EAGLE MOUNTAIN
REDEVELOPMENT AGENCY BOARD MEETING

June 1, 2021, 7:15 PM
Directly Following the City Council Meeting

REDEVELOPMENT AGENCY BOARD MEETING - CITY COUNCIL CHAMBERS, DIRECTLY FOLLOWING THE CITY COUNCIL MEETING

DIVERSION OF PROPERTY TAX FOR A COMMUNITY REINVESTMENT PROJECT AREA

1. CALL TO ORDER

2. MINUTES

2.A March 16, 2021 Minutes
03.16.2021 RDA Minutes - DRAFT

3. RESOLUTIONS

3.A RESOLUTION - A Resolution of the Redevelopment Agency of Eagle Mountain City, Utah, Approving an Interlocal Cooperation Agreement between the Eagle Mountain Redevelopment Agency and Eagle Mountain City for the Collection and Remittance of Incremental Property Taxes Collected from Property Within the Sweetwater Industrial Park Community Reinvestment Area #2.
RES--Agency Interlocal with City
AGMT--Interlocal Agreement with City - May 26, 2021

3.B RESOLUTION - A Resolution of the Redevelopment Agency of Eagle Mountain City, Utah, Approving an Interlocal Cooperation Agreement between the Eagle Mountain Redevelopment Agency and Alpine School District for the Collection and Remittance of Incremental Property Taxes Collected from Property Within the Sweetwater Industrial Park Community Reinvestment Area #2.
RES--Agency Interlocal with School District
Interlocal Agreement with School District

3.C RESOLUTION - A Resolution of the Redevelopment Agency of Eagle Mountain City, Utah, Approving an Interlocal Cooperation Agreement between the Eagle Mountain Redevelopment Agency and Central Utah Water Conservancy District for the Collection and Remittance of Incremental Property Taxes Collected from Property Within the

Sweetwater Industrial Park Community Reinvestment Area #2.
RES--Agency Interlocal with Water District
Interlocal Agreement with Water District

3.D RESOLUTION - A Resolution of the Redevelopment Agency of Eagle Mountain City, Utah, Approving an Interlocal Cooperation Agreement between the Eagle Mountain Redevelopment Agency and Unified Fire Service Area for the Collection and Remittance of Incremental Property Taxes Collected from Property Within the Sweetwater Industrial Park Community Reinvestment Area #2.
RES--Agency Interlocal with Fire District
Interlocal Agreement with Fire District

3.E RESOLUTION - A Resolution of the Redevelopment Agency of Eagle Mountain City, Utah, Approving an Interlocal Cooperation Agreement between the Eagle Mountain Redevelopment Agency and Utah County for the Collection and Remittance of Incremental Property Taxes Collected from Property Within the Sweetwater Industrial Park Community Reinvestment Area #2.
RES--Agency Interlocal with County
Interlocal Agreement with County
Interlocal Agreement with County--Updated Red Lines 05.28.2021

3.F RESOLUTION - A Resolution Approving a CRA Participation Agreement between the Redevelopment Agency of Eagle Mountain City and Curleybird LLC.
RES--Sweetwater Industrial Park CRA #2 Participation Agreement with Curleybird LLC
Participation Agreement - March 13, 2021 draft

4. ADJOURNMENT

THE PUBLIC IS INVITED TO PARTICIPATE IN PUBLIC MEETINGS FOR ALL AGENDAS.
In accordance with the Americans with Disabilities Act, Eagle Mountain City will make reasonable accommodation for participation in all Public Meetings and Work Sessions. Please call the City Recorder's Office at least 3 working days prior to the meeting at 801-789-6610. This meeting may be held telephonically to allow a member of the public body to participate. This agenda is subject to change with a minimum 24-hour notice.

CERTIFICATE OF POSTING

The undersigned, duly appointed City Recorder, does hereby certify that the above agenda notice was posted on this 27th day of May, 2021, on the Eagle Mountain City bulletin boards, the Eagle Mountain City website www.emcity.org, posted to the Utah State public notice website http://www.utah.gov/pmn/index.html, and was emailed to at least one newspaper of general circulation within the jurisdiction of the public body.

Fionnuala B. Kofoed, MMC, City Recorder

THE REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN CITY BOARD MEETING MINUTES

March 16, 2021, 7:00 p.m.
Eagle Mountain City Council Chambers
1650 East Stagecoach Run, Eagle Mountain, Utah 84005

REDEVELOPMENT AGENCY BOARD MEETING - VIA LIFESIZE ELECTRONIC MEETING

ELECTED OFFICIALS PRESENT ELECTRONICALLY: Board Chair Tom Westmoreland, Board Members Donna Burnham, Melissa Clark, Colby Curtis, Jared Gray, and Carolyn Love.

CITY STAFF PRESENT ELECTRONICALLY: Paul Jerome, City Administrator; Steve Mumford, Assistant City Administrator/Community Development Director; Kimberly Ruesch, Finance Director; Tayler Jensen, Senior Planner; Jessa Porter, Planner; Fionnuala Kofoed, City Recorder; Elizabeth Fewkes, Recording Secretary; Chris Trusty, City Engineer; Aaron Sanborn, Executive Director; Jeremy Cook, City Attorney; Brad Hickman, Parks and Recreation Director; Mack Straw, Public Utilities Manager; Zac Hilton, Streets and Storm Drain Manager; Jeff Weber, Fleet and Facilities Operations Director; Ross Fowlks, Angela Valenzuela, Human Resource Manager; Evan Berrett, Senior Management Analyst; and Robert Ballif, Engineering Assistant.

1. CALL TO ORDER

Board Chair Westmoreland called the meeting to order at 7:00 p.m.

2. MINUTES

2.A. June 16, 2020 Minutes – Redevelopment Agency Board Meeting

MOTION: ***Board Member Burnham moved to approve the June 16, 2020 minutes. Board Member Gray seconded the motion. Those voting aye: Jared Gray, Carolyn Love, Colby Curtis, Melissa Clark, and Donna Burnham. The motion passed with a unanimous vote.***

3. RESOLUTION

3.A. RESOLUTION – A Resolution of the Redevelopment Agency of Eagle Mountain City, Utah, Appointing and Electing Officers to Serve in the Redevelopment Agency of Eagle Mountain City.

City Recorder Fionnuala Kofoed explained that at the beginning of each calendar year, the board appoints a Chair and Vice-Chair. Generally, the City Council Mayor Pro Tempore is appointed as the Vice-Chair; however, any Board Member may serve as Vice-Chair. The Mayor is appointed Chair by default, and the action requires a motion of approval.

Board Member Gray said he did not object to appointing the Mayor and Mayor Pro Tempore as Chair and Vice-Chair. He asked if the City had a requirement for the positions to be filled by specific members of the board.

Ms. Kofoed explained that the Mayor is appointed Chair for economic development purposes to allow the Mayor to speak on behalf of the City. She later confirmed RDA R-02-2008 established the Mayor to serve as Board Chair. The Board has the ability to amend the bylaws if desired.

Board Member Burnham noted the Board has previously appointed the liaison to the Economic Development Board as Vice-Chair rather than the Mayor Pro Tempore.

Board Member Curtis stated that it would be appropriate to appoint the Economic Development Board liaison as Vice-Chair, but he would also support the appointment of the Mayor Pro Tempore.

MOTION: ***Board Member Gray moved to appoint Tom Westmoreland to serve as Chair of the Redevelopment Agency of Eagle Mountain City. Board Member Burnham seconded the motion. Those voting aye: Jared Gray, Carolyn Love, Colby Curtis, Melissa Clark, and Donna Burnham. The motion passed with a unanimous vote.***

MOTION: ***Board Member Curtis moved to appoint Carolyn Love to serve as Vice-Chair of the Redevelopment Agency of Eagle Mountain City. Board Member Burnham seconded the motion. Those voting aye: Jared Gray, Carolyn Love, Colby Curtis, Melissa Clark, and Donna Burnham. The motion passed with a unanimous vote.***

4. SWEETWATER INDUSTRIAL PARK

4.A. RESOLUTION/PUBLIC HEARING – A Resolution of the Redevelopment Agency of Eagle Mountain City, Utah, Adopting an Official Project Area Plan for the Sweetwater Industrial Park Community Reinvestment Area #2.

Executive Director Aaron Sanborn presented the purpose and function of the Redevelopment Agency Board (RDA) and the Community Reinvestment Area (CRA) process. Title 17C of State Code regulates the operation of RDAs which operate CRAs.

The first step is identification by RDA staff of an area in the City with CRA potential. CRAs can be implemented to redevelop areas or to encourage new development. The RDA adopts a Survey Resolution to begin the process. During the next step, RDA staff work with outside consultants to determine feasibility, necessary studies are performed, the project area plan and project area budget are drafted, and the discussions begin with the taxing entities.

The RDA then provides notice to taxing entities and the public of public hearings for the project area plan and project area budget. The RDA board holds a public hearing and adopts, revises, or rejects the project area plan and project area budget and notices the adoption of the plan and budget. Finally, RDA staff prepares interlocal agreements with the taxing entities, prepares a participation

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agreement with the project participants, and notices the interlocal agreement adoption by the taxing entities. The RDA Board and taxing entities then adopt interlocal and participation agreements.

Sweetwater Industrial Park Community Reinvestment Area #2 Project Timeline:

- April 21, 2020
  - RDA Board approves Survey Area Resolution
- February 12, 2021
  - Notice of public hearing given to taxing entities and landowner
- February 16, 2021
  - Notice of public hearing given to general public
- March 16, 2021
  - RDA holds a public hearing on the project area plan and project area budget
  - RDA considers adoption of the project area plan and project area budget
  - City Council considers approval of project area plan and interlocal agreement
- April 2021
  - Interlocal agreement approval by Utah County
  - Interlocal agreement approval by Alpine School District
  - Interlocal agreement approval by Unified Fire Service Area
  - Interlocal agreement approval by Central Utah Water Conservancy District
  - Interlocal agreement approval by RDA
  - Development agreement approval by City Council
- May 2021
  - Participation agreement approval by RDA

Kate Werrett with Lewis, Young, Robertson, and Burningham presented and further explained the history, purpose, and function of the RDA and CRA, tax increment financing, the process of CRA project creation, reasons for the CRA project area, and the development assumptions and tax base and tax increments for the project. She explained that the project will not cause a property tax increase for other properties.

Laura Lewis with Lewis, Young, Robertson, and Burningham explained Utah property tax laws for existing developments in comparison to new growth.

Board Chair Westmoreland opened the public hearing at 7:31 p.m. No comments were submitted to the City Recorder's Office and no public was in attendance to make comment. As there were no comments, Board Chair Westmoreland closed the hearing.

Mr. Sanborn explained the project area will be developed in phases with an agreement term of 20 years for each new phase with a timeframe cap of 40 years total for the project.

MOTION: ***Board Member Burnham moved to approve a resolution of the Redevelopment Agency of Eagle Mountain City, Utah, adopting an Official Project Area Plan for the Sweetwater Industrial Park Community Reinvestment Area #2. Board Member Gray seconded the motion. Those voting aye: Jared Gray, Carolyn Love, Colby Curtis, Melissa Clark, and Donna Burnham. The motion passed with a unanimous vote.***

4.B. RESOLUTION/PUBLIC HEARING – A Resolution of the Redevelopment Agency of Eagle Mountain City, Utah, Adopting an Official Project Area Budget for the Sweetwater Industrial Park Community Reinvestment Area #2.

Mr. Sanborn explained that after further negotiations, the real property tax portion of the budget has been reduced from 75% to 67.5% percent.

Board Member Curtis stated for clarity for the residents that the RDA has determined to enter into an agreement for a company to develop a data center in the City.

Board Chair Westmoreland noted the agreement will also come before the City Council for approval.

Board Chair Westmoreland opened the public hearing at 7:36 p.m. No comments were submitted to the City Recorder's Office and no public was in attendance to make comment. As there were no comments, Board Chair Westmoreland closed the hearing.

MOTION: ***Board Member Burnham moved to approve a resolution of the Redevelopment Agency of Eagle Mountain City, Utah, adopting an Official Project Area Budget for the Sweetwater Industrial Park Community Reinvestment Area #2, using the amended 67.5% real property tax value. Board Member Gray seconded the motion. Those voting aye: Jared Gray, Carolyn Love, Colby Curtis, Melissa Clark, and Donna Burnham. The motion passed with a unanimous vote.***

5. ADJOURNMENT

MOTION: ***Board Member Gray moved to adjourn the meeting at 7:38 p.m. Board Member Love seconded the motion. Those voting aye: Jared Gray, Carolyn Love, Colby Curtis, Melissa Clark, and Donna Burnham. The motion passed with a unanimous vote.***

The meeting was adjourned at 7:38 p.m.

Approved by the Redevelopment Agency of Eagle Mountain City Board on June 1, 2021.

_____

Aaron Sanborn
Executive Director

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EAGLE MOUNTAIN	**EAGLE MOUNTAIN CITY** **REDEVELOPMENT AGENCY BOARD MEETING** **JUNE 1, 2021**

TITLE:	RESOLUTION - A Resolution of the Redevelopment Agency of Eagle Mountain City, Utah, Approving an Interlocal Cooperation Agreement between the Eagle Mountain Redevelopment Agency and Eagle Mountain City for the Collection and Remittance of Incremental Property Taxes Collected from Property Within the Sweetwater Industrial Park Community Reinvestment Area #2.
ITEM TYPE:	Resolution
FISCAL IMPACT:	
APPLICANT:	

GENERAL PLAN DESIGNATION	CURRENT ZONE	ACREAGE	COMMUNITY

PUBLIC HEARING:
No

PREPARED BY:
Fionnuala Kofoed, Admin

PRESENTED BY:

RECOMMENDATION:
Staff recommends that the RDA Board approves an Interlocal Cooperation Agreement between the Eagle Mountain Redevelopment Agency and Eagle Mountain City for the Collection and Remittance of Incremental Property Taxes Collected from Property Within the Sweetwater Industrial Park Community Reinvestment Area #2.

