



STAFF MEMO

REDEVELOPMENT AGENCY BOARD of SALT LAKE CITY

TO: RDA Board Members

FROM: Jennifer Bruno & Ben Luedtke
Deputy Director & Public Policy Analyst, City Council Staff

DATE: January 9, 2018

RE: Northwest Quadrant Community Reinvestment Area Creation

ISSUE-AT-A-GLANCE

This chart covers the series of steps needed to be taken by the Redevelopment Agency Board (Board) and City Council (Council) in order to authorize and begin implementation of a Community Reinvestment Area (CRA) for the Northwest Quadrant – generally speaking the area North of Interstate 80, West of 5600 West to the municipal boundary, and excluding the International Business Center and the decommissioned North Temple landfill (see map at the end of this report). The decommissioned landfill could be addressed in a separate CRA, at a later date. The CRA plan itself is summarized beginning on page 2 of this report.

January 9 th – RDA Meeting	Notes
<ul style="list-style-type: none"> Public Hearing on the CRA Plan 	
<ul style="list-style-type: none"> RDA Board Discussion on the CRA Plan 	<i>The proposed CRA Plan is “Attachment A” in the Administration’s Transmittal.</i>
<ul style="list-style-type: none"> ➤ RDA Board consider ADOPTING the CRA Plan 	<i>“Attachment B” in the transmittal - This officially adopts the plan from the RDA Board Perspective.</i>
<ul style="list-style-type: none"> ➤ RDA Board consider ADOPTING the Interlocal Agreement 	<i>“Attachment E” in the transmittal - This accepts tax increment from the City in order to implement the CRA Plan</i>
January 9 th – Special City Council Meeting	
<ul style="list-style-type: none"> Public Hearing on the CRA Plan 	
<ul style="list-style-type: none"> Public Hearing on proposed Development Agreements with two Property Owners 	
<ul style="list-style-type: none"> ➤ Council consider ADOPTING ordinance approving the CRA plan 	<i>“Attachment C” in the transmittal - This officially adopts the plan from the Council Perspective</i>
<ul style="list-style-type: none"> ➤ Council consider ADOPTING Resolution for the Interlocal Agreement 	<i>“Attachment F” in the transmittal - This pledges tax increment (75% of the City’s share) from the City to the RDA in order for the RDA to implement the CRA Plan</i>

January 16th – Regular City Council Meeting	
<ul style="list-style-type: none"> • Council Discussion on Development Agreements with property owners - Kennecott Utah Copper LLC and NWQ LLC 	<i>This would vest these property owners in the current zones, and provides a mechanism and agreement that the developer can request reimbursement from tax increment for certain improvements on the properties.</i>
<ul style="list-style-type: none"> ➤ Council consider ADOPTING Resolutions for Development Agreements with Kennecott Utah Copper LLC and NWQ LLC - <i>explain</i> 	<i>“Attachments I and J” in the transmittal.</i>
January 16th – Special RDA Meeting following the formal City Council Meeting	
<ul style="list-style-type: none"> ➤ Board consider ADOPTING resolutions for Development Agreements with Kennecott Utah Copper and NWQ LLC 	<i>“Attachments G and H” in the transmittal.</i>

For quick reference, here is a list of attachments in the Administration’s transmittal:

- Attachment A: Draft Northwest Quadrant Community Reinvestment Area Plan
- Attachment B: RDA Resolution – CRA Plan Adoption
- Attachment C: City Ordinance – CRA Plan Adoption
- Attachment D: Interlocal Agreement
- Attachment E: RDA Resolution – Interlocal Agreement
- Attachment F: City Resolution – Interlocal Agreement
- Attachment G: RDA Resolution – Development Agreement with Kennecott Utah Copper LLC
- Attachment H: RDA Resolution – Development Agreement with NWQ LLC
- Attachment I: City Resolution – Development Agreement with Kennecott Utah Copper LLC
- Attachment J: City Resolution – Development Agreement with NWQ LLC

This schedule could be considered aggressive compared to typical project area creations. The schedule reflects the City’s willingness to partner with the private sector, and take advantage of the favorable economic conditions and low interest rates.

The Administration’s transmittal includes the draft CRA Plan (Attachment A), as well as other supporting documentation and related ordinances/resolutions to implement the CRA Plan from the RDA and City perspective, as well as to authorize development agreements from the Board and City perspective. The RDA Board has also received a written report from Jones Lange LaSalle (JLL), entitled “Economic Development Strategy for the Northwest Quadrant”. This is located under a separate written-only briefing at this same meeting. Because of the abbreviated timeline for this process, it will not be discussed at this meeting specifically, as it was used as a foundational document for the CRA Plan itself. If Board Members have any questions or concerns please contact staff.

Key Elements of the Proposed CRA Plan

- A. The proposed CRA Plan outlines the development framework (informed by the recently-adopted Northwest Quadrant Master Plan and related zoning actions), and **Physical, Environmental and Economic Development standards**. These guiding principles were developed from the “Visioning Report” dated March 2017, that gathered input on these standards from various stakeholders. See Pages 10-12 of the plan for a detailed list of these guiding principles.
- B. **Key objectives** of the plan are listed as follows (see pages 13-14 of the plan for a more detailed explanation of each of these objectives):
 - Infrastructure Improvements
 - Site Development and Remediation
 - Business Development
 - Citywide Housing Development
- C. The plan lays out potential **Financial Assistance Programs** that could be offered under this CRA:
 - Tax Increment Reimbursement for improvements that meet the goals of the plan and provide public benefit
 - Loan Program to facilitate financing various projects or property improvements

- Property Acquisition/Disposition for strategic redevelopment to improve conditions or facilitate economic development
- D. State code requires the CRA plan to present a **Public Benefits Analysis**, to justify the use of taxpayer funds for potentially private investment (or infrastructure benefitting private investment). The analysis is summarized on pages 17-20 of the plan, and included in detail in Exhibit C of the plan (report from Zions Bank Public Finance). Some highlights of this analysis are:
- The rationale for creating this project area is in order to assist with extraordinary costs of construction that would otherwise be a deterrent to prospective developers (high water table, lack of existing infrastructure, soil stability, etc). The public benefits analysis notes that “but for” the investment of the RDA via tax increment to offset these costs, development would be deterred. The plan notes the following with regard to this:
 - In anticipation of future development, Salt Lake City may allocate funding to cover the difference between the cost of baseline water/sewer infrastructure and a higher capacity system, thereby establishing a backbone system for the Project Aras. Tax increment may be utilized to cover the cost of street and public utility improvements that lead from this backbone system to developable sites”¹
 - See Policy Question 1 for more on this matter.
 - The typical process would be for the Board to establish its policy by evaluating and weighing the recommendations in the draft plan and making edits where desired.
 - The project area will generate \$233 million in total tax revenues over the next 20 years, compared to \$207,272 in total tax revenues if no project area is established.² *This assumes all taxing entities participate, and assumes a relatively aggressive rate of development/growth. See section E below, for more on this.*
 - The taxable value per acre is currently \$95.64. With proposed development, the average taxable value per acre is projected to increase to \$464,667 per acre.³
 - The CRA plan references the Economic Development Strategy authored by Jones Lange LaSalle (JLL), which anticipates that if development proceeds as envisioned, it could create nearly 32,000 jobs in the area, with a potential for 100,000 jobs created on a temporary basis through construction, etc (as estimated by the Kem C. Gardner Policy Institute)
- E. **Proposed project area budget.** The proposed project area budget is detailed on pages 21-24 of the plan. Many of the figures are derived from the Public Benefits Analysis, conducted by Zions Bank Public Finance, which is Exhibit C of the plan.
- The proposed CRA plan anticipates the need for 75% of the total tax increment for a period of 20 years from all taxing entities (Salt Lake City, Salt Lake County, Salt Lake City School District, Salt Lake City Library, Metro Water District, Central Utah Water Conservancy District, etc.). **Note: the steps on January 9th and 16th only create the CRA with the Salt Lake City taxing entity’s increment. Negotiations will continue with other taxing entities who will “opt in” (if they desire) at a later date. To the extent they decide not to opt in, the CRA budget will need to be adjusted downward accordingly.*
 - The goal of a CRA is to increase the tax base for the various taxing entities so that they receive the full benefit of this increased economic activity at the end of the project area life.
 - During the project area they would receive whatever portion they negotiate to receive (the proposal is a 75%/25% split).

¹ Proposed Northwest Quadrant Community Reinvestment Area Plan, p. 19.

² Proposed Northwest Quadrant Community Reinvestment Area Plan, p. 18.

³ Proposed Northwest Quadrant Community Reinvestment Area Plan, p. 19.

