

# 9 ECONOMIC DEVELOPMENT

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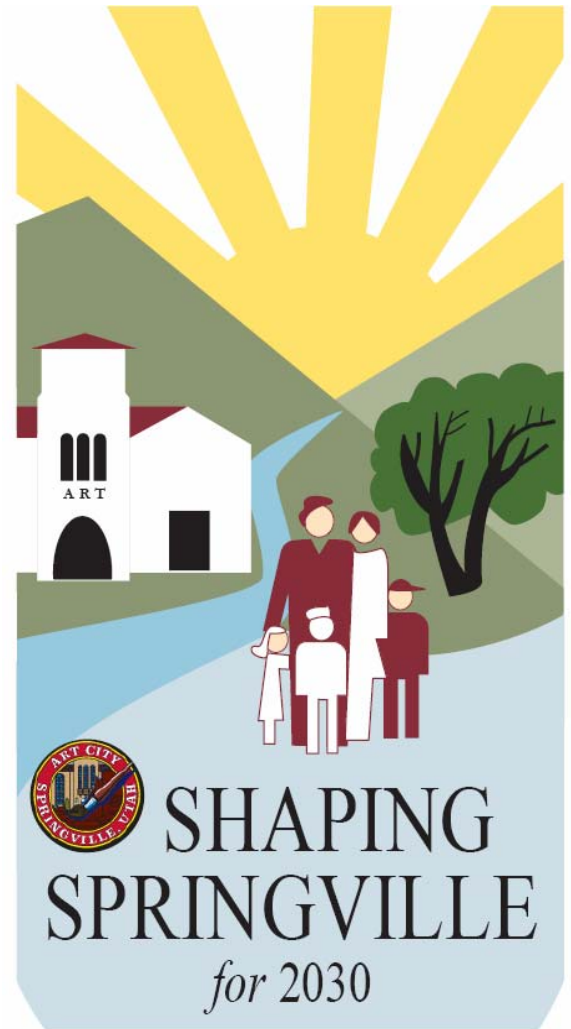
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**GOAL:** *To encourage economic development that will focus on future growth while benefiting present and future residents; through an increased revenue base, employment opportunities, and business diversity.*

## 9.1 Introduction to Economic Development

Efforts to attract jobs, encourage the growth of businesses and growth of income are all important to the vitality and well-being of Springville. While the community has shown interest in economic development for many years, it is important that Springville continues to define its role in economic development.

## 9.2 The Benefits of doing Economic Development in Springville

Springville currently benefits from a variety of natural and manmade improvements which help make the City a great location for economic development.

Springville is beautifully situated on the south end of the Wasatch Front with a historic town center that has largely maintained its integrity through the years. This area of tree-lined streets and historic buildings contribute to a small town identity that is attractive to many types of business firms. The City also includes hundreds of acres of vacant land available for commercial and manufacturing uses. Additionally, vacant land is zoned for a variety of densities for residences to help

ensure that the wide variety of housing types are available for people who choose to live and work in our community.

The Springville Museum of Art, located within the historic area, is a significant cultural venue in the region and draws national and international attention with its range of permanent and temporary exhibits. Hobble Creek Canyon is the home of Hobble Creek Golf Course that has continued to be recognized regionally as one of the best public golf courses. Additionally, a developing trails system through the City and Canyon, along with a constantly improving park system contribute to the opportunities for recreation.

Proximity to regional and national transportation networks, including 1-15 and U.S. 6, along with rail lines and a regional airport and international airport within 50 miles of the City all help address the variety of transportation needs important to many companies. Improvements on the 1-15 interchanges have occurred over the past eight years which have improved traffic flow in those areas.

Traditional infrastructure improvements for water, sewer, and streets continue to be constructed in connection with development in the area. As nearly half of the City is vacant land, costs for infrastructure improvements continues to be a challenge but efforts are being made to ensure that the infrastructure system meets the current and build-out needs of the City, which is ultimately a more economical approach for businesses and taxpayers.