BACKGROUND:

The RDA Board approved the project area plan and budget for the Sweetwater CRA #2 on March 16th. It allows for incremental tax revenue to be collected and transmitted to the RDA. In order for this to occur, each taxing entity is required to enter into an interlocal agreement with the RDA.

Agreement Proposal

The agreements are presented for the Council's review and consideration. Following are some key points of the agreements:

- 67.5% of real property tax and 100% of personal property tax generated would be transmitted to the RDA
- Tax increment would be given for 20 years per phase, capped at 40 years total

ITEMS FOR CONSIDERATION:

REQUIRED FINDINGS:

PLANNING COMMISSION ACTION/RECOMMENDATION:

ATTACHMENTS:

RES--Agency Interlocal with City
AGMT--Interlocal Agreement with City - May 26, 2021

RESOLUTION NO. R- -2021

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

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 Eagle Mountain City (the "City") 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 City whereby the City 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 City, 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 City, 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 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 _____by_____.

EXHIBIT A

INTERLOCAL COOPERATION AGREEMENT

5-26-2021

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this ____ day of _____, 2021, by and between the **EAGLE MOUNTAIN REDEVELOPMENT AGENCY**, a community reinvestment agency and political subdivision of the State of Utah (the "Agency"), and **EAGLE MOUNTAIN CITY**, a political subdivision of the State of Utah (the "City") 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 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 $25 per year in property taxes for the various taxing entities, including the City, Utah County (the "County"), the Alpine School District (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 $3,656,786 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 City for the City 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,** Eagle Mountain City has entered into existing Water Supply Agreements with the Water District (referred to as "CWP Water Agreements") and may enter into additional CWP Water Agreements subject to CWP Water availability at the time of a written request by Eagle Mountain City as one wholesale supplemental water source to Eagle Mountain City water system; and ~~the parties desire to set forth in writing their agreements regarding the nature and timing of such assistance~~

NOW, THEREFORE, the parties agree as follows:

1. **Additional Tax Revenue.** The City 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 City 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. Any participation agreement shall be consistent with all and any terms and conditions of the existing CWP Water Agreements, including Paragraph 4, Reservation of Water and written verification of compliance with the requirements of Paragraph 8.

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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 City to the Agency shall be determined by the Agency. 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"). 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 forty (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 City shall authorize the County to remit to the Agency, beginning with property tax receipts during each Increment 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) and centrally assessed 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 City's tax levy that is paid to the Agency under this Agreement shall not exceed $300,000 per Phase (the "Real Property Tax Increment Cap") and shall not exceed a total of $2,100,000 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 City. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the City, 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 City of such amendments.

9. **No Independent Duty.** The City shall be responsible to remit to the Agency only Tax Increment actually received by the County acting as the tax collecting agency for the City. The City 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 City on an annual basis during each Increment Period for each Phase.

10. **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.

11. **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.

12. **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 City:

Eagle Mountain City
Attn: City Council
1650 E. Stagecoach Run
Eagle Mountain, UT 84005
Phone: (801) 789-6603

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.

13. **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.

14. **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.

15. **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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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.

21. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that the County or the City 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 City shall take such steps as are reasonably required to not permit the payment and/or receipt of the Tax Increment to be declared invalid.

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

23. **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 (40^{th}) year following the year in which the Trigger Notice is issued for the first Phase, or fifty years after the date of this Agreement, whichever is sooner.

24. **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.

25. **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.

26. **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.

CITY:

EAGLE MOUNTAIN CITY

By: _____

Its: Mayor

ATTEST:

By: _____
City Recorder

APPROVED AS TO FORM:

By: _____
Attorney for City

AGENCY:

EAGLE MOUNTAIN REDEVELOPMENT AGENCY

By: _____

Its: Chairperson

ATTEST:

By: _____
Executive Director

APPROVED AS TO FORM:

By: _____
Attorney for Agency

5-26-2021

EXHIBIT "A"
to
INTERLOCAL AGREEMENT

Legal Description of Project

5-26-2021

EXHIBIT “B”
to
INTERLOCAL AGREEMENT

Project Area Plan

5-26-2021

EXHIBIT “C”
to
INTERLOCAL AGREEMENT

Project Area Budget

EAGLE MOUNTAIN	**EAGLE MOUNTAIN CITY** **REDEVELOPMENT AGENCY BOARD MEETING** **JUNE 1, 2021**

TITLE:	RESOLUTION - A Resolution of the Redevelopment Agency of Eagle Mountain City, Utah, Approving an Interlocal Cooperation Agreement between the Eagle Mountain Redevelopment Agency and Alpine School District for the Collection and Remittance of Incremental Property Taxes Collected from Property Within the Sweetwater Industrial Park Community Reinvestment Area #2.
ITEM TYPE:	Resolution
FISCAL IMPACT:	
APPLICANT:	

GENERAL PLAN DESIGNATION	CURRENT ZONE	ACREAGE	COMMUNITY

PUBLIC HEARING:
No

PREPARED BY:
Fionnuala Kofoed, Admin

PRESENTED BY:

RECOMMENDATION:

Staff recommends that the RDA Board approves an Interlocal Cooperation Agreement between the Eagle Mountain Redevelopment Agency and Alpine School District for the Collection and Remittance of Incremental Property Taxes Collected from Property Within the Sweetwater Industrial Park Community Reinvestment Area #2.

BACKGROUND:

The RDA Board approved the project area plan and budget for the Sweetwater CRA #2 on March 16th. It allows for incremental tax revenue to be collected and transmitted to the RDA. In order for this to occur, each taxing entity is required to enter into an interlocal agreement with the RDA.

Agreement Proposal

The agreements are attached to this report for the Council's review and consideration. Following are some key points of the agreements:

- 67.5% of real property tax and 100% of personal property tax generated would be transmitted to the RDA
- Tax increment would be given for 20 years per phase, capped

at 40 years total

ITEMS FOR CONSIDERATION:

REQUIRED FINDINGS:

PLANNING COMMISSION ACTION/RECOMMENDATION:

ATTACHMENTS:

RES--Agency Interlocal with School District
Interlocal Agreement with School District

RESOLUTION NO. R- -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 _____ by _____.

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 (40^{th}) 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

EXHIBIT “A”
to
INTERLOCAL AGREEMENT

Legal Description of Project

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
ROBERTSON & BURNINGHAM, INC.
GATEWAY PLAZA BUILDING - 41 N. RIO GRANDE, STE 101 - SALT LAKE CITY, UT 84101
(P) 801-596-0700 - (TF) 800-581-1100 - (F) 801-596-2800 - WWW.LEWISYOUNG.COM

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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].

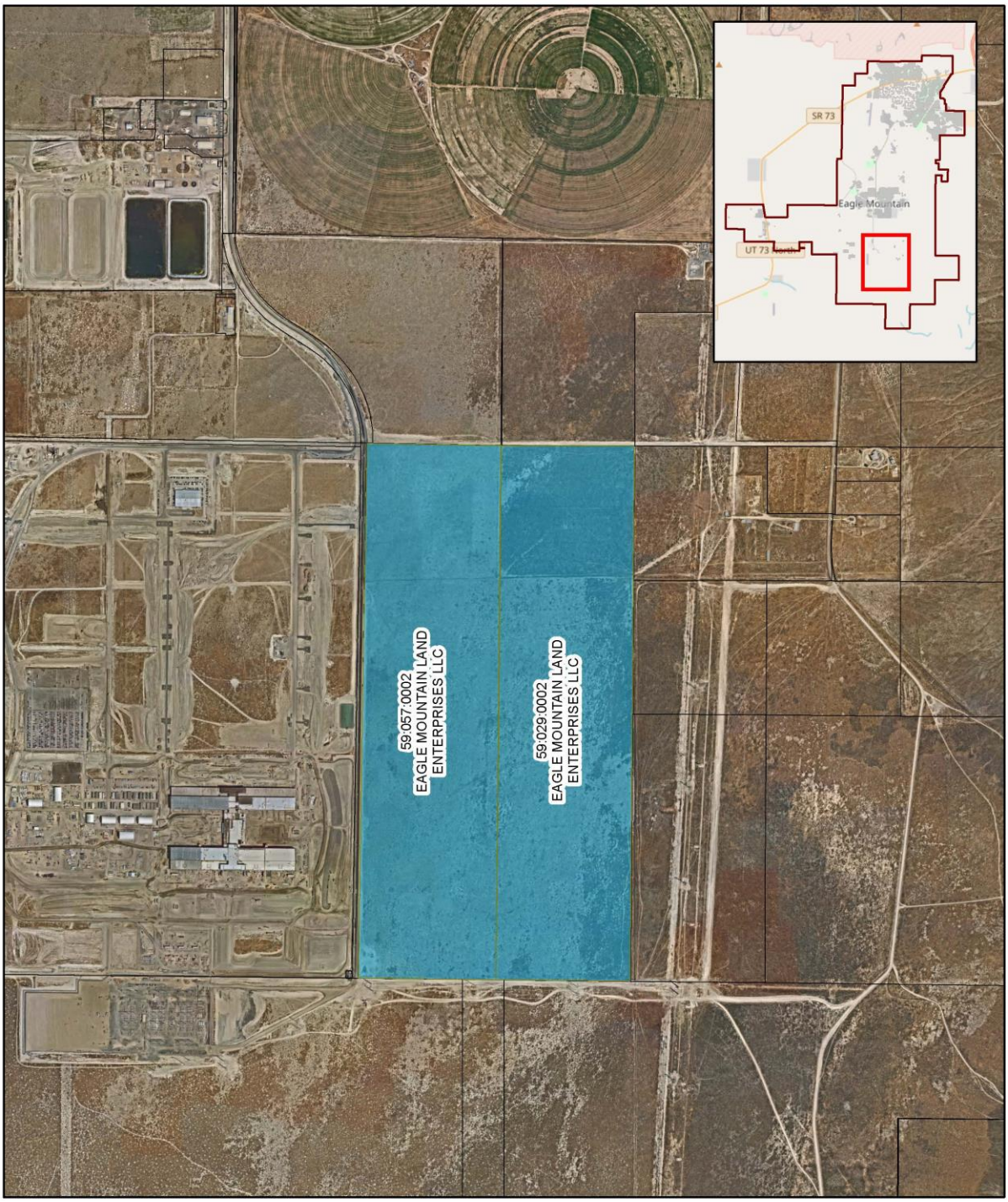
[1] The net benefit does not include the $7.8 million housing portion of tax increment that will be reinvested into the City.

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



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.
GATEWAY PLAZA BUILDING - 41 N. RIO GRANDE, STE 101 - SALT LAKE CITY, UT 84101
(P) 801-596-0700 - (TF) 800-581-1100 - (F) 801-596-2800 - WWW.LEWISYOUNG.COM

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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.

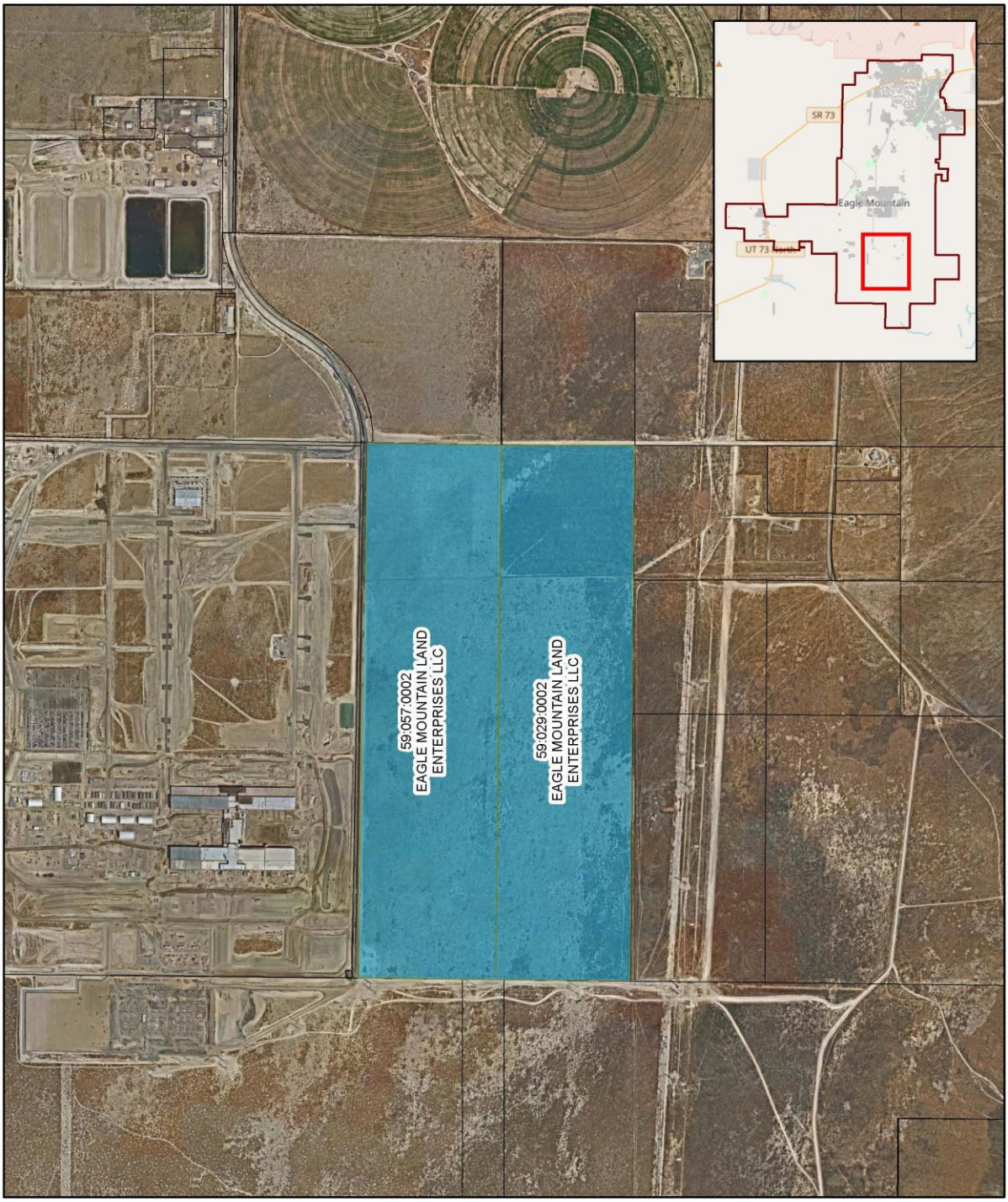
TABLE 5.2 TOTAL EXPENDITURES

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.

