RESOLUTION NO. R- 05 -2021

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN CITY, UTAH, APPROVING AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE AGENCY AND ALPINE SCHOOL DISTRICT

PREAMBLE

WHEREAS pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the "Interlocal Act"), and the provisions of the Community Reinvestment Agency Act, Title 17C, Utah Code Annotated 1953, as amended (the "CRA Act"), public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into mutually advantageous agreements for joint and cooperative actions, including the sharing of tax and other revenues; and

WHEREAS the Eagle Mountain Redevelopment Agency (the "Agency") and Alpine School District (the "School District") are "public agencies" for purposes of the Act; and

WHEREAS after careful analysis and consideration of relevant information, the Agency desires to enter into an Interlocal Agreement with the School District whereby the School District would remit to the Agency a portion of the property tax increment generated within the Sweetwater Industrial Park Community Reinvestment Project Area #2, (the "Project Area") which would otherwise flow to the School District, for the purpose of encouraging development activities through the payment for certain public infrastructure and other uses that directly benefit the Project Area; and

WHEREAS Section 11-13-202.5 of the Interlocal Act requires that certain interlocal agreements be approved by resolution of the legislative body of a public agency.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE LEGISLATIVE BODY of the Agency as follows:

1. The Interlocal Cooperation Agreement between the Agency and the School District, substantially in the form attached hereto as Exhibit A (the "Agreement"), is approved in final form and shall be executed for and on behalf of the Agency by the Chair of the Agency Board.

2. Pursuant to Section 11-13-202.5 of the Interlocal Act, the Agreement has been submitted to legal counsel of the Agency for review and approval as to form and legality.

3. Pursuant to Section 11-13-209 of the Interlocal Act, a duly executed original counterpart of the Agreement shall be filed immediately with the Agency Secretary, the keeper of records of the Agency.

4. As provided in Utah Code Ann. § 17C-5-205(3), the Agreement shall be effective on the day on which the Agency publishes notice of the Agreement pursuant to Utah Code Ann. § 11-13-219 of the Interlocal Act.

5. This Resolution shall take effect upon adoption.

APPROVED AND ADOPTED by the legislative body of the Eagle Mountain Redevelopment Agency this 1st day of June, 2021.

Tom Westmoreland, Chair

ATTEST:

Aaron Sanborn, Executive Director

CERTIFICATION

The above resolution was adopted by the Redevelopment Agency of Eagle Mountain City on the 1st day of June, 2021.

Those voting aye:	Those voting nay:	Those excused:	Those abstaining:
☑ Donna Burnham	☐ Donna Burnham	☐ Donna Burnham	☐ Donna Burnham
☑ Melissa Clark	☐ Melissa Clark	☐ Melissa Clark	☐ Melissa Clark
☑ Colby Curtis	☐ Colby Curtis	☐ Colby Curtis	☐ Colby Curtis
☑ Jared Gray	☐ Jared Gray	☐ Jared Gray	☐ Jared Gray
☑ Carolyn Love	☐ Carolyn Love	☐ Carolyn Love	☐ Carolyn Love

Aaron Sanborn, Executive Director

Posted on 06.02.2021 by CP.

EXHIBIT A

INTERLOCAL COOPERATION AGREEMENT

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this 1st day of June, 2021, by and between the EAGLE MOUNTAIN REDEVELOPMENT AGENCY, a community reinvestment agency and political subdivision of the State of Utah (the "Agency"), and the ALPINE SCHOOL DISTRICT, a political subdivision of the State of Utah (the "School District") in contemplation of the following facts and circumstances:

A. **WHEREAS**, the Agency was created and organized pursuant to the provisions of the Utah Neighborhood Development Act, Utah Code Annotated ("UCA") §17A-2-1201 *et seq*. (2000), and continues to operate under the provisions of its extant successor statute, the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the UCA (the "Reinvestment Act"), and is authorized and empowered under the Reinvestment Act to undertake, among other things, various community development activities pursuant to the Reinvestment Act, including, among other things, assisting Eagle Mountain City (the "City") in development activities that are likely to advance the policies, goals and objectives of the City's general plan, contributing to capital improvements which substantially benefit the City, creating economic benefits to the City, and improving the public health, safety and welfare of its citizens; and

B. **WHEREAS**, this Agreement is made pursuant to the provisions of the Reinvestment Act and the Interlocal Cooperation Act (UCA Title 11, Chapter 13) (the "Cooperation Act"); and

C. **WHEREAS**, the Agency will create the Sweetwater Industrial Park Community Reinvestment Project Area #2 (the "Project Area"), through the adoption of the Sweetwater Industrial Park Survey Area #2 Plan (the "Project Area Plan"), located within the City, which Project Area is described in Exhibit "A" attached hereto and incorporated herein by this reference; and

D. **WHEREAS**, the Project Area contains vacant and underutilized land, which is anticipated to be developed, with encouragement and planning by the Agency, as a data center consisting of real and personal property which may include a building or group of buildings for the construction, maintenance, use and/or operation of a data center, including ancillary buildings consisting of office buildings, utility buildings and temporary and/or prefabricated construction management buildings (each a "Building" and collectively the "Buildings"). The Agency has not entered into any participation or development agreements with developers but anticipates that prior to development of the Project Area, the City and/or the Agency may enter into one or more participation agreements with one or more developer(s) (a "Participant") which will provide certain terms and conditions upon which the Project Area will be developed using, in part, "Tax Increment" (as that term is defined in the Reinvestment Act), generated from the Project Area. Tax Increment will not be payable for buildings developed for residential purposes or other commercial purposes not ancillary to a data center; and

E. **WHEREAS**, the Project Area is currently generating a total of $26 per year in property taxes for the various taxing entities, including the City, Utah County (the "County"), the School District, and other taxing entities; and

F. **WHEREAS**, upon full development as contemplated in the Project Area Plan, property taxes produced by the Project Area for the City, the County, the School District, and other taxing entities are projected to total approximately $3,792,601 per year; and

G. **WHEREAS**, the Agency has requested the City, the County, the School District, and other taxing entities to participate in the promotion of development in the Project Area by agreeing to remit to the Agency for a specified period of time specified portions of the increased real and personal property tax (*i.e.*, the "Tax Increment") which will be generated by the Project Area; and

H. **WHEREAS,** it is in the best interest of the citizens of the School District for the School District to remit such payments to the Agency to permit the Agency to leverage private development of the Project Area; and

I. **WHEREAS,** the Agency has retained Lewis Young Robertson & Burningham, Inc., an independent financial consulting firm with substantial experience regarding community reinvestment projects and tax increment funding across the State of Utah, to prepare the Project Area Plan and Project Area Budget utilizing best practices to provide an accurate report regarding the need and justification for investment of Tax Increment revenues from and within the Project Area. A copy of the report is included in the Draft Project Area Plan attached as Exhibit "B"; and

J. **WHEREAS,** the Agency will create the Sweetwater Industrial Park Community Reinvestment Project Area #2 Budget (the "Project Area Budget"), a draft copy of which is attached as Exhibit "C", which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area; and

K. **WHEREAS,** the parties desire to set forth in writing their agreements regarding the nature and timing of such assistance; and

L. **WHEREAS,** in support of the community's education system, the parties expect the Participants to agree to make an annual payment in lieu of taxes or "PILOT Payment" to the School District in the amount of $250,000 per year per Phase, and expect the terms of such PILOT Payment to be reflected in the written participation or development agreement between the Participants and the Agency.

NOW, THEREFORE, the parties agree as follows:

1. **Additional Tax Revenue.** The School District has determined that additional Tax Increment will likely be generated by the development of the Project Area as described in further detail in the Project Area Plan and Project Area Budget. Each of the parties

acknowledge, however, that the development activity required for the generation of the Tax Increment is not likely to occur within the foreseeable future or to the degree possible or desired without Tax Increment participation in order to induce and encourage such development activity.

2. **Offset of Development Costs and Expenses.** The School District has determined that it is in the best interests of its citizens to remit specified portions of its portion of Tax Increment to the Agency in order for the Agency to offset costs and expenses which will be incurred by the Agency or Participants in Project Area development, including, the construction and installation of Buildings, infrastructure improvements and data center related personal property needed to serve the data center within the Project Area, to the extent permitted by the Reinvestment Act, the Project Area Plan, and the Project Area Budget, each as adopted and amended from time to time.