Taxing Entity	Base Tax Revenue (annual)	NO CRA 20 Year Total Tax Revenue	Estimates with the proposed CRA	
			Projected Tax Revenue in year 20	Total additional Tax Revenues to Taxing Entities over 20 years (based on 75%/25% split)*
Salt Lake County	\$ 1,647	\$ 32,934	\$ 4,235,948	\$ 9,258,975
MultiCounty Assessing & Collecting Levy	\$ 7	\$ 147	\$ 18,927	\$ 41,372
County Assessing & Collecting Levy	\$ 180	\$ 3,591	\$ 461,828	\$ 1,009,468
Salt Lake City School District	\$ 4,229	\$ 84,586	\$ 10,879,458	\$ 23,780,424
Salt Lake City School District	\$ 3,154	\$ 63,072	\$ 8,112,275	\$ 17,731,889
Salt Lake Library	\$ 614	\$ 12,273	\$ 1,578,543	\$ 3,450,396
Salt Lake Metro Water	\$ 239	\$ 4,783	\$ 615,140	\$ 1,344,579
Central Utah Water Conservancy	\$ 294	\$ 5,886	\$ 757,095	\$ 1,654,866
Total	\$ 10,364	\$ 207,272	\$ 26,659,214	\$ 58,271,969

**note: this split has not been agreed to as final negotiations have not been held with taxing entities*

- o If all taxing entities participate at a level of 75% of their total tax increment, the RDA would receive a total of \$175 million over the next 20 years. The “Net Present Value” (NPV) of this amount is \$100 million. This budget would be broken out as follows:

Purpose	Percent	Amount*	Net Present Value*
RDA Administration	10%	\$ 17,481,591	\$9,982,234
City-wide Affordable Housing required by current state law	10%	\$ 17,481,591	\$9,982,234
Shared Costs projects that benefit multiple property owners or the full system)	10%	\$ 17,481,591	\$9,982,234
Redevelopment Activities see objectives and financial assistance programs section above – items B and C	70%	\$122,815,907	\$69,875,640
Total		\$174,815,907	\$ 99,822,343

**note –Total amounts are received in smaller quantities annually over the life of the project area, and are not received up-front in the first year. In order to leverage this full amount early in the project area life, the Board and/or City may consider bonding for this stream of revenue. This is why it is sometimes useful to reference the “Net Present Value” (NPV) calculation, to get a better sense of the amounts that could be leveraged early in the project area.*

Policy Questions

1. The Council may wish to clarify the source of funds to build the “backbone system” referenced on page 19 of the proposed CRA plan. While tax increment is proposed to offset costs to construct branches off that system to developable sites, it’s not clear if there is sufficient tax increment to cover both the cost of the backbone system as well as branch systems to developable sites, particularly if not all taxing entities contribute the full 75% of increment anticipated in the CRA plan.
2. RDA staff has noted in the past that this is an initial budget that will likely need to be updated as more information is known from future taxing entity partners. The Board may wish to ask the Administration how it will make this clear to developers – that the project budgets and plans shown in the CRA plan are draft, and are subject to future appropriation and available funding.
3. The Board may wish to inquire as to the status of the update on the City’s impact fee plan, to assure that development in this area is paying appropriate fees to offset the public infrastructure needs for growth. Currently there are no impact fees charged in the Northwest Quadrant. The City’s last impact fee plan anticipated adding fees in the Northwest Quadrant area once the area plan was created.

Redevelopment Advisory Committee (RAC) Recommendation

The RAC met on January 3, 2018 to review the Northwest Quadrant Community Reinvestment Area Plan. They voted to recommend the RDA Board approve the draft plan with the following two suggestions:

1. The minimum 10%, statutory housing allocation should be utilized with a priority on housing needs relating to development of the Northwest Quadrant. This may include workforce housing, residential projects in adjacent neighborhoods, and transit-accessible housing.
2. As project-area development occurs, plan and consider the need for increased transportation access, circulation, and modes to serve the significant growth in the employment base.

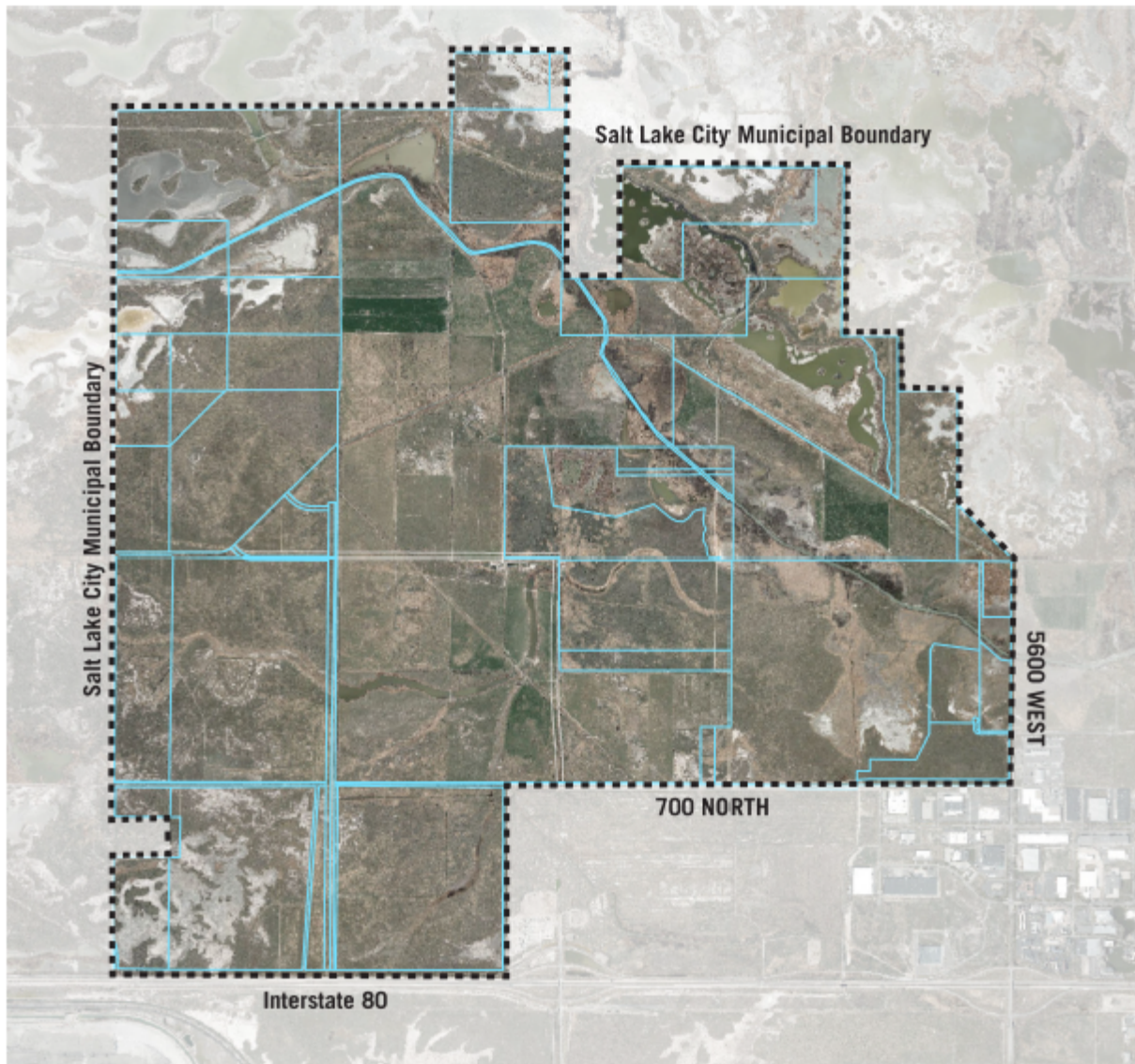
Northwest Quadrant Development Timeline⁴

- **Summer 2016:** NWQ Master Plan adopted by the City Council.
- **Summer 2016:** Mayor requests the RDA Board to explore NWQ project area.
- **December 2016:** Economic Development Department meets with key stakeholders to help determine “vision” for area, consistent with the Salt Lake City Master Plan.
- **January 2017:** Salt Lake City releases designs for infrastructure for initial “backbone”.
- **January 2017:** Draft of the first phase of the economic development strategy, with input from stakeholders.
- **Summer/Fall 2017:** Salt Lake City completes zoning recommendations for area.
 - *Many of the re-zoning issues have been resolved, however there are a few additional text amendments which will be forthcoming.*
- **Summer/Fall 2017:** RDA Board and taxing entities make a decision about the proposed NWQ project area and adopt a project area plan and budget.
 - *This timeline has been delayed slightly and this will occur in the Winter 2017 to Spring 2018 timeframe.*
- **End of 2017:** Master plan for future roadways completed.
 - *This timeline has been delayed and the proposed road network still needs to be adopted as part of the Major Street Plan. The proposed timeline will be Spring 2018. Currently being reviewed by the transportation and planning department.*
- **Beginning 2018:** Landowners can begin “marketing” land for development use.
 - *The goal in 2016 was to have the landowners able to begin marketing and developing land.*
- **End of 2018:** Construction completed on infrastructure “backbone”.
- **End of 2020:** Prison Construction completed (projected by the State of Utah).

⁴ Presentation to Salt Lake City Council, January 2, 2018.

Northwest Quadrant CRA Map

FIGURE 1: PROJECT AREA BOUNDARY MAP



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⁵ Proposed Northwest Quadrant Community Reinvestment Area Plan, p. 7.



