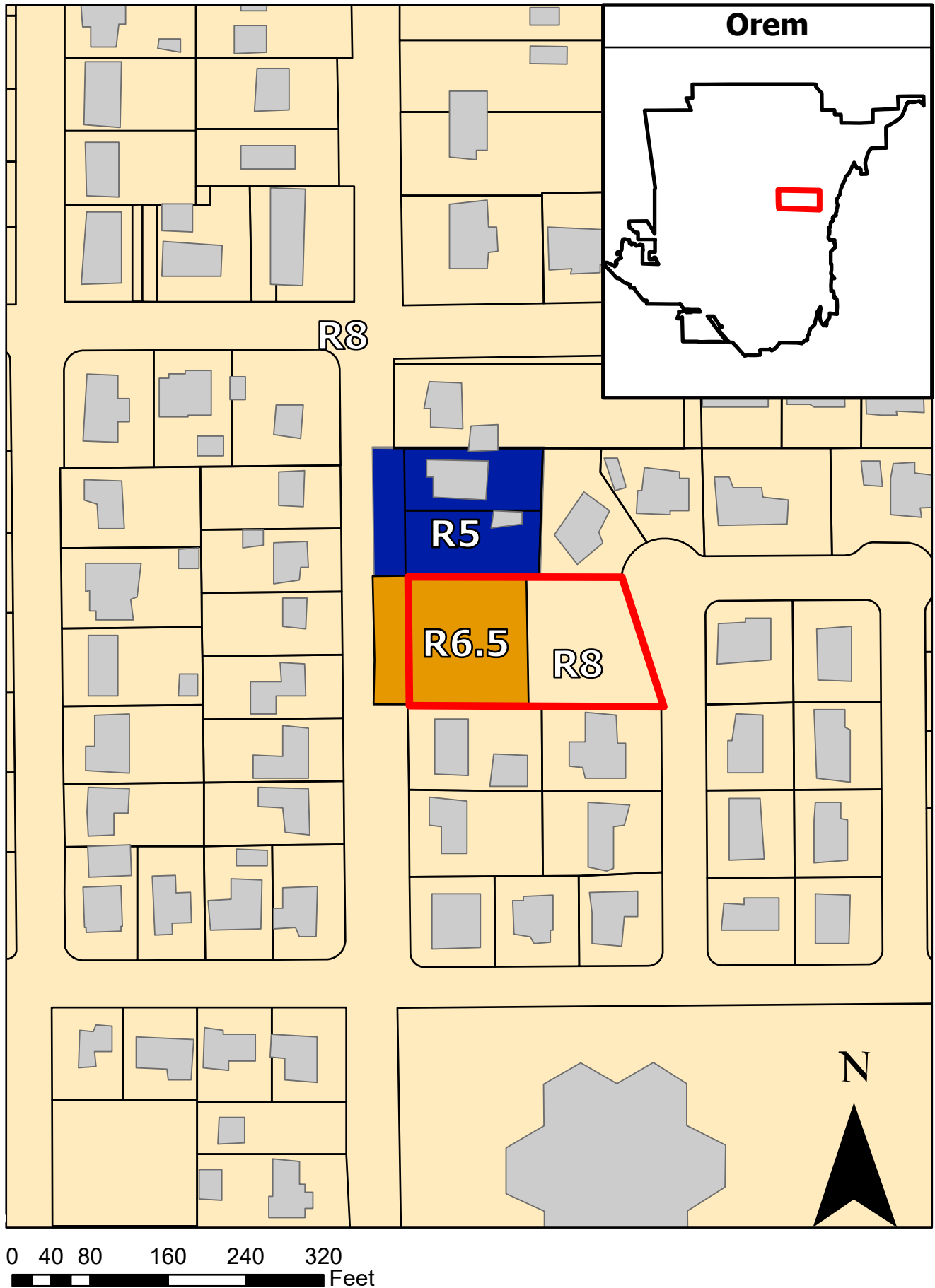
859 E

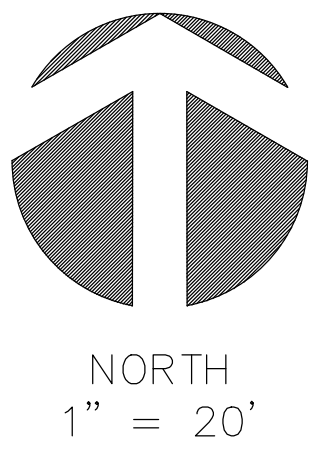
209 N

Existing Zoning Map



Proposed Zoning Map





800 East Street

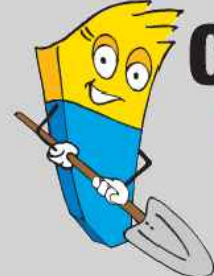


CAUTION!!! Notice to contractors

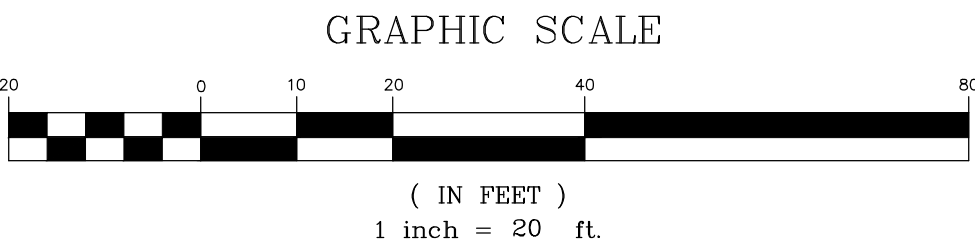
The Contractor is specifically cautioned that the location and/or elevation of existing utilities as shown on these plans is based on records of the various utility companies and where possible from measurements taken in the field. The information is not to be considered exact or complete. The Contractor must notify the utility location center at least 48 hours prior to any excavation to request the exact location of the utilities in the field. It shall be the responsibility of the Contractor to relocate all existing utilities which conflict with the proposed improvements shown on the plan.

