

CHAPTER 6: ECONOMIC ELEMENT

This element considers the economy of Santaquin City in the local and regional context. General discussion will include the elements necessary for expanding a local economy, Santaquin's strengths and weaknesses, and strategies which can be employed to achieve greater prosperity within the community.

BACKGROUND

Economic development is the carrying out of activities that facilitate economic growth within the community. The purposes for government carrying out these activities is to help bring services and desired amenities to an area while reducing the overall tax burden on local citizens and businesses, thus improving the quality of life. As such, many communities often narrowly focus their attention on attracting sales tax dollars. There are other ways to grow the local economy.

A community's economy may be imagined as a barrel with money and goods flowing into the top as well as spilling out (See Figure 1). The barrel analogy represents a number of key concepts. First, the community is intimately linked with the rest of the world through the inflow and outflow of income and goods. Second, the community uses resources to produce the output it sells, which can be available locally or purchased elsewhere. Third, the size of the barrel is determined essentially by the inflow of outside income, the lack of leakage of income, and the volume of resources used to produce the community's output.¹



Figure 1: Conceptual Economic Flow in a Community

SANTAQUIN'S ECONOMIC HISTORY

Settlement of Santaquin was based around an agrarian economy. The adjacent hills were utilized for timber and natural resources needed by a small population base. Most goods, if not produced locally, were obtained from the Payson or Spanish Fork areas. Population and economic growth was stymied in part due to the relative isolation from larger economic centers. After the freeway was completed to Santaquin in 1970², Santaquin's economy began to change.

The existence of the freeway brought quicker access to larger trade centers. People were able to live farther from their place of employment without having longer commute times. They also were able to get to shopping locations where more goods, at a cheaper price, could be offered. The small shops near Main Street began to close down. It was not until the turn of the century that growth returned to the area.

Between 2000 and 2010, Santaquin Main Street saw construction of a three doctor medical clinic, two credit unions, 32 residential units, 2,600 square feet of office space, and 6 retail spaces which have housed two restaurants, a pharmacy, salon, discount retail and other services. A new convenience store and fast food business were added at each I-15 interchange. Additionally, the city

¹ Community Economic Analysis: A How To Manual, Hustedde, Ronald J, et al, 1993

² Interview with Dan Avila, UDOT Region 3 Deputy Program Director

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invested in downtown with the construction of the public safety building and using \$3.6 Million to widen and beautify the Highway corridor.

SANTAQUIN'S ECONOMY TODAY

Today, Santaquin has over 184 licensed businesses. There are 44 commercial establishments, which range from agrarian based production to retail shopping, automotive sales and services to assisted living centers and child care. The remainder of businesses are home based, where local entrepreneurs conduct small business operations or utilize the internet to reach out to customers.

Sector Representation and Primary Jobs. One of the ways to evaluate the local economy is to understand how many jobs are available in the city and how many of those are used to create a good or service which is sold out of the local economy³. Those jobs which serve clientele outside of Santaquin are referred to as primary jobs and help bring revenue into the Santaquin economy. A recent survey of Santaquin employers revealed nearly 730 jobs in Santaquin. These jobs represent each of the 17 major job sectors identified by the North American Industry Classification System (NAICS)⁴ (See Figure 2).

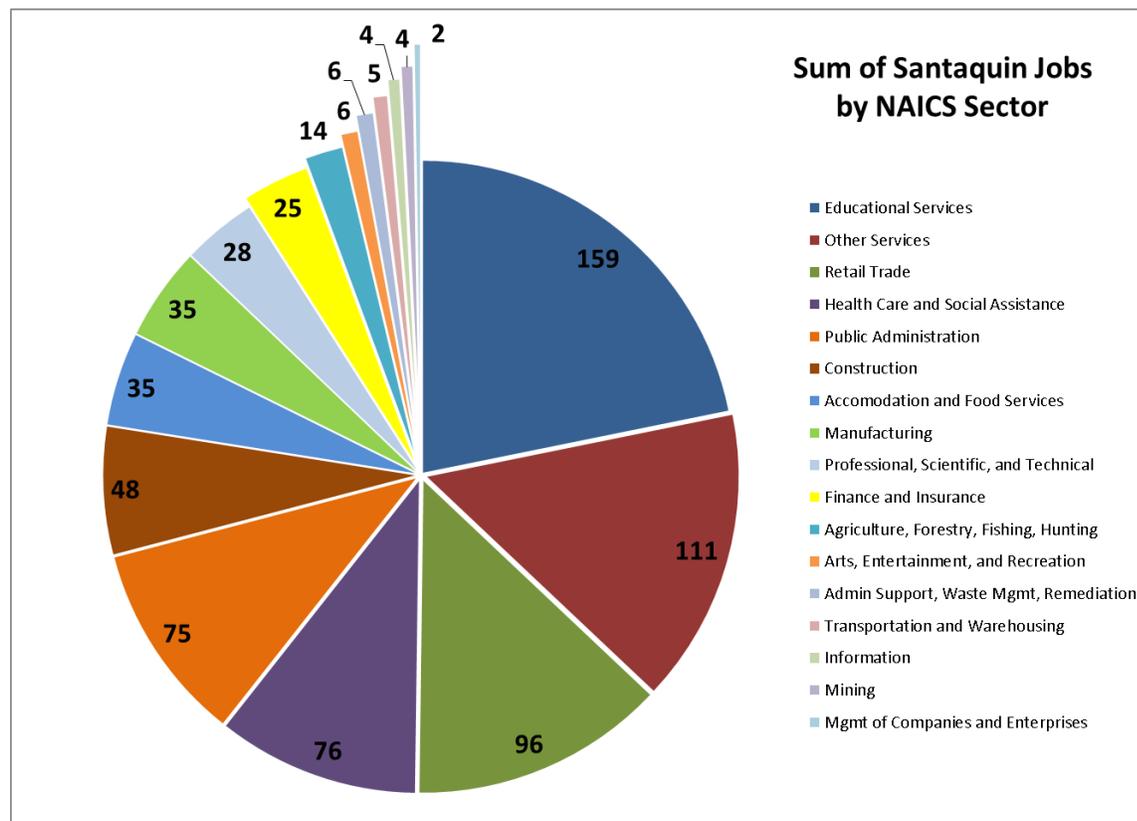


Figure 2: Jobs in Santaquin by NAICS Sector

In the same survey, employers were asked to estimate how much of their services or goods were provided to residents in Santaquin. Based on their responses, 52.5% of the jobs provide services to non-local customers or businesses (See Figure 3).