JACKIE BISKUPSKI
MAYOR
EXECUTIVE DIRECTOR, RDA

LARA FRITTS
DIRECTOR
CHIEF EXECUTIVE OFFICER, RDA

DEPARTMENT of ECONOMIC DEVELOPMENT

REDEVELOPMENT AGENCY STAFF MEMO

DATE: January 2, 2018

PREPARED BY: Lara Fritts, Economic Development Director
Danny Walz, RDA Chief Operating Officer

RE: Northwest Quadrant Community Reinvestment Area Plan, Interlocal Agreement for Tax Increment, and Development Agreements

REQUESTED ACTION: Consideration and adoption of the following for the Northwest Quadrant:

1. Community Reinvestment Area Plan
 - a. RDA Resolution
 - b. City Ordinance
2. Interlocal Agreement Authorizing the Use of Tax Increment
 - a. RDA Resolution
 - b. City Resolution
3. Development Agreements
 - a. RDA Resolution for each property owner
 - b. City Resolution for each property owner

POLICY ITEM: Northwest Quadrant Economic Development

BUDGET IMPACTS: Proposed Northwest Quadrant Tax Increment Funds

EXECUTIVE SUMMARY: On July 12, 2016, the Board of Directors (“Board”) of the Redevelopment Agency of Salt Lake City (“RDA”) adopted a resolution authorizing survey boundaries to establish a Community Reinvestment Area (“CRA”) for the Northwest Quadrant. Subsequently, the RDA has coordinated efforts resulting in the following plans and agreements provided for consideration and potential approval by both the Board and City Council:

1. *Draft Northwest Quadrant Community Reinvestment Area Plan*
2. *Interlocal Agreement for Tax Increment*
3. *Development Agreements*

The intent of these efforts is to establish a CRA, facilitate the utilization of tax increment, and engage private property owners to carry out economic development and master plan implementation in the Northwest Quadrant. Proposed project area boundaries generally include the undeveloped land area in the Northwest Quadrant north of I-80 and west of the International Center, excluding the decommissioned North Temple Landfill.



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ANALYSIS & ISSUES: A summary of the items provided for consideration is as follows:

1. *Draft Northwest Quadrant Community Reinvestment Area Plan (“CRA Plan”)*

- Overview:

The CRA Plan (Attachment A) acts as the guiding document for the utilization of tax increment funds in the project area. Pursuant to the CRA Plan, project area development activities will further Salt Lake City’s economic development goals, as well as implement the vision and land use framework established through the Northwest Quadrant Master Plan.

Utah Code 17C requires the CRA Plan to include a public benefits analysis and project area budget. The CRA Plan’s project area budget anticipates participation from all of the taxing entities at a participation rate of 75% for 20 years. However, election and terms of participation will be negotiated with each of the individual taxing entities. For each taxing entity electing to participate, the specific terms of participation will be authorized through an interlocal agreement.

- Proposed Legislative Actions:

Under Utah Code 17C, the CRA Plan must be considered for adoption by RDA resolution and City ordinance, as follows:

- RDA Resolution – CRA Plan Adoption (Attachment B)
- City Ordinance – CRA Plan Adoption (Attachment C)

2. *Interlocal Agreement for Tax Increment*

- Overview:

The interlocal agreement (Attachment D) authorizes the City to consent to the distribution to the RDA of a portion of its share of tax increment generated from the project area for the purposes set forth in the CRA Plan.

Once executed, the interlocal agreement will authorize the RDA to retain 75% of the City’s portion of tax increment for a period of 20 years. Utilization of these funds shall be in accordance with the following project area budget, as provided through Exhibit B of the interlocal agreement:

Activity	Percentage
1. Administration and Operations	10%
2. Housing	10%
3. Shared Costs	10%
4. <u>Redevelopment Activities</u>	<u>70%</u>
Total	100%

- Legislative Action:

Authorization for approval of the interlocal agreement must be considered by the Board and City Council through the following resolutions:

- RDA Resolution – Interlocal Agreement (Attachment E)
- City Resolution – Interlocal Agreement (Attachment F)

3. *Development Agreements*

- Overview:

Once executed, development agreements between Salt Lake City and individual Northwest Quadrant property owners will vest zoning rights and facilitate a process for property owners and/or developers to apply for tax increment reimbursements. Currently, the City has negotiated development agreements with the two property owners with the largest land ownership in the project area: Kennecott Utah Copper, LLC, and NWQ, LLC.

- Legislative Action:
Authorization for approval of development agreements must be considered by the Board and City Council as follows:
 - RDA Resolution – Development Agreement with Kennecott Utah Copper LLC (Attachment G)
 - RDA Resolution – Development Agreement with NWQ LLC (Attachment H)
 - City Resolution – Development Agreement with Kennecott Utah Copper LLC (Attachment I)
 - City Resolution – Development Agreement with NWQ LLC (Attachment J)

Proposed Timing of Legislative Functions

The Board and City Council could consider approving the CRA Plan, interlocal agreement and development agreements pursuant to the following schedule:

1. *RDA Board Meeting, January 9, 2018*
 - i. Public Hearing - CRA Plan (Attachment A)
 - i. Consideration of the following:
 - RDA Resolution – CRA Plan Adoption (Attachment B)
 - RDA Resolution – Interlocal Agreement (Attachment E)
2. *City Council Meeting, January 9, 2018*
 - i. Public Hearing - CRA Plan
 - ii. Public Hearing - Development Agreements
 - i. Consideration of the following:
 - City Ordinance – CRA Plan Adoption (Attachment C)
 - City Resolution – Interlocal Agreement (Attachment F)
3. *RDA Board Meeting (special meeting), January 16, 2018*
 - i. Consideration of the following:
 - RDA Resolution – Development Agreement with Kennecott Utah Copper LLC (Attachment G)
 - RDA Resolution – Development Agreement with NWQ LLC (Attachment H)
4. *City Council Meeting, January 16, 2018*
 - i. Consideration of the following:
 - City Resolution – Development Agreement with Kennecott Utah Copper LLC (Attachment I)
 - City Resolution – Development Agreement with NWQ LLC (Attachment J)

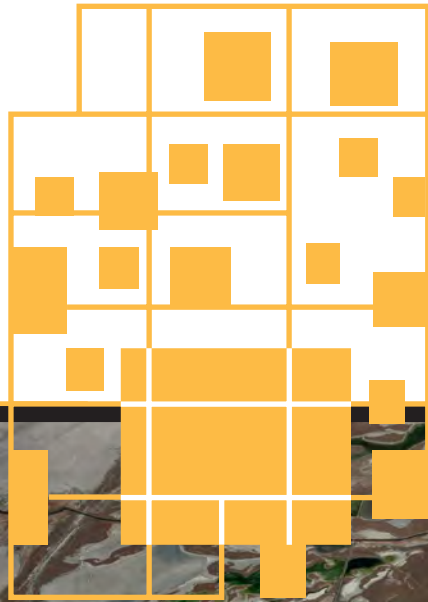
PREVIOUS BOARD ACTION:

- July 2016: The Board authorized staff to proceed with drafting a community reinvestment area plan for the Northwest Quadrant Project Area.
- January 2017: Jones Lang LaSalle provided a briefing to the Board on a preliminary draft on the *Salt Lake City Northwest Quadrant Visioning Report*.
- February 2017: The RDA provided an update on a revised draft of the *Salt Lake City Northwest Quadrant Visioning Report* as completed by Jones Lang LaSalle. Subsequently, the report was finalized in March of 2017.

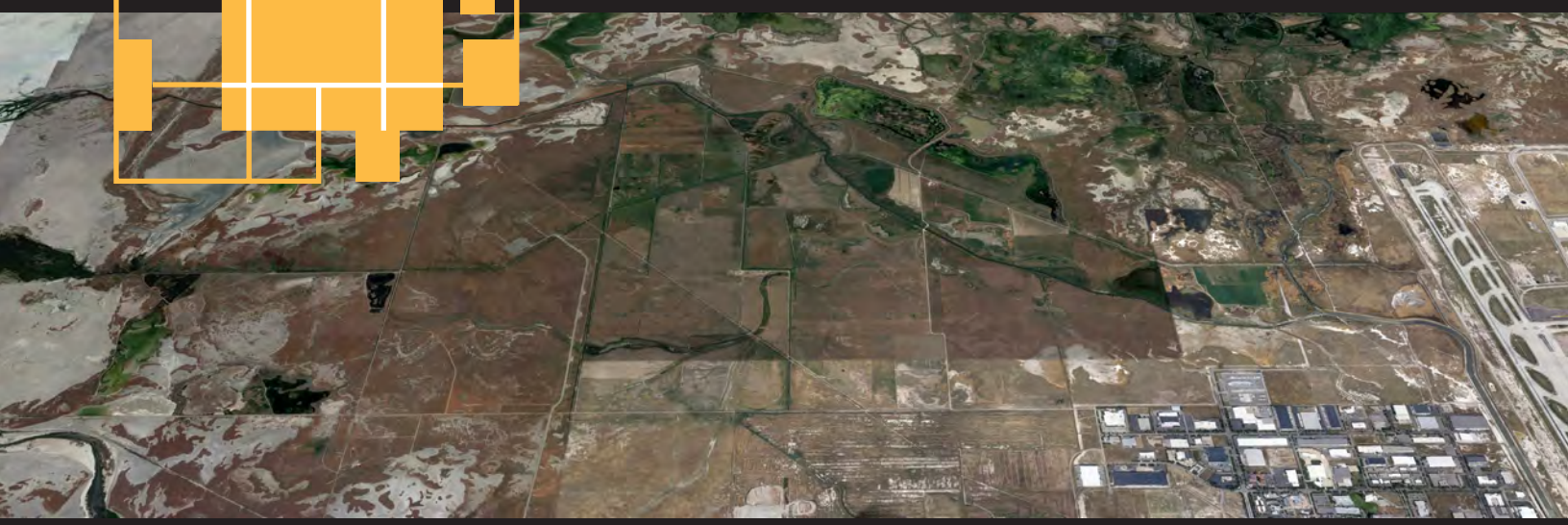
ATTACHMENTS:

- Attachment A: Draft Northwest Quadrant Community Reinvestment Area Plan
- Attachment B: RDA Resolution – CRA Plan Adoption
- Attachment C: City Ordinance – CRA Plan Adoption
- Attachment D: Interlocal Agreement
- Attachment E: RDA Resolution – Interlocal Agreement

- Attachment F: City Resolution – Interlocal Agreement
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NORTHWEST QUADRANT CRA PLAN



SLCRDA

Date available for public comment:
December 8, 2017



NWQ COMMUNITY REINVESTMENT AREA PLAN

ACKNOWLEDGEMENTS:

MAYOR

RDA EXECUTIVE DIRECTOR

Jacqueline M. Biskupski

DEPARTMENT OF ECONOMIC DEVELOPMENT DIRECTOR

RDA CHIEF EXECUTIVE OFFICER

Lara Fritts

RDA CHIEF OPERATING OFFICER

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RDA BOARD OF DIRECTORS

James Rogers, District 1

Andrew Johnston, District 2

Stan Penfold, District 3 (outgoing)

Chris Wharton, District 3 (incoming)

Derek Kitchen, District 4

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Amy Fowler, District 7 (incoming)



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INTRODUCTION

Through this Northwest Quadrant Community Reinvestment Area Plan (“CRA Plan”), the Redevelopment Agency of Salt Lake City (“RDA”) contemplates the creation of a Community Reinvestment Area (“CRA”) to facilitate the use of tax increment financing (“TIF”) as a funding mechanism to further Salt Lake City’s economic development goals. In addition, this CRA Plan will facilitate the implementation of the community vision and land use plan established by the Northwest Quadrant Master Plan.

HARNESSING OPPORTUNITY

Acclaimed as an area with unparalleled economic opportunity, the Northwest Quadrant (“NWQ”) north of Interstate 80 offers over 3,000 acres of developable land in close proximity to an international airport, major highway interchange, and national rail crossing. Through the strategic cultivation of growth and prosperity, this area is positioned to become a model of regional economic development that elevates the global competitiveness of Salt Lake City, Salt Lake County, and the State of Utah.

The complexity of developing the NWQ, combined with a changing economic landscape, requires a tactical approach to maximize the opportunities at hand. This CRA Plan sets forth goals, objectives, and strategies for the utilization of tax increment to advance development objectives in a sustainable, efficient, and collaborative manner.

As efforts move forward, further coordination and partnership building will be key to take full advantage of the knowledge, skills, reach, and experience that stakeholders offer one another. State, county, city, public, private, and nonprofit partners together can have greater impact than working individually. With a steadfast approach, the development of the NWQ will provide jobs, economic growth, and regional prosperity for generations to come.

CRA PLAN REQUIREMENTS

This CRA Plan complies with the community reinvestment project area plan requirements as per Utah Code 17C Community Reinvestment Agency Act. The RDA does not anticipate using eminent domain within the Project Area. Since the RDA is not carrying out a blight study or a blight determination, the Project Area is authorized through interlocal agreements with individual taxing entities, rather than a taxing entity committee.

Prior to adopting a board resolution, the RDA Board of Directors (Board) has determined that this CRA Plan:

- Contains a boundary description of the Project Area
- Contains the RDA’s purposes and intent with respect to the Project Area
- Serves a public purpose
- Produces a public benefit as per 17C-5-105(2)
- Is economically sound and feasible
- Conforms to the community’s general plan
- Promotes the public peace, health, safety, and welfare of the community

PLAN & POLICY COORDINATION

Salt Lake City has carried out various planning efforts focused citywide as well as specific to the NWQ. As components of the city’s general plan, these efforts have established a clear vision for future development, and are based on extensive data gathering and community engagement. It is important that this CRA Plan draws from, builds upon, and integrates these prior plans and studies. The hierarchy of the these plans is outlined below.





COMMUNITY REINVESTMENT ANALYSIS

OVERVIEW

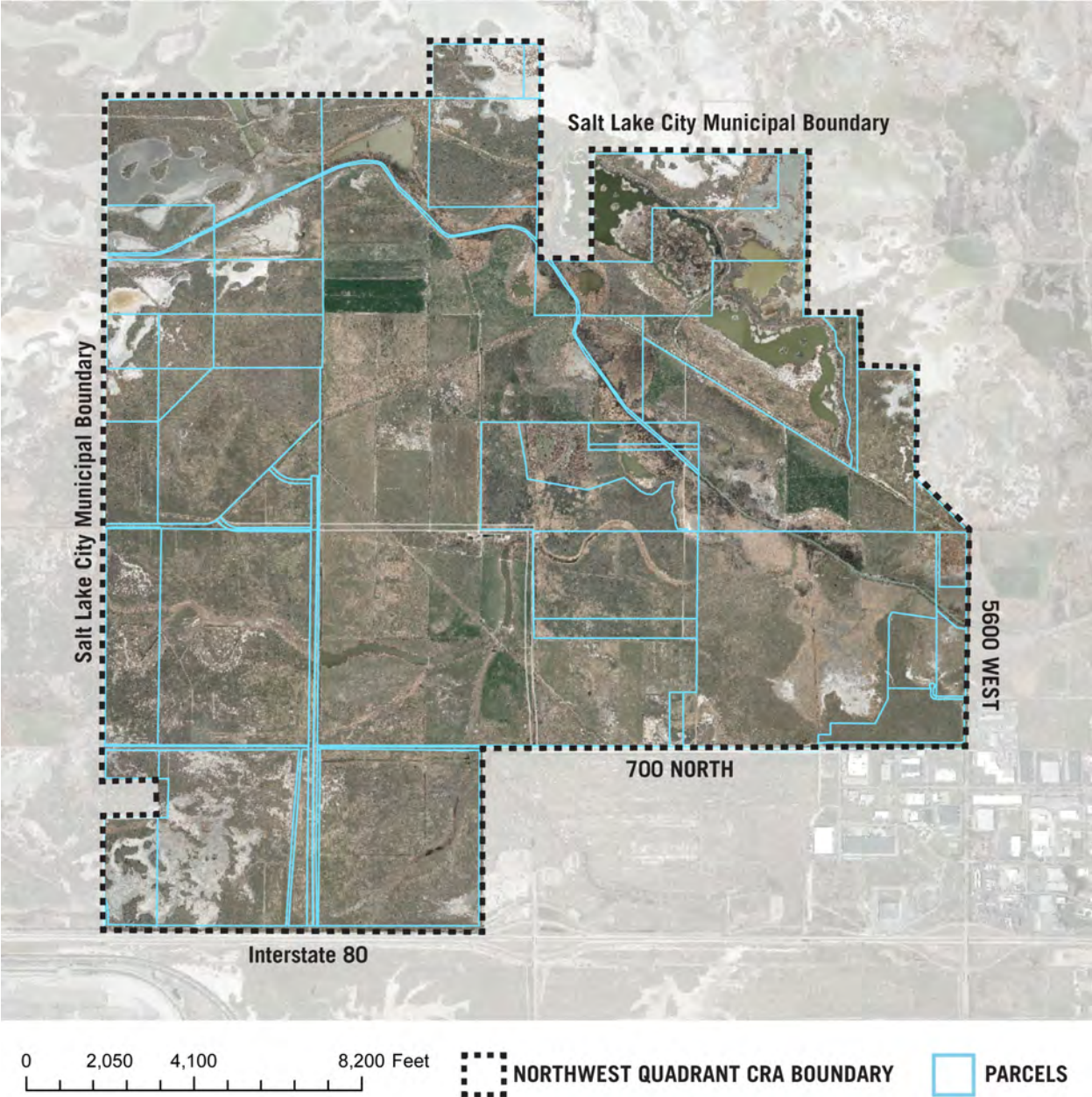
Section 1 conforms to the requirements of 17C-5-105(1), and includes the following information:

- a. Project Area Boundary Description
- b. Existing Land Uses and Neighborhood Context
- c. Standards To Guide Project Area Development
- d. Furthering Purposes of Utah Title 17C
- e. General Plan Consistency
- f. Elimination or Reduction of Blight
- g. Specific Project Area Development
- h. Process of Selecting Participants
- i. Reasons for Selecting the Project Area
- j. Existing Physical, Social, and Economic Conditions
- k. Financial Assistance to be Offered to Participants
- l. Public Benefit Analysis Results
- m. Historic Preservation Requirements
- n. Interlocal Agreement

1(a): PROJECT AREA BOUNDARY DESCRIPTION

The Northwest Quadrant Community Reinvestment Area (“Project Area”) is generally defined on the south by Interstate 80 and 700 North; on the west by the Salt Lake City municipal boundary; on the North by the Salt Lake City municipal boundary; and on the east by 5600 West and the western edge of the decommissioned North Temple Landfill. Refer to Exhibit A for a complete legal description of the Project Area.

FIGURE 1: PROJECT AREA BOUNDARY MAP



1(b): EXISTING LAND USES AND NEIGHBORHOOD CONTEXT

This section includes a general statement of the existing land uses, layout of principal streets, population densities, and building intensities of the Project Area and how each will be affected by the project area development.

LAND USES

Existing: Portions of the 7,739-acre Project Area have historically been used for agricultural, recreational, and conservation purposes include farming, grazing, hunting and fishing, housing for individuals working the land, and wildlife and habitat preservation. Today, several hundred acres are still being utilized as a working ranch, with the remainder of the area characterized by vacant land, large canals, stormwater management systems, natural habitat, and floodplains. In addition, regions within the Project Area are characterized by low elevations and highly liquefiable soils, which pose challenges to development.