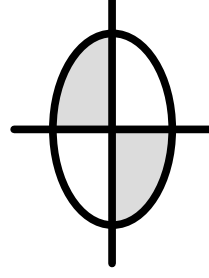


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BLUE STAKES OF UTAH
UTILITY NOTIFICATION CENTER, INC.
www.bluestakes.org
1-800-662-4111





DUDLEY AND ASSOCIATES
ENGINEERS PLANNERS SURVEYORS
353 EAST 1200 SOUTH, OREM, UTAH
801-224-1252

Mathews Rezone

Concept Plan

Utah

Orem

Revisions

Date	8-8-2022
Scale	1"=20'
By	BHT
Tracing No.	L -

Sheet No.
C - 1



McKay and Adele Matthews
891 East 280 North
Orem, UT 84097
tel: (801) 362-1880
email: mckaym58@msn.com

April 4, 2022

Ref Property: 258 North 800 East
Orem, UT 84097

Orem City Resident:

We are proposing a zoning change for the property listed above. It is currently zoned R8 and we are proposing to change the zone to R6.5. Please see the enclosed sheet which shows the concept plan. The R6.5 zone is for single family homes with a minimum lot size of 6,500 square feet and a minimum lot width of 65 feet.

A neighborhood meeting will be held on Wednesday, April 13, 2022 at 6:00 pm. The meeting will take place at 258 North 800 East, Orem, UT 84097.

"Pursuant to Orem City Code Section 22-1-5(G), this meeting is being held to discuss the project with you. This is an opportunity for you to review the plans and provide input and recommendations regarding the project. This application has not yet been reviewed by the City and is subject to change during the review process."

We look forward to answering any questions you may have at the neighborhood meeting.

Sincerely,

McKay & Adele Matthews

13 April 2022

Matthews Rezone Neighborhood Meeting 258 N 800 E, Orem UT

6:00 pm

1. Attendees signed in.
2. Presentation of proposed zoning change. Explanation of R8 and R6.5 zones
3. Questions from attendees:
 - Cathy Porter – What about the power line?
 - Phil Skousen- What is the side footage requirement on 6.5 zoning? Elevation difference for sewer line on 850 E
 - Harvey Rich – Is the road going through?
 - Jim Pheysey – Property values are more in a cul de sac, so just finish the circle and don't put the road through.
 - Kacey Cole – Dead end is harder for emergency vehicles.
 - Jim Pheysey – Re zone is just for this parcel, not the whole neighborhood
 - Merilee Bodily – Worried that the rezone will make the neighborhood too crowded. Too many people crowd into one home
 - McKay Matthews and Jim Pheysey – You can't control neighbors who move in, the rezone doesn't affect this.
4. Jeff Lambson and David Spencer arrived at the meeting and the neighbors were able to express their frustration with the city requiring a road to be put in. They are all in agreement to finish the circle on 280 N. and not put a through road to 850 E. The council members will try to convey this to the Orem planning commission.
5. We all walked over to see the property in question and it was decided that David Spencer and Jeff Lambson are in agreement that the best thing for the neighborhood would be a circle dead end cul de sac and not a connecting road.

RECIPIENT	ALTERNATE ADDRESS	ALTLINE	CITY	STATE	ZIP
BOARD OF EDUCATION	50 N CENTER		AMERICAN	UT	84003
DAVIS, MICHAEL & MI	440 E 500 N		LEHI	UT	84043
WALKER, DONELL	169 E 980 N		OREM	UT	84057
JEFF LAMBSON	156 E 1060 N		OREM	UT	84057
LANAE MILLETT	288 W 1500 N		OREM	UT	84057
JASON BENCH	1911 N MAIN STREET		OREM	UT	84057-2101
KRISTIE SNYDER	56 N STATE STREET		OREM	UT	84057
DAVE YOUNG	173 S COUNTRYSIDE L		OREM	UT	84058
DEBBY LAURET	641 S 1920 W		OREM	UT	84059
RYAN CLARK	1405 N. 1430 WEST		PLEASANT	UT	84062
NETTLES, JOHNNY W	8752 E 200 N		OREM	UT	84097
ZABRISKIE, IZIC K	760 E 200 N		OREM	UT	84097
KRESGE, JOSHUA S & C	765 E 200 N		OREM	UT	84097
PUGH, DALE A (ET AL)	775 E 200 N		OREM	UT	84097
CATALANO, RUBEN	785 E 200 N		OREM	UT	84097
MC ALLISTER, FAYE C	786 E 200 N		OREM	UT	84097
WALKER, LAUREEN & C	788 E 200 N		OREM	UT	84097
KNAPP, BRADY & ERIN	795 E 200 N		OREM	UT	84097
FLORES, ANDRES	811 E 200 N		OREM	UT	84097
WAKEFIELD, NEIL S & S	823 E 200 N		OREM	UT	84097
BRINK, DENISE EILEEN	859 E 200 N		OREM	UT	84097
BOARD OF --OR CURRI	860 E 200 NORTH		OREM	UT	84097
BAKER, GARY & KRISTE	907 E 200 N		OREM	UT	84097
OREM CITY--OR CURRI	950 E 200 NORTH		OREM	UT	84097
LOVE FAMILY TRUST O	912 E 260 N		OREM	UT	84097
THORNE, KAREN WILLI	922 E 260 N		OREM	UT	84097
HOWELL, STERLING M	855 E 280 N		OREM	UT	84097
PHEYSEY, JAMES H & R	866 E 280 N		OREM	UT	84097
PACK, SEAN T & ALEXA	871 E 280 N		OREM	UT	84097
MATTHEWS, MCKAY S	891 E 280 NORTH ORE		OREM	UT	84097
MATTHEWS, MC KAY S	891 E 280 N		OREM	UT	84097
CARTER, REED & BRITT	745 E 300 N		OREM	UT	84097
CARDON, MARIA MERI	775 E 300 N		OREM	UT	84097
DELL, STEVE D & SHAN	782 E 300 N		OREM	UT	84097
BRIMHALL, LANCE	839 E 300 N		OREM	UT	84097
WALKER, AUSTIN L (ET	851 E 300 N		OREM	UT	84097
ALLEY, CATHERINE	862 E 300 N		OREM	UT	84097
WALKER, TERRY P & M	874 E 300 N		OREM	UT	84097
JOHNSON, KYLE D & K	886 E 300 N		OREM	UT	84097
TOONE, ROGER KEITH	887 E 300 N		OREM	UT	84097
RICHARDS, ABRAHAM	898 E 300 N		OREM	UT	84097
HART, JOHN A & RACH	902 E 300 N		OREM	UT	84097
DAVID SPENCER	899 NORTH 550 EAST		OREM	UT	84097
CKI INVESTMENTS LLC	254 N 650 E		OREM	UT	84097
BROADBENT, STEVEN I	150 N 750 E		OREM	UT	84097
BROADBEN --OR CURRI	170 N 750 EAST		OREM	UT	84097