EAGLE MOUNTAIN	**EAGLE MOUNTAIN CITY** **REDEVELOPMENT AGENCY BOARD MEETING** **JUNE 1, 2021**		
TITLE:	RESOLUTION - A Resolution of the Redevelopment Agency of Eagle Mountain City, Utah, Approving an Interlocal Cooperation Agreement between the Eagle Mountain Redevelopment Agency and Central Utah Water Conservancy District for the Collection and Remittance of Incremental Property Taxes Collected from Property Within the Sweetwater Industrial Park Community Reinvestment Area #2.		
ITEM TYPE:	Resolution		
FISCAL IMPACT:			
APPLICANT:			
GENERAL PLAN DESIGNATION	**CURRENT ZONE**	**ACREAGE**	**COMMUNITY**

PUBLIC HEARING:
No

PREPARED BY:
Fionnuala Kofoed, Admin

PRESENTED BY:

RECOMMENDATION:
Staff recommends that the RDA Board approves an Interlocal Cooperation Agreement between the Eagle Mountain Redevelopment Agency and Central Utah Water Conservancy District for the Collection and Remittance of Incremental Property Taxes Collected from Property Within the Sweetwater Industrial Park Community Reinvestment Area #2.

BACKGROUND:

The RDA Board approved the project area plan and budget for the Sweetwater CRA #2 on March 16th. It allows for incremental tax revenue to be collected and transmitted to the RDA. In order for this to occur, each taxing entity is required to enter into an interlocal agreement with the RDA.

Agreement Proposal

The agreements are attached to this report for the Council's review and consideration. Following are some key points of the agreements:

- 67.5% of real property tax and 100% of personal property tax generated would be transmitted to the RDA

- Tax increment would be given for 20 years per phase, capped at 40 years total

ITEMS FOR CONSIDERATION:

REQUIRED FINDINGS:

PLANNING COMMISSION ACTION/RECOMMENDATION:

ATTACHMENTS:

RES--Agency Interlocal with Water District
Interlocal Agreement with Water District

RESOLUTION NO. R- -2021

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN CITY, UTAH, APPROVING AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE AGENCY AND CENTRAL UTAH WATER CONSERVANCY 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 Central Utah Water Conservancy District (the "Water 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 Water District whereby the Water District would remit to the Agency a portion of the property tax increment generated within the Sweet Water Industrial Park Community Reinvestment Project Area #2, (the "Project Area") which would otherwise flow to the Water 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 Water 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 _____ by _____.

EXHIBIT A

INTERLOCAL COOPERATION AGREEMENT

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this 28th day of April, 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 **CENTRAL UTAH WATER CONSERVANCY DISTRICT**, a political subdivision of the State of Utah (the "Water 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 Alpine School District (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 Water District for the Water 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,** Eagle Mountain City has entered into existing Water Supply Agreements with the Water District (referred to as "CWP Water Agreements") and may enter into additional CWP Water Agreements subject to CWP Water availability at the time of a written request by Eagle Mountain City as one wholesale supplemental water source to Eagle Mountain City water system and the Agency will or has entered into an Interlocal Cooperation Agreement with Eagle Mountain City; and

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

NOW, THEREFORE, the parties agree as follows:

1. **Additional Tax Revenue.** The Water 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 Water 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. The Agency will commit in its Interlocal Agreement with Eagle Mountain City that any participation agreement shall also be consistent with all and any terms and conditions of the existing CWP Water Agreements, including Paragraph 4, Reservation of Water and written verification of compliance with the requirements of Paragraph 8.

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 Water District to the Agency shall be determined by the Agency. 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"). 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 forty (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 Water District shall authorize the County to remit to the Agency, beginning with property tax receipts during each Increment 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) and centrally assessed 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 Water District's tax levy that is paid to the Agency under this Agreement shall not exceed $3,600,000 per Phase (the "Real Property Tax Increment Cap") and shall not exceed a total of $25,000,000 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 Water District. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the Water 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 Water District of such amendments.

9. **No Independent Duty.** The Water 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 Water District. The County 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 Water District on an annual basis during each Increment Period for each Phase.

10. **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.

11. **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.

12. **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 Water District:

Central Utah Water Conservancy District
Attn: District Board
355 W. University Parkway
Orem, UT 84058
Phone: (801) 226-7100

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.

13. **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.

14. **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.

15. **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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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.

21. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that the County or the Water 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 Water 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.

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

23. **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 (40^{th}) year following the year in which the Trigger Notice is issued for the first Phase or fifty years after the date of this Agreement, whichever is sooner.

24. **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.

25. **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.

26. **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.

WATER DISTRICT:

CENTRAL UTAH WATER CONSERVANCY DISTRICT

By: _____

Its: Chair, Board of Trustees

ATTEST:

By: _____
Secretary

APPROVED AS TO FORM:

By: _____
Attorney for Water District

AGENCY:

EAGLE MOUNTAIN REDEVELOPMENT AGENCY

By: _____

Its: Chairperson

ATTEST:

By: _____
Executive Director

APPROVED AS TO FORM:

By: _____
Attorney for Agency

EXHIBIT “A”
to
INTERLOCAL AGREEMENT

Legal Description of Project

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
ROBERTSON & BURNINGHAM, INC.
GATEWAY PLAZA BUILDING - 41 N. RIO GRANDE, STE 101 - SALT LAKE CITY, UT 84101
(P) 801-596-0700 - (TF) 800-581-1100 - (F) 801-596-2800 - WWW.LEWISYOUNG.COM

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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].

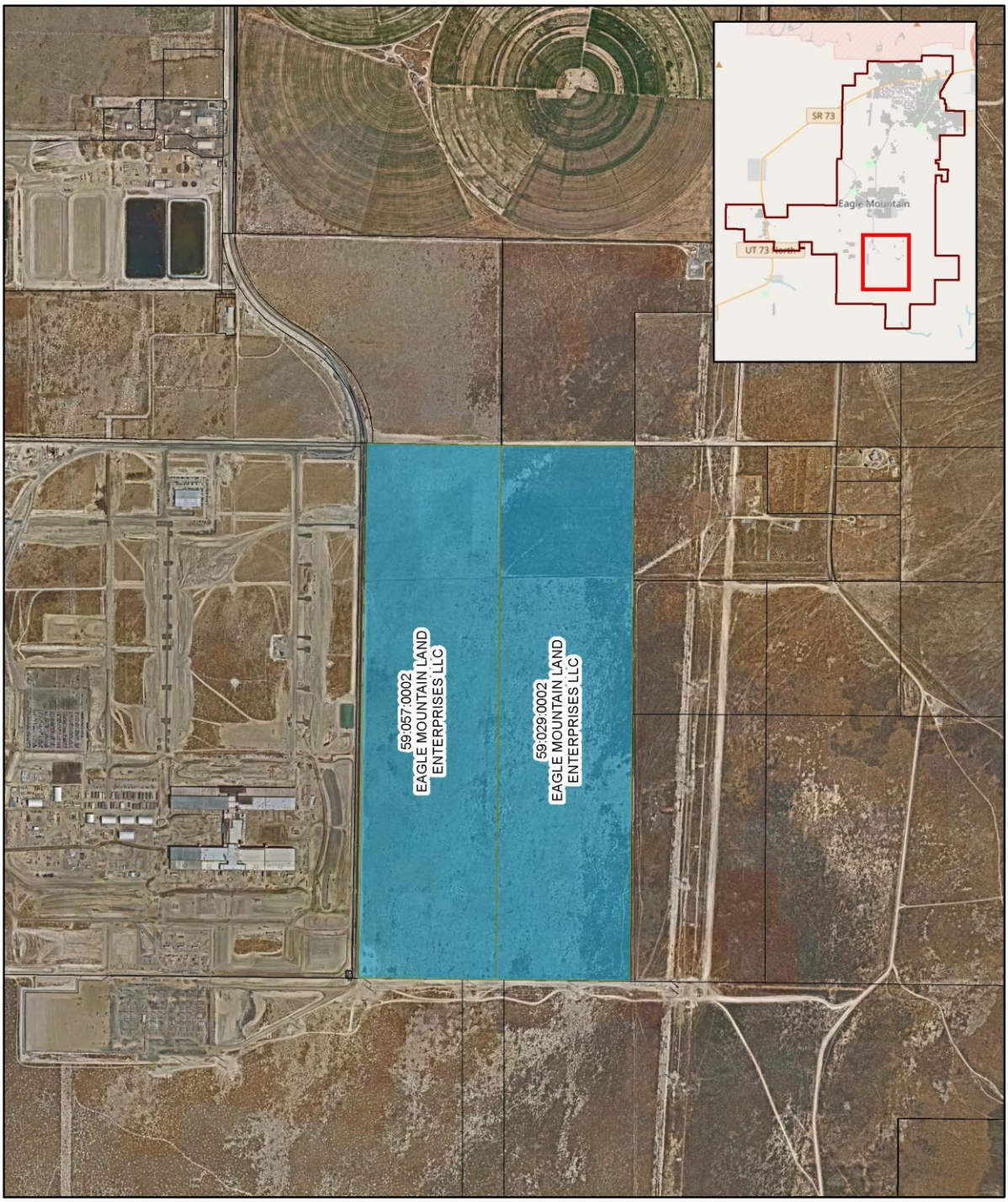
[1] The net benefit does not include the $7.8 million housing portion of tax increment that will be reinvested into the City.

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



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.
GATEWAY PLAZA BUILDING - 41 N. RIO GRANDE, STE 101 - SALT LAKE CITY, UT 84101
(P) 801-596-0700 - (TF) 800-581-1100 - (F) 801-596-2800 - WWW.LEWISYOUNG.COM

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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.

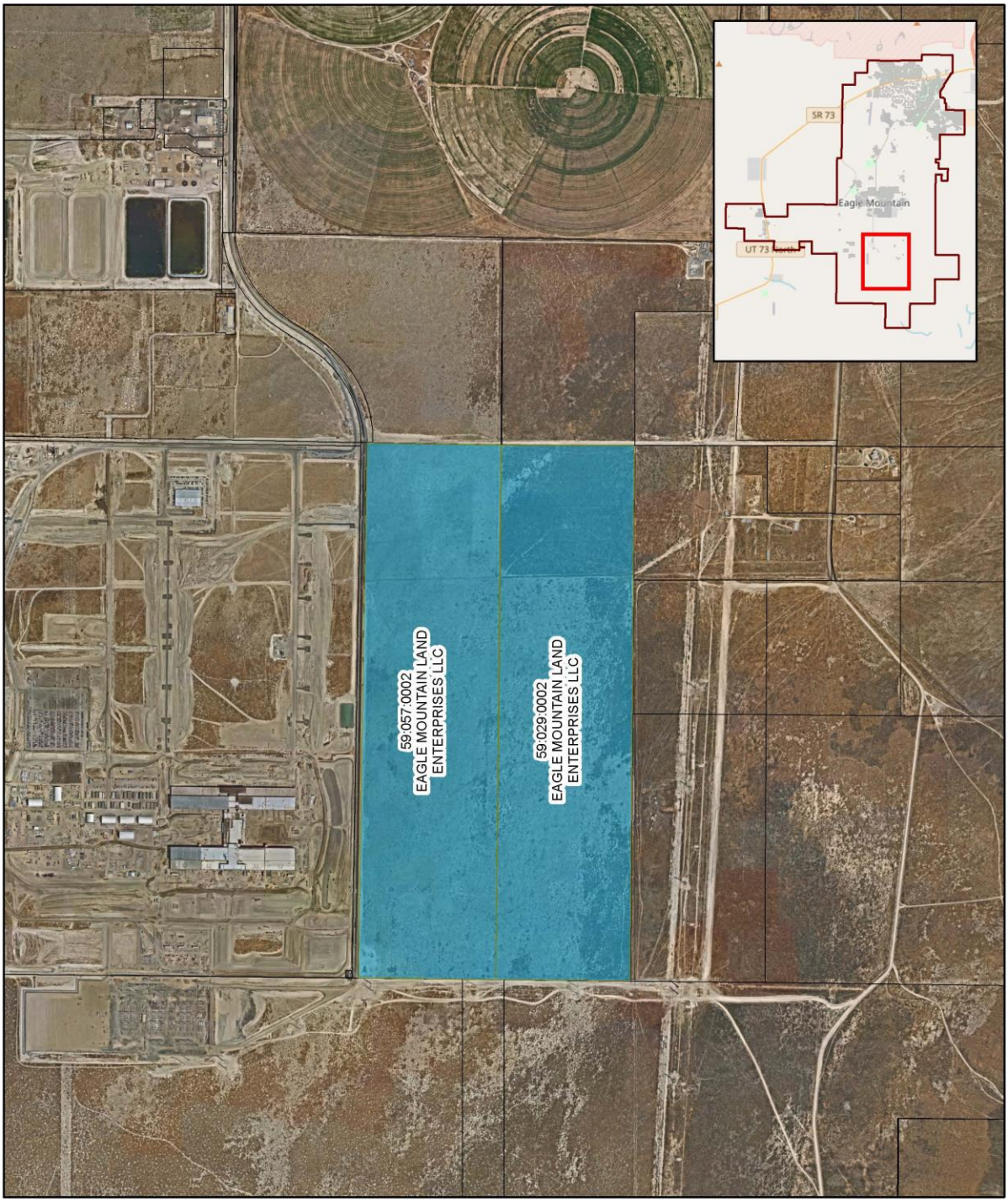
TABLE 5.2 TOTAL EXPENDITURES

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.