The importance of a committed, educated workforce is essential to successful





Figure 9-1 400 South Interchange

economic development. According to the 2000 US Census, over 90% of Springville’s population over 25 years of age are high school graduates and over 30% have at least a college degree.

Efforts for quality education is a continuous focus of both Nebo School District and the charter schools which provide primary and secondary education in the City. In addition to these facilities, Brigham Young University and Utah Valley University are located within a ten-mile radius of the City. Mountainland Applied Technology College is also within that ten-mile radius and provides important vocational training opportunities, along with several other private vocational colleges.

### 9.3 The Role of Government in Economic Development

Springville’s role in encouraging Economic Development may include certain demand-side efforts such as helping local suppliers find local producers, encouraging local buying of products and marketing local products. The majority of efforts are on the cost or supply side of the equation. Types of activities where the City can be most effective include:

- Developing a data base of available commercial and industrial land and buildings;
- Clearing and assembling land;
- Reviewing and modifying regulations that are overly burdensome to business;
- Underwriting risk (e.g., use of tax increment financing, utility construction, renewal project);
- Working with others to promote economic development;
- Providing or helping set up job training; and,
- Considering changes to tax structure.

The City Council also has the important role of defining the overall policy direction for Springville City. Just as businesses do an analysis to determine the costs and benefit of doing business in a certain location, the City may do likewise. A clear vision of what types of uses are seen as being appropriate for Springville need to be explored and determined. Here are some examples of considerations:

- While there are many resources here, such as water, could the City support a water intensive use? If it were to do so, what other types of businesses might not be able to locate here?
- Are there businesses whose locating





here might serve as a deterrent to other businesses locating here because of odors, appearance, or other types of impacts?

- Are there specific resources in our community which should be promoted to try to encourage certain types of businesses or manufacturers to locate here?
- What is the overall affect of a business or manufacturer on our community now and in the future? Is that impact worth having them in our City?
- Should Springville further define what types of commercial and manufacturing uses are appropriate for which areas of the City? and,
- Are there specific types of analysis that need to be done by the City to better understand what is taking place here economically?

## 9.4 Employment in Springville

Information from the Economic Census indicates that the annual payroll for all business reported grew 44% between 2002 and 2009. A total of 7,094 employees were reported in 2007. The actual numbers are higher as several sectors, such as finance and insurance are not reported in the data. **Economic Development Appendix Table 1.**

Over half of all jobs reported within the City are in the Manufacturing sector. Over 25% of all manufacturing jobs in Utah County are located in Springville. A list of major employers in the City included in the **Economic Development Appendix Table 2.**

## 9.5 Commercial Development

Springville includes several commercial districts, nodes and corridors and is

planning for the development of several others to help meet the needs of our citizens and provide important tax base for the City (see **Map 9-1** for the location of Economic Districts and Corridors). More specific information on these areas are included in the **Economic Development Appendix Figure 1.**

### 9.5.1 Sustainable Commercial Land

The 2008 land use survey showed that Springville has a little under 430 acres of land used for commercial purposes. A land absorption analysis done by **Lewis, Young, Robertson & Burningham** indicated that at build-out, Springville will support approximately 800 net acres (exclusive of R-O-W which typically reduces this acreage by 20-33%) of commercial development.

Of the total 800 acres, approximately 300 acres are projected for commercial office development with the remainder being for commercial retail and services. In the 2008 land use survey, Springville had 220 acres utilized for commercial service. An estimated additional 60-80 acres is needed. However, Utah County has a typically had a higher amount of commercial office space in comparison to other developed counties outside of Salt Lake, such as Davis and Weber

Out of the estimated 800 acres of commercial needed, an estimated 500 acres should be for commercial retail. The 2008 land use survey showed Springville has 210 acres of commercial retail. An estimated additional 300 acres will be needed.