³ Community Economic Analysis: A How To Manual, Hustedde, Ronald J, et al, 1993

⁴ <http://www.naics.com>

Santaquin Jobs Per NAICS Sector Serving Local and Non-Local Markets

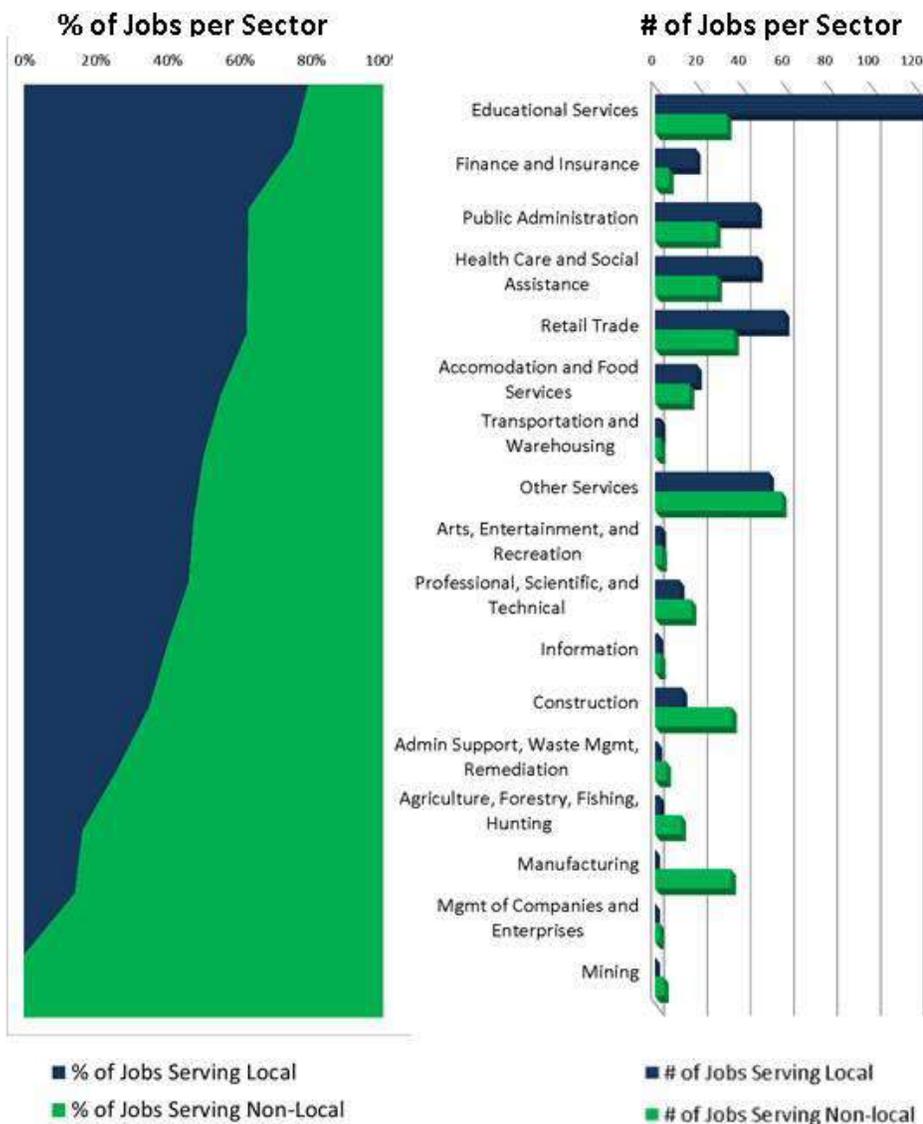


Figure 3: Santaquin Jobs by NAICS Sector and Local Serving Focus

The above chart, on the left of Figure 3, shows the relative percentage of jobs, by sector, having a focus outside of Santaquin. According to the 2013 survey, the sectors with more primary jobs include administrative support and waste management or remediation, agriculture, manufacturing, mining, and management companies and enterprises. These jobs account for less than 15% of the employment opportunities in Santaquin.

Those businesses which tend to focus on serving the local populace are schools, government, financial institutions, and health care services. These four sectors account for over 66% of the jobs

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in Santaquin. Although their focus is local, their purchasing of supplies and materials is usually in bulk through non-local sources due to limited purchasing opportunities in the area. These outside purchases are a leakage which can be slowed as additional stores and services come to town.

The bar graph in Figure 3 shows the sectors with the greatest number of jobs in Santaquin, and how many jobs from each sector serve the local residents. If education services were excluded from the calculation, the number of jobs serving local versus non-local persons is nearly half and half.

It should be noted that seasonal jobs related to the agriculture or home construction areas are not included in these figures, unless the contractor is licensed by Santaquin. The seasonal jobs from these two areas can add more than 100 jobs in the community. While Santaquin based employers will increase community economic assets, the seasonal workers often do not live in Santaquin and will take or spend earnings outside the community due to lack of shopping establishments.

Based on the identified jobs in the area, Santaquin's economy is very focused on service industries that support the local residents. These same services benefit other small communities in the Santaquin trade area.

Santaquin Trade Area and Regional Relationships.

The Santaquin trade area can be determined using Reilly's Law⁵ for determining likelihood of trade capture. This formula is typically used when considering large purchase habits, but also gives an indication of economic magnetism affecting surrounding areas. Cities used for the Santaquin analysis include Nephi, Saratoga Springs, and Payson, since they are the closest higher order economic centers along major travel routes entering Santaquin (See Table 1 Below).