EAGLE MOUNTAIN	**EAGLE MOUNTAIN CITY** **REDEVELOPMENT AGENCY BOARD MEETING** **JUNE 1, 2021**

TITLE:	RESOLUTION - A Resolution of the Redevelopment Agency of Eagle Mountain City, Utah, Approving an Interlocal Cooperation Agreement between the Eagle Mountain Redevelopment Agency and Unified Fire Service Area for the Collection and Remittance of Incremental Property Taxes Collected from Property Within the Sweetwater Industrial Park Community Reinvestment Area #2.
ITEM TYPE:	Resolution
FISCAL IMPACT:	
APPLICANT:	

GENERAL PLAN DESIGNATION	CURRENT ZONE	ACREAGE	COMMUNITY

PUBLIC HEARING:
No

PREPARED BY:
Fionnuala Kofoed, Admin

PRESENTED BY:

RECOMMENDATION:
Staff recommends that the RDA Board approve an Interlocal Cooperation Agreement between the Eagle Mountain Redevelopment Agency and Unified Fire Service Area for the Collection and Remittance of Incremental Property Taxes Collected from Property Within the Sweetwater Industrial Park Community Reinvestment Area #2.

BACKGROUND:

The RDA Board approved the project area plan and budget for the Sweetwater CRA #2 on March 16th. It allows for incremental tax revenue to be collected and transmitted to the RDA. In order for this to occur, each taxing entity is required to enter into an interlocal agreement with the RDA.

Agreement Proposal
The agreements are attached to this report for the Council's review and consideration. Following are some key points of the agreements:

- 67.5% of real property tax and 100% of personal property tax generated would be transmitted to the RDA
- Tax increment would be given for 20 years per phase, capped at 40 years total

ITEMS FOR CONSIDERATION:

REQUIRED FINDINGS:

PLANNING COMMISSION ACTION/RECOMMENDATION:

ATTACHMENTS:

RES--Agency Interlocal with Fire District
Interlocal Agreement with Fire District

RESOLUTION NO. R- -2021

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN CITY, UTAH, APPROVING AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE AGENCY AND UNIFIED FIRE SERVICE AREA

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 Unified Fire Service Area (the "Fire 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 Fire District whereby the Fire District would remit to the Agency a portion of the property tax increment generated within the Sweet Water Industrial Park Community Reinvestment Project Area #2, (the "Project Area") which would otherwise flow to the Fire 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 Fire 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 _____ by _____.

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 **UNIFIED FIRE SERVICE AREA**, a political subdivision of the State of Utah (the "Fire 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 Alpine School District (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 Fire District for the Fire 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.

NOW, THEREFORE, the parties agree as follows:

1. **Additional Tax Revenue.** The Fire 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 Fire 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 Fire District to the Agency shall be determined by the Agency. 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"). 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 forty (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 Fire District shall authorize the County to remit to the Agency, beginning with property tax receipts during each Increment 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) and centrally assessed 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 Fire District's tax levy that is paid to the Agency under this Agreement shall not exceed $17,200,000 per Phase (the "Real Property Tax Increment Cap") and shall not exceed a total of $120,000,000 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 Fire District. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the Fire 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 Fire District of such amendments.

9. **No Independent Duty.** The Fire 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 Fire District. The Fire 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 Fire District on an annual basis during each Increment Period for each Phase.

10. **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.

11. **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.

12. **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 Fire District:

Unified Fire Service Area
Attn: District Board
3380 S. 900 W.
Salt Lake City, UT 84119
Phone: (801) 743-7200

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.

13. **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.

14. **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.

15. **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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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.

21. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that the County or the Fire 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 Fire 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.

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

23. **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 (40^{th}) year following the year in which the Trigger Notice is issued for the first Phase or fifty years after the date of this Agreement, whichever is sooner.

24. **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.

25. **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.

26. **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.

FIRE DISTRICT:

UNIFIED FIRE SERVICE AREA -
SALT LAKE COUNTY

By: Kristie Overson _____

Its: Board Chair

ATTEST:

By: Cynthia Young _____
Cynthia Young (Apr 20, 2021 13:02 MDT)
Secretary

APPROVED AS TO FORM:

By: Rachel S. Anderson _____
Attorney for Fire District

AGENCY:

EAGLE MOUNTAIN REDEVELOPMENT AGENCY

By: _____

Its: Chairperson

ATTEST:

By: _____
Executive Director

APPROVED AS TO FORM:

By: _____
Attorney for Agency

EXHIBIT “A”
to
INTERLOCAL AGREEMENT

Legal Description of Project

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
ROBERTSON & BURNINGHAM, INC.
GATEWAY PLAZA BUILDING - 41 N. RIO GRANDE, STE 101 - SALT LAKE CITY, UT 84101
(P) 801-596-0700 - (TF) 800-581-1100 - (F) 801-596-2800 - WWW.LEWISYOUNG.COM

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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].

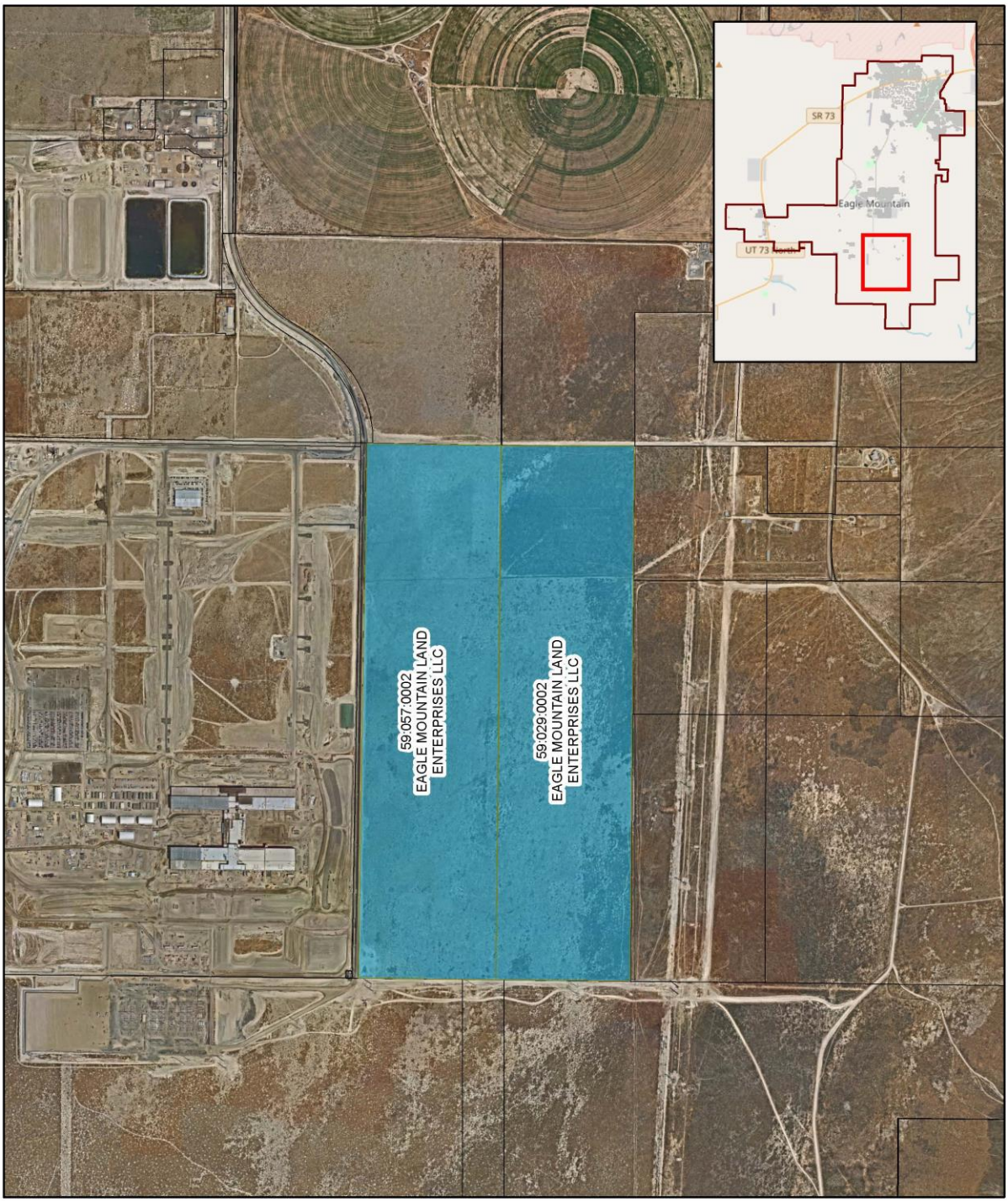
[1] The net benefit does not include the $7.8 million housing portion of tax increment that will be reinvested into the City.

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



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

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LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.
GATEWAY PLAZA BUILDING - 41 N. RIO GRANDE, STE 101 - SALT LAKE CITY, UT 84101
(P) 801-596-0700 - (TF) 800-581-1100 - (F) 801-596-2800 - WWW.LEWISYOUNG.COM

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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.

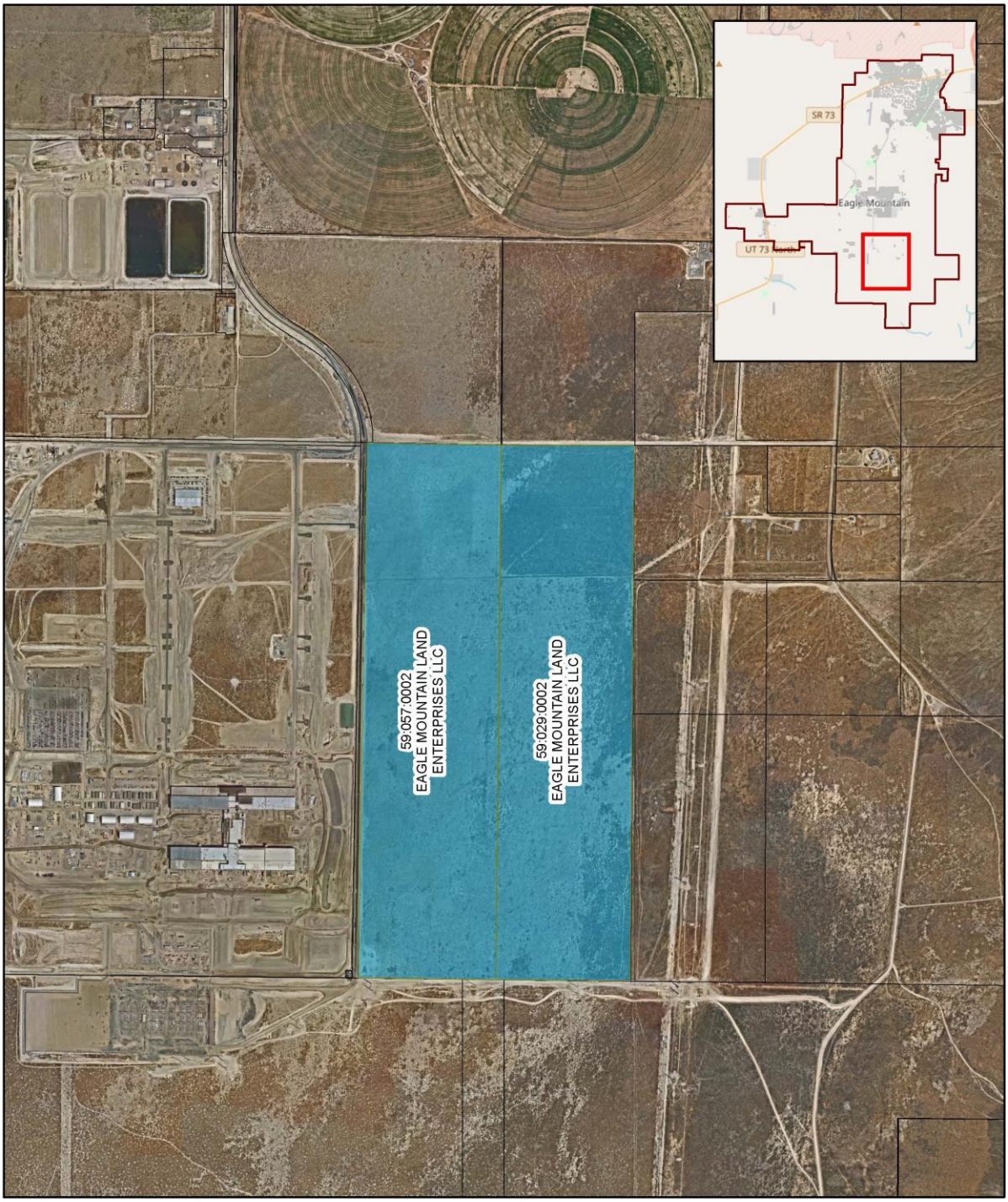
TABLE 5.2 TOTAL EXPENDITURES

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.

EAGLE MOUNTAIN	**EAGLE MOUNTAIN CITY** **REDEVELOPMENT AGENCY BOARD MEETING** **JUNE 1, 2021**

TITLE:	RESOLUTION - A Resolution of the Redevelopment Agency of Eagle Mountain City, Utah, Approving an Interlocal Cooperation Agreement between the Eagle Mountain Redevelopment Agency and Utah County for the Collection and Remittance of Incremental Property Taxes Collected from Property Within the Sweetwater Industrial Park Community Reinvestment Area #2.
ITEM TYPE:	Resolution
FISCAL IMPACT:	
APPLICANT:	

GENERAL PLAN DESIGNATION	CURRENT ZONE	ACREAGE	COMMUNITY

PUBLIC HEARING:
No

PREPARED BY:
Fionnuala Kofoed, Admin

PRESENTED BY:

RECOMMENDATION:

Staff recommends that the RDA Board approves an Interlocal Cooperation Agreement between the Eagle Mountain Redevelopment Agency and Utah County for the Collection and Remittance of Incremental Property Taxes Collected from Property Within the Sweetwater Industrial Park Community Reinvestment Area #2.

BACKGROUND:

The RDA Board approved the project area plan and budget for the Sweetwater CRA #2 on March 16th. It allows for incremental tax revenue to be collected and transmitted to the RDA. In order for this to occur, each taxing entity is required to enter into an interlocal agreement with the RDA.