3. **Base Year and Base Year Value.** The base year, for purposes of calculation of the Base Taxable Value (as that term is defined in the Reinvestment Act), shall for each Phase be the tax year in which construction commenced for that Phase, meaning the Base Taxable Value shall, to the extent and in the manner defined by the Reinvestment Act, be equal to the equalized taxable value shown on the Utah County assessment rolls for that tax year for all property included within that Phase.

4. **Agreement(s) with Developer(s).** The Agency is authorized to enter into one or more participation agreements with one or more Participants which may provide for the payment of certain amounts of Tax Increment (to the extent such Tax Increment is actually paid to and received by the Agency from year to year) to the Participant(s) conditional upon the Participant(s)'s meeting of certain performance measures as outlined in said participation agreement. Any participation agreement shall be consistent with the terms and conditions of this Agreement, shall require as a condition of the payment to the Participant(s) that the respective Participant or its approved successors in title as owners of all current and subsequent parcels within the Project Area, as outlined in **Exhibit "A"** (the "Property"), shall pay any and all taxes and assessments which shall be assessed against the Property in accordance with levies made by applicable municipal entities in accordance with the laws of the state of Utah applicable to such levies and shall satisfy such other performance measures agreed to by the parties to the definitive participation agreement.

5. **Payment Trigger.** The Property may be developed in Phases. A "Phase" means each phase of the development of the Property as designated by a Participant, which Phase may include all or one (1) or more portions of one (1) Building or multiple Buildings and any real property and personal property identified and designated through the parameters described by the Participant in the applicable Notice for a Phase. A Phase may or may not be a legally subdivided parcel of real property. Unless otherwise specified in a Notice for a Phase, a Phase includes all real property and personal property not identified and designated by the Participant as part of a previous Phase or a subsequent Phase. "Notice for a Phase" means written notice from the Participant to the Agency identifying the parameters of the new Phase. The first year of payment of Tax Increment from the School

District to the Agency shall be defined in the Participation Agreement. The Agency may trigger the collection of Tax Increment for a Phase by delivering a letter or other written request to the Utah County Auditor's office identifying such Phase (the "Trigger Notice"), with a copy also provided to the School District and Participant. The Agency shall be entitled to receive Tax Increment for each Phase for an initial period of twenty (20) full calendar years per Phase not to exceed 40 years for all Phases commencing with the year after the Agency delivers a Trigger Notice for such Phase (each, an "Increment Period").

6. **Total Payment to Agency.** The School District shall authorize the County to remit to the Agency, beginning with property tax receipts during each Incremental Period for each Phase, 100% of the annual Tax Increment generated from the personal property tax within the Project Area and 67.5% of the annual Tax Increment generated from the real *(i.e.*, building, land, and fixtures) property within the Project Area; provided, however, that the total amount of such Tax Increment generated from real property tax (i.e., building, land, and fixtures which are assessed as real property) and properly attributable to the School District's tax levy that is paid to the Agency under this Agreement shall not exceed $40,000,000 per Phase (the "Real Property Tax Increment Cap") and shall not exceed a total of $150,000,000 for all Phases within the Project Area. The Real Property Tax Increment Cap shall not apply to Tax Increment generated from personal property.

7. **Property Tax Increase.** This Agreement provides for the payment of the increase in real, personal property, and property taxes collected from the Project Area by the County acting as the tax collection agency for the School District. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the School District, which is hereby expressly approved as being included in Tax Increment as required by Section 17C-1-407 of the Reinvestment Act. It is expressly understood that the Property Taxes which are the subject of this Agreement are only those Property Taxes actually collected by the County from the Project Area.

8. **Future Increment Period Conditions.** The Agency will receive the same participation and level of Tax Increment received during the initial Increment Period for each additional Phase within the Project Area conditional upon the Agency amending the Project Area Plan and Project Area Budget for each additional Phase and providing notice to the School District of such amendments.

9. **No Independent Duty.** The School District shall be responsible to remit to the Agency only Tax Increment actually received by the County acting as the tax collecting agency for the School District. The School District shall have no independent duty to pay any amount to the Agency other than the Tax Increment actually received by the County, on behalf of the School District on an annual basis during each Increment Period for each Phase.

10. **PILOT Payments**. For any participation agreement that the Agency enters into pursuant to Section 4 of this Agreement, the Agency shall include a provision in that agreement requiring an annual PILOT Payment to be made by the Participant to the School District (the "Required PILOT Payment Provision"). The Required PILOT Payment

Provision shall include terms substantially similar to the following:

On or before December 31st of each year that the Agency receives Tax Increment from the Project Area attributable to the School District (during the term of the participation agreement), the Participant shall pay or cause to be paid to the School District a PILOT Payment in the amount of two hundred and fifty thousand dollars ($250,000) (the "PILOT Amount") per phase. The PILOT Payment shall be paid to the School District by check made payable to the "Alpine School District Foundation" and delivered to the School District at 575 N 100 E, American Fork, UT 84003, by electronic transfer pursuant to written instructions provided by the School District, or by such other means as the School District and Participant may agree. The PILOT Payment shall be paid each year by the Participant for each approved project Phase as a condition to the Participant receiving from the Agency any Tax Increment Reimbursement (as provided in the participation agreement) from the real or personal property Tax Increment attributable to the School District. In the event the Participant is no longer entitled to receive such Tax Increment Reimbursement or is not entitled to receive such Tax Increment Reimbursement for a particular year, no PILOT Payment for that year shall be required.

If more than one Participant makes a PILOT Payment to the School District during a single year, then the PILOT Payments of all Participants for that year shall be added together to determine if the PILOT Payments satisfy the PILOT Amount. If the PILOT Payments in the aggregate for a single year from all Participants fail to reach the PILOT Amount, then no Participant for that year shall be entitled to receive from the Agency any Tax Increment Reimbursement from the real or personal property Tax Increment attributable to the School District.

11. **Authority to Bind.** Each individual executing this Agreement represents and warrants that such person is authorized to do so, and, that upon executing this Agreement, this Agreement shall be binding and enforceable in accordance with its terms upon the party for whom such person is acting.

12. **Further Documents and Actions**. Each of the parties hereto agrees to cooperate in good faith with the others, and to execute and deliver such further documents and perform such other actions as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.

13. **Notices.** Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered to an officer or duly authorized representative of the other party in person or by Federal Express, private commercial delivery or courier service for next business day delivery, or by United States mail, duly certified or registered (return receipt requested), postage prepaid, and addressed to the party for whom intended, as follows:

If to School District:

Alpine School District

Attn: Business Administrator
575 N. 100 E.
American Fork, UT 84003
Phone: (801) 610-8400

If to Agency:

Eagle Mountain Redevelopment Agency
Attn: Agency Board
1650 E. Stagecoach Run
Eagle Mountain, UT 84005
Phone: (801) 789-6603

Any party may from time to time, by written notice to the other as provided above, designate a different address which shall be substituted for that specified above. Notice sent by mail shall be deemed served or delivered seventy-two (72) hours after mailing. Notice by any other method shall be deemed served or delivered upon actual receipt at the address or facsimile number listed above. Delivery of courtesy copies noted above (if applicable) shall be as a courtesy only and failure of any party to give or receive a courtesy copy shall not be deemed to be a failure to provide notice otherwise properly delivered to a party to this Agreement.

14. **Entire Agreement.** This Agreement is the final expression of and contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. This Agreement and its exhibits constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

15. **No Third Party Benefit.** The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto. There are no intended third party beneficiaries to this Agreement.

16. **Construction.** Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of the Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. Unless otherwise indicated, all references to paragraphs and subparagraphs are to this Agreement. In the event the date on which any of the parties is required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.

17. **Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law.

18. **Amendments**. No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing executed by each of the parties hereto.

19. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

20. **Waivers**. No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision herein contained. No extension of time for performance of any obligation or action shall be deemed an extension of the time for performance of any other obligation or action.

21. **Governing Law.** This Agreement and the exhibits attached hereto shall be governed by and construed under the laws of the State of Utah. In the event of any dispute hereunder, it is agreed that the sole and exclusive venue shall be in a court of competent jurisdiction in Utah County, Utah, and the parties hereto agree to submit to the jurisdiction of such court.

22. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that the County or the School District cannot pay and/or that the Agency cannot receive payments of the Tax Increment, declares that the Agency cannot pay the Tax Increment to Participants, or takes any other action which has the effect of eliminating or reducing the payments of Tax Increment received by the Agency, the Agency's obligation to pay the Tax Increment to Participants shall be reduced or eliminated accordingly; provided, however, the Agency and the School District shall take such steps as are reasonably required to not permit the payment and/or receipt of the Tax Increment to be declared invalid.

23. **No Separate Legal Entity.** No separate legal entity is created by this Agreement.