AUSTIN, MARK V & LAI	211 N 750 E	OREM	UT	84097
DNC HOLDINGS LLC	220 N 750 E	OREM	UT	84097
GYGI, BRYAN W & SHA	223 N 750 E	OREM	UT	84097
WHITTLE, TRENT L & S	232 N 750 E	OREM	UT	84097
MCBETH, BRENT H & C	235 N 750 E	OREM	UT	84097
HATCH, SIDNEY A & C	244 N 750 E	OREM	UT	84097
HOLDERNESS, PATRICK	247 N 750 E	OREM	UT	84097
HOHREIN, MAX E & M	256 N 750 E	OREM	UT	84097
BURR, KAY M & JAN Y	259 N 750 E	OREM	UT	84097
STONEMAN, RICK & EL	270 N 750 E	OREM	UT	84097
ROBERTS, BARRY LEE	273 N 750 E	OREM	UT	84097
CKI INVEST --OR CURRI	287 N 750 EAST	OREM	UT	84097
CALDER, SHIRLEY E	294 N 750 E	OREM	UT	84097
GLEASON, LAURA L & I	324 N 750 E	OREM	UT	84097
BOWEN, LON & REVA	835 E 800 S	OREM	UT	84097
CRANDALL, MAXWELL	175 N 800 E	OREM	UT	84097
CRITCHFIEL --OR CURRI	181 N 800 EAST	OREM	UT	84097
ST JOHN, JAMIE S & C	224 N 800 E	OREM	UT	84097
COUNSELL, JOHN EDW	235 N 800 E	OREM	UT	84097
ROGERS, CHRISTOPHE	244 N 800 E	OREM	UT	84097
CLARK, CALVIN & KELS	245 N 800 E	OREM	UT	84097
WOOLF, WAYNE K & K	249 N 800 E	OREM	UT	84097
TURNER, A --OR CURRI	255 N 800 EAST	OREM	UT	84097
MATTHEWS, MCKAY S	258 N 800 E	OREM	UT	84097
MOOSMAN, JAMES & I	275 N 800 E	OREM	UT	84097
ATKISSON, SEAN J & T	276 N 800 E	OREM	UT	84097
DAVIS, MIC --OR CURRI	283 N 800 EAST	OREM	UT	84097
PORTER, CATHERINE (E	286 N 800 E	OREM	UT	84097
WEIGHT, NAOMI C	294 N 800 E	OREM	UT	84097
JOHNSTON --OR CURRI	295 N 800 EAST	OREM	UT	84097
WALKER, D --OR CURRI	315 N 800 EAST	OREM	UT	84097
COLES, O K --OR CURRI	320 N 800 EAST	OREM	UT	84097
KILLPACK, CAMBRIA (E	331 N 800 E	OREM	UT	84097
FINCH, SHIRL J & DIAN	334 N 800 E	OREM	UT	84097
LONG, RICHARD KAY &	337 N 800 E	OREM	UT	84097
COLE, KACEY & LAURA	213 N 850 E	OREM	UT	84097
BODILY, GARRETT & M	224 N 850 E	OREM	UT	84097
LUND, BARNEY A & M	225 N 850 E	OREM	UT	84097
SHELLEY, JAY K & STEP	236 N 850 E	OREM	UT	84097
WEBB, BRENT W & AN	237 N 850 E	OREM	UT	84097
SKOUSEN, PHILIP L & P	277 N 850 E	OREM	UT	84097
DUNCAN, DENNIS J & I	315 N 875 E	OREM	UT	84097
BOYTER, SCOTT M & S	331 N 875 E	OREM	UT	84097
TURNER, JOYCE	332 N 875 E	OREM	UT	84097
SMART, JAI --OR CURRI	347 N 875 EAST	OREM	UT	84097
HALLS, FRED D & DIAN	348 N 875 E	OREM	UT	84097
STOKES, GARY L & JULI	209 N 890 E	OREM	UT	84097

BERGE, AUSTIN L & JES 218 N 890 E	OREM	UT	84097
BIRRELL, SCOTT R & JIL 223 N 890 E	OREM	UT	84097
CHOQUE, MAURICIO 8 250 N 890 E	OREM	UT	84097
HALE, QUENTIN VAL & 257 N 890 E	OREM	UT	84097
RICH, HARVEY K & MA 262 N 890 E	OREM	UT	84097
BEESON, BENJAMIN T 269 N 890 E	OREM	UT	84097
GLAHN, PETER & MAR 274 N 890 E	OREM	UT	84097
WATTS, STEPHEN P & I 317 N 900 E	OREM	UT	84097
SMART, JAMES L & IRE 440 N 1200 E	OREM	UT	84097
JOHNSTON, HEATH J (E 1692 CHERAPPLE DR	OREM	UT	84097
TERRY PETERSON 1125 LYNNWOOD DR	OREM	UT	84097
THOMAS MACDONALD 489 NORTH PALISADES	OREM	UT	84097
OREM CITY --OR CURRI STREET 320 N 800 E	OREM	UT	84097
COLES, O K %DORMAN 4501 78TH AVENUE CT	UNIVERSIT	WA	98466

Name (please print)	Address Phone Number	Comments
Garrett & Merilee Bodily	224 N. 850 E. 801-850-3821	garrettbodily@gmail.com
Fred Hall	348 N. 875 E 801-226-3863	
Roger Toome	887 E 300 N 801-699-6941	In favor, need to finish ^{Cul-de-sac} roads , sidewalks
Becky Preysen Jim Preysen	866 E 280 N 801-360-4712 801-360-2277	We would prefer a Culdesac
Hanvey + Mary Ann + Rich	801-225-8776	We are in favor of The proposal
Abe & Lisa Richards	801-472-9861	
Kacey & Laura Cole	801-602-2711 213 N 850 E	
JEFF LAMBSON	156 E, 1060 N 801-787-4306	



City Council Chambers, 56 N State Street

***** IMPORTANT DEVELOPMENT NOTICE *****

City Council Tue, Sep 13, 2022 6:00 pm
Planning Commission Wed, Aug 17, 2022 4:30 pm

PUBLIC HEARING – REZONE - Amending Section 22-5-3(A) and the zoning map of the City of Orem by rezoning the property located at approximately 258 N 800 E from the R8 zone to the R6.5 zone.

The property owner requests a zoning map amendment to approximately 0.36 acre of land from R8 to R6.5. The 0.36 acre they are requesting to be rezoned is on the west side of the property fronting 800 East street. The applicant wishes the east side of the property to remain R8.