The results of the formula indicate people seeking significant shopping opportunities who are within 11.4 miles of Santaquin will trend toward Santaquin rather than Nephi when traveling I-15. If a property owner was using 5200 West to travel between Payson and Santaquin, they would trend toward Santaquin if they lived within 2.7 miles of Santaquin, etc. Using the information in Table 1, and GIS data available through the Utah AGRC, we are able to determine the trade area for Santaquin (See Figure 5).

Table 1: Trade Area Calculations for Santaquin

Comparable Community	Major Intersection near Trade Center	Route Considered	2012 Population Estimate	Distance from Santaquin		Trade Capture Distance from Santaquin	
				Miles	Minutes	Miles	Minutes
Nephi	Hwy 132 and 28	I-15	5438	20.0	22.0	11.4	12.6
Nephi	Hwy 132 and 28	Hwy 6	5438	61.0	80.0	34.9	45.7
Payson	Hwy 198 and 178	Hwy 198	18938	4.7	8.0	2.0	3.3
Payson	Hwy 198 and 178	5200 West	18938	6.4	17.0	2.7	7.1
Saratoga Springs	Hwy 68 and 73	Hwy 68	21137	43.1	48.0	17.4	19.4
Saratoga Springs	Hwy 68 and 73	Hwy 73	21137	85.2	200.0	34.4	80.7

⁵ Community Economic Analysis: A How To Manual, Hustedde, Ronald J, et al, 1993

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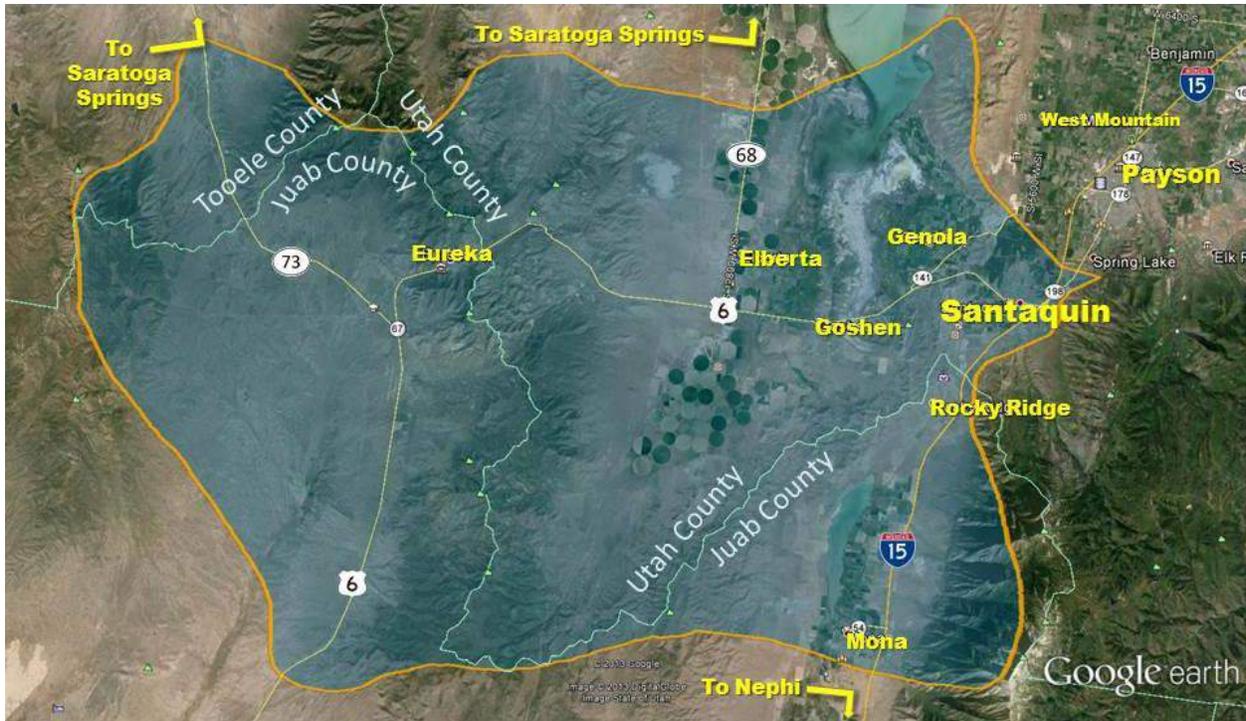


Figure 4: Map of Santaquin trade area

The area shown in Figure 4 includes over 500 square miles. It includes parts of Utah County, Juab County, and Tooele County. Smaller towns that will trend through Santaquin to I-15 include Goshen, Genola, Elberta, Eureka, Mona, and Rocky Ridge town. Combined demographic information about the towns in the area is found in table 2 below. This same area has great development potential.

The Utah County general plan for this area includes a 3,000 acre business development park, multiple town centers, and a population over 250,000. Until infrastructure can be installed, Santaquin will be the primary area for housing and services to future businesses and employees locating to the area.

Table 2: Santaquin Trade Area Demographic Information

	2012 Census Estimate	Households	Median Age	Household size	Education above High School	Median Income
Eureka	667.00	253.00	35.7	2.64	91.5%	\$ 43,583.00
Elberta	256.00	68.00	25	3.76	85.1%	\$ 50,625.00
Genola	1,390.00	348.00	26.5	3.99	90.4%	\$ 64,000.00
Goshen	933.00	285.00	31.1	3.27	84.2%	\$ 55,893.00
Mona	1,558.00	425.00	28.4	3.67	92.6%	\$ 60,625.00
Rocky Ridge	744.00	116.00	25	6.41	85.1%	\$ 50,625.00
Santaquin	9,674.00	2,338.00	23.9	4.14	86.8%	\$ 63,075.00
Combined Totals	15,222.00	3,833.00	25.6	4.0		\$ 60,469.08

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Several points which can be highlighted from data in Table 2 include:

- The area has a relatively young population with a median age of 25.6
- The average household size of 4.0 means there are generally children in the households.
- Over 85% of the adults in the area have a high school diploma or higher level of education. The national average for percent of high school graduates or higher is 85.4%
- Santaquin's median household income (\$63,075) and that for the trade area (\$60,469) is above the national median income of \$50,054. It is also higher than the Utah County median income of \$59,338 and the Juab County median income of \$54,000.