24. **Duration.** This Agreement shall terminate with respect to a particular Phase upon the expiration of each Tax Increment Period for such Phase but shall continue for all undeveloped Phases. Notwithstanding the foregoing, this Agreement shall terminate after the fortieth (40th) year following the trigger year of the first Phase or fifty years after the date of the Agreement, whichever is sooner.

25. **Assignment**. No party may assign its rights, duties or obligations under this Agreement without the prior written consent first being obtained from all parties. Notwithstanding the foregoing, such consent shall not be unreasonably withheld or delayed so long as the assignee thereof shall be reasonably expected to be able to perform the duties and obligations being assigned.

26. **Termination.** Upon any termination of this Agreement resulting from the uncured default of any party, the order of any court of competent jurisdiction or termination as a result of any legislative action requiring such termination, then any funds held by the Agency and for which the Agency shall not be required to disburse to Participants in accordance with the agreements which govern such disbursement, then such funds shall be returned to the party originally remitting same to the Agency and upon such return this Agreement shall be deemed terminated and of no further force or effect.

27. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Cooperation Act in connection with this Agreement, the Parties agree as follows:

a. This Agreement has been, on or prior to the date hereof, authorized and adopted by resolution of the legislative body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Cooperation Act;

b. This Agreement has been, on or prior to the date hereof, reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5(3) of the Cooperation Act;

c. A duly executed original counterpart of this Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act;

d. The Chair of the Agency is hereby designated the administrator for all purposes of the Cooperation Act, pursuant to Section 11-13-207 of the Cooperation Act;

e. Should a party to this Agreement desire to terminate this Agreement, in part or in whole, each party to the Agreement must adopt, by resolution, an amended Interlocal Cooperation Agreement stating the reasons for such termination. Any such amended Interlocal Cooperation Agreement must be in harmony with any development/participation agreement(s) entered into by the Agency as described in this Agreement; .

f. Immediately after execution of this Agreement by both Parties, the Agency shall, on behalf of both parties, cause to be published notice regarding this Agreement pursuant to Section 11-13-219 of the Cooperation Act; and

g. This Agreement makes no provision for the parties acquiring, holding and disposing of real and personal property used in the joint undertaking as such action is not contemplated as part of this Agreement nor part of the undertaking. Any such provision would be outside the parameters of the current undertaking. However, to the extent that this Agreement may be construed as providing for the acquisition, holding or disposing of real and/or personal property, all such property shall be owned by the Agency upon termination of this Agreement.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day specified above.

School District: ALPINE SCHOOL DISTRICT

By: _____

Its: President, Board of Education

Attest:

_____
Business Administrator

Approved as to form:

_____
Attorney for School District

Agency: EAGLE MOUNTAIN REDEVELOPMENT AGENCY

By: _____

Its: Chairperson

Attest:

_____
Executive Director

Approved as to form:

_____
Attorney for Agency

IN WITNESS WHEREOF, the parties have executed this Agreement on the day specified above.

School District: ALPINE SCHOOL DISTRICT

By: _____

Its: President, Board of Education

Attest:

_____

Business Administrator

Approved as to form:

Patrick Tanner

Attorney for School District

Agency: EAGLE MOUNTAIN REDEVELOPMENT AGENCY

By: _____

Its: Chairperson

Attest:

_____

Executive Director

Approved as to form:

_____

Attorney for Agency

EXHIBIT "A"
to
INTERLOCAL AGREEMENT

<u>Legal Description of Project</u>

EXHIBIT “B”
to
INTERLOCAL AGREEMENT

Project Area Plan

PROJECT AREA PLAN

SWEETWATER INDUSTRIAL PARK
COMMUNITY REINVESTMENT AREA (CRA) #2

EAGLE MOUNTAIN REDEVELOPMENT AGENCY, UTAH

MARCH 2021

LEWIS YOUNG
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Definitions

As used in this Community Reinvestment Project Area Plan, the term:

"**Act**" shall mean and include the Limited Purpose Local Government Entities – Community Reinvestment Agency Act in Title 17C, Chapters 1 through 5, Utah Code Annotated 1953, as amended, or such other amendments as shall from time to time be enacted or any successor or replacement law or act.

"Agency" shall mean the Eagle Mountain Redevelopment Agency, which is a separate body corporate and politic created by the City pursuant to the Act.

"**Base taxable value**" shall mean the agreed value specified in a resolution or interlocal agreement under Subsection 17C-1-102(8) from which tax increment will be collected.

"Base year" shall mean the agreed upon year for which the base taxable value is established and shall be incorporated into the interlocal agreements with participating taxing entities.

"City" or "Community" shall mean the City of Eagle Mountain.

"Legislative body" shall mean the City Council of Eagle Mountain which is the legislative body of the City.

"Plan Hearing" shall mean the public hearing on the draft Project Area Plan required under Subsection 17C-1-102 (41) and 17C-5-104(3)(e).

"Project Area" shall mean the geographic area described in the Project Area Plan or draft Project Area Plan where the community development set forth in this Project Area Plan or draft Project Area Plan takes place or is proposed to take place (**Exhibit A** & **Exhibit B**).

"Net Present Value (NPV)" shall mean the discounted value of a cash flow. The NPV illustrates the total value of a stream of revenue over a number of years in today's dollars.

"Project Area Budget" shall mean (as further described under 17-C-5-303 of the Act) the multi-year projection of annual or cumulative revenues, other expenses and other fiscal matters pertaining to the Project Area that includes:

- the base taxable value of property in the Project Area;
- the projected tax increment expected to be generated within the Project Area;
- the amount of tax increment expected to be shared with other taxing entities;
- the amount of tax increment expected to be used to implement the Project Area plan;
- if the area from which tax increment is to be collected is less than the entire Project Area:
    - the tax identification number of the parcels from which tax increment will be collected; or

- a legal description of the portion of the Project Area from which tax increment will be collected; and

- for property that the Agency owns and expects to sell, the expected total cost of the property to the Agency and the expected selling price.

"Project Area Plan" or **"Plan"** shall mean the written plan (outlined by 17C-5-105 of the Act) that, after its effective date, guides and controls the community reinvestment activities within the Project Area. Project Area Plan refers to this document and all of the attachments to this document, which attachments are incorporated by this reference. It is anticipated that the SWEETWATER INDUSTRIAL PARK #2 PLAN will be subject to an interlocal agreement process with the taxing entities within the Project Area.

"Taxes" includes all levies on an ad valorem basis upon land, local and centrally assessed real property, personal property, or any other property, tangible or intangible**.**

"Taxing Entity" shall mean any public entity that levies a tax on any property within the Project Area.

"Tax Increment" shall mean the difference between the amount of property tax revenues generated each tax year by all taxing entities from the Project Area using the current assessed value of the property and the amount of property tax revenues that would be generated from the same area using the base taxable value of the property.

"Tax Increment Period" shall mean the period of time in which the taxing entities from the Project Area consent that a portion of their tax increment from the Project Area be used to fund the objectives outlined in the Project Area Plan.

"Tax Year" shall mean the 12-month period between sequential tax roll equalizations (November 1st - October 31st) of the following year, e.g., the November 1, 2020 - October 31, 2021 tax year.

Introduction

The Eagle Mountain Redevelopment Agency (the "Agency"), following thorough consideration of the needs and desires of Eagle Mountain City (the "City") and its residents, as well as the City's capacity for new development, has carefully crafted this draft Project Area Plan (the "Plan") for the Sweetwater Industrial Park Community Reinvestment Project Area #2 (the "Project Area"). This Plan is the end result of a comprehensive evaluation of the types of appropriate land-uses and economic development for the land encompassed by the Project Area which lies within the southern portion of the City, generally to the west of Lake Mountain Road, east of Pony Express Parkway, and to the north of 1000 North. The Plan is intended to define the method and means of 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. It is the purpose of this Plan to clearly set forth the aims and objectives of development, scope, financing mechanism, and value to the residents of the City and other taxing entities within the Project Area.

The Project Area is being undertaken as a community reinvestment project area pursuant to certain provisions of Chapters 1 and 5 of the Utah Limited Purpose Local Governmental Entities -- 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 at all times throughout the establishment of the Project Area. The realization of the Plan is subject to interlocal agreements between the taxing entities individually and the Agency.

Resolution Authorizing the Preparation of a Draft Community Reinvestment Project Area Plan

Pursuant to the provisions of §17C-5-103 of the Act, the governing body of the Agency adopted a resolution authorizing the preparation of a draft Community Reinvestment Project Area Plan on **April 21, 2020**.