The existing parcel has 132 feet of frontage along 800 E. In order to fit two lots along 800 E the lot needs to be rezoned from R8 to R6.5. Lot 1 would be 8,684 square feet with 66 feet of frontage. The existing home and garage would remain on lot 1. Lot 2 would be 7,156 square feet with 67 feet of frontage. Lots 1 and 2 would share the existing driveway for access.

BOARD OF EDUCATION ALPINE SCHOOL
DISTRICT
50 N CENTER
AMERICAN FORK, UT 84003



City Council Chambers, 56 N State Street

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DAVIS, MICHAEL & MICHELLE
440 E 500 N
LEHI, UT 84043



orem.org/planning under "Current Planning (Public Hearing Notices)" tab



orem.org/planning under "Current Planning (Public Hearing Notices)" tab

OREM CITY CORPORATION
--OR CURRENT RESIDENT--
STREET 320 N 800 E
OREM, UT 84097

BOARD OF EDUCATION ALPINE
SCHOOL DISTRICT
50 N CENTER
AMERICAN FORK, UT 84003

JAMES HAWKES
55 WEST 500 SOUTH
OREM, UT 84058

KRISTIE SNYDER
56 N STATE STREET
OREM, UT 84057

BROADBENT, STEVEN E & ALISHA R
150 N 750 E
OREM, UT 84097

JEFF LAMBSON
156 E 1060 N
OREM, UT 84057

WALKER, DONELL
169 E 980 N
OREM, UT 84057

BROADBENT, STEVEN E & ALISHA R
--OR CURRENT RESIDENT--
170 N 750 EAST
OREM, UT 84097

DAVE YOUNG
173 S COUNTRYSIDE LANE
OREM, UT 84058

CRANDALL, MAXWELL D &
BRITANIA D
175 N 800 E
OREM, UT 84097

CRITCHFIELD, RYAN
--OR CURRENT RESIDENT--
181 N 800 EAST
OREM, UT 84097

STOKES, GARY L & JULIE A
209 N 890 E
OREM, UT 84097

AUSTIN, MARK V & LAURIE A
211 N 750 E
OREM, UT 84097

COLE, KACEY & LAURA M
213 N 850 E
OREM, UT 84097

BERGE, AUSTIN L & JESSICA L
218 N 890 E
OREM, UT 84097

DNC HOLDINGS LLC
220 N 750 E
OREM, UT 84097

GYGI, BRYAN W & SHAWNA G
223 N 750 E
OREM, UT 84097

BIRRELL, SCOTT R & JILL
223 N 890 E
OREM, UT 84097

ST JOHN, JAMIE S & CHALIS J
224 N 800 E
OREM, UT 84097

BODILY, GARRETT & MERILEE (ET
AL)
224 N 850 E
OREM, UT 84097

LUND, BARNEY A & MARY F
225 N 850 E
OREM, UT 84097

WHITTLE, TRENT L & SUSAN B
232 N 750 E
OREM, UT 84097

MCBETH, BRENT H & CHERYL M
235 N 750 E
OREM, UT 84097

COUNSELL, JOHN EDWARD JR &
JOSEPHINE HORNE (ET AL)
235 N 800 E
OREM, UT 84097

SHELLEY, JAY K & STEPHANIE
236 N 850 E
OREM, UT 84097

WEBB, BRENT W & AMY JO B
237 N 850 E
OREM, UT 84097

HATCH, SIDNEY A & CHRIS A
244 N 750 E
OREM, UT 84097

ROGERS, CHRISTOPHER S & KYLEE N
244 N 800 E
OREM, UT 84097

CLARK, CALVIN & KELSEY
245 N 800 E
OREM, UT 84097

HOLDERNESS, PATRICK H &
KRISTINE B
247 N 750 E
OREM, UT 84097

WOOLF, WAYNE K & KATHRINE Q
249 N 800 E
OREM, UT 84097

CHOQUE, MAURICIO & JENNIFER S
250 N 890 E
OREM, UT 84097

CKI INVESTMENTS LLC
254 N 650 E
OREM, UT 84097

TURNER, ANNE
--OR CURRENT RESIDENT--
255 N 800 EAST
OREM, UT 84097

HOHREIN, MAX E & MARIANNE
256 N 750 E
OREM, UT 84097

HALE, QUENTIN VAL & NANCY A
257 N 890 E
OREM, UT 84097

MATTHEWS, MCKAY S & ADELE W
258 N 800 E
OREM, UT 84097

BURR, KAY M & JAN Y (ET AL)
259 N 750 E
OREM, UT 84097

RICH, HARVEY K & MARY ANNE B
262 N 890 E
OREM, UT 84097

BEESON, BENJAMIN T & DAPHNEE J
269 N 890 E
OREM, UT 84097

STONEMAN, RICK & ELISA
270 N 750 E
OREM, UT 84097

ROBERTS, BARRY LEE & MARTHA
PALMER (ET AL)
273 N 750 E
OREM, UT 84097

GLAHN, PETER & MARIE
274 N 890 E
OREM, UT 84097

MOOSMAN, JAMES & CAROLYN
275 N 800 E
OREM, UT 84097

ATKISSON, SEAN J & TAWNYA L
276 N 800 E
OREM, UT 84097

SKOUSEN, PHILIP L & PATRICIA A
(ET AL)
277 N 850 E
OREM, UT 84097

DAVIS, MICHAEL & MICHELLE
--OR CURRENT RESIDENT--
283 N 800 EAST
OREM, UT 84097

PORTER, CATHERINE (ET AL)
286 N 800 E
OREM, UT 84097

CKI INVESTMENTS LLC
--OR CURRENT RESIDENT--
287 N 750 EAST
OREM, UT 84097

LANAE MILLETT
288 W 1500 N
OREM, UT 84057

CALDER, SHIRLEY E
294 N 750 E
OREM, UT 84097

WEIGHT, NAOMI C
294 N 800 E
OREM, UT 84097

JOHNSTON, HEATH J (ET AL)
--OR CURRENT RESIDENT--
295 N 800 EAST
OREM, UT 84097

WALKER, DONELL
--OR CURRENT RESIDENT--
315 N 800 EAST
OREM, UT 84097

DUNCAN, DENNIS J & ALICE F
315 N 875 E
OREM, UT 84097

WATTS, STEPHEN P & BECKIE G
317 N 900 E
OREM, UT 84097