ECONOMIC SWOT ANALYSIS

Because of the large trade area, Santaquin's economic climate can be improved by many opportunities in the region and threatened in the same way. Some of the Strengths, Weaknesses, Opportunities and Threats (SWOT) that Santaquin should consider as it sets goals for economic development are provided in the table at the end of this element. The SWOT analysis is framed within the ten major areas of site location factors for new businesses.⁶

Commercial development in Santaquin can build on many of the same strengths. However, available commercial space in Santaquin is currently scarce: prospective businesses must either build their own space or convince a developer to provide space that they can lease⁷. Infrastructure provision to new parts of the city, particularly the Summit Ridge area to the southwest, is incomplete. Capital facilities (treatment plants, storage tanks, etc.) are sufficiently large to accommodate current growth, but the connections to major growth areas need to be completed, which will require additional facilities. Business owners find it difficult to identify sources of assistance as they try to start, expand or even maintain their businesses. Many current Santaquin residents are traveling to other communities for retail shopping or to receive medical care. This is referred to as "leakage" of disposable income of residents that benefit surrounding communities to the detriment of Santaquin City. Also, many local citizens are commuting out of the city daily to work in commercial jobs. An aggressive Economic Development partnership between the city and private sector investors will advance the economic viability of Santaquin City as the population increases dramatically during the next decade.

SPECIFIC AREA GOALS AND DESIRED OUTCOMES

Based on the information and aspects of the Santaquin economy identified in the SWOT, Santaquin can identify areas of focus for achieving greater economic success and development. The primary focus should be getting properties ready for development (aka "shovel ready") so that business attraction efforts can be more than a networking experience.

The land use plan designates five major locations or aspects which the economic element will expound upon.

⁶ Dimensions of Industrial Location Factors: Review and Exploration, Masood a. Badri, Journal of Business and Public Affairs, V1, Issue 2, 2007.

⁷ Economic Trends in the Mountainland Region, BBC Research and Consulting, 2003

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- Agricultural Commerce and City Identity
- Regional Economic Center and Transit Oriented Development
- Main Street Central Business District
- West Side Business Park
- Future Interchange Businesses

Each of these aspects plays a role in the community's ability to provide jobs, goods and services to City residents. Retail and service commercial uses, manufacturing, or agricultural business development opportunities present the City with economic advantages in the region. Each is important to Santaquin being "A Community Prospering in Country Living".

Agricultural Commerce and City Identity

Agricultural pursuits have been and should be encouraged to remain part of the Santaquin community identity. Designation of these uses as viable and of paramount importance is critical in maintaining the culture and identity of Santaquin. Only by maintaining these agricultural uses around the City can Santaquin establish itself as unique along the Wasatch Front and a place to experience, not just drive through.



Figure 5: South Ridge Farms Red Barn, the commercial front to the family's area farming operations.

Businesses which sell or produce agricultural goods and wares should be encouraged. Festivals and seasonal markets should be held in close proximity to and even incorporate the orchards and farms around the City. The City can aid and support farmers in finding grants and other financial resources to promote their activities. The City can also establish a Farmers Heritage District to promote and ennoble the resident farmers and historic agricultural efforts of the State.

Regional Economic Center and Transit Oriented Development

Regional economic destinations are envisioned around the south interchange area. Support for these uses will have to be from attracting I-15 travelers. The nearly 30,000 vehicles per day⁸ traveling past Santaquin on I-15 is more vehicles than residents in the Santaquin trade area. The revenue potential from these travelers is significant and could allow the City to fund higher levels of service while keeping local tax burdens low. Santaquin has the potential to be the first destination stop in Utah County for travelers coming up to the Wasatch Front and the jump of point for people traveling south.

A Transit Oriented Development opportunity will exist adjacent to a future Commuter Rail Station with retail, office, housing and



Figure 6: TOD at Station Park in Farmington, UT

⁸ UDOT 2005 Annual Average Daily Traffic book

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government uses that will expand the economy of Santaquin City. This Commuter Rail line, much like the light rail system in Salt Lake County, will be a driving economic engine for many cities along the Wasatch Front. Santaquin's ability to establish a vibrant end of the line station for the system will further make Santaquin a destination location.

Main Street Central Business District

As outlined in the City's Land Use Element of the General Plan, and Core Area Neighborhood Plan, this district is intended to create a mixed-use shopping and financial center for the City. The intensity of uses within this area and adjacent blocks increases with proximity to the intersection of Center Street and Main Street. Other uses near I-15 may be more freeway oriented, including automotive service stations, auto dealerships, travel centers or other travel oriented businesses. Uses near the west end of Main Street should complement the nearby Santaquin Elementary school and future school grounds as well as the residential neighborhoods, professional offices and public parks in that area.

The Main Street Business District will be the defining element for the City and, according to citizen comments, should be the highest economic priority. This will be an area that combines the best aspects of a traditional central business district development with current and future trends in transportation, shopping, employment and living. Residents and employees in this district will enjoy easier access to employment, shopping, transportation systems, and City services. At the same time, it will allow the City to accommodate new residents who are expected to move to Santaquin in the coming years while maintaining the single-family character of existing neighborhoods to the north and south of Main Street.