Agreement Proposal

The agreements are attached to this report for the Council's review and consideration. Following are some key points of the agreements:

- 67.5% of real property tax and 100% of personal property tax generated would be transmitted to the RDA
- Tax increment would be given for 20 years per phase, capped

at 40 years total

ITEMS FOR CONSIDERATION:

REQUIRED FINDINGS:

PLANNING COMMISSION ACTION/RECOMMENDATION:

ATTACHMENTS:

RES--Agency Interlocal with County
Interlocal Agreement with County
Interlocal Agreement with County--Updated Red Lines 05.28.2021

RESOLUTION NO. R- -2021

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

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 Utah County (the "County") 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 County whereby the County 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 County, 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 County, 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 _____by_____.

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 **UTAH COUNTY**, a political subdivision of the State of Utah (the "County") 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, the County, the Alpine School District (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 County for the County to remit specified portions of the Tax Increment 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.

NOW, THEREFORE, the parties agree as follows:

1. **Additional Tax Revenue.** The County 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 County 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. Notwithstanding anything contained herein, or in the Reinvestment Act, to the contrary, the Base Taxable Value for a Phase shall not be reduced after it is finally determined and no longer subject to challenge or appeal for the applicable tax year. The Agency covenants with the County that the Agency shall not issue bonds secured by the Tax Increment to be paid to the Agency by the County under this Agreement.

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 only real property, only personal property, or both real property and personal property, and 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. The County may require that the real property components of each Phase be contained within a legally subdivided parcel of real property if the County is unable to reasonably assess the real property components of each Phase without a legally subdivided parcel. 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 County to the Agency shall be determined by the Agency. 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"). Unless the Trigger Notice is provided earlier, the Trigger Notice for the first Phase shall be deemed to have occurred no later than March 31, 2026. 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 forty (40) years for all Phases commencing with the year after the Agency delivers a Trigger Notice for such Phase (each, an "Increment Period"); provided, however, if the Participants do not invest a total of at least $1,200,000,000 in infrastructure, capital improvements, and personal property improvements, in the Project Area by the end of the thirtieth (30^{th}) year after the year the Agency delivers its initial Trigger Notice, the Tax Increment for the remaining up to ten (10) years shall not include any Tax Increment generated from real property tax attributable to the County's tax levy.

6. **Total Payment to Agency.** The County shall remit to the Agency, beginning with property tax receipts during each Increment 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) and centrally assessed 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 County's tax levy that is paid to the Agency under this Agreement shall not exceed $6,000,000 per Phase (the "Real Property Tax Increment Cap") and shall not exceed a total of $42,000,000 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. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the County, 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 County of such amendments.

9. **No Independent Duty.** The County shall be responsible to remit to the Agency only Tax Increment actually received by the County. The County shall have no independent

duty to pay any amount to the Agency other than the Tax Increment actually received by the County on an annual basis during each Increment Period for each Phase.

10. **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.

11. **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.

12. **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 County:

UTAH COUNTY
ATTN: COUNTY COMMISSION
100 E CENTER STREET, STE 318 HCH
PROVO, UT 84606
Phone: (801) 851-8133

And to:

UTAH COUNTY ATTORNEY CIVIL DIVISION
100 E CENTER STREET, STE 206 HCH
PROVO, UT 84606

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 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.

13. **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.

14. **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.

15. **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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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.

21. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that the County 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 County shall take such steps as are reasonably required to not permit the payment and/or receipt of the Tax Increment to be declared invalid.

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

23. **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 (40^{th}) year following the year in which the Trigger Notice is issued for the first Phase or fifty years after the date of this Agreement, whichever is sooner. In addition, this Agreement shall terminate if a development agreement between the City and the Participant (the "Development Agreement") is not signed within one hundred and eighty 180 days of the last date on which this Agreement is executed or the Development Agreement, as it may be amended from time to time, is terminated before the end of its term for any reason during the term of this Agreement.

24. **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.

25. **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.

26. **Administrative Payment.** As additional consideration to the County to enter into this Agreement, the Agency shall pay to the County an annual administrative payment in an amount equal to $10,000 to offset the expenses in administering this Agreement and other agreements between the Agency and other taxing entities related to the Project Area. The annual administrative payment shall be due each calendar year, or partial calendar year, commencing on the date of the first Trigger Notice and continuing until the Agency no longer receives Tax Increment related to the Project Area. Receipt by the County of each annual administrative payment is a condition precedent to any obligation of the County to distribute any Tax Increment payment to the Agency related to the Project Area.

27. **Housing Allocation**. The Agency shall pay to the Housing Authority of Utah County, or to such other qualifying entity as designated in writing by the County, one hundred percent (100%) of the housing allocation of Project Area funds required under Section 17C-5-307 of the Reinvestment Act.

28. **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, at Agency's expense; 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.

29. **Renegotiation.** The parties will renegotiate this Agreement if, on the twentieth anniversary of the date of its execution, the Participant has (i) failed to complete the construction of at least one Primary Building (as defined in the Development Agreement), (ii) failed to invest at least $600,000,000 in infrastructure, capital improvements, and personal property improvements, in the Project Area, or (iii) defaulted under the Development Agreement and failed to timely cure that default. In renegotiating this Agreement, the parties will attempt to agree to terms consistent with the terms set forth herein and the reasonable expectations of the parties as of the date of the execution hereof; provided, however, the annual real property and personal property Tax Increment percentages set forth in Section 6 will not be modified. If the parties are unable to agree to terms in connection with such renegotiation, the parties will submit the matter to binding arbitration and abide by the decision of an agreed arbitral body.

30. **Annual Meeting.** While this Agreement remains in force and effect, the County and the Participant shall meet on an annual basis to mutually provide development updates. The updates may include, but are not limited to, development and infrastructure planning, market barriers and trends, and other updates as necessary for the parties to remain abreast of issues pertaining to local economic conditions and development of the Project Area. Outside of the annual meeting, the County and the Participant may meet on an ad-hoc basis to discuss the timing and development of any forthcoming projects, or infrastructure projects being undertaken by the County which may impact the Project Area.

[Signature Page to Follow]

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

COUNTY:

BOARD OF COUNTY COMMISSIONERS,
UTAH COUNTY, UTAH

By: _____
Its: Chair

ATTEST:
JOSH DANIELS – Temporary Manager
Utah County Clerk/Auditor

By: _____
Deputy Clerk/Auditor

APPROVED AS TO FORM AND LEGALITY:
DAVID O. LEAVITT
Utah County Attorney

By: _____
Deputy County Attorney

AGENCY:

EAGLE MOUNTAIN REDEVELOPMENT
AGENCY

By: _____
Its: Chairperson

ATTEST:

By: _____
Executive Director

APPROVED AS TO FORM:

By: _____
Attorney for Agency

EXHIBIT “A”
to
INTERLOCAL AGREEMENT

Legal Description of Project

EXHIBIT “B”
to
INTERLOCAL AGREEMENT

Project Area Plan

EXHIBIT “C”
to
INTERLOCAL AGREEMENT

Project Area Budget

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this ____ day of _____, 2021, by and between the **EAGLE MOUNTAIN REDEVELOPMENT AGENCY**, a community reinvestment agency and political subdivision of the State of Utah (the "Agency"), and **UTAH COUNTY**, a political subdivision of the State of Utah (the "County") 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, the County, the Alpine School District (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 County for the County to remit specified portions of the Tax Increment 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.

NOW, THEREFORE, the parties agree as follows:

1. **Additional Tax Revenue.** The County 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 County 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. Notwithstanding anything contained herein, or in the Reinvestment Act, to the contrary, the Base Taxable Value for a Phase shall not be reduced after it is finally determined and no longer subject to challenge or appeal for the applicable tax year. The Agency covenants with the County that the Agency shall not issue bonds secured by the Tax Increment to be paid to the Agency by the County under this Agreement.

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 only real property, only personal property, or both real property and personal property, and 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. The County may require that the real property components of each Phase be contained within a legally subdivided parcel of real property if the County is unable to reasonably assess the real property components of each Phase without a legally subdivided parcel. 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 County to the Agency shall be determined by the Agency. 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"). Unless the Trigger Notice is provided earlier, the Trigger Notice for the first Phase shall be deemed to have occurred no later than March 31, 2026. 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 forty (40) years for all Phases commencing with the year after the Agency delivers a Trigger Notice for such Phase (each, an "Increment Period"); provided, however, if the Participants do not invest a total of at least $1,200,000,000 in infrastructure, capital improvements, and personal property, in the Project Area by the end of the thirtieth (30th) year after the year the Agency delivers its initial Trigger Notice, the Tax Increment for the remaining up to ten (10) years shall not include any Tax Increment generated from real property tax attributable to the County's tax levy.

6. **Total Payment to Agency.** The County shall remit to the Agency, beginning with property tax receipts during each Increment 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) and centrally assessed 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 County's tax levy that is paid to the Agency under this Agreement shall not exceed $6,000,000 per Phase (the "Real Property Tax Increment Cap") and shall not exceed a total of $42,000,000 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. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the County, 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 County of such amendments.

9. **No Independent Duty.** The County shall be responsible to remit to the Agency only Tax Increment actually received by the County. The County shall have no independent

duty to pay any amount to the Agency other than the Tax Increment actually received by the County on an annual basis during each Increment Period for each Phase.

10. **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.

11. **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.

12. **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 County:

UTAH COUNTY
ATTN: COUNTY COMMISSION
100 E CENTER STREET, STE 318 HCH
PROVO, UT 84606
Phone: (801) 851-8133

And to:

UTAH COUNTY ATTORNEY CIVIL DIVISION
100 E CENTER STREET, STE 206 HCH
PROVO, UT 84606

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 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.

13. **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.

14. **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.

15. **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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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.

21. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that the County 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 County shall take such steps as are reasonably required to not permit the payment and/or receipt of the Tax Increment to be declared invalid.

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

23. **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 (40^{th}) year following the year in which the Trigger Notice is issued for the first Phase or fifty years after the date of this Agreement, whichever is sooner. In addition, this Agreement shall terminate if a development agreement between the City and the Participant (the "Development Agreement") is not signed within one hundred and eighty 180 days of the last date on which this Agreement is executed or the Development Agreement, as it may be amended from time to time, is terminated before the end of its term for any reason during the term of this Agreement.

24. **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.

25. **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.

26. **Administrative Payment.** As additional consideration to the County to enter into this Agreement, the Agency shall pay to the County an annual administrative payment in an amount equal to $10,000 to offset the expenses in administering this Agreement and other agreements between the Agency and other taxing entities related to the Project Area. The annual administrative payment shall be due each calendar year, or partial calendar year, commencing on the date of the first Trigger Notice and continuing until the Agency no longer receives Tax Increment related to the Project Area. Receipt by the County of each annual administrative payment is a condition precedent to any obligation of the County to distribute any Tax Increment payment to the Agency related to the Project Area.

27. **Housing Allocation**. The Agency shall pay to the Housing Authority of Utah County, or to such other qualifying entity as designated in writing by the County, ~~not less than fifty~~ one hundred percent (~~50~~100%) of the housing allocation of Project Area funds required under Section 17C-5-307 of the Reinvestment Act.

28. **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, at Agency's expense; 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.

29. **Renegotiation.** The parties will renegotiate this Agreement if, on the twentieth anniversary of the date of its execution, the Participant has (i) failed to complete the construction of at least one Primary Building (as defined in the Development Agreement), (ii) failed to invest at least $600,000,000 in infrastructure, capital improvements, and personal property, in the Project Area, or (iii) defaulted under the Development Agreement and failed to timely cure that default. In renegotiating this Agreement, the parties will attempt to agree to terms consistent with the terms set forth herein and the reasonable expectations of the parties as of the date of the execution hereof; provided, however, the annual real property and personal property Tax Increment percentages set forth in Section 6 will not be modified. If the parties are unable to agree to terms in connection with such renegotiation, the parties will submit the matter to binding arbitration and abide by the decision of an agreed arbitral body.

30. **Annual Meeting.** While this Agreement remains in force and effect, the County and the Participant shall meet on an annual basis to mutually provide development updates. The updates may include, but are not limited to, development and infrastructure planning, market barriers and trends, and other updates as necessary for the parties to remain abreast of issues pertaining to local economic conditions and development of the Project Area. Outside of the annual meeting, the County and the Participant may meet on an ad-hoc basis to discuss the timing and development of any forthcoming projects, or infrastructure projects being undertaken by the County which may impact the Project Area.

[Signature Page to Follow]

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

COUNTY:

BOARD OF COUNTY COMMISSIONERS,
UTAH COUNTY, UTAH

By: _____
Its: Chair

ATTEST:
JOSH DANIELS – Temporary Manager
Utah County Clerk/Auditor

By: _____
Deputy Clerk/Auditor

APPROVED AS TO FORM AND LEGALITY:
DAVID O. LEAVITT
Utah County Attorney

By: _____
Deputy County Attorney

AGENCY:

EAGLE MOUNTAIN REDEVELOPMENT
AGENCY

By: _____
Its: Chairperson

ATTEST:

By: _____
Executive Director

APPROVED AS TO FORM:

By: _____
Attorney for Agency

EXHIBIT “A”
to
INTERLOCAL AGREEMENT

Legal Description of Project

EXHIBIT “B”
to
INTERLOCAL AGREEMENT

Project Area Plan

EXHIBIT “C”
to
INTERLOCAL AGREEMENT

Project Area Budget

	EAGLE MOUNTAIN CITY **REDEVELOPMENT AGENCY BOARD MEETING** **JUNE 1, 2021**		
TITLE:	RESOLUTION - A Resolution Approving a CRA Participation Agreement between the Redevelopment Agency of Eagle Mountain City and Curleybird LLC.		
ITEM TYPE:	Resolution		
FISCAL IMPACT:			
APPLICANT:			
GENERAL PLAN DESIGNATION	**CURRENT ZONE**	**ACREAGE**	**COMMUNITY**

PUBLIC HEARING:
No

PREPARED BY:
Aaron Sanborn, Admin

PRESENTED BY:

RECOMMENDATION:
Staff recommends that the Eagle Mountain City Redevelopment Agency Board approve a participation agreement between the Eagle Mountain RDA and Curleybird LLC.

