

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is entered into effective as of March 19, 2019, by and between the **REDEVELOPMENT AGENCY OF TOOELE CITY**, a political subdivision of the State of Utah (the "**Agency**"), and **TOOELE COUNTY**, a political subdivision of the State of Utah (the "**County**") as follows:

Recitals

A. The Agency was created and organized pursuant to the provisions of the statutes currently codified as the Limited Purpose Local Government Entities — Community Reinvestment Agency Act, Title 17C of the Utah Code Annotated (the "**Act**" as amended from time to time), and is authorized and empowered under the Act to undertake, among other things, various community development and reinvestment activities pursuant to the Act, including, among other things, assisting Tooele 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.

B. This Agreement is made pursuant to the provisions of the Act and the Interlocal Cooperation Act, Utah Code Ann. Title 11, Chapter 13 (the "**Cooperation Act**").

C. The Agency has created the 1000 North Retail Community Reinvestment Project Area (the "**Project Area**"), through the adoption of the 1000 North Retail Community Reinvestment Project Area Plan (the "**Project Area Plan**"), located within the County, the boundaries of which Project Area are described in Exhibit "A" attached hereto and incorporated herein by this reference; and

D. The Project Area contains a significant amount of vacant and underutilized parcels, which are anticipated to be developed, with encouragement and planning by the Agency, into a mixed use commercial and residential development. The Agency has not entered into any participation or development agreements with Participants but anticipates that prior to development of the Project Area, the Agency may enter into one or more agreements, including without limitation Participation Agreement(s) (as that term is defined in the Act), with one or more Participants (as that term is defined in the Act) which will provide certain terms and conditions upon which the Project Area will be developed using, in part, increased property tax revenues, referred to as "**Tax Increment**", generated from the Project Area; and

E. As explained further in the Project Area Plan, the Agency and/or Participant(s) will incur significant costs and expenses relating to land assembly and/or to provide infrastructure improvements to promote higher and more beneficial uses of land within the Project Area; and

F. The Agency has requested that, the County, and other taxing entities within the Project Area, 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 Tax Increment which will be generated from within the Project Area.

G. The County has determined to remit such payments to the Agency, as specified herein, in order to permit the Agency to leverage private development of the Project Area; and

H. The Project Area Plan has been prepared for the Project Area and is attached as Exhibit "B".

I. The Agency has prepared the 1000 North Retail Community Reinvestment Project Area Budget (the "**Project Area Budget**"), a 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 (for purposes of clarification, the Project Area Budget is provided in form only, it being acknowledged that the Project Area Budget is not statutorily required as provided under Section 17C-4-204 of the Act, and the Agency may amend the Project Area Budget from time to time in its discretion, subject to the provisions of the Act and this Agreement).

Agreement Terms

1. **Tax Increment.** This Agreement refers to “**Tax Increment**” which is a term defined by Utah Code Ann. § 17C-1-102(60) (2018). The term tax increment has the same meaning as defined by that statute (as amended, replaced or superseded from time to time). The parties acknowledge that tax increment generally refers to the additional *ad valorem* tax revenues generated by the increase in value of taxable real and personal property within the Project Area resulting from new development and improvements on real property located within the Project Area. The County has determined to allow the Agency to receive and retain specified portions of the County’s portion of Tax Increment (the “**County’s Tax Increment Share**”) in order for the Agency to offset costs and expenses which will be incurred by the Agency and/or the Participant(s) administration and development of the Project Area, including for administration costs and costs for the construction and installation of infrastructure improvements and other development related costs, expenses, and incentives needed to serve the Project Area, to the fullest extent permitted by the Act.

2. **Base Year and Base Year Value.** The Base Year (as that term is defined in the Act), for purposes of calculation of the Base Taxable Value (as that term is defined in the Act), is 2017, meaning the Base Taxable Value shall, to the extent and in the manner defined by the Act, be equal to the equalized taxable value shown on the 2017 Tooele County assessment rolls for all property located within the Project Area.

3. **Agreement(s) with Participant(s).** The Agency is authorized, in the Agency’s sole discretion, to enter, or not enter, into one or more agreements with one or more Participants which may provide for the payment of certain amounts of Tax Increment, including the portion of the County’s Tax Increment Share paid to the Agency, (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 agreement. Any such agreement shall be consistent with the terms and conditions of this Agreement and shall require as a condition of payment to the Participant that the Participant, or other owner(s) of the Property, as applicable, 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 such other performance measures as the Agency may deem appropriate.

4. **Payment Timeline.** The first year (“**Year One**”) of payment of the County’s Tax Increment Share shall be determined by the Agency. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Twenty. The Agency may trigger the collection of the County’s Tax Increment Share by timely delivering a letter or other written request to the Tooele County Auditor’s office.