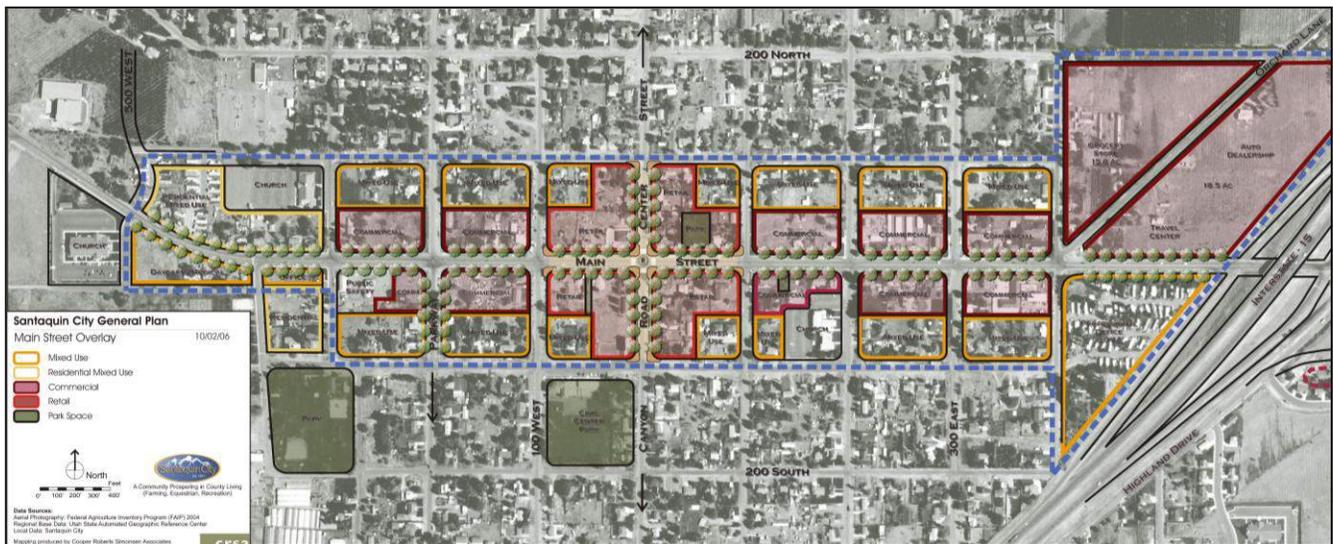


Figure 7: Conceptual Overlay of Main Street area

Realizing this concept will be one of the more difficult elements of implementing this plan. Small properties will need to be consolidated before viable new development can occur. Blighted properties will need to be cleared. City development standards will need to be revisited so that current residential densities around 3 units per acre can be increased to more than 20 units per acre in order to support Main Street retail businesses. In addition to roof tops, office space must be

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constructed for professional services and management type businesses to support daytime pedestrian traffic to local shops.

West Side Business Park

In order to provide greater opportunities for employment within Santaquin a Business Park and associated uses are shown along Highway 6 and west of the City's irrigation water winter storage ponds. Because of the close proximity of the area to the Union Pacific Railroad freight line and Highway 6 there are opportunities for access, shipping and transporting of goods out of the area.



Figure 8: Concept layout for Santaquin Business Park

the topography along Highway 6, but will be closer to residential developments to the west and south. Buffering standards for this area from the existing agricultural operations and future residential areas will also need to be addressed.

Future Interchange Businesses

The Mountainland Association of Governments long range transportation plan shows that a future Interstate 15 interchange will be located at 12400 South. The Utah Department of Transportation (UDOT) estimates that this interchange will not be constructed until 2035, depending upon the traffic volumes and population of the surrounding area.

The properties adjacent to this section of I-15 are occupied by large acreage single family lots or properties used for agricultural purposes. The intent of the City's Land Use element is that these rural and agricultural areas north of the Strawberry High Line Canal be preserved from intense

Uses in these areas are anticipated to be low impact light manufacturing, research, professional office and ancillary commercial. They may also include a future satellite campus for a university or trade school. Heavy manufacturing and bulk waste generating facilities tend to rely on more populated and commercial centric areas nearer to Provo. As a bedroom community in the Provo metropolitan area Santaquin can afford to limit the amount of heavy industrial uses in its borders.

This area would include the gateway to Santaquin from Genola and Goshen. It will also include a major access road into the Summit Ridge development area. As such the City should implement high development standards with regards to building architecture, materials, and site landscaping along Highway 6 and other public roads. Those properties located west of the City's irrigation ponds are naturally screened due to

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residential or commercial developments. However, once the future interchange is constructed these lands will be more easily accessed and become desirable commercial properties.

Anticipating the future interchange, the City's long range plan should be to capitalize on the commercial and business park opportunities near it. Other uses in this area could be agribusiness related or complimentary commercial.

INCENTIVES

The best incentives any city can use to attract business investment are a well thought out General Plan, an inventory of well-packaged sites, a marketing approach to "tell a convincing story" of Santaquin, an enthusiastic response of Community and Economic development staff, and an engaged elected leadership to promote the city on fiscally sound policy.

The City will be the link in attracting new industry to Santaquin in the competing regional market. The most successful cities in Utah County are those who are ready to act on a moment's notice. They provide general community information, specifics on utility rates and capacities, and simple brochures describing a variety of pre-packaged sites.

A pre-packaged site is one that meets a "Five-way Test:" 1) Annexed, 2) Zoned for business use, 3) Utilities available or a utility plan is in place, 4) A "fully improved" asking price for the site is readily available, and 5) Transportation via major highways is available without interference by residential areas, school zones, or other incompatible uses.

Good planning and well written zoning ordinances are the best assurance a business owner can have to protect their long term investment.

Packaged sites and city cooperation are among the incentives sought by businesses. Other incentives such as loan pools and tax rebates need not be the deciding factor for a desired site. Relative land cost is important in economic development. Santaquin City sites need to be competitively priced with sites in comparable settings. The advantage will be determined in the market growth and overall vision of the quality of life for businesses and residents. Business investors realize land price as a one-time cost, usually averaging about 1% of the total project cost.

