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EAGLE MOUNTAIN
REDEVELOPMENT
AGENCY, UTAH

JULY 2026

PROJECT AREA BUDGET

MID-VALLEY COMMUNITY
REINVESTMENT AREA (CRA)

PREPARED BY:

LRB PUBLIC FINANCE ADVISORS

FORMERLY LEWIS YOUNG ROBERTSON & BURNINGHAM INC.

SECTION 1. INTRODUCTION

The Eagle Mountain Redevelopment Agency (the Agency), following thorough consideration of the needs and desires of the City of Eagle Mountain (the City) and its residents, as well as understanding the City's capacity for new development, has carefully crafted the Project Area Plan (the Plan) for the Mid-Valley Community Reinvestment Project Area (the Project Area). The Plan is the result of a comprehensive evaluation of the types of appropriate land-uses and economic development opportunities for the land encompassed by the Project Area which lies within the central portion of the City, to the east of Pony Express Parkway, and to the south of Old Airport Road.

The Plan is envisioned to define the method and means of development for the Project Area from its current state to a higher and better use. The City has determined it is in the best interest of its citizens to assist in the development of the Project Area. This **Project Area Budget** document (the Budget) is predicated upon certain elements, objectives and conditions outlined in the Plan and intended to be used as a financing tool to assist the Agency in meeting Plan objectives discussed herein and more specifically referenced and identified in the Plan.

The creation of the Project Area is being undertaken as a community reinvestment project pursuant to certain provisions of Chapters 1 and 5 of the Utah Community Reinvestment Agency Act (the Act, Utah Code Annotated (UCA) Title 17C). The requirements of the Act, including notice and hearing obligations, have been observed throughout the establishment of the Project Area.



SECTION 2. DESCRIPTION OF COMMUNITY DEVELOPMENT PROJECT AREA

The Agency was established for the purpose of promoting economic activity within the boundaries of the City and Agency. Pursuant to that purpose, the Agency has determined that it is in the best interests of the participating taxing entities that levy taxes within the proposed project area to promote the development of a regional commercial center.

The developer of the land has informed the Agency that the current property owners will only accept a premium price above fair market value for their land. This land price, combined with increases in construction costs, and required public road improvements creates a financing gap that cannot be overcome without assistance. "But for" public participation, the land will remain underutilized.

A map of the Project Area is attached hereto in EXHIBIT A.



SECTION 3. GENERAL OVERVIEW OF PROJECT AREA BUDGET

the Project Area Plan vision and objectives. The Project Area Plan has identified that tax increment financing is essential to meet the objectives of the Project Area. The following information will detail the sources and uses of tax increment and other details necessary for public officials, interested parties, and the public in general to understand the mechanics of the Project Area Budget.

BASE YEAR VALUE

The Agency has determined that the base year sales tax generation for the Project Area will be the total sales tax collections from business activity within the project area boundaries during calendar year 2026. Based on current conditions within the Project Area, collections are estimated at **\$0**.

PAYMENT TRIGGER

The Project Area will have a maximum duration of twenty (20) years from the date of the first tax increment received by the Agency, unless the Sales Tax and Tax Increment Revenue Bonds, Series 2026 (Bonds) are fully paid prior to the end of the twenty-year period. The collection of tax increment will be triggered at the discretion of the Agency. Following the Agency's request to begin the collection of tax increment, tax increment revenues generated within the Project Area will accrue monthly after the effective trigger date. Consistent with the timing of sales tax collection and distribution procedures, monthly sales tax revenues are expected to be remitted to the Agency approximately three months after the month in which the underlying taxable sales occur. For the purposes of this Project Area Budget, "Year 1" shall mean the calendar year in which the Agency first receives Tax Increment revenues. The Agency anticipates it will trigger tax increment during 2027, but in no case will the Agency trigger the first year of tax increment collection after 2029.

PROJECTED TAX INCREMENT REVENUE – TOTAL GENERATION

Development within the Project Area will commence upon favorable market conditions which will include both horizontal and vertical infrastructure and development. The Agency anticipates that site work and infrastructure construction will commence in fourth quarter 2026 and new vertical development will begin in the Project Area in 2027. The contemplated development will generate significant incremental sales and use tax above what is currently generated within the Project Area.

Although the Project Area Budget may terminate prior to the expiration of the 20-year period if the Bonds are fully repaid, it is estimated that during the 20-year life of the Project Area Budget, Tax Increment could be generated within the Project Area in the approximate amount of **\$26.9M** or at a **net present value (NPV)¹ of \$15.8M**.