Utah Code §17C-5-104

Recitals of Prerequisites for Adopting a Community Reinvestment Project Area Plan

In order to adopt a community reinvestment project area plan, the Agency shall;

- Pursuant to the provisions of §17C-5-104(1)(a) and (b) of the Act, the City has a planning commission and general plan as required by law;
- Pursuant to the provisions of §17C-5-104 of the Act, the Agency has conducted or will conduct one or more public hearings for the purpose of informing the public about the Project Area, and allowing public input into the Agency's deliberations and considerations regarding the Project Area; and
    - Pursuant to the provisions of §17C-5-104 of the Act, the Agency has allowed opportunity for input on the draft Project Area Plan and has made a draft Project Area Plan available to the public at the Agency's offices during normal business hours, provided notice of the plan hearing, sent copies of the draft Project Area Plan to all required entities prior to the hearing, and provided opportunities for affected entities to provide feedback.

UTAH CODE §17C-5-105(1)

Description of the Boundaries of the Proposed Project Area

A legal description of the Project Area along with a detailed map of the Project Area is attached respectively as **Exhibit A** and **Exhibit B** and incorporated herein. The Project Area lies within the southern portion of the City, generally to the west of Lake Mountain Road, east of Pony Express Parkway, and to the north of 1000 North. All of the land use in the project area is currently vacant. The Project Area is comprised of approximately 327.85 acres of property.

As delineated in the office of the Utah County Recorder, the Project Area encompasses all of the parcels detailed in **Table 1.**

TABLE 1: PARCEL LIST

Parcel Id	Parcel Owner	Acres
59:057:0002	Eagle Mountain Land Enterprises LLC	164.76
59:029:0002	Eagle Mountain Land Enterprises LLC	163.09
Total		**327.85**

UTAH CODE §17C-5-105(2)

General Statement of Land Uses, Layout of Principal Streets, Population Densities, Building Densities and How They Will be Affected by the Project Area

General Land Uses

The property within the Project Area is currently classified as greenbelt property. The majority of the property surrounding the Project Area to the east is also greenbelt.

Table 2 summarizes the approximate acreage of existing land uses by land use type.

TABLE 2: LAND USES

Type	Acres	% of Area
Greenbelt	327.85	100%
Total	**327.85**	**100%**

This Project Area Plan is consistent with the General Plan of the City and promotes economic activity by virtue of the land uses contemplated. Any zoning change, amendment or conditional use permit necessary to the successful development contemplated by this Project Area Plan shall be undertaken in accordance with the requirements of the City's Code and all other applicable laws including all goals and objectives in the City's General Plan.

Layout of Principal Streets

There are currently no paved streets within the Project Area, 1000 N., an unpaved road runs along the southern periphery of the Project Area. Pony Express Parkway is to the west of the Project Area and has been paved in the portions adjacent to and north of the Project Area.

Population Densities

There are no residences within the Project Area, therefore the estimated population density is 0.0 residents per acre.

Building Densities

Building densities will increase as development occurs. The intent of this plan is to promote greater economic utilization of the land area.

Impact of Community Reinvestment on Land Use, Layout of Principal Streets, and Population Densities

Community reinvestment activities within the Project Area will primarily consist of development and economic enhancement of an underutilized area of the City. The types of land uses will include a data center and affiliated office space.

Land Use – It is anticipated that future development within the Project Area will create space for a data center. Other supplementary development may take place during future phases of the development.

Layout of Principal Streets – It is anticipated that the community reinvestment of the Project Area will not alter the layout of principal streets in the area. It is anticipated that access roads will be constructed within the Project Area.

Population Densities – The Project Area does not include any residential components. The population density will not be affected by the Project Area. The daytime population of the City will slightly increase as the Project Area is anticipated to create approximately 30 new jobs.

UTAH CODE §17C-5-105(3)

Standards Guiding the Community Reinvestment

In order to provide maximum flexibility in the development and economic promotion of the Project Area, and to encourage and obtain the highest quality in development and design, specific development controls for the uses identified above are not set forth herein. Each development proposal in the Project Area will be subject to appropriate elements of the City's proposed General Plan; the Zoning Ordinance of the City, including adopted Design Guidelines pertaining to the area; institutional controls, deed restrictions if the property is acquired and resold by the Agency, other applicable building codes and ordinances of the City; and, as required by ordinance or agreement, review and recommendation of the Planning Commission and approval by the Agency.

Each development proposal by an owner, tenant, participant or a developer shall be accompanied by site plans, development data and other appropriate material that clearly describes the extent of proposed development, including land coverage, setbacks, height and massing of buildings, off-street parking and loading, use of public transportation, and any other data determined to be necessary or requested by the Agency or the City.

UTAH CODE §17C-5-105(4)

How the Purposes of this Title Will Be Attained by Community Development

It is the intent of the Agency, with the assistance and participation of private developers and property owners, to facilitate the development within the Project Area.

UTAH CODE §17C-5-105(5)

Conformance of the Proposed Development to the Community's General Plan

The proposed Community Reinvestment Project Area Plan and the development contemplated are consistent with the City's proposed General Plan and land use regulations.

UTAH CODE §17C-5-105(7)

Describe any Specific Project or Projects that are the Object of the Proposed Community Reinvestment

The Project Area is being created in order to assist with the construction of a future data center facility.

UTAH CODE §17C-5-105(8)

Method of Selection of Private Developers to Undertake the Community Reinvestment and Identification of Developers Currently Involved in the Process

The City and Agency will select or approve such development as solicited or presented to the Agency and City that meets the development objectives set forth in this plan. The City and Agency retain the right to approve or reject any such development plan(s) that in their judgment do not meet the development intent for the Project Area. The City and Agency may choose to solicit development through an RFP or RFQ process, through targeted solicitation to specific industries, from inquiries to the City, EDC Utah, and/or from other such references.

The City and Agency will ensure that all development conforms to this plan and is approved by the City. All potential developers may need to provide a detailed development plan including sufficient financial information to provide the City and Agency with confidence in the sustainability of the development and the developer. Such a review may include a series of studies and reviews including reviews of the Developer's financial statements, third-party verification of benefit of the development to the City, appraisal reports, etc.

Any participation between the Agency, developers and property owners shall be by an approved agreement.

UTAH CODE §17C-5-105(9)

Reason for Selection of the Project Area

The Project Area is currently classified as greenbelt and is collecting relatively no tax revenue for the taxing entities. The creation of the Project Area will create a significant economic benefit to all taxing entities as this underutilized area will be developed to a higher and greater use.

UTAH CODE §17C-5-105(10)

Description of Physical, Social and Economic Conditions Existing in the Project Area

Physical Conditions

The Project Area consists of approximately 327.85 acres of relatively flat, privately owned land as shown on the Project Area map.

Social Conditions

The Project Area experiences a lack of connectivity and vitality. There are no residential units and no parks, libraries, or other social gathering places in the Project Area. This is in line with the contemplated uses of the area surrounding the Project Area which is currently under the greenbelt classification or used for similar types of development as contemplated in the Project Area.

Economic Conditions

The Project Area is currently under greenbelt classification. The Agency desires to encourage development within the Project Area that will directly benefit the existing economic base of the City, Utah County and other taxing entities.

UTAH CODE §17C-5-105(11)

Description of any Tax Incentives Offered Private Entities for Facilities Located in the Project Area

Tax increment arising from the development within the Project Area shall be used for public infrastructure improvements, Agency requested improvements and upgrades, both off-site and on-site improvements, land and job-oriented incentives, desirable Project Area improvements, and other items as approved by the Agency. Infrastructure improvements will focus on water facilities. Subject to provisions of the Act, the Agency may agree to pay for eligible costs and other items from taxes during the tax increment period which the Agency deems appropriate under the circumstances. A cost benefit analysis will assist the Agency in making decisions about offering assistance.

In general, tax incentives may be offered to achieve the community reinvestment goals and objectives of this plan, specifically to:

- Foster and accelerate economic development;
- Stimulate job development;
- Make needed infrastructure improvements to roads, street lighting, water, storm water, sewer, and parks and open space;
- Assist with property acquisition and/or land assembly; and
- Provide attractive development for high-quality tenants.

The Project Area Budget will include specific participation percentages and timeframes for each taxing entity. Furthermore, a resolution and interlocal agreement will formally establish the participation percentage and tax increment period for each taxing entity.