5. **Payment to Agency.** Subject to Section 7 *below*, the County agrees that Tooele County shall remit to the Agency annually, beginning with property tax receipts for Year One, and continuing through receipts for Year Twenty, 100% of the County’s Tax Increment Share. Tooele County is authorized and instructed to pay 100% of the County’s Tax Increment Share directly to the Agency annually for each of Years One through Twenty inclusive. Subject to Section 7 *below*, the Agency may use the County’s Tax Increment Share for any of the purposes set forth in the Project Area Plan and Project Area Budget (as such may be amended from time to time under the applicable provisions of the Act).

6. **Rebate to County.** Before expending any of the County’s Tax Increment Share received annually, the Agency must first pay to the County an amount equal to 25.0% of the County’s Tax Increment Share received by the Agency. The intent of this paragraph is that the Agency will ultimately retain 75.0% of the County’s Tax Increment Share.

7. **Maximum Retained Increment.** Despite anything in this Agreement to the contrary, the Agency will not retain, on a cumulative basis, more than \$900,000 of the County's Tax Increment Share. To be clear, the amount "retained" is the amount kept by the Agency after rebating the amounts due under Section 7 *above*. If the Agency receives more than \$900,000 that the Agency would otherwise be authorized to retain, then the Agency must promptly (i) pay to the County the amount in excess of the permitted \$900,000 cap, and (ii) notify Tooele County that the Agency's right to receive any further payment of the County's Tax Increment Share under this Agreement has terminated. The County makes no guarantee or assurance that \$900,000 of the County's Tax Increment Share will be available for the Agency to retain; the \$900,000 amount is solely a maximum collection cap, not a guaranteed amount.

8. **Property Tax Revenue/Rate Increase.** This Agreement provides for the payment of Tax Increment collected from the Project Area by the County acting as the tax collection agency for the area. Real and personal property taxes which are the subject of this Agreement shall not include taxes collected from the Project Area by the County, acting in its capacity as the tax collection agency, which are to be paid to or utilized by abatement districts, special service or improvement districts or other entities for which the County acts as the tax collection agency, nor shall it include any component of real property taxes retained by the County as payment for costs incurred in the collection of real property taxes for itself or other applicable agencies. It is expressly understood that the real property taxes which are the subject of this Agreement are only those real and personal property taxes actually collected by the County on behalf of the County from the Project Area. Unless the County specifically consents in writing through an amendment to this Agreement or in a separate agreement, the Parties agree that the Agency will not be entitled to any portion of Tax Increment resulting from an increase in the tax rate of the County's Tax Levies that occurs after the Base Tax Year that is attributable to a tax rate increase enacted pursuant to the requirements of Utah Code Ann. § 59-2-919 (i.e., a Truth-in-Taxation tax rate increase); however, the rate attributable to the issuance of bonds is not considered a tax rate increase, and therefore the Agency will be entitled to that portion of Tax Increment resulting from bond levies, even if such levies were or are enacted after the Base Tax Year.

9. **No Independent Duty.** The County shall have no independent duty to pay any amount to the Agency other than to direct and cause the County administration to pay to the Agency the County's Tax Increment Share on an annual basis from and including Year One through and including Year Twenty.

10. **Authority to Bind.** Everyone 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 Acts.** 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 acts 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 the County:
Tooele County
47 South Main
Tooele UT 84074

If to Agency:
Tooele City RDA
Attn: Executive Director
90 N Main Street
Tooele UT 84074

Any party may from time to time, by written notice to the others 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 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, including the recitals, 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 both parties, executed by an agent duly authorized to do so, or as otherwise expressly permitted herein. This Agreement, including the recitals, constitutes 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 act shall be deemed an extension of the time for performance of any other obligation or act.

20. **Governing Law.** This Agreement 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 Tooele 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 Participant(s), or takes any other action which has the effect of eliminating or reducing the payments of Tax Increment received by the Agency, then 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 and to otherwise preserve the intent and effect of this Agreement to the maximum extent possible.

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

23. **Duration.** This Agreement shall terminate upon the first to occur of either (i) the final payment of Tax Increment to the Agency for Year Twenty, or (ii) the Agency has retained, as provided in Sections 6 and 7 *above*, the amount of \$900,000 from the County's Tax Increment Share.

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 received as a result of Tax Increment generated from the Project Area and 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. At the latest, this Agreement shall be fully fulfilled and thus terminate by December 31, 2043.

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 shall be 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 shall be 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 Redevelopment Director 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 a 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.