Disincentives can play a significant role in economic development. Sites which are not drained, or are on the Wetlands map, are not saleable. Sites which do not meet the "five-way test" are not competitive with alternatives such as Provo/Orem or Salt Lake. Ongoing costs such as utility franchise taxes, if higher than neighboring competitors, are also a strong disincentive.

Funding for business incentives such as expanded utility systems or city owned business park sites could become available through increased property tax rates, by forming partnerships with developers, or by obtaining grants.

GOALS, POLICIES AND ACTION ITEMS

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The following policies, goals and action items are based on the SWOT analysis and the five focus areas identified above.

Goal 1. To promote and encourage commercial, industrial and other economic endeavors to strengthen and improve quality of life, business success and the City's tax base.

Policy 1: Santaquin should enable economic development activities by proactively zoning properties, establishing regulations which facilitate new businesses, business growth, and maintaining an open dialogue about impediments to economic activities.

Action Items

- Survey businesses in the community to determine regulatory impediments to business growth and discuss appropriate modifications.
- Establish or modify current business oriented zones and development regulations. This may include zones for professional services, neighborhood commercial, civic and cultural event zones, or site development standards.
- Identify properties suitable for non-residential or mixed-use developments and proactively rezone them.

Policy 2: Santaquin should be an active economic development partner by working with existing business owners, developers, and interested companies to accomplish public and private goals of profitability, stability, and community enhancement.

Action Items

- Have a City representative at each local chamber of commerce meeting.
- Establish a City Economic Development Committee (EDC) with members selected from the City Council, Planning Commission, local businesses, major developers, and significant property owners.

Policy 3: Santaquin should maintain an open door policy and be willing to provide information, incentives or partnering opportunities to all interested parties. At the same time, the city may target regional and community retail businesses, office development, agribusinesses and business park uses including light industry. The ramifications to utility and system capacities as well as local markets should be considered with any potential new business developments.

Action Items

- The City website should have a module specific for economics in the Santaquin area (e.g. Doing Business in Santaquin, etc.).
- Work with a consulting company to develop a marketing plan for the community. Plan should address business attraction, residential development promotions, tourism opportunities, "A Breath of Fresh Air."
- Santaquin needs to maintain existing systems and follow capital facility improvement plans to provide sufficient capacity for proposed uses.

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- Capital Facility Plans, Impact Fee Facilities Plans, and Impact Fee Analysis' should be updated regularly to assure compliance with state laws and to appropriately reduce the financial burden on new developments.

Policy 4: Incentive packages should be post-performance based and tailored to the needs of businesses. Incentives should be available to existing businesses to help them expand. Any incentive package should consider costs and benefits to City services, residents, and existing businesses.

Action Items

- Develop an incentives policy and program guide that includes programs and funding opportunities available through Santaquin and other government agencies.
- Work with local businesses to disseminate information about available incentives.
- Establish an economic development fund which can act as seed money for grants, matches, property acquisitions, etc.
- Establish a revolving loan fund which businesses can utilize in conjunction with other funding sources for expansion, relocation, incubation, etc.
- Establish CDA, RDA, and EDA project areas, where appropriate, for leveraging Tax Increment Financing (TIF) of new development or business improvement areas.

Policy 5: Santaquin will promote the economy of the southern Utah County region. This includes working with adjacent jurisdictions, Utah and Juab County officials, area chambers of commerce, and the state to attract primary jobs.

Action Items

- Regularly attend or hold meetings with economic development professionals working in the south Utah County area. This should include Juab County with its jurisdictions, the Nebo School District, utility company representatives, Utah Valley Tourism and Chamber of Commerce.
- Maintain membership and association with the Economic Development Corporation of Utah (EDCUtah), Mountainland Association of Governments (MAG), the Governor's Rural Partnership Board (GRP) and Office of Economic Development (GOED).
- Share leads with other economic development agencies.

Policy 6: Santaquin will assist owners and developers of business properties to package their sites for market. Packaging will include the site being annexed, zoned appropriately, ensure utilities are available or plans are in place for their expansion to the site, a "fully improved" asking price is available, and transportation means and access are established or exist which can accommodate anticipated uses of the property.

Action Items

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- Identify properties which need to be annexed in order to participate in City economic development activities.
- In cooperation with property owners, develop concept plans for developable properties and work with utility companies to begin design of necessary extensions.
- Work with property owners of annexable ground, developers, and/or consultants to establish partnership opportunities, development agreements, purchase/lease arrangements, etc.
- Use property concept plans to establish community development areas or other TIF opportunities to stimulate development.
- Work with utility companies to plan for buildout conditions in order to increase efficiencies in extension work.
- Work with Engineering staff and UDOT to determine locations for highway widening and access points.
- Continue working with UDOT and MAG to identify and secure funding for improvement of regionally significant roads in order to facilitate ease of access and distribution of goods and customers to businesses.

Policy 7: Santaquin should facilitate increased residential development and densities where utilities are readily available in order to reduce long term maintenance and service delivery costs.

Goal 2. Facilitate development of first full-service grocery in town with supporting retail.

Action Items with anticipated time frame for completion

- Obtain break in no-access line along Main Street from UDOT and FHWA (6 mos)
- Obtain construction permit for access of 500 East from Main Street to 100 North (6 mos)
- Establish partnerships for financing of infrastructure and improvements (6 mos)
- City owned properties should be transferred to the Santaquin Community Development Board (6 mos)
- Exchange properties for 500 East access (6 mos)
- Work with significant property owners near the Main Street interchange to develop/refine project area plan (1 year)
- Create a CDA and EDA for the project area (1 year)
- Develop a marketing plan and begin engaging network groups and target companies (2 year)
- Exchange properties for 200 North road alignment, extension of 500 East and widening of 400 East (3 years)
- Construct new 200 North road alignment to facilitate expansion of commercial development (4 years)

Goal 3. Develop a business park west of Santaquin within 5 years.