BACKGROUND:

ITEMS FOR CONSIDERATION:

REQUIRED FINDINGS:

PLANNING COMMISSION ACTION/RECOMMENDATION:

ATTACHMENTS:

RES--Sweetwater Industrial Park CRA #2 Participation Agreement with Curleybird LLC

Participation Agreement - March 13, 2021 draft

RDA RESOLUTION NO. R- -2021

A RESOLUTION OF THE EAGLE MOUNTAIN REDEVELOPMENT AGENCY APPROVING THE SWEETWATER #2 CRA PARTICIPATION AGREEMENT BETWEEN THE EAGLE MOUNTAIN REDEVELOPMENT AGENCY AND CURLEYBIRD LLC.

PREAMBLE

WHEREAS, the Eagle Mountain Redevelopment Agency (the "Agency") created the Sweetwater #2 Community Reinvestment Project Area (the "Project Area") and adopted a Community Reinvestment Project Area Plan for the Project Area for the purposes of facilitating development and job growth within the Project Area; and

WHEREAS, the Agency has been working with Curleybird LLC (the "Participant"), to develop a data center facility within the Project Area that will create a significant economic benefit within the Project Area; and

WHEREAS, after careful analysis and consideration of relevant information, the Agency desires to enter into a Participation Agreement with the Participant whereby the Agency agrees to pay to the Participant a portion of the tax increment generated by the development within the Project Area as provided in the Participation Agreement attached hereto as Exhibit A (the "Participation Agreement").

NOW, THEREFORE, BE IT RESOLVED by the governing board of the Eagle Mountain Redevelopment Agency as follows:

1. The Participation Agreement, substantially in the form attached hereto as Exhibit A, is approved and shall be executed for and on behalf of the Agency by the Chair and Secretary of the Agency Board.

2. This Resolution shall take effect upon adoption.

APPROVED AND ADOPTED by the governing 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 _____by_____.

Exhibit A

Participation Agreement

CRA Participation Agreement

between

The Redevelopment Agency of the City of Eagle Mountain

and

Curleybird LLC

_____, 2021

[Note: This is a draft shared with the City's attorney on March 13th. It must be updated to make it consistent with the County Interlocal Agreement approved on May 26, 2021.]

CRA Participation Agreement

The Redevelopment Agency of the City of Eagle Mountain, a political subdivision of the State of Utah (the **"Agency"**), and Curleybird LLC, a Delaware limited liability company (the **"Participant"**, and with the Agency, may be referred to herein collectively as **"Parties"** or individually as a **"Party"**), agree as follows as of _____, 2021 (the **"Effective Date"**):

1. SUBJECT OF AGREEMENT

1.1 Purpose of the Agreement

The purpose of this CRA Participation Agreement (the **"Agreement"**) is (a) to implement the Sweetwater Industrial Park Survey Area #2 Plan (the **"Project Area Plan"**) adopted by the Agency, by providing for the potential development of 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"**) with the uses of one or more data centers and/or other facilities used to house, and in which are operated, maintained and replaced from time to time, computer systems and associated components, such as telecommunications and storage systems, cooling systems, power supplies and systems for managing property performance (including generators), and equipment used for the transformation, transmission, distribution and management of electricity (including substations), internet-related equipment, data communications connections, environmental controls and security devices, structures and site features, as well as certain accessory uses or buildings located on the Project Area (as defined below) and other related or associated uses, buildings or structures such as utility buildings, structures, improvements and appurtenants located on, adjacent or near the Project Area that are reasonably related to the data center(s) (collectively, the **"Project"**) on approximately 327.79 acres of land, as more particularly described below, located in the City of Eagle Mountain, Utah (the **"City"**), comprising the Sweetwater Industrial Park Community Reinvestment Project Area #2 (the **"Project Area"**), and (b) to specify the terms and conditions pursuant to which the Agency and the Participant will cooperate in bringing about this objective, including the funds the Agency will provide to assist in the development of the Project Area. The fulfillment of this Agreement is vital to and in the best interests of the City and the health, safety, and welfare of its residents, and in accord with public purposes and will provide a benefit to the City and its residents. This Agreement is carried out pursuant to the Limited Purpose Local Government Entities — Community Reinvestment Agency, Title 17C

of the Utah Code Annotated, in effect when the Project Area Plan was adopted (the **"Reinvestment Act"**).

1.2 The Project Area Plan

The Agency adopted Resolution No. _____on _____, 2021, which authorized the preparation of a draft community reinvestment project area plan. This Agreement is subject to the provisions of the Project Area Plan, as approved and adopted on_____, 2021, by the City Council of the City, in Ordinance No. _____-2021 (the **"Ordinance"**), in accordance with Section 17C-5-104 of the Reinvestment Act. The Project Area Plan and the Ordinance are attached hereto as **Exhibit A** and **Exhibit B**, respectively.

1.3 The Project Area

The Project Area is located within the boundaries of the City. The exact boundaries of the Project Area are specifically and legally described in **Exhibit C** attached hereto. The Project Area is shown on the Project Area Map which is attached hereto as **Exhibit D.** If requested by the Participant, the Agency agrees to cooperate and take such action as is necessary under the Reinvestment Act to expand the Project Area to include any real property within the municipal limits of the City that is adjacent and contiguous to the Project Area (or that is separated from the Project Area only by roads, public rights of way, easements or similar land rights or uses) that the Participant or an affiliate of the Participant may from time to time acquire following the Effective Date.

1.4 The Project Area Budget

Pursuant to the Reinvestment Act, a Project Area Budget has been adopted by the Agency for the Project Area (the **"Project Area Budget"**). A copy of the Project Area Budget is attached hereto as **Exhibit E**.

1.5 Interlocal Agreements

On or before the Effective Date, the Agency has entered into separate interlocal agreements (collectively, the **"Interlocal Agreements"**) with various Taxing Entities (defined below) as follows:

(a) that certain Interlocal Cooperation Agreement between the Agency and the City, a copy of which is attached hereto as **Exhibit F**;

(b) that certain Interlocal Cooperation Agreement between the Agency and Utah County, Utah (the **"County"**), a copy of which is attached hereto as **Exhibit G**;

(c) that certain Interlocal Cooperation Agreement between the Agency and Alpine School District (the **"School District"**), a copy of which is attached hereto as **Exhibit H**;

(d) that certain Interlocal Cooperation Agreement between the Agency and the Unified Fire Service Area (the **"Fire District"**), a copy of which is attached hereto as **Exhibit I**; and

(e) that certain Interlocal Cooperation Agreement between the Agency and the Central Utah Water Conservancy District (the **"Water District"**), a copy of which is attached hereto as **Exhibit J**.

1.6 Parties to the Agreement

(a) Agency

The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under the Reinvestment Act. The physical delivery address of the Agency for purposes of this Agreement is: Redevelopment Agency of the City of Eagle Mountain, 2565 North Pony Express Parkway, Eagle Mountain, Utah 84005, Attention: Aaron Sanborn. The electronic mail address of the Agency for purposes of this Agreement is: asanborn@emcity.org.

(b) The Participant

The Participant is Curleybird LLC, a Delaware limited liability company. The physical delivery address of the Participant for the purposes of this Agreement is: Curleybird LLC, c/o Corporation Service Company, 2801 Centerville Rd. 1st Floor, PMB 811, Wilmington, DE 19808 Attn. Todd Guerrero. The electronic mail address of the Participant for purposes of this Agreement is: todd.guerrero@kutakrock.com.

1.7 No Additional Approvals. Upon the approval of this Agreement by the Agency, and the expiration of all statutory notice and contest periods, no additional legislative action is required for the Agency to perform its obligations hereunder.

2. ASSIGNMENT

Except as permitted by Section 2.1 hereof, the Participant agrees for itself and any successor in interest that during the term of this Agreement the Participant shall not assign or transfer or attempt to assign or transfer all or any part of its obligations under this Agreement without the prior written consent of the Agency, which consent shall not be unreasonably withheld, conditioned or delayed.

2.1 Permissible Transfers.

Notwithstanding the provisions of this Agreement to the contrary, the Participant shall not be required to obtain the Agency's consent, and the Agency shall not be permitted to terminate this Agreement, in connection with the following transfers or the assignment of the Agreement pursuant to the following transfers: (a) the sale, exchange, issuance or redemption of any stock of the Participant or its parent that is listed on a public exchange; (b) transfers of less than a controlling interest in the Participant or its parent; (c) transfers of interests in either the Project or the Participant to an affiliate of the Participant; (d) changes in the organizational form of the Participant; (e) a transfer of the operational responsibilities of the Project to a third party; (f) a transfer of the fee simple ownership of the Project so long as the Participant or its affiliate continues to maintain a leasehold interest in the Project; (g) subletting or licensing of the Project; (h) a sale and lease back or similar financing transaction of the Project; (i) the granting of any lien, security interest, or other encumbrance upon the Project or the interests of the Participant in the Project; or (j) any use of the Project by a third party as a data center and related uses. In addition, the Participant may transfer real and personal property in the Project Area and retain the Participant's rights to receive Property Tax Increment (as defined below) under this Agreement.

2.2 Continuing Obligations

Except as otherwise provided herein, and except for a transfer or assignment of this Agreement which has been consented to by the Agency, no assignment or transfer of this Agreement, any part hereof, any right herein, or approval hereof, by the Agency shall be deemed to relieve the Participant from any obligation under this Agreement. Upon the approval by the Agency of an assignment of this Agreement, the assigning Participant will be relieved of all obligations under this Agreement arising from and after the date of such assignment and the Agency shall look solely to the assignee for performance of the obligations under this Agreement from and after the date of such assignment. All of the terms, covenants, and conditions of this Agreement shall be binding upon and shall inure to the benefit of the Participant and its permitted successors and assigns.

3. FINANCING OF THE DEVELOPMENT OF THE PROJECT AREA

3.1 Nature of Participant's Obligations

The Participant shall have the right to improve the Project Area by developing, at its own expense, the Project pursuant to and in accordance with that certain Development Agreement, dated as of the Effective Date, between the City and the Participant (as amended, restated, supplemented or otherwise modified from time to time, the (**"Development Agreement"**) or as otherwise permitted by applicable law.

3.2 Responsibility for Development Plans and Permits

For the avoidance of doubt, in the event the Participant elects to develop the Project Area, the Participant, but not the Agency, shall be responsible for preparing and completing any plans for the acquisition and construction of the Project.

3.3 Funding Responsibility

The Participant and the Agency understand and agree that, except as otherwise expressly provided herein or in the Development Agreement, if the Participant elects to develop the Project Area, funding for the development of the Project Area and its related improvements shall come from the Participant's internal capital or financing obtained by the Participant. Except as otherwise expressly provided herein, the Agency shall not be liable or responsible for providing, obtaining or guaranteeing any financing for the Project.

4. TAX INCREMENT

4.1 Tax Increment Reimbursement

The Project Area Plan will be funded in part by tax increment pursuant to the provisions of the Reinvestment Act. Under the Reinvestment Act, the Interlocal Agreements and the Project Area Budget, the Agency is entitled to receive the Property Tax Increment (as defined below) generated by and within the Project Area (collectively, the **"Project Area Funds"**) for each Phase (as defined below) over an initial period of twenty (20) full calendar years commencing with the Trigger Year (as defined below) for such Phase (each, an **"Increment Period"**). In accordance with the Project Area Budget and the Interlocal Agreements, the Agency shall begin to receive the Project Area Funds generated by each Phase in the Trigger Year for such Phase. Project Area Funds are to be paid into a separate account of the Agency used solely for the Tax Increment Reimbursement (as defined below) and other uses permissible hereunder and in accordance with the Reinvestment Act and shall be applied for the purposes described in the Project Area Plan, the Project Area Budget, the Interlocal Agreements and this Agreement. If requested by the Participant, so long as no Event of Default (as defined below) has occurred and is continuing, the Agency agrees to consider a request by the Participant to extend each Increment Period for such period as the Participant may reasonably request, but the Participant acknowledges that the Agency has no ability to grant such a request without consent and approval of the various Taxing Entities.

For purposes of this Agreement, the following terms shall have the following corresponding meaning:

(a) **"Affordable Housing"** has the meaning set forth in the Reinvestment Act;

(b) **"Affordable Housing Funds"** means ten percent (10%) (the **"Maximum Affordable Housing Percentage"**) of the Project Area Funds, provided, however, if a change in law reduces the percentage of Project Area Funds the Agency is required to allocate to Affordable Housing, the Maximum Affordable Housing Percentage shall, from

and after the effective date of such change in law, be automatically reduced to the minimum percentage required by such change in the law, provided, further, nothing herein shall require the Agency to pay any Affordable Housing Funds collected by the Agency prior to such change in applicable law to the Participant; and, if the Agency would have received at least $100,000 per year in Affordable Housing Funds prior to the change in the law, the Agency shall be entitled to receive $100,000 per year in Affordable Housing Funds notwithstanding such change in the law, which Affordable Housing Funds will be used for Affordable Housing and/or other economic development within the City pursuant to applicable law;

(c) **"Base Tax Amount"** shall for each Phase be the property tax revenue generated by Taxing Entities attributable to the Base Taxable Value for all property included within that Phase;

(d) **"Base Taxable Value"** shall for each Phase be, consistent with the Reinvestment Act, (i) for the real property within that Phase, the equalized taxable value shown on the Utah County assessment rolls for the tax year in which construction commenced for that Phase (value which, in the event there is not a separately identified parcel for that Phase, shall be allocated proportionately based on square footage), and (ii) for the tangible and intangible personal property within the Phase, $0.00 (for the avoidance of doubt, no item of tangible or intangible property may be included in more than one Phase for purposes of this Agreement);

(e) **"Net Project Area Funds"** means the Project Area Funds less the Affordable Housing Funds and the Expense Reserve (defined below) [note to City team: We need a definition for Expense Reserve. Do you have a standard definition you want to propose?];

(f) "**Notice for a Phase**" means written notice from the Participant to the Agency identifying the parameters of the new Phase, including the Trigger Date.