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

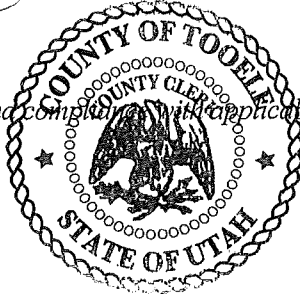
County: TOOELE COUNTY

Attest:

By: Tom Tripp, Tooele County Commission Chair
Name and Title: Tom Tripp

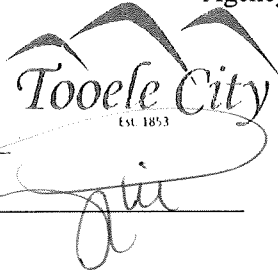
Marilyn K. Gillette
Title: County Clerk

Approved and reviewed as to proper form and compliance with applicable law:



Scott Brualy
Attorney for County

Agency: REDEVELOPMENT AGENCY OF TOOELE CITY



Attest:

By: Arac Rest
Chairman

Michelle
Secretary

Approved and reviewed as to proper form and compliance with applicable law:

Wagner Blum
Attorney for Agency

EXHIBIT "A"
to
INTERLOCAL AGREEMENT

Project Area Description

Real property in the County of Tooele, State of Utah, described as follows:

PARCEL 1:

A parcel of land located within the Northeast Quarter of Section 21, Township 3 South, Range 4 West, Salt Lake Base and Meridian, Tooele City, Tooele County, Utah more particularly described as follows:

Commencing at the North Quarter Corner of Section 21, Township 3 South, Range 4 West, Salt Lake Base and Meridian, thence North 89°43'06" East 149.82 feet along the North line of said Section 21 to the point of beginning of the parcel herein described, thence continuing North 89°43'06" East 1124.94 feet along the North line of Section 21 to the West boundary of Utah State Highway No. 36; thence the following 2 courses along said West boundary of Highway No. 36, South 06°34'56" West 34.33 feet to the point of curvature of a curve to the left; thence along said curve having a radius of 2914.80 feet through a central angle of 3°03'11", a distance along the arc of 155.31 feet to the Northeast Corner of the Walker Investments Parcel; thence North 89°20'48" West 315.51 feet to a point on an existing fence line and the Northwest Corner of the Walker Investments Parcel; thence South 00°35'28" West 603.70 feet along said fence line to the Southwest Corner of the IHC Health Services, Inc. Parcel; thence South 85°11'32" West 77.78 feet; thence South 89°47'24" West 705.18 feet; thence North 00°12'36" West 792.26 feet to the point of beginning.

LESS AND EXCEPT therefrom any portion lying within the bounds of 1000 North Street, that portion conveyed to the City of Tooele, as set forth in that certain Warranty Deed (Controlled Access) recorded November 21, 2006 as Entry No. 272445 of Official Records, being more particularly described as follows:

From the Northwest Corner of the Northeast Quarter of Section 21, Township 3 South, Range 4 West, Salt Lake Base and Meridian proceed North 89°43'06" East 149.82 feet along the North line of said Section 21 to a point of beginning; thence continuing North 89°43'06" East 1124.94 feet along the North line of Section 21; thence South 6°34'56" West 34.33 feet; thence along the arc of a 2914.80 foot Radius Curve to the left 155.31 feet through a central angle of 3°03'11" the chord of which bears South 5°03'21" West 155.30 feet; thence North 89°20'48" West 6.73 feet; thence North 0°35'31" East 112.15 feet; thence along the arc of a 39.0 foot Radius Curve to the left 25.84 feet, through a central angle of 37°58'01", the chord of which bears North 50°37'41" West 25.37 feet; thence South 89°45'43" West 1081.92 feet; thence North 0°12'43" West 59.40 feet to the point of beginning.

PARCEL 2:

A parcel of land located within the Northeast Quarter of Section 21, Township 3 South, Range 4 West, Salt Lake Base and Meridian, Tooele City, Tooele County, Utah more particularly described as follows:

Commencing at the North Quarter corner of Section 21, Township 3 South, Range 4 West, Salt Lake Base and Meridian, thence North 89°43'06" East 1274.76 feet along the North line of said Section 21 to the West boundary of Utah State Highway No. 36; thence the following three

courses along said West boundary of Highway 36, South 06°34'56" West 34.33 feet to the point of curvature of a curve to the left; thence along said curve having a radius of 2914.80 feet through a central angle of 5°02'24", a distance along the arc of 256.40 feet; thence South 01°32'32" West 202.70 feet to the point of beginning of the parcel herein described, thence continuing along the West boundary of Highway No. 36, South 01°32'32" West 300.04 feet; thence North 89°20'48" West 303.74 feet; thence North 00°35'28" East 300.00 feet along an existing fence line; thence the following 5 courses: South 89°20'48" East 68.04 feet; South 00°39'12" West 25.00 feet; South 89°20'48" East 180.00 feet; North 00°39'12" East 25.00 feet; South 89°20'48" East 60.68 feet to a point on the West boundary of Utah State Highway No. 36 and the point of beginning.