The 1997 General Plan showed 2100 acres of land for commercial uses. This is nearly double the amount of commercial land which is identified as being absorbable by Lewis, Young Robertson & Burningham.





Consideration of how to better balance commercial and residential land needs to be considered in order to help resolve this unbalance.

### 9.5.2 Type of Retail Needed in Springville

At the projected build-out population of 55,000-60,000, the majority of uses will serve a neighborhood and community commercial market. According to the Shopping Development Handbook, a population of 40,000 or more within a five mile radius is needed for community retail. Neighborhood retail requires a population of 3,000 customers or more within a one-mile radius for neighborhood retail.

Regional retail uses are justified by a population of 150,000 within an eight mile radius. Currently, the eight-mile radius population from Springville is estimated as being 79,758 persons. Current projections anticipate a population of 115,639 by 2020.

### 9.5.3 Sales Leakage and Capture

In 2009 Lewis, Young, Robertson, and Burningham (LRYB) conducted an economic analysis of Springville City based on 2007 tax information and standard industrial classification (SIC) sectors. Part of the analysis was to determine Springville's sales leakages, and buying power. The second half of the study determined the amount of different uses the City's population could support based on typical standards.

Springville has the highest capture rate within the sectors of general merchandise and personal services. (See **Economic Appendix Figure 2**) The sectors with the highest leakages are apparel and accessories, entertainment and

amusement, and furniture and electronics. Bringing these types of business to Springville will create an opportunity to capture more sales within the community. There are many other sectors that are within Springville that are leaking sales to neighboring communities.

## 9.6 Industrial Development

There are around 470 acres of land which has been developed for industrial and manufacturing uses in the City. Unlike commercial land, there is not a recommended balance between manufacturing and either residential or commercial lands. An estimated 1,100 acres of industrial acreage has been identified as reasonable based on percentages in other more fully developed communities.

The majority of land identified for manufacturing or industrial uses are located in the vicinity of the Springville Industrial Park and south of 1600 South adjacent and west of State Road 51. Additionally, some other smaller pockets exist. Areas west of I-15 are zoned commercially, but include some manufacturing uses, which are allowed under the current zoning designation.

## 9.7 Springville City's Revenue

Most of Springville City's revenues come from taxes. As Springville continues to grow, ensuring a stable and adequate tax base is necessary to sustain City services such as facilities operation and maintenance, public safety and others. Many of the goals of economic development are focused around maintaining a sizeable tax base that can provide a large part of the funding for these services without increasing the tax





# SPRINGVILLE CITY GENERAL PLAN

rates themselves and placing an undue burden on individuals within Springville. Most of the tax revenue for Springville City comes from sales tax, property tax, and energy tax.

## 9.7.1 Sales Tax

Sales tax in Springville City has contributed to over twenty percent of total revenues for the City over the past ten years. Sales tax in Utah has been collected since 1933 and the code was completely revised in 1987. Sales tax can be general or selective. General sales tax is collected on the sale of most items while selective sales tax is collected on specific items such as fuel or tobacco products. As of April 1, 2010 the state imposes a 4.70% sales tax rate across

the whole state, while the county has a 0.25% sales tax rate. There is also a sales tax rate of %0.25 charged countywide for airport, highway and public transit. Springville City collects sales tax at a 1.0% rate and the citizens have elected to pay a 0.25% sales tax that is used for mass transit and a 0.30% sales tax that is used for fixed guideway mass transit. The combined sales tax rate in Springville City is 6.75%.

## 9.7.2 Property Tax

Around ten percent of Springville’s revenue comes from property taxes. Other portions of it go to the county or special service districts. The vast majority of all property tax goes to Nebo School District.