Action Items with anticipated time frame for completion

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- Reclaim sewer lagoon property for development (1 year)
- Develop or refine business park project area plan (1 year)
- City owned properties should be transferred to the Santaquin Community Development Board (1 year)
- Find a business park development company to partner with on the project development (2 years)
- Establish partnerships for financing of infrastructure and improvements (2 years)
- Work with development company to partner with or obtain all properties associated with business park area (2 years)
- Annex all properties associated with the business park (2 years)
- Create a CDA and EDA for the project area (2 years)
- Design and engineering of needed improvements (3 years)
- In partnership with the business park development company, develop a marketing plan to begin engaging industry network groups and target companies. (3 years)
- Continue working with UDOT and MAG to identify and secure funding for improvement of regionally significant roads in order to facilitate ease of access and distribution of goods and customers to businesses (4 years)
- Extend gas services from the 500 East regulator station to the business park area. This should include partnering with the gas company, Summit Ridge Development and Genola City (4 years)
- Extend or provide access to fiber optic communication lines in Highway 6 to the business park properties (4 years)
- Work with property owners along the Union Pacific Railroad corridor to identify a potential rail spur location and begin the process of getting it approved by UPRR (5 years)

Goal 4. Begin development of City owned 35 acres near South Santaquin Interchange within 10 years.

Action Items with anticipated time frame for completion

- City owned properties should be transferred to the Santaquin Community Development Board (1 year)
- Work with Sunroc Corporation to facilitate the harvesting of materials and reclamation of the City property (2 years)
- Work with Summit Ridge developers, SITLA, Sunroc, and other significant property owners near the south Santaquin interchange to develop/refine project area plan (2 years)
- Establish partnerships for financing of infrastructure and improvements. Should include Summit Ridge Communities, utility companies, etc. (3 years)
- Create a CDA and EDA for the project area (3 years)
- Design and engineering of needed improvements (3 years)
- Extend gas services from the 500 East regulator station to the area (4 years)
- Develop a marketing plan and begin engaging network groups and target companies (3 years)