PARCEL 3:

A parcel of land located within the Northeast quarter of Section 21, Township 3 South, Range 4 West, Salt Lake Base and Meridian, Tooele City, Tooele County, Utah more particularly described as follows:

Commencing at the North Quarter corner of Section 21, Township 3 South, Range 4 West, Salt Lake Base and Meridian, thence South 00°12'36" East 792.26 feet along the West line of the Northeast Quarter of said Section 21 to the point of beginning; thence North 89°47'24" East 855.00 feet; thence North 85°11'32" East 77.78 feet; thence South 89°20'48" East 303.74 feet to a point on the West boundary of Utah State Highway No. 36; thence South 01°32'32" West 412.51 feet along said West boundary of Highway No. 36 to the Northeast corner of the Lee & G Investments, L.L.C. Parcel; thence North 89°14'26" West 301.31 feet to the Northwest corner of the Lee & G Investments, L.L.C. Parcel; thence South 01°43'04" West 163.83 feet to the Southwest corner of the Lee & G Investments, L.L.C. Parcel; thence South 89°45'09" West 916.84 feet to a point on the West line of said Northeast quarter of Section 21; thence North 00°12'36" West 569.90 feet along the West line of the Northeast quarter of said Section 21 to the point of beginning.

LESS AND EXCEPT any portion lying within the bounds of 200 West Street.

EXHIBIT "B"
To
INTERLOCAL AGREEMENT

Project Area Plan

1000 NORTH RETAIL COMMUNITY
DEVELOPMENT RENVESTMENT
DRAFT PROJECT AREA PLAN

Redevelopment Agency of Tooele City

September 2017

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SECTION 1: INTRODUCTION

The Redevelopment Agency of Tooele City (the "Agency"), following consideration of the needs and desires of Tooele City (the "City") and its residents, as well as the City's capacity for new development, has prepared this Project Area Plan (the "Plan") for the 1000 North Retail Community Development Reinvestment Project Area (the "Project Area"). This Plan is the result of an evaluation of the type of development that would provide significant economic development return for the City and adequate return on the investment to the City and the developer. The Plan is envisioned to define the methods and means of development for the Project Area from its current state, to a higher and better use. The City has determined that it is in the best interest of its residents to assist in the development of the Project Area. It is the purpose of this Plan to set forth the objectives of this development, its scope, its mechanism, and its value to the residents of the City and other taxing districts.

The Project is being undertaken as a community reinvestment project pursuant to certain provisions of Chapters 1 and 5 of the Utah Limited Purpose Local Government 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 undertaken as part of the establishment of the Project Area.

SECTION 2: DEFINITIONS

As used in this plan

- 2.1 "Act" means Title 17C of the Utah Code Annotated ("UCA") 1953, as amended: the Utah Limited Purpose Local Government Entities - Community Reinvestment Agency Act, as amended, or such successor law or act as may from time to time be enacted.
- 2.2 "Agency" means the Redevelopment Agency of Tooele City, created and operating pursuant to UCA 17C-1-101 and its predecessor or successor statutes, as designated by Tooele City to act as the redevelopment agency.
- 2.3 "Agencies Board" means the governing body of Tooele City
- 2.4 "Base Taxable Value" has the same meaning that it bears in the Act (UCA 17C-1-102(8)). "Base Taxable Value" is synonymous with "Base Year Taxable Value", "Base Year Value", and "Base Value".
- 2.5 "Base Tax Amount" means a sum equal to the tax revenue arising from the Project Area during the Base Year, which is calculated as the product of the Base Taxable Value and the certified tax rate in effect during the Base Year.