COLES, O KENT (ET AL)
--OR CURRENT RESIDENT--
320 N 800 EAST
OREM, UT 84097

GLEASON, LAURA L & DEREK T
324 N 750 E
OREM, UT 84097

KILLPACK, CAMBRIA (ET AL)
331 N 800 E
OREM, UT 84097

BOYTER, SCOTT M & SHERRIE LYNN
(ET AL)
331 N 875 E
OREM, UT 84097

TURNER, JOYCE
332 N 875 E
OREM, UT 84097

FINCH, SHIRL J & DIANE
334 N 800 E
OREM, UT 84097

LONG, RICHARD KAY & MAREN KAY
337 N 800 E
OREM, UT 84097

SMART, JAMES L & IRENE B (ET AL)
--OR CURRENT RESIDENT--
347 N 875 EAST
OREM, UT 84097

HALLS, FRED D & DIANE A
348 N 875 E
OREM, UT 84097

DAVIS, MICHAEL & MICHELLE
440 E 500 N
LEHI, UT 84043

SMART, JAMES L & IRENE B (ET AL)
440 N 1200 E
OREM, UT 84097

THOMAS MACDONALD
489 NORTH PALISADES DR
OREM, UT 84097

DEBBY LAURET
641 S 1920 W
OREM, UT 84059

MADELINE KOMEN
653 W. 1360 NORTH
OREM, UT 84057

CARTER, REED & BRITTANY J
745 E 300 N
OREM, UT 84097

CRITCHFIELD, RYAN
752 E 200 N
OREM, UT 84097

ZABRISKIE, IZIC K
760 E 200 N
OREM, UT 84097

KRESGE, JOSHUA S & CHARITY B
765 E 200 N
OREM, UT 84097

PUGH, DALE A (ET AL)
775 E 200 N
OREM, UT 84097

CARDON, MARIA MERCEDES (ET AL)
775 E 300 N
OREM, UT 84097

DELL, STEVE D & SHANALEE
782 E 300 N
OREM, UT 84097

CATALANO, RUBEN (ET AL)
785 E 200 N
OREM, UT 84097

MC ALLISTER, FAYE C
786 E 200 N
OREM, UT 84097

WALKER, CHRIS W & AMIE JERRIS
(ET AL)
788 E 200 N
OREM, UT 84097

KNAPP, BRADY & ERIN
795 E 200 N
OREM, UT 84097

FLORES, ANDRES
811 E 200 N
OREM, UT 84097

WAKEFIELD, NEIL S & SUZANNE L
823 E 200 N
OREM, UT 84097

BOWEN, LON & REVA
835 E 800 S
OREM, UT 84097

BRIMHALL, LANCE
839 E 300 N
OREM, UT 84097

WALKER, AUSTIN L (ET AL)
851 E 300 N
OREM, UT 84097

HOWELL, STERLING M & SHAUNA L
855 E 280 N
OREM, UT 84097

BRINK, DENISE EILEEN
859 E 200 N
OREM, UT 84097

BOARD OF EDUCATION ALPINE
SCHOOL DISTRICT
--OR CURRENT RESIDENT--
860 E 200 NORTH
OREM, UT 84097

ALLEY, CATHERINE
862 E 300 N
OREM, UT 84097

PHEYSEY, JAMES H & REBECCA D
866 E 280 N
OREM, UT 84097

PACK, SEAN T & ALEXA A
871 E 280 N
OREM, UT 84097

WALKER, TERRY P & MARY C
874 E 300 N
OREM, UT 84097

JOHNSON, KYLE D & KATHY J
886 E 300 N
OREM, UT 84097

TOONE, ROGER KEITH & COLEEN
O'BRAY (ET AL)
887 E 300 N
OREM, UT 84097

MATTHEWS, MC KAY S & ADELE
891 E 280 N
OREM, UT 84097

MATTHEWS, MCKAY S & ADELE
891 E 280 NORTH OREM
OREM, UT 84097

RICHARDS, ABRAHAM R & LISA G
898 E 300 N
OREM, UT 84097

DAVID SPENCER
899 NORTH 550 EAST
OREM, UT 84097

HART, JOHN A & RACHEL
902 E 300 N
OREM, UT 84097

MURRAY LOW
904 S. 725 WEST
OREM, UT 84058

BAKER, GARY & KRISTEN
907 E 200 N
OREM, UT 84097

LOVE FAMILY TRUST 02-24-2021 THE
(ET AL)
912 E 260 N
OREM, UT 84097

THORNE, KAREN WILLIAMS &
WILLES MAX (ET AL)
922 E 260 N
OREM, UT 84097

OREM CITY CORPORATION
--OR CURRENT RESIDENT--
950 E 200 NORTH
OREM, UT 84097

GERALD CRISMON
1069 S. 545 EAST
OREM, UT 84097

TERRY PETERSON
1125 LYNNWOOD DRIVE
OREM, UT 84097

HAYSAM SAKAR
1194 E. 1090 NORTH
OREM, UT 84097

TINA OKOLOWITZ
1245 N. 260 WEST
OREM, UT 84057

AMBER POPE
1278 N. 500 WEST
OREM, UT 84057

RYAN CLARK
1405 N. 1430 WEST
PLEASANT GROVE, UT 84062

JOHNSTON, HEATH J (ET AL)
1692 CHERAPPLE DR
OREM, UT 84097

JASON BENCH
1911 N MAIN STREET
OREM, UT 84057-2101

COLES, O KENT (ET AL)
%DORMAN, ROGER
4501 78TH AVENUE CT W
UNIVERSITY PLACE, WA 98466

May 9, 2022

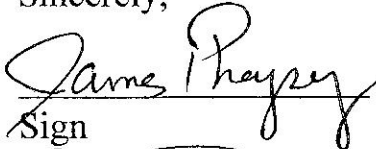
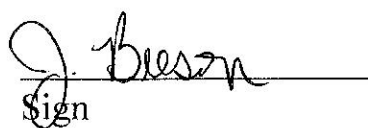
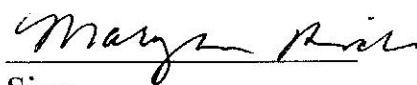
To: Mayor David Young and Members of the Orem City Council:

We the residents of Apple Park Subdivision respectfully request that you help us preserve our neighborhood. Apple Park Subdivision was approved by Orem City in 1986. The streets within our neighborhood, 850 East and 280 North have from the beginning been a dead-end and a cul-de-sac. We are in support of the development proposed by McKay & Adele Matthews which would complete the circle at the end of 280 North and keep 850 East a dead-end street. The dead-end on 850 East is not part of the proposed development and has been in existence for over 35 years.