Anticipated Changes: The Northwest Quadrant Master Plan, adopted on August 16, 2016, provides a foundation for future land uses. Of the 7,739 acres contained within the Project Area, approximately half of the land area has been identified for preservation as a natural area. The remaining land area is considered to be developable as per zoning, drainage, and transportation planning requirements and standards. The Northwest Quadrant Overlay District, as established through zoning code, provides the following three subareas:

- 1. Development Area:**
Area in which development of light manufacturing uses may occur to promote economic development while minimizing impacts to sensitive lands. Supportive uses, such as restaurants, retail, and service stations are also permitted within this area.
- 2. Eco-Industrial Buffer Area:**
A 400' tract of land in which development may occur with additional design standards to mitigate impacts on birds, other wildlife, and the Natural Area.
- 3. Natural Area:**
Area in which new development is limited for the protection of sensitive lands and wildlife near the Great Salt Lake shorelands.

LAYOUT OF PRINCIPAL STREETS

Existing: There are currently no paved streets within the interior of the Project Area, however there are a limited number of privately-owned dirt roads.

Anticipated Changes: In coordination with the development of the Utah State Correctional Facility, two access roads will be constructed, the first runs along 8000 West and the second zigzags from 700 North to 7200 West to 1400 North. Other major arterials, minor arterials, and collectors are being planned for the area and will be added to Salt Lake City's Major Street Plan. Additional local streets will be added as development occurs.

POPULATION DENSITIES

Existing: Residential uses in the area are currently limited to housing for individuals working the land. As such, the Project Area has an extremely low population density.

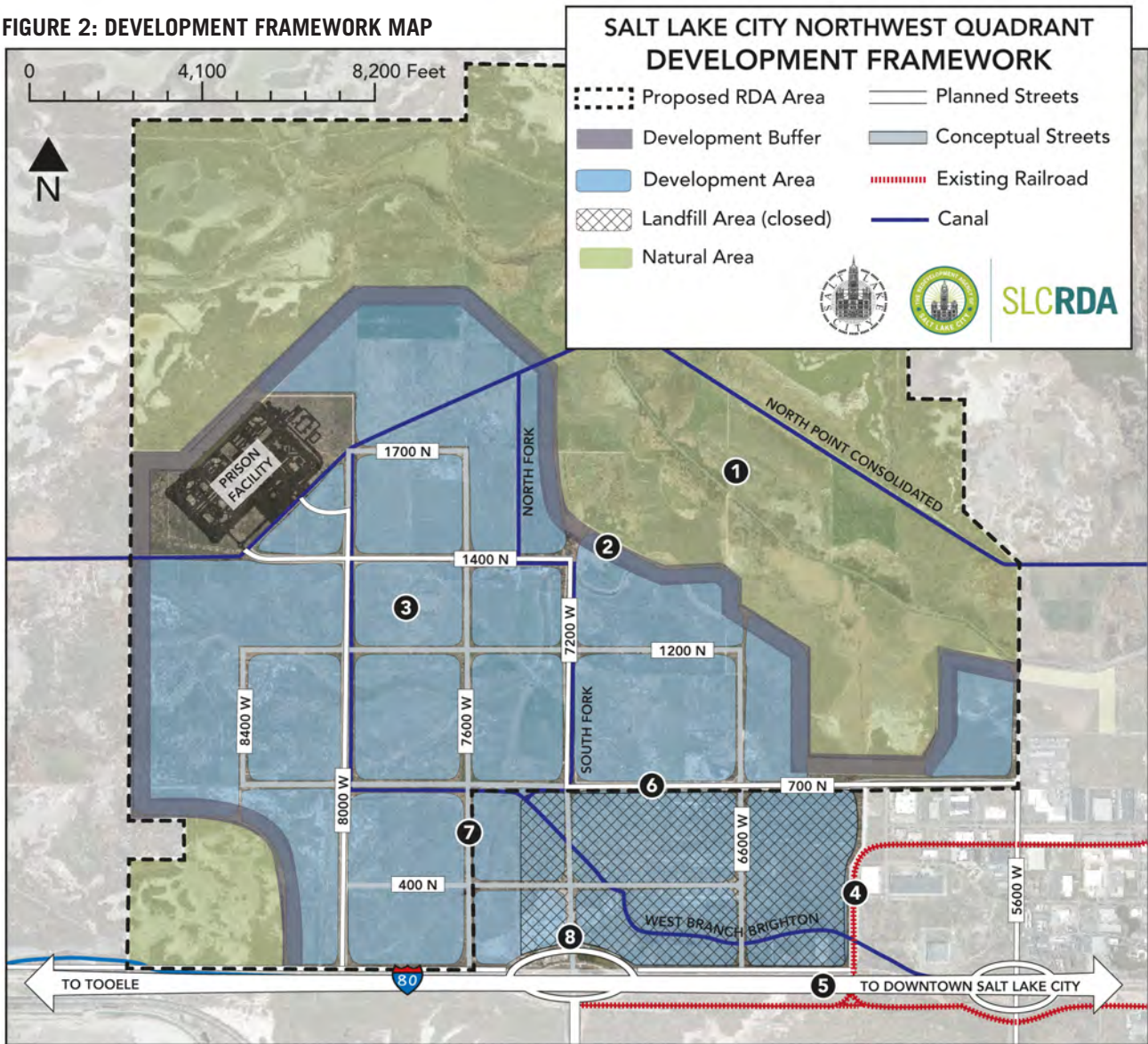
Anticipated Changes: As per the Northwest Quadrant Master Plan, residential is not a future land use within the Project Area. As such, the residential population density is anticipated to be few to zero. However, as the Project Area and adjacent landfill develops into a major employment center, a significant number of employees will be employed at businesses located in the NWQ. Tens of thousands of jobs will be created at full build-out depending on the type and density of businesses.

BUILDING INTENSITIES

Existing: Buildings currently located in the area are accessory structures relating to agricultural and recreational uses. As such, there are a very few existing structures in the Project Area.

Anticipated Changes: Low density, large-scale industrial buildings will be developed for businesses relating to technology, manufacturing, processing, fabrication, assembly, freight handling, or similar operations. In addition, the NWQ has been contemplated for an intermodal facility and logistics park, to include a rail system co-located with light industrial development. Incidental commercial, service, and hospitality-oriented buildings will be developed and located primarily at gateways to the Project Area such as 7200 West at Interstate 80.

FIGURE 2: DEVELOPMENT FRAMEWORK MAP



1. NATURAL AREA

Area in which new development is limited for the protection of sensitive lands and wildlife near the Great Salt Lake shorelands.

2. ECO INDUSTRIAL BUFFER

Within this 400' tract of land, development may occur with additional development standards that are intended to help mitigate impacts on wildlife and the natural areas.

3. DEVELOPMENT AREA

Area in which development of light manufacturing uses may occur to promote economic development. Supportive uses, such as restaurants, retail, and services stations are also permitted within this area.

4. EXISTING RAILROAD

A short line railroad currently crosses under I-80 west of the International Center. This rail alignment has the potential to be expanded into the Development Area to boost the economic advantage of the area.

5. MOUNTAINVIEW CORRIDOR @ I-80

UDOT's expansion plans for the Mountainview Corridor include a system connection located at I-80 halfway between the 5600 W and 7200 W ramps.

6. PLANNED STREETS

Two streets will be built to serve the new correctional facility. These streets will need to be up sized to accommodate economic development and growth.

7. CONCEPTUAL STREETS

Once finalized, Salt Lake City's Major Street Plan will be updated to include additional arterial and collector streets, thereby enabling these streets to be eligible for impact fees. As development occurs, adjustments to the Major Street Plan may occur to provide flexibility.

8. 7200 WEST @ I - 80

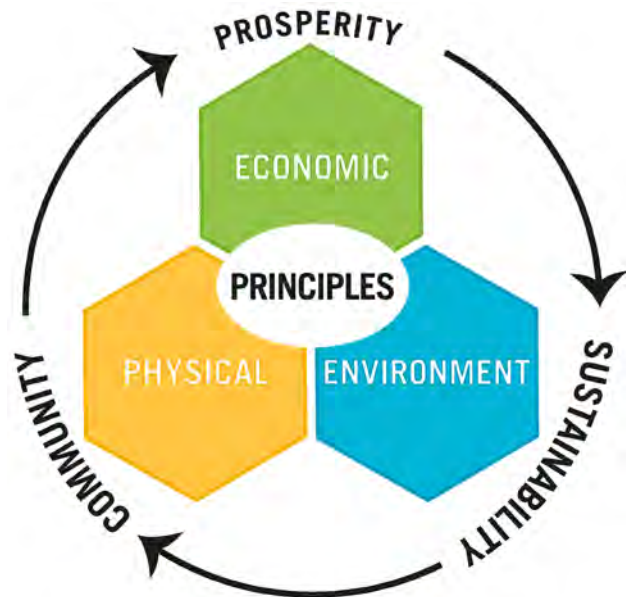
To be developed as a major gateway to Salt Lake City. Development is anticipated to be 4 - 5 stories high, and provide office, lodging, and other services that will support the area's employees and visitors.