- 2.6 "Base Year" means the Tax Year during which the Project Area Budget is approved pursuant to UCA 17C-1-102 (9) (a).
- 2.7 "Bond" means any bonds, notes, interim certificates, or other obligations issued by an agency.
- 2.8 "City" means Tooele City, a political subdivision of the State of Utah.
- 2.9 "County" means Tooele County, a political subdivision of the State of Utah.
- 2.10 "Comprehensive General Plan" or "General Plan" means the general plan adopted by the City under the provisions of UCA 10-9a-401
- 2.11 "Community Development" means development activities within a community, including the encouragement, promotion, or provision of development.
- 2.12 "Community Reinvestment Project Area Plan" means a project area plan, as defined by UCA 17C-1-102(21) of the Act, designed to foster project area development, as defined in UCA 17C-1-102 (47) of the Act, developed by the Agency and adopted by ordinance of the governing body of the City, to guide and control community development undertakings in a specific project area.
- 2.13 "Governing Body" means (a) In reference to the Redevelopment Agency of Tooele City; the Board of the Agency, or (b) if used in reference to Tooele City, the City Council of Tooele City.
- 2.14 "Project Area" means the 1000 North Retail Community Reinvestment Project Area, as selected by resolution of the Agency.
- 2.15 "Property Taxes" includes all levies on an ad valorem basis upon land, real property, personal property, or any other property, tangible or intangible.
- 2.16 "Taxing Entities" means the public entities, including the state, county, city, school district, special district, or other public body, which levy property taxes on any parcel or parcels of property located within the Joint Project Area.
- 2.17 "Tax Increment" means that portion of the levied taxes each year in excess of the base tax amount, which excess amount is paid into a special fund of the Agency, pursuant to UCA 17C-1-102(60)(a) and Part 5 of UCA Chapter 17C-1, as amended.
- 2.18 "Tax Year" means the 12 month period between sequential tax role equalizations (November 1st through October 31st) of the following year, e.g., the Nov. 1, 2016- Oct. 31, 2017 tax year).

SECTION 3: DESCRIPTION OF COMMUNITY REINVESTMENT PROJECT AREA

The Project Area lies entirely within the boundaries of the City and is located along SR 36 and 1000 North. The property encompasses approximately 57 acres of land, as delineated in the office of the Utah County Recorder.

The Project Area encompasses all of the parcels outlined and attached hereto in APPENDIX A.

A map of the Project Area is attached hereto in APPENDIX B.

SECTION 4: PROJECT AREA CHARACTERISTICS AND HOW THEY WILL BE AFFECTED BY COMMUNITY DEVELOPMENT

LAND USES IN THE PROJECT AREA

The Project Area currently consists primarily of vacant underutilized land. The Project Area is designated for commercial, office and residential use. This 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 Plan shall be undertaken in accordance with the requirements of the revised Ordinances of the City, and all other applicable laws including all goals and objectives in the City General Plan.

LAYOUT OF PRINCIPAL STREETS IN THE PROJECT AREA

The layout of principle streets within the Project Area are outlined in APPENDIX B.

POPULATION IN THE PROJECT AREA

The Project Area was laid out in order to create the least amount of disruption to existing residential structures. Currently there is no housing or population existing within the Project Area.

BUILDING INTENSITIES IN THE PROJECT AREA

Any new development within the Project Area will be required to meet all current or amended zoning requirements and design or development standards. The proposed development could include approximately 150,000 square feet of commercial space, and up to 312 residential units. There could be additional commercial or residential development constructed in the project area.

SECTION 5: STANDARDS THAT WILL GUIDE COMMUNITY DEVELOPMENT

DEVELOPMENT OBJECTIVES

The Agency and City desire to maintain a high-quality mixed use development as a focal point to the City. The Agency and City want to guide development in order to ensure development standards blend harmoniously with the character of the City.

DESIGN OBJECTIVES

Development within the Project Area will be held to the highest quality design and construction standards, subject to (1) appropriate elements of the City General Plan; (2) the planning and zoning ordinances of the City; (3) other applicable building codes and ordinances of the City; (4) and Agency review to ensure consistency with this Plan.

All development will be accompanied by site plans, development data, and other appropriate material clearly describing the development, including land coverage, setbacks, heights, off-street parking to be provided, and any other data determined to be necessary, or requested by, the City or the Agency.

All development shall provide an attractive environment, blend harmoniously with the adjoining areas, and provide for the optimum amount of open space and well-landscaped area in relation to the new buildings. In addition, it shall maintain maximum availability of off-street parking, and comply with the provisions of this Plan.

APPROVALS

The Agency may have the right to approve the design and construction documents of any development within the Project Area to ensure that any development within the Project Area is consistent with this Project Area Plan.

SECTION 6: HOW THE PURPOSES OF THE STATE LAW WOULD BE ATTAINED BY COMMUNITY DEVELOPMENT

It is the intent of the Agency, with possible assistance from the City and in participation with potential developers and property owners, to accomplish the goals and objectives of this Project Area Plan, which will include the development contemplated within this Plan. This development will include the construction of public infrastructure, and the appropriate use of incentives permitted under the Act, to maximize the development within the Project Area which will be beneficial to the citizens of the City. This development will strengthen the community tax base and increase employment opportunities, which are objectives of the Community Reinvestment Act, and the State of Utah.