We understand that this request would require a change to the Orem City Master Plan. If the master plan is in place to preserve Orem City neighborhoods and ensure that future developments are in compliance with Orem City ordinances and zoning, we feel that our request accomplishes both of those intentions. The development as proposed will preserve our neighborhood and bring the cul-de-sac on 280 North into compliance.

We love our neighborhood and ask for your help in preserving it.

Sincerely,

 Sign	<u>JAMES PHEYSEY</u> Print	<u>866 E 280 N</u> Address
 Sign	<u>Becky Phaysey</u> Print	<u>866 E 280 N.</u> Address
 Sign	<u>BEN BEESON</u> Print	<u>269 N. 890 E.</u> Address
 Sign	<u>Julynn Beeson</u> Print	<u>269 N. 890 E.</u> Address
 Sign	<u>Mary Ann Rich</u> Print	<u>262 N 890 E</u> Address

<u>Harvey Rich</u>	<u>Harvey Rich</u>	<u>262 N 890 E.</u>
Sign	Print	Address

<u>Jessie Berge</u>	<u>Jessie Berge</u>	<u>218 N 890 E</u>
Sign	Print	Address

<u>Marie Glahn</u>	<u>Marie Glahn</u>	<u>274 N. 890 E.</u>
Sign	Print	Address

<u>J. Peter Glahn</u>	<u>J. Peter Glahn</u>	<u>274 N. 890 E.</u>
Sign	Print	Address

<u>Philip Skousen</u>	<u>PHILIP SKOUSEN</u>	<u>277 N. 850 E.</u>
Sign	Print	Address

<u>Patti Skousen</u>	<u>PATTI SKOUSEN</u>	<u>277 N. 850 E.</u>
Sign	Print	Address

<u>Barney Lund</u>	<u>Barney Lund</u>	<u>225 N 850 E</u>
Sign	Print	Address

<u>Mary Lund</u>	<u>Mary Lund</u>	<u>225 N 850 E.</u>
Sign	Print	Address

<u>Garrett Bodily</u>	<u>Garrett Bodily</u>	<u>224 N 850 E</u>
Sign	Print	Address

<u>Merilee Bodily</u>	<u>Merilee Bodily</u>	<u>224 N 850 E</u>
Sign	Print	Address

<u>Laura Cole</u>	<u>Laura Cole</u>	<u>213 N 850 E</u>
Sign	Print	Address

<u>JAY Shelley</u>	<u>JAY SHELLEY</u>	<u>236 N 850 E</u>
Sign	Print	Address

<u>Stephanie Shelley</u>	<u>Stephanie Shelley</u>	<u>236 N. 850 E.</u>
Sign	Print	Address

Q. Val Hale
Sign

Q. Val Hale
Print

257 N. 890 East Orem
Address

Nancy Hale
Sign

Nancy Hale
Print

257 N 890 E Orem
Address

Amy Jo Webb
Sign

Amy Jo Webb
Print

237 No 850 E Orem
Address

Austin Birrell
Sign

Austin Birrell
Print

223 N 890 E Orem
Address

Austin Birrell
Sign

AUSTIN BIRRELL
Print

218 N. 890 E.
Address

Sterling Howell
Sign

Sterling Howell
Print

855 E. 280 N.
Address

Shavna Howell
Sign

Shavna Howell
Print

855 E. 280 N.
Address

Alexa Pack
Sign

Alexa Pack
Print

871 E 280 N
Address

Alexa Pack
Sign

Alexa Pack
Print

871 E 280 N
Address

Adele Matthews
Sign

Adele Matthews
Print

891 E 280 N
Address

McKay Matthews
Sign

McKay Matthews
Print

891 E 280 N
Address

Gabe Starks
Sign

Gabe Starks
Print

200 N. 890 E.
Address

Sign

Print

Address

Name (please print)	Address Phone Number	Comments
Garrett & Merilee Bodily	224 N. 850 E. 801-850-3821	garrettbodily@gmail.com
Fred Hall	348 N. 875 E 801-226-3863	
Roger Toome	887 E 300 N 801-699-6941	In favor, need to finish ^{Cul-de-sac} roads , sidewalks
Becky Preysen Jim Preysen	866 E 280 N 801-360-4712 801-360-2277	We would prefer a Culdesac
Harvey + Mary Ann + Rich	801-225-8776	We are in favor of The proposal
Abe & Lisa Richards	801-472-9861	
Kacey & Laura Cole	801-602-2711 213 N 850 E	
JEFF LAMBSON	156 E, 1060 N 801-787-4306	

DRAFT

ORDINANCE NO. _____

AN ORDINANCE BY THE OREM CITY COUNCIL AMENDING SECTION 22-5-3(A) AND THE ZONING MAP OF THE CITY OF OREM BY REZONING THE PROPERTY LOCATED GENERALLY AT 258 NORTH 800 EAST FROM THE R8 ZONE TO THE R6.5 ZONE.

WHEREAS on July 11, 2022, McKay Matthews filed an application with the City of Orem to request the City the City amend Section 22-5-3(A) and the zoning map of the City of Orem by rezoning the property located generally at 258 North 800 East from the R8 zone to the R6.5 zone; and

WHEREAS a public hearing considering the subject application was held by the Planning Commission on August 17, 2022 and the Planning Commission recommended the City Council approve the application; and

WHEREAS a public hearing considering the subject application was held by the City Council on September 13, 2022; and

WHEREAS notice of the public hearing to be held by the Planning Commission and City Council on the subject application was mailed to all residents and property owners within 500 feet of the subject property; and

WHEREAS the agendas of the Planning Commission meeting and the City Council meeting at which the subject application was heard was posted at the Orem Public Library, on the Orem City webpage and at the City offices at 56 North State Street; and

WHEREAS the matter having been submitted and the City Council having fully considered the request as it relates to the health, safety and general welfare of the City; the orderly development of land in the City; the effect upon surrounding neighborhoods; the compliance of the request with all applicable City ordinances; and the special conditions applicable to the request.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF OREM, UTAH, as follows:

1. The City Council finds this request, to rezone the property from R8 to R6.5, is in the best interest of the City because it will allow two single family homes to be constructed where only one would be allowed, and the request will not negatively affect the health, safety and general welfare of the City.
2. The City Council hereby amends Section 22-5-3(A) and the zoning map of the City of Orem by rezoning the property located at approximately 258 North 800 East from the R8 zone to the R6.5 zone, as shown in Exhibit “A” which is attached hereto and incorporated herein by reference.