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	Transportation	Labor	Raw Materials	Markets	Sites	Utilities	Tax Structure	Community	Government Attitude
Strengths	Santaquin is the southern most major crossroads for the urbanized Wasatch Front. Interstate 15, Hwy 6, and Hwy 198 provide quick and easy access to communities north, south, east and west. With a combined Average Annual Daily Traffic (AADT) volume over 50,000[1] the Main Street interchange is the most economically viable area in Santaquin. Highway 6 also provides the only route around the south end of Utah Lake, making it a critical corridor to handle business and commuter traffic to I-15. UTA provides bus service in Santaquin which connects to other major economic centers in Utah County.	Although Santaquin has a relatively small population, the labor force within a typical commute time (60 minutes) of Santaquin is over 840,000 workers.[1] The labor force is also highly skilled or has access to many training opportunities at Utah Valley University (UVU), Brigham Young University (BYU), Utah State University (USU) Extension offices, and the Mountainland Applied Technology Center (MATC). The labor force is growing as the young families age.	The Santaquin area is rich in sand and gravel deposits, which are necessary for roads, concrete work, utility construction, etc. Several surface mines are already operating and able to expand in Santaquin or Utah County as the area economy grows. The Goshen valley mining district, located less than 20 minutes west of Santaquin, recently opened mines for silica, which will bring over 400 jobs. Recent infrastructure improvements to the area include gas and electrical power, which are necessary for heavy processing machinery.	The housing market, despite its downside mentioned above, is one of the greatest economic indicators for the area. The amount of roof tops in Santaquin is now beginning to draw the attention of retail businesses, home based entrepreneurs, and service industry leaders. The growing number of homes also brings greater spending assets, value, and resources in the area. As shown in the sector analysis above, Santaquin has a strong financial and medical market with three financial institutions, a chiropractor, medical clinic and a couple dental offices. Santaquin also has many people who work in construction markets. The fruit produce industry, because of proximity to the orchards is also a strong market, but is seasonally and economically cyclical.	Raw ground with zoning conducive to development is plentiful in Santaquin. There are four major areas for business and commercial development, which are identified in the specific goals section below.	Power, telecommunications, water, sewer, and irrigation are available or within several hundred feet of most development areas in the City. Rocky Mountain Power, which serves Santaquin, is one of the cheapest suppliers of power in the United States.	Santaquin's tax structure is stable. Taxes and associated revenue are established under the Utah Truth in Taxation laws, which make them politically difficult to increase. The most recent increase in tax revenue approved by the City was for the funding of additional road improvements. Santaquin did not raise the revenue rate for the 25 years prior to this increase. In addition to the tax structure, the City's utility rates are sufficient to cover debt service, operations and maintenance of city utility systems. These systems are fairly new with payments based on zero growth occurring in the city. As the city continues to grow, debt service will be paid down sooner and allow the city to maintain user rates which are lower than neighboring, more urban cities. Furthermore, the city has a Community Redevelopment Agency, which can consider tax incentives through Tax Increment Financing (TIF) opportunities to help bolster the economy as desired.	The agrarian work ethic is still prevalent in Santaquin. Many people have or do work in the surrounding orchards or are involved in raising livestock or supporting crops. There is also a strong entrepreneurial spirit with nearly one in ten homes having a licensed home occupation. The community has many young families with children. Multiple school sites are being acquired to accommodate the growth. These new schools will be in addition to those secondary education institutions, as well as historic and cultural facilities within 30 minutes of Santaquin. The area recreation opportunities are plentiful. Attractions like Utah Lake and Mona Reservoir, the Little Sahara Recreation Area, Uintah-Wasatch-Cache National Forest and the Nebo Wilderness Area are open to the outdoor enthusiast. Those interested in history can find evidences of ghost towns, mining, Native American glyphs, and even pre-colonial Spanish relics in the area. Land and housing prices are relatively low, which allows for a variety of affordable types and models. This makes for a more diverse and ethnically rich community.	The general attitude of the elected and appointed officials is positive toward economic growth. This is true for the local, county, and state levels, with each jurisdiction seeking the ways and means to promote sustainable growth and job creation.
Weaknesses	Although the Union Pacific Railroad runs through town, there is no spur to access this freight moving opportunity. Highway 6 has a pinch point at the Main Street I-15 interchange, which needs to be addressed to facilitate more flow and easier access onto the Interstate system.	The labor force within Santaquin is limited (3,969[1]).	There are limited water resources in the area for mining operations.	There are limited opportunities for foods, professional services, clothing, furniture, and appliances in Santaquin. Aside from Orchard Days, there are very few events to attract tourists into the area.	Much of the raw ground is not shovel ready. This means there is one or more utilities or access points which need to be installed before development can occur. The construction of these facilities will cost multiple millions of dollars. No rail spur is currently available for industrial uses.	There is not sufficient natural gas capacity for development of commercial areas near the south interchange or the west side business park on the former treatment lagoon properties. There are limited access points off Highway 6 at this time.	Santaquin does not currently have redevelopment areas and will be establishing new tax policy. Santaquin will need to utilize consulting services to set up appropriate and sufficient systems reduce tax and fee burdens on new economic developments.	Santaquin's population is less than 10,000 people. This places it on the cusp of supporting primary jobs and commercial establishments. At the same time, most of the population is young and has limited disposable income.	The current tax structure places an emphasis on "zoning for dollars." This means communities compete against each other for sales and property tax generators rather than cooperatively pursue the success of the region. This attitude can detract from the desirability of the area. Recent cooperative agreements with the Economic Development Corporation of Utah (EDCU) and associations with the Utah Valley Chamber of Commerce can reduce this competitiveness.
Opportunities	Land is available along the UPRR corridor to develop an industry spur. The commuter rail line and an additional Goshen Valley freeway connection in Santaquin are in the UDOT Long Range Transportation Plan, which will increase opportunities for business, retail, commuter, and tourism.	The southern Utah County area will undoubtedly grow. Because of the affordable housing and ease of access to I-15, Santaquin will attract many young families and active seniors into the area if the City maintains a high quality of life along with a technology and recreation emphasis. Santaquin can also work with the area universities to provide education opportunities and facilities for the south Utah County area, which will increase knowledge and skill levels.	Additional mining opportunities have been identified for industrial minerals, which can bring over 1,000 more jobs to the Goshen Valley.	As the city and region grows, there are many opportunities to increase sales and service markets. Development of agriculture oriented research, education, and tourism can also help sustain the farms and ambience of the region. More seasonal festivals that promote the Native American heritage, mining history, and agriculture can increase the tourism market and quality of life in the area.	As utilities and access points are constructed, the Santaquin sites are situated at the crossroads of the southern Wasatch Front. The access to Highway 6 and I-15 allows businesses to have quick access to metropolitan services and also be closer to regional service areas in southern Utah and Nevada without having to drive through Wasatch Front traffic.	The utility companies are willing to partner with Santaquin City and developers to install build-out lines for new development. Some funding programs are available to accomplish this. Santaquin will need to create EDA, CDA or RDA areas to help finance some of the capital improvements.	Santaquin can leverage the authority of the Community ReDevelopment Agency more to finance TIF projects and help get sites shovel ready. This can be done in such a way that the city would have little initial capital outlay but still provide incentives to developers for putting in critical infrastructure.	The many positive aspects of Santaquin can be used to entice companies to consider Santaquin for their relocation or expansion. Such marketing can also attract more young professionals or active seniors to the area, which can bring education and more expendable income to the area. However, unless there are shovel ready sites any marketing campaign will be difficult to result in primary job wins for the community.	Santaquin can also establish an economic development committee made up of elected and appointed officials, business owners, developers, citizens and area representatives. This committee can then help promote and pursue businesses which complement and improve the standard of living in the area. They can also work with area businesses to modify regulations which hobble the local economy.
Threats	The economic strength of the northern Utah County area causes greater traffic volumes and congestion in that area, which pulls transportation funding away from Santaquin. Santaquin will need to remain engaged with Mountainland Association of Governments (MAG), funding committees, UTA and UDOT personnel to stay abreast of funding opportunities.	Until Santaquin is able to attract primary jobs, most of the workforce will commute outside of the local trade area. Opportunities to retain the younger part of the area workforce (56%) are losing out to more attractive venues in the County economic and entertainment centers. Commuting distances and increasing fuel costs may cause laborers to relocate to areas closer to employers in northern Utah County and the Salt Lake valley.	Current government regulations stymie investment and exploration of raw materials. It is currently more profitable to mine and process materials in foreign countries, rather than within the United States. Furthermore, as development in the south county area continues, mining operations will be pressured to improve extraction methods and reduce impacts on new, less tolerant neighbors.	Santaquin is at risk of being leapt over by commercial development. Spanish Fork and Payson will continue to build and be economic centers for the South County area. They will attract most residents to their markets. Although smaller than Santaquin, Nephi will continue to grow and draw people to it. Santaquin will need to find niche markets that are not provided in either of those communities.	Similar to market risks identified above the development of job and commercial centers in other communities may result in Santaquin being overlooked. Additionally, if job centers are not developed early, residential encroachment upon business areas may preclude development of primary job centers.	Utilities are heavily regulated by the federal and state government. Changes in regulations may affect partnering capabilities and will certainly affect user rates.	Laws pertaining to impact fees, utilities rates, and redevelopment areas are changed on an annual basis. Santaquin should stay abreast of these changes and any proposals which may impede opportunities to work with new business development.	If Santaquin does not protect the agrarian operations of the area and limit future intrusion into those notable landscapes, the community could lose its quaintness and unique appeal.	Because economic development takes time, it is easy for officials and the citizenry to get frustrated and want to revamp or completely change focus. These changes sometimes result in unstable political climates. Sharing "little wins" with elected officials can help keep enthusiasm high for economic development efforts. At the same time, strictest confidentiality must be maintained in order to protect the interests of new businesses and pending deals in which the City may be involved.
	Transportation	Labor	Raw Materials	Markets	Sites	Utilities	Tax Structure	Community	Government Attitude