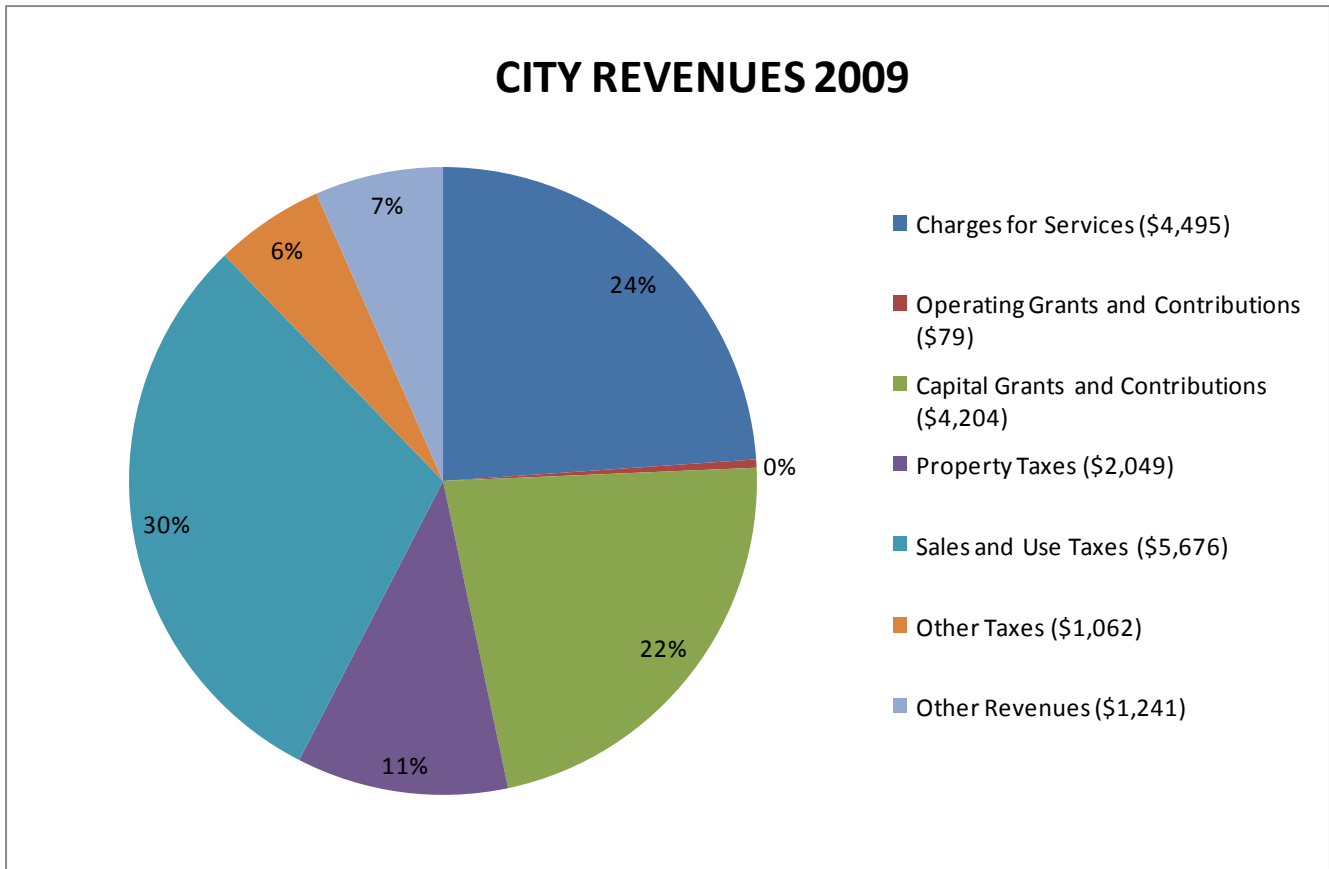


Figure 9-3 Revenue Source 2009



Property taxes are lauded for being relatively stable compared to sales tax or energy tax which can fluctuate depending on consumption. The value of property rarely diminishes and there is no threat of it going anywhere. The rate changes yearly, but has mirrored the fluctuations in value for the last decade meaning that the rate has effectively stayed the same. Springville's property rate is about average to most cities of comparable size in Utah.

operating cost. These reimbursements are a contribution and transfer revenues sources for the City.