DRAFT

3. This ordinance shall take effect immediately upon passage and publication in a newspaper of general circulation in the City of Orem.
4. If any part of this ordinance shall be declared invalid, such decision shall not affect the validity of the remainder of this resolution.
5. All other ordinances and policies in conflict herewith, either in whole or part, are hereby repealed.

PASSED, APPROVED and ORDERED PUBLISHED this **13th day of September 2022**.

David Young, Mayor

ATTEST:

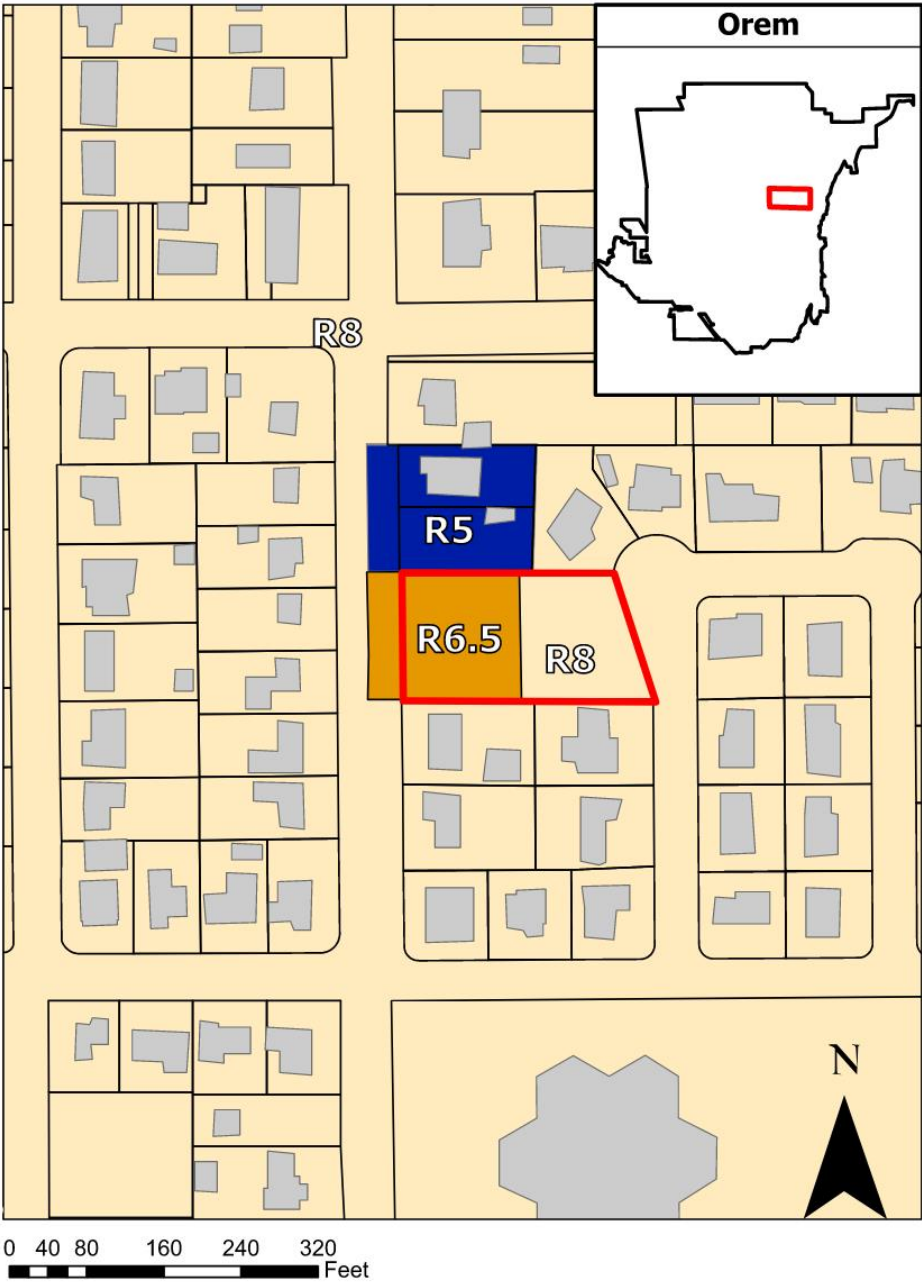
JoD'Ann Bates, City Recorder

COUNCILMEMBER	AYE	NAY	ABSTAIN
Mayor David Young	☐	☐	☐
Jeff Lambson	☐	☐	☐
Debby Lauret	☐	☐	☐
Tom Macdonald	☐	☐	☐
Terry Peterson	☐	☐	☐
David Spencer	☐	☐	☐
LaNae Millett	☐	☐	☐

DRAFT

EXHIBIT A

Proposed Zoning Map



CITY OF OREM
CITY COUNCIL MEETING
SEPTEMBER 13, 2022



REQUEST:	6:00 P.M. SCHEDULED ITEM PUBLIC HEARING - Amending portions of Sections 22-14-8(A)(1) & (2) (<i>Moving a House, Building or other Structure</i>) pertaining to inspection fees and personnel who approves site and building plans.
APPLICANT:	Development Services
FISCAL IMPACT:	None

NOTICES:

- Posted in 2 public places
- Posted on City webpage
- Posted on the State noticing website
- Faxed to newspapers
- Emailed to newspapers

SITE INFORMATION:

General Plan Designation: **n/a**
 Current Zone: n/a
 Acreage: **n/a**
 Neighborhood: **n/a**

**PLANNING
COMMISSION
RECOMMENDATION**
 6-0 for approval

PREPARED BY:
 Rachel Stevens,
 Associate Planner

REQUEST: The applicant requests the City Council amend portions of Sections 22-14-8(A)(1) & (2) (*Moving a House, Building or other Structure*) pertaining to inspection fees and personnel who approves site and building plans.

BACKGROUND: During a general review of the Orem City Code, Development Services found a discrepancy between the Code and annual budget approved by the City Council. The fees for all building permits are reviewed and changed each year. The proposed language will eliminate the discrepancy between the adopted budget and Orem City Code.

22-14-8. Moving a House, Building or other Structure.