UTAH CODE §17C-5-105(12)

Anticipated Public Benefit to be Derived from the Community Development

The Beneficial Influences upon the Tax Base of the Community

The beneficial influences upon the tax base of the City and the other taxing entities will include increased property tax revenues, job growth, and affordable housing opportunities in the community. The increased

revenues will come from the property values associated with new construction in the area, as well as increased land values as the property within the Project Area will no longer be classified as greenbelt. Property values include land, buildings and personal property (machines, equipment, etc.).

Job growth in the Project Area will result in increased wages, increasing local purchases and benefiting existing businesses in the area. Job growth will also result in increased income taxes paid. Additionally, business growth will generate corporate income taxes.

There will also be a beneficial impact on the community through increased construction activity within the Project Area. Positive impacts will be felt through construction wages paid, as well as construction supplies purchased locally.

The Associated Business and Economic Activity Likely to be Stimulated

Other business and economic activity likely to be stimulated includes increased spending by new and existing residents within the City and employees in the Project Area and in surrounding areas. This includes both direct and indirect purchases that are stimulated by the spending of the additional employees in the area.

Employees may make some purchases in the local area, such as convenience shopping for personal services (haircuts, banking, dry cleaning, etc.). The employees will not make all of their convenience or personal services purchases near their workplace and each employee's purchasing patterns will be different. However, it is reasonable to assume that a percentage of these annual purchases will occur within close proximity of the workplace (assuming the services are available). The City also envisions this area as a future industrial park, this development will further attract new businesses to the area.

Efforts to Maximize Private Investment

The agency has formed a partnership with the developers to realize the vision of this Project Area. It is anticipated that the development will require over $600 million of private capital. Creating a CRA will act as a catalyst for the development.

"But For" Analysis

The anticipated development includes numerous costs, including land purchase, infrastructure and over $300 million of personal property. "But-for" the creation of the CRA and public participation, the costs associated with the development would be too high, and the Project Area would remain in its underutilized state.

Cost/Benefit Analysis

Based on the land use assumptions and tax increment participation levels, the following tables outline the benefits anticipated in the Project Area. As shown below, the proposed community reinvestment will create a net benefit to the City and the other taxing entities that participate in the Project Area. The cost/benefit analysis only includes the tax increment projections on the first phase of the development. The Agency may be allowed to receive 20 years of tax increment for each phase that is undertaken, not to exceed 40 years for all phases beginning with the first year increment is remitted to the Agency. Additional 20-year periods will be outlined in an amended Project Area Plan, as necessary.

TABLE 3: SOURCES OF TAX INCREMENT FUNDS

Entity	Percentage	Length	Total	NPV at 4%
Utah County	100% Personal Property 67.5% Real Property	20 Years	$7,571,370	$5,178,035
Alpine School District	100% Personal Property 67.5% Real Property	20 Years	49,457,557	33,823,860
Eagle Mountain City	100% Personal Property 67.5% Real Property	20 Years	5,593,068	3,825,081
Central Utah Water Conservancy District	100% Personal Property 67.5% Real Property	20 Years	2,909,268	1,989,639
Unified Fire District – Salt Lake County	100% Personal Property 67.5% Real Property	20 Years	12,473,487	8,530,576
Total Sources of Tax Increment Funds			**$78,004,750**	**$53,347,191**

TABLE 4: PROJECT AREA REVENUES

Entity	Property Tax	Franchise Tax	Total Tax Increment Revenues
Utah County	$8,723,999	-	$8,723,999
Alpine School District	56,986,735	-	56,986,735
Eagle Mountain City	6,444,529	113,271	6,557,800
Central Utah Water Conservancy District	3,352,161	-	3,352,161
Unified Fire District – Salt Lake County	14,372,390	-	14,372,390
Total Revenue	**$89,879,814**	**$113,271**	**$89,993,085**

TABLE 5: PROJECT AREA EXPENDITURES

Entity	Property Tax	General Government	Public Safety	Public Works	Total Expenditures
Utah County	$7,571,370	$153,975	-	-	$7,725,345
Alpine School District	49,457,557	349,510	-	-	49,807,067
Eagle Mountain City	5,593,068	218,467	15,645	581,260	6,408,439
Central Utah Water Conservancy District	2,909,268	104,132	-	-	3,013,400
Unified Fire District – Salt Lake County	12,473,487	581,293	-	-	13,054,779
Total Revenue	**$78,004,750**	**$1,407,377**	**$15,645**	**$581,260**	**$80,009,031**

The total net benefit to the taxing entities of participating in the Project Area is Project Area is $9,984,054 with the City's net benefit being $149,360[1].

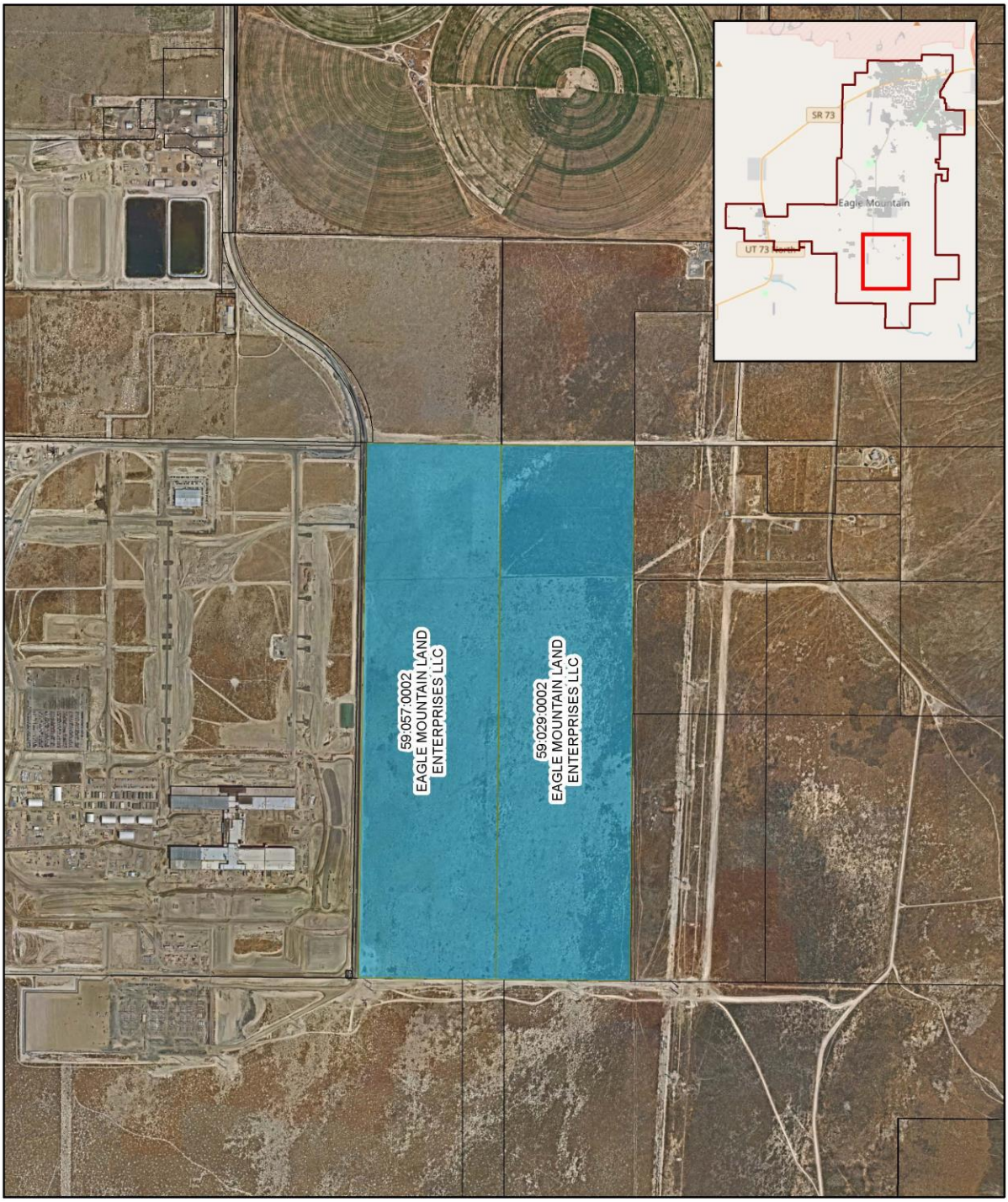
[1] The net benefit does not include the $7.8 million housing portion of tax increment that will be reinvested into the City.