9.7.3 Utilities

The City operates enterprise funds for six sectors. These sectors are electric, water, sewer, solid waste, golf, and storm water. These six sectors are business like entities that generate their own revenues and expenses. These departments reimburse the general fund administrative and

Springville City Revenue

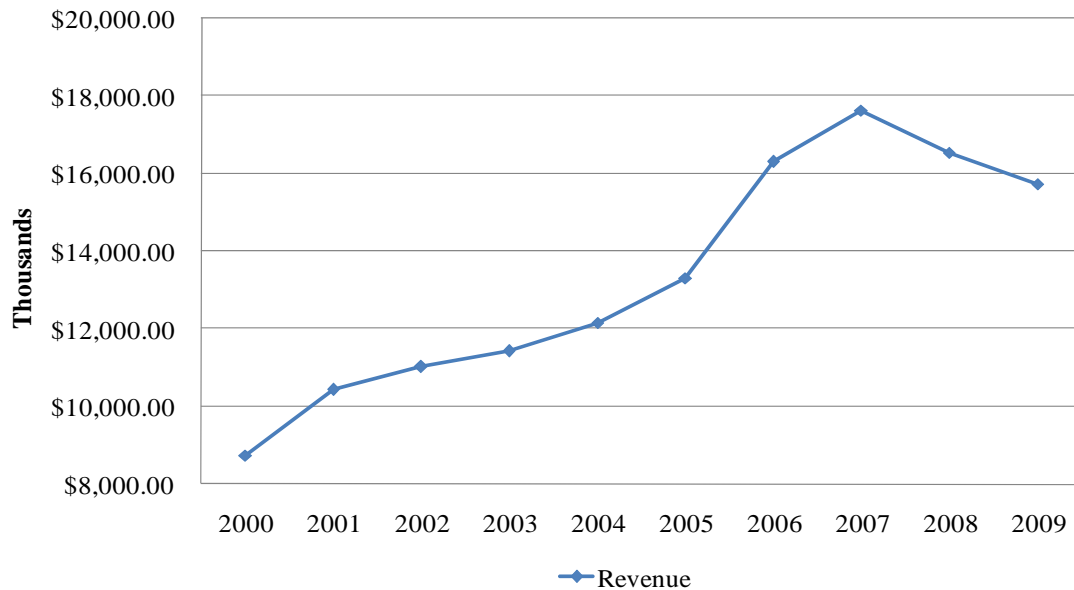


Figure 9-4 Springville City Revenue

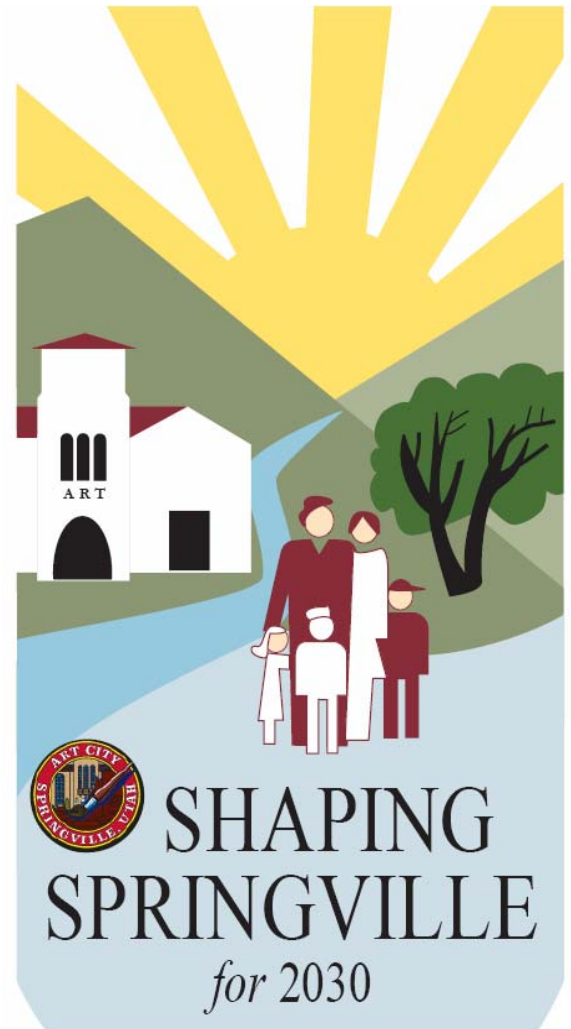






## 9.8 Goals, Objectives, and Strategies

The goals, objectives, and strategies section is comprised of specific goals and actions for Springville during the next 20 years. The following pages present the goals, objectives, and strategies for this element.





**GOAL** To encourage economic development that will focus on future growth while benefiting present and future residents; through an increased revenue base, employment opportunities, and business diversity.

## OBJECTIVE 1

Improve Springville's economic image by creating a marketing strategy to promote job creation and quality of life advantages.

### SYNOPSIS

Springville works to attract economic growth. In 2008 Springville prepared a profile to provide information to potential businesses that would like to be located in Springville. Springville is in the process of creating an advisory committee consisting of the mayor, key City officials, local business, and community members.

In order to create a City where residents can work and live, education and job opportunities of all levels are desired. To continue to attract citizens with a higher level of education, high paying jobs are needed. In April 2010 seventy percent of residents commuted to employment outside of Springville. Education for high paying jobs is offered by Springville's proximity to BYU and UVU.

### STRATEGIES

- 1A Prepare a marketing package to attract key target businesses.

*Implementation: Mayor, City Council, City Staff.*

- 1B Create an economic advisory committee to better define the City's goals for future economic growth and develop a specific economic development plan to be updated every five years.

*Implementation: Mayor, City Council, City Staff.*