- A. No house, building or other structure of any kind shall be brought into the City nor shall any house, building or other structure be moved from one lot in the City to another lot within or outside the City until all of the following conditions have been met:
1. If the home, building or structure is to be moved to a lot in the City, the person desiring to move the structure must apply to the Department of Development Services and pay a ~~pre-inspection fee as adopted by City Council~~ **fifty-dollar (\$50.00) fee** to have the structure and the proposed site of the structure inspected by the City before it is moved to determine all of the changes or improvements necessary to bring the structure and site into compliance with the City's current applicable codes (zoning, building, electrical, plumbing, etc.) relating to that structure and site.
 2. Detailed site and building plans must be submitted to and approved by the ~~building-inspector~~ **City Building Official** which specify all of the modifications and improvements necessary to bring the structure and site into compliance with all applicable City codes. The requirements for the building shall be identical to the requirements for any newly constructed building. The site plan which is submitted must be drawn to scale and show all relevant dimensions. In addition, the site plan shall indicate all adjacent lots as well as all structures and improvements on those lots.
 3. When moving a building to a lot requires site plan review, approval of a site plan prepared according to the requirements of Section 22-14-20 or 22-14-21 of the Orem City Code must first be obtained. If the building is to be moved to a lot in a residential zone and site plan review is not required, approval of a plot plan meeting the building permit requirements of **CHAPTER 7** and Section 22-1-4 of the Orem City Code

must first be obtained from the Zoning Administrator.

4. The appropriate fees must be paid to the City and a building permit must be obtained.
5. All necessary dedications of property must be made to the City as required by the City ordinances or resolutions.
6. The applicant shall post a cash bond with the City in an amount determined by the City to be the cost of making all of the changes and improvements necessary to bring the structure and sites (both the vacated site and the proposed site) into compliance with all of the applicable City codes. This bond is posted to ensure that all necessary changes and improvements are made within six (6) months after the date the structure is moved into or within the City.

RECOMMENDATION: The Planning Commission recommends the City Council, by ordinance, amend portions of Sections 22-14-8(A)(1) & (2) (*Moving a House, Building or other Structure*) pertaining to inspection fees and personnel who approves site and building plans.

22-14-8. Moving a House, Building or other Structure.

- A. No house, building or other structure of any kind shall be brought into the City nor shall any house, building or other structure be moved from one lot in the City to another lot within or outside the City until all of the following conditions have been met:
1. If the home, building or structure is to be moved to a lot in the City, the person desiring to move the structure must apply to the Department of Development Services and pay a pre-inspection fee as adopted by City Council ~~fifty dollar (\$50.00) fee~~ to have the structure and the proposed site of the structure inspected by the City before it is moved to determine all of the changes or improvements necessary to bring the structure and site into compliance with the City's current applicable codes (zoning, building, electrical, plumbing, etc.) relating to that structure and site.
 2. Detailed site and building plans must be submitted to and approved by the ~~building inspector~~ **City Building Official** which specify all of the modifications and improvements necessary to bring the structure and site into compliance with all applicable City codes. The requirements for the building shall be identical to the requirements for any newly constructed building. The site plan which is submitted must be drawn to scale and show all relevant dimensions. In addition, the site plan shall indicate all adjacent lots as well as all structures and improvements on those lots.
 3. When moving a building to a lot requires site plan review, approval of a site plan prepared according to the requirements of Section [22-14-20](#) or [22-14-21](#) of the Orem City Code must first be obtained. If the building is to be moved to a lot in a residential zone and site plan review is not required, approval of a plot plan meeting the building permit requirements of [CHAPTER 7](#) and Section [22-1-4](#) of the Orem City Code must first be obtained from the Zoning Administrator.
 4. The appropriate fees must be paid to the City and a building permit must be obtained.
 5. All necessary dedications of property must be made to the City as required by the City ordinances or resolutions.
 6. The applicant shall post a cash bond with the City in an amount determined by the City to be the cost of making all of the changes and improvements necessary to bring the structure and sites (both the vacated site and the proposed site) into compliance with all of the applicable City codes. This bond is posted to ensure that all necessary changes and improvements are made within six (6) months after the date the structure is moved into or within the City.

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ORDINANCE NO. _____

AN ORDINANCE BY THE OREM CITY COUNCIL AMENDING PORTIONS OF SECTION 22-14-8(A)(1) & (2) (MOVING A HOUSE, BUILDING, OR OTHER STRUCTURE) PERTAINING TO INSPECTION FEES AND PERSONNEL WHO APPROVES SITE AND BUILDING PLANS.

WHEREAS on July 12, 2022, Development Services filed an application with the City of Orem to request the City the City amend portions of Sections 22-14-8(A)(1) & (2) (*Moving a House, Building or other Structure*) pertaining to inspection fees and personnel who approves site and building plans; and

WHEREAS a public hearing considering the subject application was held by the Planning Commission on August 17, 2022 and the Planning Commission recommended the City Council approve the proposed amendments; and

WHEREAS a public hearing considering the subject application was held by the City Council on September 13, 2022; and

WHEREAS the agendas of the Planning Commission meeting and the City Council meeting at which the subject application was heard was posted at the Orem Public Library, on the Orem City webpage and at the City offices at 56 North State Street; and

WHEREAS the matter having been submitted and the City Council having fully considered the request as it relates to the health, safety and general welfare of the City; the orderly development of land in the City; the effect upon surrounding neighborhoods; the compliance of the request with all applicable City ordinances; and the special conditions applicable to the request.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF OREM, UTAH, as follows:

1. The City Council finds this request, to amend the language concerning inspection fees and city personnel, is in the best interests of the City because it eliminates discrepancies between the City Code and the City budget, and the request will not negatively affect the health, safety and general welfare of the City.
2. The City Council hereby amends portions of Sections 22-14-8(A)(1) &(2) (*Moving a House, Building or other Structure*) pertaining to inspection fees and personnel who approves site and building plans, as shown in Exhibit “A” which is attached hereto and incorporated herein by reference.
3. This ordinance shall take effect immediately upon passage and publication in a newspaper of general circulation in the City of Orem.

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4. If any part of this ordinance shall be declared invalid, such decision shall not affect the validity of the remainder of this resolution.
5. All other ordinances and policies in conflict herewith, either in whole or part, are hereby repealed.

PASSED, APPROVED and ORDERED PUBLISHED this **13th day of September 2022.**

David Young, Mayor

ATTEST:

JoD'Ann Bates, City Recorder

COUNCILMEMBER	AYE	NAY	ABSTAIN
Mayor David Young	☐	☐	☐
Jeff Lambson	☐	☐	☐
Debby Lauret	☐	☐	☐
Tom Macdonald	☐	☐	☐
Terry Peterson	☐	☐	☐
David Spencer	☐	☐	☐
LaNae Millett	☐	☐	☐

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EXHIBIT A

22-14-8. Moving a House, Building or other Structure.

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