(g) **"Personal Property"** or **"personal property"** has the meaning set forth in Section 59-2-102 of the Utah Code Annotated;

(f) **"Personal Property Tax Increment"** means Taxes levied each year by the Taxing Entities on tangible or intangible personal property for each Phase within the Project Area;

(g) **"Phase"** shall mean each phase of the development of the Project as designated by the 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 previous Phase or a subsequent Phase;

(h) **"Property Tax Increment"** shall mean the sum of (i) the Real Property Tax Increment, plus (ii) the Personal Property Tax Increment;

(i) **"Real Property"** or **"real property"** has the meaning set forth in Section 59-2-102 of the Utah Code Annotated;

(j) **"Real Property Tax Increment"** means Taxes levied each year by the Taxing Entities on the land and real property improvements for each Phase within the Project Area in excess of the Base Tax Amount;

(k) **"Taxes"** shall mean all levies on an *ad valorem* basis upon land, real property improvements, personal property, or any other property with the Project Area;

(l) **"Taxing Entities"** shall mean each "taxing entity" as defined in the Reinvestment Act;

(m) **"Trigger Date"** means, with respect to a particular Phase, the date the Participant identifies in the Notice for a Phase to the Agency; and

(n) **"Trigger Year"** means, with respect to a particular Phase, the calendar year immediately after the calendar year in which the Trigger Date for such Phase occurs.

In consideration for the Participant's election to construct the Project, which will promote the creation or retention of jobs within the City and State of Utah, and will provide a public benefit to the City and its residents, the Agency agrees to pay to the Participant, subject to the terms of each Interlocal Agreement as of the Effective Date, for each Phase the sum of the following (collectively, and for each Phase, the **"Tax Increment Reimbursement"**): (a) the Net Project Area Funds attributable to seventy-five percent (70%) of the Real Property Tax Increment during the Increment Period for such Phase; and (b) the Net Project Area Funds attributable one hundred percent (100%) of the Personal Property Tax Increment generated during the Increment Period for such Phase. The Tax Increment Reimbursement for each Phase will be paid by the Agency in periodic installments within thirty (30) calendar days after the receipt by the Agency of each portion of the Project Area Funds generated by such Phase. The Agency agrees to promptly provide, and in all events within ten (10) days of the Trigger Date for each Phase, written notice of the occurrence of such Trigger Date to all Taxing Entities in accordance with the terms of the Interlocal Agreements.

4.2 Agency Expenses

The Participant acknowledges and agrees that the Agency has no other funds or revenue other than Project Area Funds it receives, and that the Agency utilizes resources provide by the City to operate the Agency. Accordingly, the Agency may pay to the City 2.5% of the sum of (i) 70% of the Real Property Tax Increment, and (ii) 100% of the

Personal Property Tax Increment (collectively, the "**Net Increment**") for each year to cover the Agency's out of pocket legal, administrative and overhead costs and expenses incurred by the Agency in administering or defending the Project Area and the Project Area Plan; provided, however, the Agency may not use more than $1,400,000 in the aggregate of Net Increment. In addition, the Agency may reimburse the City for the all third party fees and costs (including reasonable legal fees, financial advisor fees, administrative fees and overhead costs and expenses) related to the establishment of the Project Area, the Project Area Plan, the infrastructure (roads, water, sewer and electric infrastructure) for the Project Area, development agreements, interlocal agreements, and water and sewer agreements related to the Project Area, and this Agreement in an amount not to exceed $30,000.

4.3 Conditions Precedent to Payment of the Tax Increment Reimbursement

In addition to the conditions stated elsewhere in this Agreement, the Agency shall have no obligation to make payment hereunder to the Participant for a particular Phase until the following conditions precedent are satisfied: (a) the Participant has constructed and received a temporary certificate of occupancy for one (1) Building within the Project Area; and (b) the Agency has actually received payment of a portion of the Project Area Funds generated by such Phase. The Agency acknowledges that the Participant cannot predict if, when or at what rate development of the Project or any particular Phase will occur. The timing and rate for development of the Project and each Phase will depend upon numerous factors outside of the control of the Participant such as market orientation and demand, competition, availability of qualified laborers to construct the Project, and/or weather conditions that may delay construction. The Agency hereby acknowledges that the Participant may develop the Project and each Phase in such order and at such rate and times as the Participant deems appropriate within the exercise of Participant's sole and absolute discretion. The Agency acknowledges that this right is consistent with the intent, purpose, and understanding of the Parties. Nothing in this Agreement shall be construed to require the Participant to proceed with the construction of or any other implementation of the Project or any portion thereof.

4.4 Agency's Encumbrance of Project Area Funds

The Agency agrees that the Agency shall not, without the prior written consent of the Participant, which may be withheld in the Participant's sole and absolute discretion, issue any bonds or other indebtedness that are secured by Project Area Funds from the Project Area or otherwise take any action which could restrict or impede the payment of the Tax Increment Reimbursement to the Participant, in each case, in whole or in part, until the expiration of all Increment Periods, but in no event later than sixty (60) years after the Effective Date.

4.5 Payment of Real Property and *Ad Valorem* Taxes

The Participant understands and agrees that the sole source of Project Area Funds is the payment of the Taxes within the Project Area. Nothing herein contained, however, shall be deemed to prohibit the Participant from contesting the validity or amount of any tax assessment, encumbrance, or lien, or to limit the remedies available to the Participant in respect thereto.

4.6 Reduction or Elimination of Property Area Funds

In the event that the provisions of Utah law which govern the payment of Project Area Funds to the Agency are changed or amended so as to reduce or eliminate the amount paid to the Agency, the Agency's obligation to pay the Project Area Funds to the Participant hereunder shall be accordingly reduced or eliminated. The Participant specifically reserves and does not waive hereunder any right it may have to challenge any law change that would reduce or eliminate the payment of Project Area Funds to the Agency. The Participant acknowledges, understands and agrees that the Agency is under no obligation to challenge a change in law that reduces or eliminates the payment of Project Area Funds to the Agency; provided, the Agency will not oppose the Participant, and, if requested by the Participant, the Agency will cooperate with the Participant, if the Participant challenges a change in the law that reduces or eliminates the payment of Project Area Funds to the Agency. The Participant agrees that the Agency may utilize funds from the Expense Reserve as necessary to pay for such cooperation. In the event any change in law invalidates the Tax Increment Reimbursement provided in support of the Project, the Participant is hereby released from any and all obligations made by the Participant to the Agency. For further clarity, the Participant at its sole and exclusive discretion may, without penalty, terminate its obligations under this Agreement if any change in law invalidates the Participant's right to receive all or any portion of the Tax Increment Reimbursement. For purposes of this Section 4.5 and Section 4.6 below, the Agency's agreement to cooperate means the Agency agrees to (i) defend against any legal action seeking specific performance, declaratory relief or injunctive relief, (ii) set court dates at the earliest practicable date(s), (iii) testify on behalf of the Participant, (iv) to provide information and data necessary to defend against such action, (v) affirmatively support the actions of the Participant and (vi) not cause delay in the prosecution/defense of the action, provided such cooperation shall not require any Party to waive any rights against the other Party.

4.7 Declaration of Invalidity

In the event a court of competent jurisdiction after final adjudication (by the highest court to which the matter may be appealed) (i) declares that the Agency cannot receive Project Area Funds or reimburse the Participant from Project Area Funds as provided in this Agreement, (ii) invalidates the Project Area, or (iii) takes any other action which eliminates or reduces the amount Project Area Funds paid to the Agency, the Agency's obligation to pay the Tax Increment Reimbursement to the Participant hereunder shall be accordingly reduced

or eliminated. The Participant specifically reserves and does not waive hereunder any right it may have to challenge a ruling, decision or order by any court that would reduce or eliminate the payment of Project Area Funds to the Agency. The Participant acknowledges, understands and agrees that the Agency is under no obligation to challenge a ruling, decision or order by any court that reduces or eliminates the payment of Project Area Funds to the Agency; provided, the Agency will not oppose the Participant and, if requested by the Participant, will cooperate with the Participant if the Participant challenges a ruling by any court. The Participant agrees that Agency may utilize funds from the Expense Reserve as necessary to pay for such cooperation. Additionally, if any court invalidates the Project Area Plan or Project Area Budget as a result of a procedural defect, the Agency shall take such actions as are necessary to correct such procedural defect and adopt the Project Area Plan and Project Area Budget. In the event any court invalidates the Tax Increment Reimbursement provided in support of the Project, the Participant is hereby released from any and all obligations made by the Participant to the Agency. For further clarity, the Participant at its sole and exclusive discretion may, without penalty, terminate its obligations under this Agreement if any court invalidates, or otherwise limits, the Participant's right to receive all or any portion of the Tax Increment Reimbursement.

4.8 New Taxes

The Agency agrees that if any Taxes, other than special assessments assessed against all property within an assessment district in accordance with the special benefits conferred upon the property and not in excess of such benefits as provided for under applicable law, but including levies, imposts, franchise fees or taxes, duties, deductions, withholdings, and similar charges, are enacted during the term of this Agreement and by applicable law are allowed to be used as Project Area Funds (the **"New Taxes"**), the Agency shall seek to amend the Interlocal Agreements to include such New Taxes and the Agency shall make an economic development payment to the Participant equal to all such New Taxes for the duration of the term of this Agreement to the fullest extent the Agency is legally able to do so pursuant to the Reinvestment Act. The Agency shall not consent to an amendment or modification of any existing Taxes so as to cause them to first become applicable to the Project Area or the Participant (including without limitation any materials purchased for use in connection with the construction, repair, replacement or replenishment of any materials or equipment used for the Project (collectively, **"Equipment"**) after the Effective Date, and if existing Taxes are so amended or modified, the Agency shall seek to amend the Interlocal Agreements to include such Taxes and will make economic development payments equal to all such Taxes to the Participant to the fullest extent the Agency is legally able to do so. The Agency will not consent to any increase in the applicable rate, as of the Effective Date, of any Tax affecting the Project Area unless such increase is pursuant to, and in proportion with, an across-the-board increase in all rates for such Tax.

4.9 Central Assessment

In the event of any change in law, or if the type of real property or personal property used by the Participant results in Taxes not being assessed by a Taxing Entity which has agreed to pay such Taxes to the Agency pursuant to an Interlocal Agreement, the Agency shall use all commercially reasonable efforts to enter into Interlocal Agreements with the governmental agency responsible for assessing such Taxes, to the extent necessary, to cause all Property Tax Increment payable with respect to the real property and personal property located in the Project Area to be payable to the Agency and then to the Participant on the terms set forth herein.

4.10 School District PILOT Payment

On or before December 31st of each year that the Agency receives Property Tax Increment from the Project Area attributable to the School District (during the term of this Agreement), the Participant shall pay or cause to be paid to the School District a PILOT payment (the "**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 Phase as a condition to the Participant receiving from the Agency any Tax Increment Reimbursement from the Property Tax Increment attributable to the School District. In the event the Participant is no longer entitled to receive the 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 Property Tax Increment attributable to the School District

5. DEVELOPMENT OF THE PROJECT AREA

If and to the extent the Participant elects to develop the Project Area, the Participant agrees to develop, or cause to be developed, the Project Area as permitted by the Development Agreement; provided, a breach of the Development Agreement shall not constitute a default hereunder.

6. DEFAULTS, REMEDIES AND TERMINATION

6.1 Default

If either the Agency or the Participant fails to perform or delays performance of any term or provision of this Agreement or any representation or warranty made herein proves to be false or misleading in any material respect when made, such conduct shall constitute a default hereunder. The Party in default must commence to cure, correct, or remedy such failure or delay and shall complete such cure, correction, or remedy within the periods provided in Section 6.3 hereof.

6.2 Notice

If a default under this Agreement occurs, the non-defaulting Party shall give written notice of the default (a **"Default Notice"**) to the Party in default, specifying the nature of the default. Failure or delay in giving a Default Notice shall not constitute a waiver of any default or operate as a waiver of any rights or remedies of the non-defaulting Party; but the non-defaulting Party shall have no right to exercise any remedy hereunder without delivering the Default Notice as provided herein. Delays by either Party in asserting any right or remedy hereunder shall not deprive either Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

6.3 Cure Period

The non-defaulting Party shall have no right to exercise a right or remedy hereunder unless the subject default continues uncured for a period of one hundred eighty (180) days after delivery of the Default Notice with respect thereto or, where the default is of a nature which cannot be cured within such one hundred eighty (180) day period, the defaulting Party fails to commence such cure within one hundred eighty (180) days and to diligently proceed to complete the same. A default which can be cured by the payment of money is understood and agreed to be among the types of defaults which can be cured within one hundred eighty (180) days. Notwithstanding the foregoing, with respect to any default arising with respect to a non-monetary obligation of a Party hereunder, the non-defaulting Party shall have no right to exercise a right or remedy hereunder unless and until the defaulting Party fails to fully rectify and cure the default within one hundred and eighty (180) days after final adjudication (by the highest court to which the matter may be appealed) that the defaulting Party is in default under this Agreement (or, where the default is of a nature which cannot be cured within such one hundred eighty (180) day period, the defaulting party fails to commence such cure within one hundred eighty (180) days, if reasonably possible, and to diligently proceed to complete the same). During the period of time, if any, that a judicial determination of an alleged default by the Participant is proceeding, the Agency's obligation to pay to the Participant that portion of the Tax Increment Reimbursement which is at issue shall continue unless a final non-appealable judgement determines that the Agency did not have an obligations to pay all or a portion of the Tax Increment Reimbursement, in which event, such

portion of the Tax Increment Reimbursement shall be repaid by the Participant to the Agency.