- 1C Work with economic development companies and EDC-Utah to recruit companies with higher paying jobs.

*Implementation: Mayor, City Council, City Staff.*

- 1D Work with local, state and regional economic development agencies such as EDC-Utah and the Chamber of Commerce.

*Implementation: Mayor, City Council, City Staff.*

- 1E Attend and participate in economic development conferences on a local, statewide, national and global level.

*Implementation: Mayor, City Council, City Staff.*



**GOAL** To encourage economic development that will focus on future growth while benefiting present and future residents; through an increased revenue base, employment opportunities, and business diversity.

**OBJECTIVE 2**

Encourage economic development throughout Springville.

**SYNOPSIS**

The southern end of Utah County is growing. Due to Springville’s population growth the retail buying power of residents will increase by \$43.8 million by 2010. As this growth occurs Springville has the opportunity to attract regional retail. One possible way for Springville to accomplish this is to create community development agreements. These agreements are formed between the City, Land Developers, and others such as the Nebo School District.

As commercial growth occurs it should contribute to the strength of the community. Balance between residential and commercial uses’ is needed in order to maintain a stable economy. Normal standards suggest a City of Springville’s size can reasonably support 800 acres of commercial. As a result the General Plan land use map has been updated with a goal of 800 acres of commercial. The City does still currently have greater than 800 acres planned for.

**STRATEGIES**

2A Explore incentives like the community development agreement with land developers.

*Implementation: Mayor, City Council, City Staff.*

2B Support the redevelopment of underutilized or vacant parcels or areas.

*Implementation: Mayor, City Council, City Staff.*

2C Continue to improve the business licensing and building permit process.

*Implementation: Mayor, City Council, City Staff.*

2D Promote a balance of residential and commercial uses in order to maintain the stability of the economy.