SECTION 7: HOW THE PLAN IS CONSISTENT WITH THE COMMUNITY'S GENERAL PLAN

This Plan and the development contemplated within the Project Area shall conform to the City General Plan and land use regulations.

SECTION 8: DESCRIPTION OF THE SPECIFIC PROJECTS THAT ARE THE OBJECT OF THE PROPOSED COMMUNITY DEVELOPMENT

The City has received a proposal for the development of the property within the Project Area. The proposed development will include commercial and multi-story residential, which will meet the objectives of the Agency for development and financial participation. These objectives include pursuing development of vacant parcels of property within the Project Area, land assemblage and installation and upgrade of public utilities in the Project Area, which will result in an economic increase to the Agency and City.

SECTION 9: WAYS IN WHICH PRIVATE DEVELOPERS WILL BE SELECTED TO UNDERTAKE THE COMMUNITY DEVELOPMENT

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, and/or from other such references and referrals.

The City and Agency will ensure that all development conforms to this plan and is approved by the City. All potential developers will need to provide a thorough 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 Developers financial statements, third-party verification of benefit of the development to the City, appraisal reports, etc.

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

SECTION 10: REASONS FOR THE SELECTION OF THE PROJECT AREA

This community reinvestment project area was selected by the Agency as an area within the City that presents an opportunity to strengthen the economic base of the City, and fulfill a public need through the investment of private capital. Boundaries of the Project Area were determined by the Agency after a review of a study area by members of the City staff, and consultant.

SECTION 11: DESCRIPTIONS OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS EXISTING IN THE AREA

The Project Area consists of approximately 57 acres of property as shown in the Project Area Map. The Agency wants to encourage development and improvements as applicable, to increase the economic conditions within the Project Area that will provide a revenue source to assist the City in meeting its budget goal and requirements of providing necessary services to its citizens. Currently the property is vacant within the Project Area, and there are no significant physical or social conditions that need to be addressed.

SECTION 12: DESCRIPTIONS OF SOME INCENTIVES OFFERED TO PRIVATE ENTITIES FOR FACILITIES LOCATED IN THE PROJECT AREA

The following describes incentives which the Agency intends to offer within the Project Area to developers, participants, and property owners as incentives to improve and develop property within the Project Area:

1. The Agency intends to use the tax increment approved by agreement with the Taxing Entities for public infrastructure improvements, construction of certain offsite improvements, removal of any impediments that would hinder the development required by this Plan, costs associated with permitting and entitling the property and other improvements as approved by the Agency.
2. Payments will be made to the developers as contemplated for improvements and developments as outlined and approved in the required development/participation agreement.
3. Expenditures approved and outlined in the adopted Project Area Budget

Except where the Agency issue Bonds or otherwise borrows or receives funds, the Agency expect to pay the City, developers, or participants for the agreed amounts, in the agreed upon time frame to the extent the tax increment funds are received and available.

SECTION 13: PLAN RESTRICTIONS

13.1 Eminent Domain

This Community Reinvestment Project Area Plan does not allow the Agency to acquire real property through the use of eminent domain.

13.2 Tax Increment

Use of tax increment is subject to approval of the Agency Project Area Budget through an Interlocal agreement with any Taxing Entity that levies a certified tax rate within the Project Area. The use of tax increment is essential in meeting the objectives of this Plan.

SECTION 14: TECHNIQUES TO ACHIEVE THE PURPOSES OF THE COMMUNITY REINVESTMENT AGENCY ACT, AND THIS PLAN.

The Agencies will meet the purpose of the Community Reinvestment Agency Act, and this plan by implementing the following objectives:

14.1 Acquisition of Real Property

The Agency may acquire, but is not required to acquire, real property located in the Project Area, by gift, devise, exchange, purchase, or any other lawful method. The Agency is authorized to acquire any other interest in real property less than fee title such as leasehold interests, easements, and rights of way. The Agency shall not acquire real property without the consent of the owner.

14.2 Acquisition of Personal Property

Generally personal property shall not be acquired. However, where necessary in the execution of this Plan, the Agency is authorized to acquire personal property in the Project Area by any lawful means.

14.3 Cooperation with the Community and Public Bodies

The community and certain public bodies are authorized by state law to aid and cooperate, with or without consideration, in the planning, undertaking, construction, operation or implementation of this Project. The Agency shall seek the aid and cooperation of such public bodies in order to accomplish the purposes of Community Development and the highest public good, including approval of the Project Area Budget, and participation in the funding of the Project Area by an Interlocal agreement.

14.4 Property Management

During such time that property, if any, in the Project Area is owned by the Agency, such property shall be under the management and control of the Agency. Such property may be rented or leased by the Agency pending its disposition for economic development purposes.