EXHIBIT A: Legal Description of Sweetwater Industrial Park CRA #2

Parcel: *59:057:0002*
Legal Description: *The POINT OF BEGINNING commencing at the North East corner of Section 25, Township 6 South, Range 2 West, Salt Lake Meridian;*
thence South 0°35'28" West 5308.67 feet along section line to the SE section corner;
thence North 89°24'32" West 1366.19 feet;
thence North 0°55'38" East 5319.13 feet to the north line of section 25;
thence South 88°57'50" East 1335.025 feet to the POINT OF BEGINNING.
Contains 7,177,044.5 square feet or 164.76 acres, more or less.

Parcel: *59:029:0002*
Legal Description: *The POINT OF BEGINNING commencing at the North East corner of Section 25, Township 6 South, Range 2 West, Salt Lake Meridian;*
thence South 89°48'27" East 1319.77 feet;
thence South 0°13'21" West 5319.96 feet to the South section line of Section 30;
thence North 89°19'25" West 1353.98 feet:
thence North 0°35'29" East 5308.65 feet to the POINT OF BEGINNING.
Contains 7,104,490.24 square feet or 163.09 acres, more or less.

EXHIBIT B: Project Area Map



0 0.25 0.5 1 Miles

N W E S

EAGLE MOUNTAIN

Disclaimer: Eagle Mountain City makes no warranty with respect to the accuracy, completeness, or usefulness of these maps. Eagle Mountain City assumes no liability for direct, indirect, special, or Consequential damages resulting from the use or misuse of these Maps or any of the information contained herein. Portions may be Copied for Incidental uses, but may not be resold.

Contact Eagle Mountain City Engineering/GIS Department 801-789-6662

EAGLE MOUNTAIN

EXHIBIT “C”
to
INTERLOCAL AGREEMENT

Project Area Budget

PROJECT AREA BUDGET

SWEETWATER INDUSTRIAL PARK

COMMUNITY REINVESTMENT AREA (CRA) #2

EAGLE MOUNTAIN REDEVELOPMENT AGENCY, UTAH

MARCH 2021

LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.
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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 Sweetwater Industrial Park Community Reinvestment Project Area #2 (the "Project Area"). The Plan is the end 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 southern portion of the City, generally to the west of Lake Mountain Road, east of Pony Express Parkway, and to the north of 1000 North.

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 at all times throughout the establishment of the Project Area.

Section 2: Description of Community Development Project Area

The Project Area lies west of Lake Mountain Road, east of Pony Express Parkway, and to the north of 1000 North, and is located within the City's southern boundaries. The property is currently under greenbelt classification and is generating very little tax revenue for the City and other taxing entities. The property encompasses approximately 327.85 acres of land.

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

Section 3: General Overview of Project Area Budget

The purpose of the Project Area Budget is to provide the financial framework necessary to implement the Project Area Plan vision and objectives. The Project Area Plan has identified that tax increment financing is essential in order to meet the objectives of the CRA Project Area. The following information will detail the sources and uses of tax increment and other necessary details needed 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 Value for the Project Area will be equal to taxable value for the tax year immediately prior to the triggering of the Project Area and the individual phases. As the trigger year(s) have not been determined, the 2019 tax year has been used to estimate the Base Year Value. The Base Year Value is estimated to be $2,393. Using the tax rates established within the Project Area, the property taxes levied equate to $25.67 annually. Accordingly, this amount will continue to flow through to each taxing entity proportional to the amount of their respective tax rates being levied.

Payment Trigger

Each phase will have a twenty (20)-year duration from the date of the first tax increment received by the Agency. The first year for collection of tax increment will be determined by the Agency. The Agency will provide a trigger notice to Utah County before each first year of collection.

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 new development will begin in the Project Area in the next two to three years. The contemplated development will generate significant additional property tax revenue as well as incremental sales and use tax above what is currently generated within the Project Area.

Property Tax Increment will begin to be generated in the tax year (ending Dec 1st) following construction completion and Tax Increment will actually be paid to the Agency in March or April after collection. It is projected that property Tax Increment generation within the Project Area could begin as early as 2022, though there is no requirement under this agreement that mandates the beginning date and it can be later. It is currently estimated that during the 20-year life of the Project Area Budget, property Tax Increment could be generated within the Project Area in the approximate amount of $89.88 million or at a net present value (NPV)[1] of $61.42 million. This amount is over and above the $513 of base taxes that the property would generate over 20 years at the $25.67 annual amount it currently generates as shown in Table 4.1 below.

[1] Net Present Value of future cash flows assumes a 4% discount rate. The same 4% 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: Property Tax Increment

Base Year Property Tax Revenue

The taxing entities are currently receiving - and will continue to receive - property tax revenue from the current assessed value of the property within the Project Area ("Base Taxes"). The current assessed value is estimated to be $2,393. Based upon the tax rates in the area, the collective taxing entities are receiving $26 in property tax annually from this Project Area. This equates to approximately $513 over the 20-year life of the Project Area.

TABLE 4.1: TOTAL BASE YEAR TO TAXING ENTITIES (OVER 20 YEARS)

Entity	Total	NPV at 4%
Utah County	$50	$34
Alpine School District	325	221
Eagle Mountain City	37	25
Central Utah Water Conservancy District	19	13
Unified Fire Service Area – Salt Lake County	82	56
Total Revenue	**$513**	**$349**

Property Tax Increment Shared with RDA

All taxing entities that receive property tax generated within the Project Area, as detailed above, will share at least a portion of that increment generation with the Agency. All taxing entities will contribute 100% of their respective tax increment off of the personal property within the Project Area and 67.5% of their respective tax increment off of the real property for 20 years. The State will not contribute any portion of their incremental sales tax to implement the Project Area Plan. The assumptions in this analysis only include the tax increment projections on the first phase of the development. The Agency may be allowed to receive 20 years of tax increment for each phase that is undertaken, not to exceed 40 years for all phases beginning with the first year increment is remitted to the Agency. Each additional 20-year period will be outlined in an amended Project Area Budget, as necessary. Table 4.2 shows the amount of Tax Increment shared with the Agency assuming the participation levels discussed above.

TABLE 4.2: SOURCES OF TAX INCREMENT FUNDS

Entity	Percentage	Length	Total	NPV at 4%
Utah County	100% Personal Property 67.5% Real Property	20 Years	$7,571,370	$5,178,035
Alpine School District	100% Personal Property 67.5% Real Property	20 Years	49,457,557	33,823,860
Eagle Mountain City	100% Personal Property 67.5% Real Property	20 Years	5,593,068	3,825,081
Central Utah Water Conservancy District	100% Personal Property 67.5% Real Property	20 Years	2,909,268	1,989,639
Unified Fire Service Area – Salt Lake County	100% Personal Property 67.5% Real Property	20 Years	12,473,487	8,530,576
Total Sources of Tax Increment Funds			**$78,004,750**	**$53,347,191**

Uses of Tax Increment

The anticipated development includes numerous costs, including land purchase, infrastructure and over $300 million of personal property. "But-for" the creation of the CRA and public participation, the costs associated with the development would be too high, and the Project Area would remain in its underutilized state.

The Agency will take an annual percentage of 2.5% to administer the CRA. The majority of the remaining Tax Increment collected by the Agency will be used to overcome the obstacles outlined above (87.5%). Including: offsetting certain on-site public infrastructure costs, development incentives, Agency requested improvements and upgrades, desirable Project Area improvements, and other redevelopment activities as approved by the Agency. The remaining 10% will go towards affordable housing, as required by the Act.

TABLE 4.3: USES OF TAX INCREMENT

Uses	Total	NPV at 4%
Redevelopment Activities	$68,254,156	$46,678,792
CRA Housing Requirement	7,800,475	5,334,719
Project Area Administration	1,950,119	1,333,680
Total Uses of Tax Increment Funds	**$78,004,750**	**$53,347,191**

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

Total Annual Property Tax Revenue for Taxing Entities at Conclusion of Project

As described above, the collective taxing entities are currently receiving approximately $26 in property taxes annually from this Project Area. At the end of 20 years an additional $3,792,576 in property taxes annually is anticipated, totaling approximately $3,792,601 in property taxes annually for the area. "But for" the assistance provided by the RDA through tax increment revenues, this momentous increase in property taxes generated for the taxing entities would not be possible.

TABLE 4.4: TOTAL BASE YEAR AND END OF PROJECT LIFE ANNUAL PROPERTY TAXES

Entity	Annual Base Year Property Taxes	Annual Property Tax Increment at Conclusion of Project	Total Annual Property Taxes
Utah County	$2	$368,119	$368,121
Alpine School District	16	2,404,617	2,404,633
Eagle Mountain City	2	271,934	271,936
Central Utah Water Conservancy District	1	141,448	141,449
Unified Fire Service Area – Salt Lake County	4	606,458	606,463
Total Revenue	**$26**	**$3,792,576**	**$3,792,601**

Section 5: Cost/Benefit Analysis

Additional Revenues

Other Tax Revenues

The development within the Project Area will also generate sales taxes, energy sales and use taxes for natural gas and telecommunications.