¹ Net Present Value (NPV) of future cash flows assumes a 4.75% discount rate. The same 4.75% discount rate is used in all remaining NPV calculations. This total is prior to accounting for the flow-through of tax increment to the respective taxing entities.



SECTION 4. TAX INCREMENT

BASE YEAR TAX REVENUE

The Agency has determined that the base year sales tax generation for the Project Area will be the total sales tax collections from business activity within the project area boundaries during calendar year 2026. Based on current conditions within the Project Area, collections are estimated at **\$0**.

TAX INCREMENT SHARED WITH RDA – PROJECT AREA BUDGET

It is currently anticipated that only the City will share a portion of that increment generation with the Agency. The City will contribute an estimated 55% of their respective tax increment for 20 years. **Table 4.1** shows the amount of Tax Increment shared with the Agency assuming the participation levels discussed above.

TABLE 4.1: SOURCES OF TAX INCREMENT FUNDS AFTER APPLICATION OF PARTICIPATION RATE

ENTITY	PARTICIPATION PERCENTAGE	LENGTH	TOTAL	NPV AT 4.75%
Eagle Mountain City	55%	20 Years ¹	\$26,908,357	\$15,751,273
TOTAL SOURCES OF TAX INCREMENT FUNDS			\$26,908,357	\$15,751,273

¹ Project Area Budget may terminate prior to the expiration of the 20-year period if the Bonds are fully repaid.

USES OF TAX INCREMENT

Most of the tax increment (89.5%) will be used to facilitate the development of the commercial center, specifically to assist in repaying the Bonds issued to meet road improvement requirements of the City. 10% of the Project Area's tax increment will be used on qualified affordable housing uses, as outlined Utah Code 17C-5-307(3). The remaining 0.5% will be used to offset the administration costs of the Agency.

TABLE 4.2: USES OF TAX INCREMENT

USES	TOTAL	NPV AT 4.75%
Redevelopment Activities (Road Improvements, etc.)	\$24,082,979	\$14,097,390
CRA Housing Requirement	\$2,690,836	\$1,575,127
Agency Administration	\$134,542	\$78,756
TOTAL USES OF TAX INCREMENT FUNDS	\$26,908,357	\$15,751,273

A multi-year projection of tax increment is included in **EXHIBIT B**.

TOTAL ANNUAL TAX REVENUE FOR TAXING ENTITIES AT CONCLUSION OF PROJECT

As described above, the collective taxing entities are not currently generating sales tax revenue from this Project Area. At the end of 20 years an additional \$1,839,941 in sales tax revenue annually is anticipated.





TABLE 4.3: TOTAL BASE YEAR AND END OF PROJECT LIFE ANNUAL SALES TAX INCREMENT

ENTITY	BASE YEAR REVENUE	ANNUAL INCREMENT AT YEAR 20	TOTAL ANNUAL SALES TAX
Eagle Mountain City	\$0	\$1,839,941	\$1,839,941
TOTAL REVENUES	\$0	\$1,839,941	\$1,839,941



SECTION 5: CITY COST/BENEFIT ANALYSIS

Based on the land use assumptions, current economic and market demand factors, tax increment participation levels, the following table outlines the benefits (revenues) and costs (expenditures) anticipated in the Project Area. This does not factor in the benefit of other economic multipliers such as job creation, disposable income for retail consumption, etc. The revenues calculated in this analysis consists of property and sales tax revenues.

TABLE 5.1 TOTAL REVENUES (OVER LIFE OF PROJECT AREA)

ENTITY	SALES TAX	PROPERTY TAX	TOTAL SALES TAX REVENUE
Eagle Mountain City	\$48,924,285	\$896,220	\$49,820,504
TOTAL REVENUES	\$48,924,285	\$896,220	\$49,820,504

The expenditures consist of general government, public safety, public works, and sales tax participation. The net benefit is calculated using total revenues less total expenditures. As shown below, the proposed community reinvestment will create a net benefit to the City.

TABLE 5.2 TOTAL EXPENDITURES (OVER LIFE OF PROJECT AREA)

ENTITY	CRA BUDGET (SALES TAX PARTICIPATION)	GENERAL GOVERNMENT	PUBLIC WORKS	PUBLIC SAFETY	TOTAL INCREMENTAL EXPENDITURES
Eagle Mountain City	\$26,908,357	\$1,776,312	\$82,699	\$1,623,768	\$30,391,135
TOTAL EXPENDITURES	\$26,908,357	\$1,776,312	\$82,699	\$1,623,768	\$30,391,135

The net benefit to the City of participating in the Project Area is **\$19,429,369**.²

² This does not include the \$2,690,836 housing portion of tax increment that will be reinvested into the City.