14.5 Property Disposition and Development

The Agency is authorized to demolish and clear buildings, structures, and other improvements from any real property in the Project Area as necessary to carry out the purposes of this Community Reinvestment Plan. The Agency is authorized to install and construct, or to cause to be installed and constructed, public improvements, public facilities, and public utilities, within and without the Project Area, not prohibited by law, which are necessary to carry out this Community Reinvestment Plan; and in accordance with the terms and conditions of any existing agreements with the private developers and the approved Project Area Budget and interlocal agreements. The Agency is authorized to prepare or to cause to be prepared as building sites, any real property in the Project Area. The Agency is also authorized to rehabilitate or to cause to be rehabilitated, any building or structures that may remain in the Project Area.

For the purposes of this Plan, the Agency is authorized to sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage, deed, trust, or otherwise dispose of any interest in real property. The Agency is authorized to dispose of real property by, leases or sales, by negotiation with or without public bidding. All real property acquired by the Agency in the Project Area shall be sold or leased to public or private persons or entities for development for the uses permitted in the Plan. Real property may be conveyed by the Agency to the City or any other public body without charge. The Agency shall reserve such controls in the disposition and development documents as may be necessary to prevent transfer, retention or use of property for speculative purposes and to ensure that the development is carried out pursuant to this Community Reinvestment Plan. All purchasers or lessees of property shall be made obligated to use the property for the purposes designated in this Community Reinvestment Plan, to begin and complete development of property within a period of time, which the Agency fix as reasonable, and to comply with other conditions which the Agency deem necessary to carry out the purposes of this Plan.

14.6 Development

The objectives of the Plan are to be accomplished through the Agency encouragement of, and assistance to, private enterprise in carrying out project development activities. To provide adequate safeguards to ensure that the provisions of this Plan will be carried out, any real property sold, leased or conveyed by the Agency, as well as any property subject to participation agreements, shall be made subject to the provisions of this Plan by leases, deeds, contracts, agreements, declarations of restrictions, provisions of the City ordinances, conditional use permits, or other means. Where appropriate, as determined by the Agency, such documents or portions thereof shall be recorded in the Office of the County Recorder. The leases, deeds, contracts, agreements, and declarations of restrictions may contain restrictions, covenants, covenants running with land, rights of reverter, conditions subsequent, equitable servitudes, or any other provisions necessary to carry out this Plan.

To the extent now or hereafter permitted by law, the Agency is authorized to pay for, develop, or construct any building, facility, structure, or other improvement either within or without the Project Area for

themselves or any public body or public entity to the extent that such improvement would be a benefit to the Project Area. During the period of development in the Project Area, the Agency shall ensure that the provisions of this Plan, and of other documents formulated by the Agency pursuant to this Plan, are being observed, and that development in the Project Area is proceeding in accordance with development documents and time schedules. Plans for development by owners or developers, both public and private, may be submitted to the City for approval and architectural review. All Project Area development, requiring financial participation by the Agency, must conform to this Plan and all applicable federal, state, and local laws.

SECTION 15: PROPOSED METHOD OF FINANCING

15.1 Authorization

The Agency is authorized to finance this project with financial assistance from the Taxing Entities, City, property tax increments which accrue within the Project Area, interest income, Agency bonds, or any other available source of revenue.

15.2 Tax Increment

Briefly stated, the tax increments that will be available under this Plan are determined in the following manner. After this Plan is adopted, the total taxable value of property within the Project Area is determined using the taxable values shown on the last equalized assessment roll prior to the adoption of the Plan. For purposes of this Plan, the base year value last equalized shall be January 1, 2017. This provides a base figure. To the extent the taxable values of property within the Project Area increase above this base figure, application of prevailing tax rates to the increased property value above the base figure yields "tax increments." These tax increments arise only with respect to property located in the Project Area. Other Taxing Entities continue to be entitled to receive the tax revenue that result from application of prevailing tax rates up to the base figure of taxable property value. In accordance with law, the Agency will prepare a Project Budget outlining the expense and revenue for this Project. Once adopted by the Agency, the Agency will be required to obtain the consent by an Interlocal agreement with each Taxing Entity allowing the Agency to take any portion of the available tax increment.

15.3 Collection Period

The applicable length of time, or number of years for which the Agency is to be paid tax increment shall be subject to the approved interlocal agreement.

Pursuant to the Community Reinvestment Agency Act, taxes levied upon taxable property within the Project Area each year by or for the benefit of the State of Utah, and the Taxing Entities after the effective date of the ordinance approving this Plan, shall be paid to the Agency in accordance with the terms and conditions of the approved interlocal agreement.