Table 5.1 shows the total revenues generated by the Project Area. This total includes the anticipated property tax increment and energy sales and use tax.

TABLE 5.1 TOTAL REVENUES

Entity	Property Tax	Franchise Tax	Total Incremental Revenues
Utah County	$8,723,999	-	$8,723,999
Alpine School District	56,986,735	-	56,986,735
Eagle Mountain City	6,444,529	113,271	6,557,800
Central Utah Water Conservancy District	3,352,161	-	3,352,161
Unified Fire Service Area – Salt Lake County	14,372,390	-	14,372,390
Total Revenue	**$89,879,814**	**$113,271**	**$89,993,085**

Additional Costs

The development anticipated within the Project Area will also likely result in additional general government, public works, and public safety costs. These costs, along with the estimated budget to implement the Project Area Plan, are identified below.

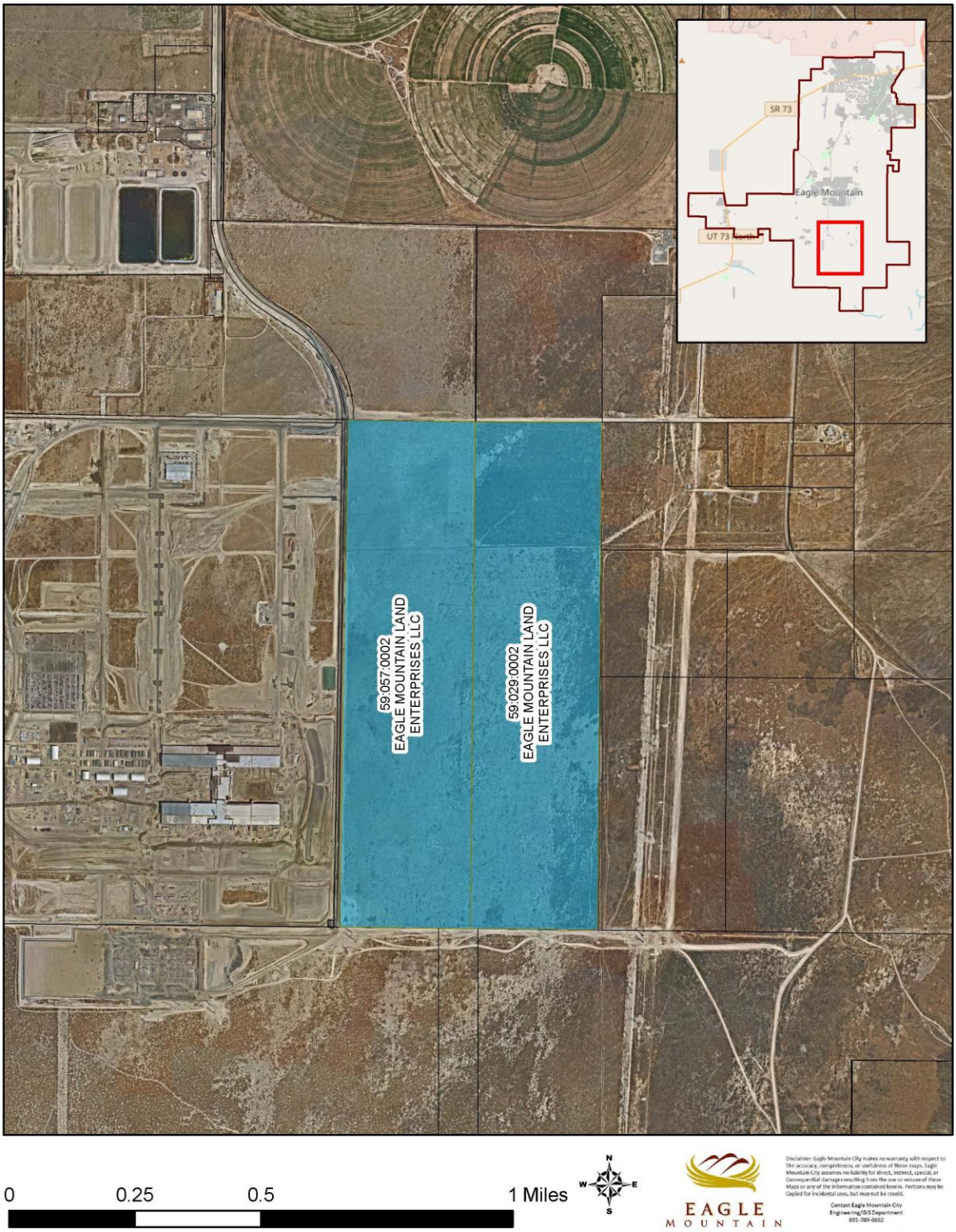
TABLE 5.2 TOTAL EXPENDITURES

Entity	CRA Budget	General Government	Public Works	Public Safety	Total Incremental Expenditures
Utah County	$7,571,370	$153,975	-	-	$7,725,345
Alpine School District	49,457,557	349,510	-	-	49,807,067
Eagle Mountain City	5,593,068	218,467	15,645	581,260	6,408,439
Central Utah Water Conservancy District	2,909,268	104,132	-	-	3,013,400
Unified Fire Service Area – Salt Lake County	12,473,487	581,293	-	-	13,054,779
Total Expenditures	**$78,004,750**	**$1,407,377**	**$15,645**	**$581,260**	**$80,009,031**

The total net benefit to the taxing entities of participating in the Project Area is $9,984,054 with the City's net benefit being $149,360[2].

[2] The net benefit does not include the $7.8 million housing portion of tax increment that will be reinvested into the City.