*Implementation: Mayor, City Council, City Staff.*

2E Promote high quality residential neighborhoods in order to support community commercial centers.

*Implementation: Mayor, City Council, City Staff.*

2F Ensure that infrastructure needs and the City’s ability to meet them are considered as part of the economic development recruitment process

*Implementation: City Council, Mayor, Public Work, Power, and Administration.*





**GOAL** To encourage economic development that will focus on future growth while benefiting present and future residents; through an increased revenue base, employment opportunities, and business diversity.

## OBJECTIVE 3

Continue to encourage commercial retail and service in areas where leakages occur.

## SYNOPSIS

The entertainment and amusement sector along with the apparel and accessory sector have the highest percentage of sales leakage according to the study completed by LYRB. While there are other areas of sales leakage found around Springville, these two have the highest percentages and dollar amounts. Other areas with leakages are business services, furniture, and electronics.

As downtown is revitalized and neighborhood villages are built, there is an opportunity to cluster commercial retail and services such as, entertainment, dining, and apparel. Clustering these types of business will allow them to build and strengthen key economic development areas.

## STRATEGIES

- 3A Encourage development in the sectors with the highest leakages, which are entertainment and amusement along with apparel and accessory.

*Implementation: Mayor, City Council, City Staff.*

- 3B Encourage infrastructure that will support key business.

*Implementation: Mayor, City Council, City Staff.*

- 3C Encourage new development to cluster services such as dining establishments, entertainment, and apparel.

*Implementation: Mayor, City Council, City Staff.*

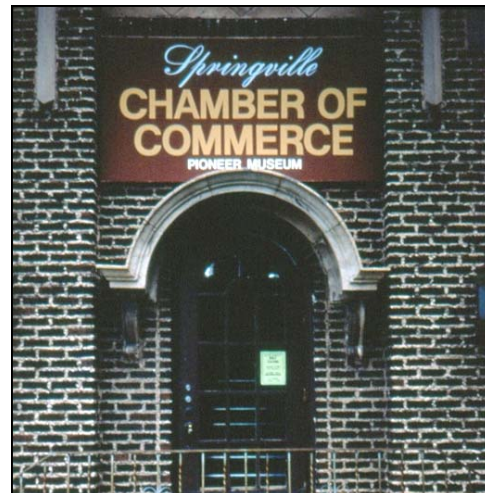


Figure 9-5 Springville Chamber of Commerce



**GOAL** To encourage economic development that will focus on future growth while benefiting present and future residents; through an increased revenue base, employment opportunities, and business diversity.

**OBJECTIVE 4**

Encourage compatible uses within the various economic development areas found in Springville.

**SYNOPSIS**

Springville has several economic development areas. The major areas are the downtown area, and near the fourth south interchange. Local businesses play an unique and important role in Springville’s economic health. It is important that the City continues to work with businesses and the Chamber of Commerce ( see **Figure 9-5**).

In order to build strong clustered commercial centers infill, redevelopment, and revitalization is needed. Clustered commercial development is best located along major arterials and intersections.

As growth occurs Springville’s cultural and social heritage can be preserved as the City grows by increasing downtown’s vitality, specialty shops, dining establishments, and services. Larger retail and big box stores should be encouraged to locate near the freeway interchanges.

**STRATEGIES**

4A Work with business owners and commercial property owners to address issues that are negatively affecting them.

*Implementation: Mayor, City Council, City Staff.*

4B Create a stable economy for Springville by encouraging revitalization and redevelopment efforts.

*Implementation: Mayor, City Council, City Staff.*

4C Encourage specialty shops and dining in the downtown area in order to preserve and enhance Springville’s cultural and social heritage.

*Implementation: Mayor, City Council, City Staff.*

4D Encourage larger commercial retail, and light industrial near interchanges.

*Implementation: Mayor, City Council, City Staff.*