15.4 Cities Funding or Loans

Operating capital for administration and developer participation in the Project has been, and may be, provided by the City until adequate tax increments or other funds are available, or sufficiently assured to

repay the loans and/or to permit borrowing adequate working capital from sources other than the City. Advances and loans from the City or the Agency may bear a reasonable rate of interest.

SECTION 16: PROVISIONS FOR AMENDING THE COMMUNITY DEVELOPMENT PLAN

This Plan may be amended, or modified, any time by the means of the procedures established in the Act, its successor statutes, or any other procedure established by law.

SECTION 17: NECESSARY AND APPROPRIATE ANALYSIS

Authority to take action or enter into agreements under this Plan shall be vested exclusively in the Agency Governing Board. The Agency Governing Board shall be authorized to delegate this authority pursuant to resolutions approved by the Board. The administration and enforcement of this Plan, and any documents implementing this Plan, shall be performed by the Agency and/or the City.

The provisions of this Plan, or other documents entered into pursuant to this Plan, may also be enforced by litigation by either the Agency or the City. Such remedies may include, but are not limited to, specific performance, damages, re-entry, injunctions, or any other remedies appropriate to the purposes of this Plan. In addition, agreements or any recorded provisions which are expressly for the benefit of owners of property in the project Area may be enforced by such owners.

The particulars of any contemplated development will be set out in a participation agreement between the Agency and the participant requesting assistance.

Before any future development agreement or participation agreement under the Plan may be entered into and/or executed by the Agency, the Agency may hold a public hearing on the proposed agreement. The Agency may prepare, or require the developer/participant to prepare a feasibility analysis, and a necessary and appropriate analysis with respect to all new projects being proposed, and with respect to the ongoing feasibility of the overall Project being implemented pursuant to this Plan. The purpose of this provision is to assure that the feasibility, necessity, appropriateness, the nature, extent of, and need for any public subsidy or other assistance, and the likely public benefit of new projects is reviewed on their own merits and in the context of implementing this Plan as a whole before any particular projects are approved, thereby assuring that substantial and effective measures are being taken, or have been taken, that are reasonably designed to mitigate any harm, damage, or disadvantage as may be suffered as a result of development within the Project Area by owners of property, or tenants within the Project Area.

APPENDIX A: MAP

EXHIBIT "C"
To
INTERLOCAL AGREEMENT

Project Area Budget

1000 NORTH MAIN STREET CRA

PROJECT SUMMARY

Mixed use development consisting of 129,300 sq.ft. Commercial, 36,200 sq. ft Office/medical, and approximately 225 apartments/town houses.

To be built on 31 acres of RDA owned property located at 1000 North Main Street.

Current assessed value and property tax revenue- 0 (Public owned)

Estimated new assessed value upon build out: **\$35,075,000**

Commercial- **\$14,625,000**

Office/medical- **\$5,200,000**

Residential- **\$15,250,000 (55% value)**

Estimated new property Tax- \$532,333 (annually)

School district-\$357,730 (0.010199)

County- \$57,663 (0.001644)

City-\$116,940 (0.00334)

Estimated sales from commercial - **\$50,430,649** (Annually)

PROJECT PARTICIPATION REQUEST

Participation amount from county portion of the property tax -**75%**

Length of time- **20 years** or until the cap is reached, whichever comes first

Cap amount from county's portion- **\$864,945**

Requested amount from the county- **\$43,247** (Annually) **\$864,945** for 20 years

COUNTY REVENUES FROM DEVELOPMENT

The proposed development will generate an estimated **\$416,671** in new revenue annually for the County, and **\$8,333,421** over the 20-year period of requested tax increment participation. The revenue generated is based on the following assumptions and revenue types:

Average Sales Tax (per square foot) - **\$380.00**

Retail Square Feet- **129,300**

Annual Gross taxable Sales- **\$50,430,649**

Revenue types:

Property tax (25%) - **\$14,416** (annually) and **\$288,320** over 20 years

0.25% County option sales tax- **\$126,077** (annually) and **\$2,521,532** over 20 years

0.25% County option transportation- **\$126,077**(annually) and **\$2,521,532** over 20 years

0.25% Transportation Infrastructure- **\$126,077**(annually) and **\$2,521,532** over 20 years

1.00% Tourism restaurant tax - **\$24,652**(annually) and **\$493,042** over 20 years

SUMMARY

RDA requested TIF participation – **75%** or an estimated **\$43,247** annually of the new property tax

20-year participation or cap not to exceed **\$864,935**

New revenue to county - **\$14,416** in property tax, and **\$402,883** in new sales tax