1(c): STANDARDS TO GUIDE PROJECT AREA DEVELOPMENT

As standards to guide development, the RDA proposes to use the Guiding Principles provided in the Salt Lake City Northwest Quadrant Visioning Report (“Visioning Report”), dated March 2017. These Guiding Principles were established through analysis of existing site conditions, review of the Northwest Quadrant Master Plan, and input gathered through a stakeholder engagement process that was carried out between November 2016 and January 2017. Input was collected through seven roundtable groups that reached over 100 individual stakeholders. Guiding Principles are divided into Physical, Economic, and Environmental categories, as follows:

PHYSICAL

1. Create a **mixed-use gateway** that highlights the project area as the western entry for Salt Lake City, **capitalizes on key transportation corridors**, and **connects to existing neighborhoods**.
2. Create **walkable and bikeable linkages** to nearby residential communities and recreation amenities.
3. Develop an **infrastructure master plan** that accounts for high water table and allows for **flexibility in distribution and maintenance**.
4. Design for an **interconnected street and transportation network** that accommodates all modes (e.g. pedestrians, bicycles, passenger vehicles, cargo trucks, and passenger and freight rail).
5. Incorporate **passive sustainable practices** such as permeable surfaces, stormwater capture/bio-filtration swales, and dark sky requirements.
6. **Limit expansive impermeable parking areas** and **maximize developable areas** by incorporating transportation demand management strategies.



ECONOMIC

1. **Maximize economic value** and leverage regional demand by creating a **forward-thinking, innovative development plan** for light industrial uses.
2. Assist in the identification of a preferred **location for an inland port** to assure Salt Lake City as a growing manufacturing and distribution center that attracts **high-quality and innovative businesses**.
3. Encourage development of industrial Mega Sites in order to **enhance the employment base and economic prosperity** of the region.
4. **Create partnerships** between local educational institutions and business entities to **enhance on-the-job training** and **capitalize on a young, growing workforce**.
5. Promote the NWQ as “open for business” by facilitating a **streamlined development approval process** that includes clear requirements but is **flexible enough to capitalize on market opportunities**.
6. Recognize that the area provides opportunity to **connect to the global supply chain in a more meaningful way** by strategically aligning the site’s exceptional ability to connect to **regional, national, and international transportation networks**.
7. Maximize economic value by **building synergies with the prison development and infrastructure improvements**.
8. Build in flexibility to **ensure that implementation plans are nimble enough to adapt to changes in society, technology, and the economy**.
9. **Cultivate economic benefits** enabled by Salt Lake City’s **Foreign Trade Zone (FTZ)**.

ENVIRONMENTAL

1. Promote **transit use and alternative modes of travel**.
2. Respect the existing canals and work to **incorporate the existing landscape into the overall site design**.
3. Promote development that respects the **sensitive environment, balances uses and conservation**, and reflects a keen **understanding of the existing landscape** that is unique to the NWQ.
4. Promote public and environmental health to ensure **clean air, clean water, and a livable environment**.
5. Facilitate the implementation of **development standards** in the Eco-Industrial Buffer to help **mitigate impacts on birds, wildlife, and the natural environment**.
6. Prioritize the ecological health of the NWQ by encouraging project designs that prioritize the **preservation and restoration of native habitats**.
7. Encourage development that incorporates renewable energy generation, is environmentally friendly, and includes sustainable practices to **reduce energy consumption and greenhouse gas emissions**.
8. Encourage **sustainable project development**, possibly to include Eco-district certification, LEED certification, and/or Sustainable Sites certification.

1(d): FURTHERING PURPOSES OF UTAH TITLE 17C

By implementing this CRA Plan, the RDA shall leverage private investment with TIF to facilitate economic growth and prosperity through infrastructure improvements, preparation of building sites, business development, and citywide housing development. Implementation shall be carried out through the following objectives.

OBJECTIVE : INFRASTRUCTURE IMPROVEMENTS

1 : TO CONSTRUCT INFRASTRUCTURE IN A COORDINATED, EFFICIENT, AND SYSTEMATIC MANNER FOR THE FACILITATION OF ECONOMIC DEVELOPMENT AND IMPLEMENTATION OF THE CITY’S GENERAL PLAN, MAJOR STREET PLAN, AND THE NORTHWEST QUADRANT MASTER DRAINAGE PLAN.

TIF may be provided for capital and land costs associated with public infrastructure improvements. Projects shall facilitate economic development, the expansion of the City’s tax base, and encourage orderly growth in compliance with the City’s General Plan, Major Street Plan, and the Northwest Quadrant Master Drainage Plan. Eligible uses of funds may include, but not be limited to, the following:

- Streets, sidewalks, curb and gutter, traffic controls, street lights, bike lanes, trails, wayfinding, and streetscaping;
- Stormwater and drainage management systems including drainage channels, storm drains, bio swales, retention areas, and canal improvements;
- Water distribution and sewer systems;
- Railways and related facilities and infrastructure, including rail track, spurs, terminals, bridges, underpasses, and crossings; and
- Other infrastructure that may be located outside of the Project Area but that is found to directly benefit the Project Area.

OBJECTIVE : SITE DEVELOPMENT AND REMEDIATION

2 : TO FACILITATE ECONOMIC GOALS AND OBJECTIVES THROUGH THE PREPARATION OF BUILDING SITES FOR FUTURE DEVELOPMENT.

TIF may be provided for costs associated with the preparation of building sites for development. Uses of TIF may include, but not be limited to, environmental remediation and/or containment; vapor intrusion mitigation; grading, fill and/or soil correction; burden costs associated with bringing water, sewer, electrical, telecommunications, and/or other utility service to building sites; and landscaping or drainage improvements. TIF shall support projects that are in accordance with the City’s General Plan, meet policies established for the NWQ, meet the City’s economic development goals, are projected to generate an increase in the tax base, and meet financial criteria.

OBJECTIVE : BUSINESS DEVELOPMENT

3

- : TO FACILITATE AN ACTIVE AND VITAL EMPLOYMENT CENTER THROUGH
- : THE RECRUITMENT, RETENTION, AND EXPANSION OF BUSINESSES TO
- : PROVIDE LIVABLE WAGE JOBS AND ENHANCE ECONOMIC PROSPERITY.

TIF may be provided to support business or industry-specific development projects. In addition to loans and reimbursements, the RDA may utilize TIF for the acquisition and/or disposition of property to carry out economic development objectives within the Project Area. TIF shall support projects that are in accordance with the City's general plan, meet policies established for the NWQ, meet the City's economic development goals, are projected to generate an increase in the tax base or return on investment, and meet financial criteria.

OBJECTIVE : CITYWIDE HOUSING DEVELOPMENT

4

- : TO EXPAND THE AVAILABILITY AND AFFORDABILITY OF HOUSING
- : CITYWIDE TO PROVIDE ADDITIONAL HOUSING OPTIONS ALONG WITH
- : JOB GROWTH.

TIF may be provided for the development of citywide housing to ensure the availability and affordability of quality housing throughout Salt Lake City. Funding will not only provide affordable housing for existing Salt Lake City residents, but will also provide housing for the expanding employment base spurred by economic development in the NWQ.

1(e): GENERAL PLAN CONSISTENCY

The Northwest Quadrant Master Plan is the community general plan for the Project Area. The construction of buildings and improvements in the Project Area will be carried out in accordance with the standards set forth in the Northwest Quadrant Master Plan, as well as other applicable plans and policies. Building permits will be issued by the City in order to assure that project area development is consistent with the Northwest Quadrant Master Plan and City ordinances.

This CRA Plan aligns with the future land use framework and goals established through the Northwest Quadrant Master Plan. Goals are as follows:

- Preserve natural open spaces and sensitive areas to sustain biodiversity and ecosystem functions.
- Balance protection and management of natural lands with access to recreational opportunities.
- Ensure that the City responds effectively to the social, environmental, and developmental concerns.
- Encourage a resilient and diversified economy.
- Support quality jobs that include nonpolluting and environmentally-conscious high-tech and manufacturing sectors.
- Promote industrial development that is compatible with the environmentally-sensitive nature of the area.
- Provide services and infrastructure that are similar to other parts of the City.

1(f): ELIMINATION OR REDUCTION OF BLIGHT

Not applicable.

1(g): SPECIFIC PROJECT AREA DEVELOPMENT

Specific projects and project sites have not been identified. Rather, project area development activities will facilitate infrastructure improvements, preparation of building sites, business development, and citywide housing development as further described in Section 1(d).

1(h): PROCESS OF SELECTING PARTICIPANTS

The RDA may enter into participation agreements (also known as tax increment reimbursement agreements) for the purpose of providing incentives in the form of tax increment for project area development. Program participants shall be selected through an evaluation process as per the RDA's tax increment reimbursement program and policies. Potential participants must provide sufficient evidence that tax increment funding is necessary for the proposed project to succeed. In addition, the proposed project must align with CRA objectives and involve significant private investment so as to assure adequate yield of tax increment.

1(i): REASON FOR SELECTING THE PROJECT AREA

Salt Lake City selected the Project Area due to the unparalleled opportunity to facilitate job creation, economic growth, and regional prosperity. However, the complexity of developing the NWQ, combined with a changing economic landscape, requires a tactical approach to maximize the opportunities at hand. As such, over the past several months, Salt Lake City has adopted a land use master plan, enacted zoning amendments, drafted an economic development visioning report and strategic plan, and established a public utilities basis for design. These efforts not only provide a land use and development framework for the area, but also provide an assessment of economic and market conditions to inform policy objectives and direct investments.

Looking to the future, implementation of the vision and plans recently completed will require significant commitment of capital to leverage private investment. Establishment of the Project Area to facilitate tax increment financing is the first step in advancing development objectives in a sustainable, efficient, and collaborative manner.