6.4 Rights and Remedies

Upon the occurrence and during the continuance of an event of default beyond all applicable notice and cure periods hereunder (an **"Event of Default"**) by the Agency, the Participant shall have all rights and remedies against the Agency as may be available at law or in equity, including, without limitation, the right to obtain specific performance, to recover damages for any default, or to obtain any other remedy consistent with the purposes of this Agreement. Upon the occurrence and during the continuance of an Event of Default by the Participant, the Agency may terminate this Agreement and, if the Agency has actual damages (excluding any consequential, punitive, or special damages) as a result of such Event of Default the Agency may seek to recover such damages in an amount not to exceed the amount of the Tax Increment Reimbursement actually received by the Participant. Such rights and remedies are cumulative, and the exercise of one or more of such rights or remedies shall not preclude the exercise, at the same or different times, of any other rights or remedies for the Event of Default or any other Event of Default by the defaulting Party.

6.5 Legal Actions

6.5.1 Venue

All legal actions by any Party for claims arising under or related to this Agreement must be instituted in the Fourth Judicial District Court for the State of Utah, unless they involve a case with mandatory federal jurisdiction, in which case they must be instituted in the Federal District Court for the District of Utah.

6.5.2 Services of Process

Service of process on the Agency shall be made by personal service upon the Executive Director of the Agency with a copy to the Eagle Mountain City, c/o City Recorder, 1650 E. Stagecoach Run Eagle Mountain, UT 84005, or in such other manner as may be provided by law.

Service of process on the Participant shall be made by personal service upon its Registered Agent, or in such other manner as may be provided by law. The Participant's Registered Agent is c/o Corporation Service Company, 2801 Centerville Rd. 1st Floor, PMB 811, Wilmington, DE 19808 Attn. Todd Guerrero. The Participant shall notify the Agency of any change in its Registered Agent by delivering written notice to the Agency.

6.5.3 Applicable Law

The laws of the State of Utah shall govern the interpretation and enforcement of this Agreement.

6.5.4 Waiver of Jury Trial.

Each Party hereto hereby irrevocably waives any and all rights it may have to demand that any action, proceeding or counterclaim arising out of or in any way related to this Agreement be tried by jury. This waiver extends to any and all rights to demand a trial by jury arising from any source, including but not limited to the Constitution of the United States, the Constitution of any state, common law or any applicable statute or regulation. Each Party hereby acknowledges that it is knowingly and voluntarily waiving the right to demand trial by jury.

6.5.5 Early Termination by Participant.

The Participant may at any time elect to terminate this Agreement by providing written notice to the Agency, in which event, this Agreement shall terminate as of the date of the delivery of such notice to the Agency.

7. GENERAL PROVISIONS

7.1 Notices, Demands, and Communications among the Parties

Notices, demands, and communications between the Agency and the Participant shall be sufficiently given if (a) personally delivered or if dispatched by registered or certified mail, postage prepaid, return receipt requested, or an overnight commercial delivery service to the principal offices of the Agency and the Participant, as designated in Section 1.6 hereof; or (b) electronic mail, as designated in Section 1.6 hereof. Either Party hereto may change its address specified for notices herein by designating a new address by notice in accordance with this Section. All such notices and other communications shall be effective if delivered by overnight courier service, upon the first business day after the date deposited with such courier service for overnight (next-day) delivery or, if mailed, upon the third business day after the date deposited into the mail or, if delivered by hand, upon delivery or if provided via electronic mail upon (i) acknowledgment of receipt by reply electronic mail or (ii) through means of an electronic "read receipt" confirmation to the sender that the designated electronic mail address provided herein as the principal contact at the Agency or the Participant has read the electronic mail.

7.2 Severability

In the event that any condition, covenant or other provision herein contained is held to be invalid or void by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect any other condition, covenant or provision herein contained unless such severance shall have a material effect on the terms of

this Agreement. If such condition, covenant or other provision shall be deemed invalid due to its scope, all other provisions shall be deemed valid to the extent of the scope or breadth permitted by law.

7.3 Nonliability of Agency Officials and Employees

No member, director, officer, agent, employee, or consultant of the Agency shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to the Participant or its successors or on any obligations under the terms of this Agreement. No member, director, officer, agent, employee, or consultant of the Participant shall be personally liable to the Agency, or any successor in interest, in the event of any default or breach by the Participant or for any amount which may become due to the Agency or its successors or on any obligations under the terms of this Agreement.

7.4 Enforced Delay: Extension of Time and Performance

In addition to the specific provisions of this Agreement, neither Party shall be deemed to be in default hereunder when its fails to perform or delays performance of any non-monetary obligations under this Agreement to the extent due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of a public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, newly enacted governmental restrictions unusually severe weather, inability to secure necessary labor, materials or tools, acts or failure to act of the Agency (with respect to the Participant only) or any other public or governmental entity. An extension of time to perform shall be granted as a result of any of the foregoing causes, which extension shall be for the period of the forced delay and shall run from the time of the commencement of the cause, if notice is sent by the Party claiming such extension to the other Party within thirty (30) days of actual knowledge of the commencement of the cause. Time of performance under this Agreement may also be extended in writing by the Agency and the Participant by mutual agreement.

7.5 Approvals

Whenever the consent or approval is required of any Party hereunder, such consent or approval shall not be unreasonably withheld, delayed or conditioned except as otherwise specifically provided herein, and shall be in writing.

7.6 Time of the Essence

Time shall be of the essence of this Agreement.

7.7 Interpretation

The Parties hereto agree that they intend by this Agreement to create only the contractual relationship established herein, and that no provision hereof, or act of either Party hereunder,

shall ever be construed as creating the relationship of principal and agent, or a partnership, or a joint venture or enterprise among the Parties hereto.

7.8 No Third-Party Beneficiaries

It is understood and agreed that this Agreement shall not create in either Party hereto any independent duties, liabilities, agreements, or rights to or with any third party, nor does this Agreement contemplate or intend that any of the benefits hereunder should accrue to any third party.

7.9 Effect and Duration of Covenants; Term of Agreement

The covenants contained in this Agreement shall, without regard to technical classification and designation, bind the Participant and the Agency and any of their respective successors in interest. The covenants contained in this Agreement shall inure to the benefit of and in favor of the Agency and the Participant and to their respective successors and assigns during the term of this Agreement. Except as otherwise provided herein, the term of this Agreement shall run from the Effective Date until the expiration of the last Increment Period, provided, the Parties shall continue to have the right to seek to enforce, or commence proceeding to enforce, any obligations of the other Party that arose prior to the termination of this Agreement.

8. ENTIRE AGREEMENT, WAIVERS AND AMENDMENTS

8.1 This Agreement may be executed in duplicate originals, each of which shall be deemed an original. This Agreement, including all Exhibits hereto, constitutes the entire understanding and agreement of the Parties with respect to the matters set forth herein. All Exhibits attached hereto are hereby incorporated herein by reference and are made a part hereof as though fully set forth herein.

8.2 When executed by both Parties, this Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between or among the Parties with respect to all or any part of the Project Area and the development thereof.

8.3 All waivers of the provisions of this Agreement must be in writing. This Agreement and any provisions hereof may be amended only by mutual written agreement by the Participant and the Agency.

8.4 Each Party hereto hereby represents and warrants unto the other as of the Effective Date that (i) this Agreement has been duly authorized by such Party and when executed and delivered will constitute the valid, legal and binding agreement and obligation of such Party enforceable against such Party in accordance with the terms hereof, and (ii)

each person signing on behalf of such Party has been duly authorized by the governing body or board of such Party to bind such Party to the terms and conditions hereof.

8.5 In the event any litigation ensues with respect to the rights, duties and obligations of the Parties under this Agreement, the unsuccessful Party in any such action or proceeding shall pay for all costs, expenses and reasonable attorney's fees incurred by the prevailing party in enforcing the covenants and agreements of this Agreement. The term "prevailing party," as used herein, shall include, without limitation, a Party who obtains legal counsel and (a) brings action against the other Party by reason of the other Party's breach or default and obtains substantially the relief sought, whether by compromise, settlement or judgment or (b) defends an action against brought by the other Party and the other Party fails to obtain substantially the relief sought, whether by compromise, settlement or judgment.

9. MORTGAGEE PROTECTIONS; ESTOPPEL

9.1 The Parties hereto agree that this Agreement shall not prevent or limit the Participant from encumbering the Project or any estate or interest therein, portion thereof, or any improvement thereon, in any manner whatsoever by one or more mortgages, deeds of trust, sale and leaseback, or other form of secured financing **("Mortgage")** with respect to the construction, development, use or operation of the Project and parts thereof. The Agency acknowledges that the lender(s) providing such Mortgages may require certain interpretations and modifications to this Agreement and the Agency agrees, upon request, from time to time, to meet with the Participant and representatives of such lender(s) to negotiate in good faith any such request for interpretation or modification. The Agency will not unreasonably withhold its consent to any such requested interpretation or modification, provided such interpretation or modification is consistent with the intent and purposes of this Agreement.

9.2 Notwithstanding any of the provisions of this Agreement to the contrary, the holder of a Mortgage (a **"Mortgagee")** shall not have any obligation or duty pursuant to the terms set forth in this Agreement to perform the obligations of the Participant or other affirmative covenants of the Participant hereunder, or to guarantee such performance.

9.3 The Mortgagee of any Mortgage or deed of trust encumbering the Project, or any part or interest thereof, that has submitted a request in writing to the Agency in the manner specified herein for giving notices shall be entitled to receive written notification from the Agency of any notice of non-compliance by the Participant in the performance of the Participant's obligations under this Agreement. If the Agency timely receives a request from a Mortgagee requesting a copy of any notice of non-compliance given to the Participant under the terms of this Agreement, the Agency shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of non-compliance to the Participant. The Mortgagee shall have the right, but not the obligation, to cure the noncompliance for a period of one hundred twenty (120) days after the Mortgagee receives such written notice.

9.4 If this Agreement is terminated as to any portion of the Project by reason of (i) any Event of Default or (ii) as a result of a bankruptcy proceeding of the Participant, or if this Agreement is disaffirmed by a receiver, liquidator, or trustee for the Participant or its property, the Agency, if requested by any Mortgagee, shall negotiate in good faith with such Mortgagee for a new CRA Participation Agreement for the Project as to such portion of the Project with the most senior Mortgagee requesting such new agreement. At any time, and from time to time, the Participant may deliver written notice to the Agency, and the Agency may deliver written notice to the Participant, requesting that such Party certify in writing that, to the knowledge of the certifying Party (i) this Agreement is in full force and effect and a binding obligation of the Parties, (ii) this Agreement has not been amended, or if amended, the identity of each amendment, (iii) the requesting Party is not then in breach of this Agreement, or if in breach, a description of each such breach, and (iv) any other factual matters reasonably requested (an **"Estoppel Certificate"**). The Executive Director of the Agency shall be authorized to execute, on behalf of the Agency, any Estoppel Certificate requested by the Participant which complies with this Section 9.5 within fifteen (15) days of a written request for such Estoppel Certificate. The Agency's failure to furnish an Estoppel Certificate within fifteen (15) days after request therefor shall be conclusively presumed that: (a) this Agreement is in full force and effect without modification in accordance with the terms set forth in the request; and (b) that there are no breaches or defaults on the part of the Participant. The Agency acknowledges that an Estoppel Certificate may be relied upon by transferees or successors in interest to the Participant and by Mortgagees holding an interest in the Property.

10. CONFIDENTIALITY

10.1 The Parties acknowledge and agree that this Agreement shall become a public record under Utah law, and that discussion regarding this Agreement shall take place before the Agency board in open session. The Agency covenants that it will hold all information obtained by it, or any person employed by or representing the Agency, related to the Participant's business in strictest confidence and the Agency covenants not to disclose, divulge or otherwise communicate in any manner to any person or entity, other than to those parties necessary to verify compliance with this Agreement, provided that such parties are likewise under reasonable confidentiality obligations and not subject to public disclosure unless otherwise required by applicable laws.

10.2 The Participant may designate any trade secrets or confidential business information included in any report or other writing delivered to the Agency pursuant to or in connection with this Agreement by any method intended to clearly set apart the specific material that the Participant claims to be either its trade secrets or confidential business information that, if released, would give an advantage to competitors of the Participant and serve no public purpose (such information, collectively, **"Confidential Business**

Information”). The Agency shall redact or delete from any records it makes available for inspection or of which it provides copies any material designated by the Participant as Confidential Business Information. Promptly following the Agency’s receipt of any request to provide copies of public records relating to this Agreement or the Project or for inspection of the same by any third party, the Agency shall give written notice and a copy of such request to the Participant. The Agency shall not allow inspection or provide copies of any such records until the Agency shall have had not less than ten (10) business days excluding the day of receipt to determine whether to contest the right of any party to inspect or receive copies of the records or to inspect such records without redaction of the Confidential Business Information. Any such action to enjoin the release of Confidential Business Information may be brought in the name of the Participant or the Agency. The costs, damages, if any, and attorneys’ fees in any proceeding commenced by the Participant or at its request by the Agency to prevent or enjoin the release of Confidential Business Information in any public records relating to this Agreement or the Project shall be borne by the Participant.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this CRA Participation Agreement to be effective as of the Effective Date.

AGENCY:

THE REDEVELOPMENT AGENCY OF THE CITY OF EAGLE MOUNTAIN

By: _____

Its: Chairperson

ATTEST:

By: _____
Executive Director

PARTICIPANT:

_____

By: _____

Its: _____

EXHIBIT “A”
to
PARTICIPATION AGREEMENT

Project Area Plan

EXHIBIT “B”
to
PARTICIPATION AGREEMENT

Ordinance

EXHIBIT “C”
to
PARTICIPATION AGREEMENT

Legal Description of Project Area

EXHIBIT “D”
to
PARTICIPATION AGREEMENT

Project Area Map

EXHIBIT “F”
to
PARTICIPATION AGREEMENT

Interlocal Cooperation Agreement between Agency and City

EXHIBIT “G”
to
PARTICIPATION AGREEMENT

Interlocal Cooperation Agreement between Agency and County

EXHIBIT “H”
to
PARTICIPATION AGREEMENT

Interlocal Cooperation Agreement between Agency and School District

EXHIBIT “I”
to
PARTICIPATION AGREEMENT

Interlocal Cooperation Agreement between Agency and Fire District

EXHIBIT “J”
to
PARTICIPATION AGREEMENT

Interlocal Cooperation Agreement between Agency and Water District