Exhibit A: Project Area Map



Eagle Mountain Redevelopment Agency

Sweet Water Industrial Park CRA #2

Increment and Budget Analysis

ASSUMPTIONS:	
Discount Rate	4.0%
Inflation Rate	0.0%

INCREMENTAL TAX ANALYSIS:																								
Cumulative Taxable Value	*Year*	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20		
Real Property Value (Building & Land)		$170,343,403	$170,343,403	$170,343,403	$170,343,403	$170,343,403	$170,343,403	$170,343,403	$170,343,403	$170,343,403	$170,343,403	$170,343,403	$170,343,403	$170,343,403	$170,343,403	$170,343,403	$170,343,403	$170,343,403	$170,343,403	$170,343,403	$170,343,403		
Personal Property Value		$300,276,709	$285,276,709	$255,276,709	$219,276,709	$183,276,709	$300,276,709	$285,276,709	$255,276,709	$219,276,709	$183,276,709	$300,276,709	$285,276,709	$255,276,709	$219,276,709	$183,276,709	$300,276,709	$285,276,709	$255,276,709	$219,276,709	$183,276,709		
Total Assessed Value:		**$470,620,112**	**$455,620,112**	**$425,620,112**	**$389,620,112**	**$353,620,112**	**$470,620,112**	**$455,620,112**	**$425,620,112**	**$389,620,112**	**$353,620,112**	**$470,620,112**	**$455,620,112**	**$425,620,112**	**$389,620,112**	**$353,620,112**	**$470,620,112**	**$455,620,112**	**$425,620,112**	**$389,620,112**	**$353,620,112**		
Value of Current Property		$2,393	$2,393	$2,393	$2,393	$2,393	$2,393	$2,393	$2,393	$2,393	$2,393	$2,393	$2,393	$2,393	$2,393	$2,393	$2,393	$2,393	$2,393	$2,393	$2,393		
Less Base Year Value		($2,393)	($2,393)	($2,393)	($2,393)	($2,393)	($2,393)	($2,393)	($2,393)	($2,393)	($2,393)	($2,393)	($2,393)	($2,393)	($2,393)	($2,393)	($2,393)	($2,393)	($2,393)	($2,393)	($2,393)		
TOTAL INCREMENTAL VALUE:		**$470,620,112**	**$455,620,112**	**$425,620,112**	**$389,620,112**	**$353,620,112**	**$470,620,112**	**$455,620,112**	**$425,620,112**	**$389,620,112**	**$353,620,112**	**$470,620,112**	**$455,620,112**	**$425,620,112**	**$389,620,112**	**$353,620,112**	**$470,620,112**	**$455,620,112**	**$425,620,112**	**$389,620,112**	**$353,620,112**		
TAX RATE & INCREMENT ANALYSIS:	2020 Rates																						
Utah County	0.001041	489,916	474,301	443,071	405,595	368,119	489,916	474,301	443,071	405,595	368,119	489,916	474,301	443,071	405,595	368,119	489,916	474,301	443,071	405,595	368,119	8,723,999	5,961,265
Alpine School District	0.006800	3,200,217	3,098,217	2,894,217	2,649,417	2,404,617	3,200,217	3,098,217	2,894,217	2,649,417	2,404,617	3,200,217	3,098,217	2,894,217	2,649,417	2,404,617	3,200,217	3,098,217	2,894,217	2,649,417	2,404,617	56,986,735	38,940,060
Eagle Mountain City	0.000769	361,907	350,372	327,302	299,618	271,934	361,907	350,372	327,302	299,618	271,934	361,907	350,372	327,302	299,618	271,934	361,907	350,372	327,302	299,618	271,934	6,444,529	4,403,663
Central Utah Water Conservancy District	0.000400	188,248	182,248	170,248	155,848	141,448	188,248	182,248	170,248	155,848	141,448	188,248	182,248	170,248	155,848	141,448	188,248	182,248	170,248	155,848	141,448	3,352,161	2,290,592
Unified Fire Service Area - Salt Lake County	0.001715	807,113	781,388	729,938	668,198	606,458	807,113	781,388	729,938	668,198	606,458	807,113	781,388	729,938	668,198	606,458	807,113	781,388	729,938	668,198	606,458	14,372,390	9,820,912
TOTAL INCREMENTAL REVENUE IN PROJECT AREA:	0.010725	$5,047,401	$4,886,526	$4,564,776	$4,178,676	$3,792,576	$5,047,401	$4,886,526	$4,564,776	$4,178,676	$3,792,576	$5,047,401	$4,886,526	$4,564,776	$4,178,676	$3,792,576	$5,047,401	$4,886,526	$4,564,776	$4,178,676	$3,792,576	**$89,879,814**	**$61,416,491**
PROJECT AREA BUDGET																							
Sources of Funds:	*Year*	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	TOTALS	NPV
Property Tax Participation Rate for Budget																							
Real Property Value (Building & Land)		67.5%	67.5%	67.5%	67.5%	67.5%	67.5%	67.5%	67.5%	67.5%	67.5%	67.5%	67.5%	67.5%	67.5%	67.5%	67.5%	67.5%	67.5%	67.5%	67.5%		
Personal Property Value		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
Property Tax Increment for Budget																							
Utah County		$432,284	$416,669	$385,439	$347,963	$310,487	$432,284	$416,669	$385,439	$347,963	$310,487	$432,284	$416,669	$385,439	$347,963	$310,487	$432,284	$416,669	$385,439	$347,963	$310,487	**$7,571,370**	**$5,178,035**
Alpine School District		$2,823,758	$2,721,758	$2,517,758	$2,272,958	$2,028,158	$2,823,758	$2,721,758	$2,517,758	$2,272,958	$2,028,158	$2,823,758	$2,721,758	$2,517,758	$2,272,958	$2,028,158	$2,823,758	$2,721,758	$2,517,758	$2,272,958	$2,028,158	**$49,457,557**	**$33,823,860**
Eagle Mountain City		$319,334	$307,799	$284,729	$257,045	$229,361	$319,334	$307,799	$284,729	$257,045	$229,361	$319,334	$307,799	$284,729	$257,045	$229,361	$319,334	$307,799	$284,729	$257,045	$229,361	**$5,593,068**	**$3,825,081**
Central Utah Water Conservancy District		$166,103	$160,103	$148,103	$133,703	$119,303	$166,103	$160,103	$148,103	$133,703	$119,303	$166,103	$160,103	$148,103	$133,703	$119,303	$166,103	$160,103	$148,103	$133,703	$119,303	**$2,909,268**	**$1,989,639**
Unified Fire Service Area - Salt Lake County		$712,168	$686,443	$634,993	$573,253	$511,513	$712,168	$686,443	$634,993	$573,253	$511,513	$712,168	$686,443	$634,993	$573,253	$511,513	$712,168	$686,443	$634,993	$573,253	$511,513	**$12,473,487**	**$8,530,576**
Total Property Tax Increment for Budget:		**$4,453,647**	**$4,292,772**	**$3,971,022**	**$3,584,922**	**$3,198,822**	**$4,453,647**	**$4,292,772**	**$3,971,022**	**$3,584,922**	**$3,198,822**	**$4,453,647**	**$4,292,772**	**$3,971,022**	**$3,584,922**	**$3,198,822**	**$4,453,647**	**$4,292,772**	**$3,971,022**	**$3,584,922**	**$3,198,822**	**$78,004,750**	**$53,347,191**
Uses of Tax Increment Funds:		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	**TOTALS**	**NPV**
Redevelopment Activities (Infrastructure, Incentives, etc.)	87.5%	$3,896,942	$3,756,176	$3,474,645	$3,136,807	$2,798,970	$3,896,942	$3,756,176	$3,474,645	$3,136,807	$2,798,970	$3,896,942	$3,756,176	$3,474,645	$3,136,807	$2,798,970	$3,896,942	$3,756,176	$3,474,645	$3,136,807	$2,798,970	**$68,254,156**	**$46,678,792**
CRA Housing Requirement	10.0%	$445,365	$429,277	$397,102	$358,492	$319,882	$445,365	$429,277	$397,102	$358,492	$319,882	$445,365	$429,277	$397,102	$358,492	$319,882	$445,365	$429,277	$397,102	$358,492	$319,882	**$7,800,475**	**$5,334,719**
RDA Administration (2.5%)	2.5%	$111,341	$107,319	$99,276	$89,623	$79,971	$111,341	$107,319	$99,276	$89,623	$79,971	$111,341	$107,319	$99,276	$89,623	$79,971	$111,341	$107,319	$99,276	$89,623	$79,971	**$1,950,119**	**$1,333,680**
Total Uses		$4,453,647	$4,292,772	$3,971,022	$3,584,922	$3,198,822	$4,453,647	$4,292,772	$3,971,022	$3,584,922	$3,198,822	$4,453,647	$4,292,772	$3,971,022	$3,584,922	$3,198,822	$4,453,647	$4,292,772	$3,971,022	$3,584,922	$3,198,822	**$78,004,750**	**$53,347,191**
REMAINING TAX REVENUES FOR TAXING ENTITIES		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	**TOTALS**	**NPV**
Utah County		$57,631	$57,631	$57,631	$57,631	$57,631	$57,631	$57,631	$57,631	$57,631	$57,631	$57,631	$57,631	$57,631	$57,631	$57,631	$57,631	$57,631	$57,631	$57,631	$57,631	**$1,152,629**	**$783,230**
Alpine School District		$376,459	$376,459	$376,459	$376,459	$376,459	$376,459	$376,459	$376,459	$376,459	$376,459	$376,459	$376,459	$376,459	$376,459	$376,459	$376,459	$376,459	$376,459	$376,459	$376,459	**$7,529,178**	**$5,116,200**
Eagle Mountain City		$42,573	$42,573	$42,573	$42,573	$42,573	$42,573	$42,573	$42,573	$42,573	$42,573	$42,573	$42,573	$42,573	$42,573	$42,573	$42,573	$42,573	$42,573	$42,573	$42,573	**$851,462**	**$578,582**
Central Utah Water Conservancy District		$22,145	$22,145	$22,145	$22,145	$22,145	$22,145	$22,145	$22,145	$22,145	$22,145	$22,145	$22,145	$22,145	$22,145	$22,145	$22,145	$22,145	$22,145	$22,145	$22,145	**$442,893**	**$300,953**
Unified Fire Service Area - Salt Lake County		$94,945	$94,945	$94,945	$94,945	$94,945	$94,945	$94,945	$94,945	$94,945	$94,945	$94,945	$94,945	$94,945	$94,945	$94,945	$94,945	$94,945	$94,945	$94,945	$94,945	**$1,898,903**	**$1,290,336**
Total		$593,753	$593,753	$593,753	$593,753	$593,753	$593,753	$593,753	$593,753	$593,753	$593,753	$593,753	$593,753	$593,753	$593,753	$593,753	$593,753	$593,753	$593,753	$593,753	$593,753	**$11,875,065**	**$8,069,300**

Notes: The values, calculated increments, and years are estimates only.

This projected model does not take into account the phasing and triggering of future phases as the phasing and timing data has not been provided.