1(j): EXISTING PHYSICAL, SOCIAL, ECONOMIC CONDITIONS

An analysis of social and economic conditions within the CRA is generally inapplicable due to the undeveloped nature of the area. Current physical conditions relate to wildlife management, ranching, farming, canals, stormwater management, and vacant land. The Project Area is adjacent to a major regional rail line and extensive highway infrastructure. A relatively small group of property owners control the majority of the Northwest Quadrant’s undeveloped land, providing a unique opportunity for quality planning and collaboration on development.

1(k): FINANCIAL ASSISTANCE OFFERED TO PARTICIPANTS

To promote investment in real property and consequent increases in property values, the RDA has established programs to assist property owners and businesses within RDA project areas. The most widely used forms of RDA assistance are loans, tax increment reimbursements, and the property acquisition/disposition process. However, the RDA may also develop project area-specific programs strategically targeted to promote the goals and objectives of the Project Area. An overview of existing programs is as follows:

1. TAX INCREMENT REIMBURSEMENT PROGRAM

The RDA Tax Increment Reimbursement Program may provide project developers a tax increment reimbursement for the development of improvements that meet the goals and objectives of this CRA Plan and provide significant public benefit. Tax increment

reimbursements shall be based upon the difference between the initial taxable value of a property prior to improvements and the increased taxable value resulting from said improvements. The developer will receive a percentage of the tax increment generated from its project for a specified time frame, and the RDA will receive the residual tax increment generated by the project.

2. LOAN PROGRAM

The RDA Loan Program may provide financing to facilitate various development projects, including new construction, building rehabilitation, and energy efficiency upgrades. Funding is made available for construction costs or hard costs. Loan funds may also be used for site improvements associated with a development project. Use of funds for environmental remediation or demolition shall be considered on a case-by-case basis.

3. PROPERTY ACQUISITION/DISPOSITION

In addition to programs, the RDA may implement this CRA Plan by acquiring property to market for strategic redevelopment, particularly to stimulate private investment, improve conditions, and increase economic development with the area. As per the Utah Code 17C Community Reinvestment Agency Act, the RDA may sell, convey, grant, gift, or otherwise dispose of any interest in real property to provide for project area development. Disposition of all RDA-owned real property, including land write-downs, shall abide by the RDA's real property disposition policy, all applicable laws, and be conducted in a competitive and transparent manner as deemed appropriate and effective.

1(I): PUBLIC BENEFITS ANALYSIS SUMMARY

According to the Utah Code 17C Community Reinvestment Agency Act, the RDA shall conduct an analysis to determine whether this CRA Plan will provide a public benefit. The RDA contracted with Zions Public Finance ("ZPFI") to carry out this effort. A summary of the resulting analysis, as completed by ZPFI, is as follows. Refer to Exhibit C for the complete Northwest Quadrant Community Reinvestment Area Public Benefits Analysis.

a. An evaluation of the reasonableness of the costs of the proposed project area development

An evaluation of the reasonableness of the costs of the proposed project area development is based on a comparison of the costs of the development compared to the revenues and benefits it will generate for the various taxing entities. The Project Area is currently generating only a minimal amount of tax revenues annually. Over 20 years, the anticipated tax revenues, assuming current conditions, will amount to \$207,272.

BASE (EXISTING) TAX REVENUES:

Base Year Tax Revenues	Total – 20 Years	NPV* – 20 Years	Annual Tax Revenues
Salt Lake County	\$32,934	\$22,379	\$1,647
Multicounty Assessing & Collecting Levy	\$147	\$100	\$7
County Assessing & Collecting Levy	\$3,591	\$2,440	\$180
Salt Lake City School District	\$84,586	\$57,478	\$4,229
Salt Lake City	\$63,072	\$42,858	\$3,154
Salt Lake Library	\$12,273	\$8,340	\$614
Salt Lake Metropolitan Water District	\$4,783	\$3,250	\$239
Central Utah Water Conservancy District	\$5,886	\$4,000	\$294
TOTAL	\$207,272	\$140,845	\$10,364

*Net present value discounted at a rate of 4 percent

In comparison, with the projected development, the area will generate an estimated \$233 million in property tax revenues over 20 years. The annual tax increment revenue will increase yearly, as development proceeds.

b. Efforts that have been, or will be made to capitalize private investment

Private investment in the area, for real property alone, is anticipated to reach nearly \$3.6 billion within 35 years. This represents a substantial investment in an area of the Salt Lake Valley that is currently undeveloped and that deals with significant construction concerns, most notably the high water levels, soil stability, and lack of infrastructure. In an effort to increase private investment in the area, the RDA is proposing the creation of a CRA to assist with the extraordinary costs of construction that negatively impact the attractiveness of the area to developers. The amount to be contributed to the RDA is estimated at \$174,815,907. Therefore, this represents a ratio of 20:1 of private investment to public investment.

c. Rationale for use of project area funds (“but for” analysis)

Development within the Project Area is unlikely to take place within the next ten years without some sort of public assistance. The rationale for the use of tax increment funds in the area is due to the extraordinary costs of construction associated with the high water table and lack of infrastructure in the area. In addition, there are development barriers relating to soil conditions and lowland areas within the general area. This adds uncertainty, time, and cost to the construction process. By assisting with these concerns, much of the present uncertainty expressed by developers would be mitigated and the area would become more attractive for development.

There is also some uncertainty regarding access to utilities and the placement of future infrastructure in the area. Preliminary plans indicate that the State of Utah will lead the construction effort for two roadway/transmission corridors, one running north from I-80 to the prison site and the other running west from the International Center to the prison site. It is anticipated that the State will cover the up-front costs of street and baseline water/sewer infrastructure. In anticipation of future development, Salt Lake City may allocate funding to cover the difference between the cost of baseline water/sewer infrastructure and a higher capacity system, thereby establishing a backbone system for the Project Area. Tax increment may be utilized to cover the cost of street and public utility improvements that lead from this backbone system to developable sites.

d. An estimate of total amount of funds and the length of time during which funds will be spent

Because of the extremely high costs associated with placing backbone infrastructure in this area, as well the uncertainties with the soil stability in some areas, the RDA anticipates the need for 75 percent of tax increment for a period of 20 years. Assuming a 20-year timeframe, with 75 percent of increment flowing to the RDA, the RDA would receive a total of nearly \$175 million with a net present value (NPV) of roughly \$100 million.

e. The beneficial influences on the community's tax base

The current taxable value of the Project Area is \$735,791 or an average of \$95.64 per acre. With the proposed development, the average taxable value per acre is projected to increase to \$464,668 – an increase of roughly 485,751 percent. The following table summarizes the increases in real property taxable value projected at different time periods using the assumptions for absorption and average values.

Year	Taxable Value	Increase over Current Value
5	\$226,457,109	\$225,721,318
10	\$700,177,676	\$699,441,885
15	\$1,293,827,500	\$1,293,091,710
20	\$1,893,473,788	\$1,892,737,997
25	\$2,493,120,075	\$2,492,384,285
30	\$3,092,766,363	\$3,092,030,572
35	\$3,574,881,978	\$3,574,146,187

Forty-one percent of the increased tax revenues would benefit the Salt Lake City School District, 30 percent would benefit Salt Lake City and 16 percent would benefit Salt Lake County. Therefore, there are significant benefits to the tax base of the community from creating a project area.

f. The associated business and economic activity the proposed project area development will likely stimulate

Based on a financial feasibility analysis completed by Jones Lang LaSalle, the Salt Lake City Northwest Quadrant Phase II Feasibility Analysis, nearly 32,000 jobs will be created in the Project Area. This is a significant number, as total employment in Salt Lake County was 712,912 in October 2017. Therefore, the job projections for the Project Area represent 4.5 percent of the current workforce in the County.

The Kem C. Gardner Policy Institute (“Policy Institute”) recently completed an economic analysis specifically looking at employment sector comparisons for the NWQ. The Policy Institute’s analysis indicates that as many as 100,000+ jobs may be created at full build out when factoring in local multipliers. In addition to full-time jobs created in the Project Area, there will be a significant number of construction jobs created over a long period of time as absorption takes place in this area.

g. Whether adoption of the proposed community reinvestment project area plan is necessary and appropriate to undertake the proposed project area development

The creation of the proposed Community Reinvestment Project Area Plan is necessary and appropriate for the following reasons:

- There are significant infrastructure issues (landfill remediation, uncertainty regarding access to utilities, and lowlands with high water tables) that make the area currently unattractive to developers.
- The creation of a Project Area with remediation of the above-listed problems will generate significant economic development and increased property tax base.
- The development that will take place in the area will create a significant number of new jobs.
- Expansion of the Salt Lake City International Airport will create significant development opportunities in the area if a well-planned area, with good infrastructure, is available.
- This area forms a gateway from the west, along I-80, for visitors entering Salt Lake City, the State’s capital city.

1(m): HISTORIC PRESERVATION

Not applicable.

1(n): INTERLOCAL AGREEMENT

According to the Utah Code 17C Community Reinvestment Agency Act The Project Area is subject to an interlocal agreement with taxing entities, rather than a taxing entity committee, because the RDA is not carrying out a blight study.