EXHIBIT A: PROJECT AREA MAP



Mid-Valley Commercial
Approximately 53 acres

EXHIBIT B: MULTI-YEAR BUDGET

Eagle Mountain Redevelopment Agency											
Mid-Valley CRA											
INCREMENTAL SALES TAX ANALYSIS:	Tax Year	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
	Build Year	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
	Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
SALES TAX & INCREMENT ANALYSIS											
City Local Option	1.000%	321,949	778,455	1,272,213	1,944,619	2,151,541	2,367,593	2,426,783	2,487,453	2,549,639	2,613,380
Sales Tax Participation Rate											
City Local Option		55%	55%	55%	55%	55%	55%	55%	55%	55%	55%
Sales Tax Increment for Budget											
City Local Option		177,072	428,150	699,717	1,069,540	1,183,347	1,302,176	1,334,731	1,368,099	1,402,301	1,437,359
Total Sales Tax Increment for Budget:		\$177,072	\$428,150	\$699,717	\$1,069,540	\$1,183,347	\$1,302,176	\$1,334,731	\$1,368,099	\$1,402,301	\$1,437,359
Use of Tax Increment Funds											
Redevelopment Activities (Infrastructure, Incentives, etc.)	89.5%	158,479	383,194	626,247	957,239	1,059,096	1,165,448	1,194,584	1,224,449	1,255,060	1,286,436
CRA Housing Requirement	10.0%	17,707	42,815	69,972	106,954	118,335	130,218	133,473	136,810	140,230	143,736
RDA Administration (0.5%)	0.5%	885	2,141	3,499	5,348	5,917	6,511	6,674	6,840	7,012	7,187
Total Uses		\$177,072	\$428,150	\$699,717	\$1,069,540	\$1,183,347	\$1,302,176	\$1,334,731	\$1,368,099	\$1,402,301	\$1,437,359
REMAINING TAX REVENUES FOR TAXING ENTITIES											
Eagle Mountain		144,877	350,305	572,496	875,078	968,193	1,065,417	1,092,052	1,119,354	1,147,338	1,176,021





Eagle Mountain Redevelopment Agreement
Mid-Valley CRA

INCREMENTAL SALES TAX ANALYSIS:	Tax Year	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047		
	Build Year	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046		
	Year	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20		
SALES TAX & INCREMENT ANALYSIS												TOTALS	NPV
City Local Option	1.000%	2,678,714	2,745,682	2,814,324	2,884,682	2,956,800	3,030,719	3,106,487	3,184,150	3,263,753	3,345,347	48,924,285	28,638,679
Sales Tax Participation Rate													
City Local Option		55%	55%	55%	55%	55%	55%	55%	55%	55%	55%		
Sales Tax Increment for Budget												TOTALS	NPV
City Local Option		1,473,293	1,510,125	1,547,878	1,586,575	1,626,240	1,666,896	1,708,568	1,751,282	1,795,064	1,839,941	26,908,357	15,751,273
Total Sales Tax Increment for Budget:		\$1,473,293	\$1,510,125	\$1,547,878	\$1,586,575	\$1,626,240	\$1,666,896	\$1,708,568	\$1,751,282	\$1,795,064	\$1,839,941	\$26,908,357	\$15,751,273
Use of Tax Increment Funds												TOTALS	NPV
Redevelopment Activities (Infrastructure, Incentives, etc.)	89.5%	1,318,597	1,351,562	1,385,351	1,419,985	1,455,485	1,491,872	1,529,168	1,567,398	1,606,583	1,646,747	24,082,979	14,097,390
CRA Housing Requirement	10.0%	147,329	151,013	154,788	158,658	162,624	166,690	170,857	175,128	179,506	183,994	2,690,836	1,575,127
RDA Administration (0.5%)	0.5%	7,366	7,551	7,739	7,933	8,131	8,334	8,543	8,756	8,975	9,200	134,542	78,756
Total Uses		\$1,473,293	\$1,510,125	\$1,547,878	\$1,586,575	\$1,626,240	\$1,666,896	\$1,708,568	\$1,751,282	\$1,795,064	\$1,839,941	\$26,908,357	\$15,751,273
REMAINING TAX REVENUES FOR TAXING ENTITIES												TOTALS	NPV
Eagle Mountain		1,205,421	1,235,557	1,266,446	1,298,107	1,330,560	1,363,824	1,397,919	1,432,867	1,468,689	1,505,406	22,015,928	12,887,406