2 PROJECT AREA BUDGET

OVERVIEW

Section 2 of this CRA Plan conforms with the requirements of 17C-5-303, and includes the following information:

- 1) Receipt of Tax Increment
 - a. Base taxable value;
 - b. Projected amount of tax increment to be generated within the CRA;
 - c. Each project area funds collection period;
 - d. Projected amount of tax increment to be paid to other taxing entities in accordance with Section 17C-1-410 (if applicable);
 - e. If the area from which tax increment is collected is less than the entire community reinvestment project area:
 - (i) a boundary description of the portion or portions of the community reinvestment project area from which the agency receives tax increment; and
 - (ii) for each portion described in Subsection (1)(e)(i), the period of time during which tax increment is collected;
 - f. Percentage of tax increment the agency is authorized to receive from the community reinvestment project area; and
 - g. Maximum cumulative dollar amount of tax increment the agency is authorized to receive from the community reinvestment project area.
- 2) Receipt of Sales and Use Tax Revenue
- 3) Project Area Funds to Implement this CRA Plan
- 4) RDA's Combined Incremental Value
- 5) Amount for Administration
- 6) Property Owned and Expected to Sell

1(a): BASE TAXABLE VALUE

The base year is anticipated to be 2017, with a base year taxable value of \$735,791.

1(b): PROJECTED AMOUNT OF TIF

INCREMENTAL PROPERTY TAX REVENUES GENERATED FOR 20 YEARS:

Incremental Tax Revenues - 100%	Total – 20 Years	NPV* – 20 Years
Salt Lake County	\$37,035,901	\$21,148,021
Multicounty Assessing & Collecting Levy	\$165,487	\$94,495
County Assessing & Collecting Levy	\$4,037,873	\$2,305,682
Salt Lake City School District	\$95,121,698	\$54,315,828
Salt Lake City	\$70,927,557	\$40,500,633
Salt Lake Library	\$13,801,582	\$7,880,898
Salt Lake Metropolitan Water District	\$5,378,315	\$3,071,093
Central Utah Water Conservancy District	\$6,619,464	\$3,779,807
TOTAL	\$233,087,876	\$133,096,458

*Net present value discounted at a rate of 4 percent

1(c): COLLECTION PERIOD

The collection period shall be 20 years.

1(d): TIF PAID TO OTHER TAXING ENTITIES

INCREMENTAL PROPERTY TAX REVENUES TO TAXING ENTITIES FOR 20 YEARS:

Incremental Tax Revenues to Taxing Entities	Total – 20 Years	NPV* – 20 Years
Salt Lake County	\$9,258,975	\$5,287,005
Multicounty Assessing & Collecting Levy	\$41,372	\$23,624
County Assessing & Collecting Levy	\$1,009,468	\$576,421
Salt Lake City School District	\$23,780,424	\$13,578,957
Salt Lake City	\$17,731,889	\$10,125,158
Salt Lake Library	\$3,450,396	\$1,970,224
Salt Lake Metropolitan Water District	\$1,344,579	\$767,773
Central Utah Water Conservancy District	\$1,654,866	\$944,952
TOTAL	\$58,271,969	\$33,274,114

*Net present value discounted at a rate of 4 percent

1(e): IF TIF COLLECTION AREA IS LESS THAN CRA BOUNDARY

Not applicable. The TIF collection area is the entire CRA boundary.

1(f): PERCENTAGE OF TIF AUTHORIZED TO RECEIVE

REQUESTED PARTICIPATION FROM TAXING ENTITIES:

Taxing Entity	Percentage	Length
Salt Lake County	75%	20 Years
Salt Lake City School District	75%	20 Years
Salt Lake City	75%	20 Years
Salt Lake Library	75%	20 Years
Salt Lake Metropolitan District	75%	20 Years
Salt Lake City Mosquito Abatement Dis.	75%	20 Years
Central Utah Water Conservancy District	75%	20 Years

1(g): MAXIMUM CUMULATIVE AMOUNT RECEIVED BY THE RDA

Based on a conservative projection of tax increment generation, the RDA estimates receiving approximately \$175,000,000 in tax increment revenues over a 20-year period. Actual receipt of tax increment may be higher depending on absorption rates, market conditions, and taxing entity participation terms. As such, tax increment budget estimates and maximums, if applicable, will be established through an interlocal agreement with each of the participating taxing entities. Estimated tax increment revenues are as follows:

20-YEAR TAX INCREMENT REVENUES TO RDA AT 75% PARTICIPATION RATE:

Incremental Tax Revenues to RDA	Total, 2022-2041	NPV, 2022-2041
Salt Lake County	\$27,776,926	\$15,861,016
Multicounty Assessing & Collecting Levy	\$124,115	\$70,871
County Assessing & Collecting Levy	\$3,028,405	\$1,729,262
Salt Lake City School District	\$71,341,273	\$40,736,871
Salt Lake City	\$53,195,668	\$30,375,475
Salt Lake Library	\$10,351,187	\$5,910,673
Salt Lake Metropolitan Water District	\$4,033,736	\$2,303,320
Central Utah Water Conservancy District	\$4,964,598	\$2,834,855
TOTAL	\$174,815,907	\$99,822,343

2: SALES AND USE TAX REVENUE: Not applicable.

3: PROJECT AREA FUNDS TO IMPLEMENT THIS CRA PLAN

BUDGET FOR 20-YEAR TAX INCREMENT REVENUES TO RDA:

Activity	Percentage	Amount
Administration	10%	\$17,481,591
Housing	10%	\$17,481,591
Shared Costs	10%	\$17,481,591
Redevelopment Activities	70%	\$122,815,907
Total	100%	\$174,815,907

The RDA shall implement this plan through the following activities:

- **ADMINISTRATION AND OPERATIONS:**

The tax increment expected to be used to cover the operations costs of administering and implementing the CRA Plan.

- **HOUSING:**

The tax increment allocation required to be used for housing activities pursuant to Section 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.

- **SHARED COSTS:**

The tax increment expected to be used for redevelopment activities that benefit the entire Project Area, are system wide, or that benefit multiple property owners or parcels.

- **REDEVELOPMENT ACTIVITIES:**

The tax increment expected to be used to carry out project development activities as further described in this CRA Plan. Activities may include, but not be limited to, land acquisition, public improvements, infrastructure improvements, loans, grants, and other incentives to public and private entities.

4: RDA'S COMBINED INCREMENTAL VALUE

PROJECT AREA	ASSESSED PROPERTY VALUE	BASE TAXABLE VALUE	INCREMENTAL VALUE
SLC CBD In	\$2,253,069,110	\$136,894,100	\$2,116,175,010
SLC CBD Out	\$468,564,069	\$0	\$468,564,069
Sugar House	\$358,792,409	\$53,401,199	\$305,391,210
West Temple	\$131,625,455	\$50,234,090	\$81,391,365
Baseball	\$2,994,111	\$0	\$2,994,111
West Capitol Hill	\$83,471,701	\$28,322,952	\$55,148,749
Depot District	\$419,610,969	\$27,476,425	\$392,134,544
Depot District Non-Collection	\$17,069,143	\$0	\$17,069,143
Granary	\$90,443,298	\$48,813,397	\$41,629,901
North Temple Viaduct	\$64,730,133	\$36,499,680	\$28,230,453
North Temple	\$106,098,060	\$84,073,572	\$22,024,488
Block 70	\$158,846,344	\$58,757,937	\$100,088,407
COMBINED VALUE	\$4,155,314,802	\$524,473,352	\$3,630,841,450

5: PROJECT AREA FUNDS USED FOR ADMINISTRATION

The RDA anticipates utilizing up to 10 percent of the funds captured and retained by the agency, which is estimated to be \$17,481,591.

6: EXPECTED SALE PRICE FOR PROPERTY THE RDA OWNS

The RDA does not own property within the Project Area.

EXHIBIT A: PROJECT AREA LEGAL DESCRIPTION & MAP

Beginning at a point on the existing Salt Lake City boundary which is the Northwest Corner of Section 17, Township 1 North, Range 2 West, Salt Lake Base and Meridian, and running thence along the existing Salt Lake City boundary the following 18 courses: 1) N89°54'36"E 2637.89 feet to the N1/4 Corner of said Section 17; 2) N89°53'20"E 2640.05 feet to the NE Corner of said Section 17; 3) S89°48'47"E 2640.69 feet to the N1/4 Corner of Section 16 said Township; 4) N00°26'13"E 1320.23 feet to the W1/4 Corner of the SE1/4 of Section 9 said Township; 5) S89°48'47"E 2625.84 feet to the E1/4 Corner of the SE1/4 of said Section 9; 6) S00°24'42"W 1320.23 feet to the NE Corner of said Section 16; 7) S00°24'42"W 2650.57 feet to the E1/4 Corner of said Section 16; 8) S00°26'25"W 1325.15 feet to the W1/4 Corner of the SW1/4 of Section 15; 9) S89°50'13"E 1322.93 feet to the Center of the SW1/4 of said Section 15; 10) N00°23'04"E 2648.09 feet to the Center of the NW1/4 of said Section 15; 11) S89°44'08"E 3963.23 feet to the E1/4 Corner of the NE1/4 of said Section 15; 12) S89°47'29"E 1317.60 feet to the Center of the NW1/4 of Section 14 said Township; 13) S00°15'30"W 3961.12 feet to the S1/4 Corner of the SW1/4 of said Section 14; 14) S89°47'29"E 1317.60 feet to the S1/4 Corner of said Section 14; 15) S00°13'53"W 1320.92 feet to the E1/4 Corner of the NW1/4 Section 23 said Township; 16) S89°46'07"E 1320.22 feet to the Center of the NE1/4 of said Section 23; 17) S00°13'54"W 2643.89 feet to the Center of the SE1/4 of said Section 23; 18) S44°44'23"E 1868.01 feet to the SE Corner of said Section 23; thence along the east line of Section 26 said Township S00°20'01"W 3991.93 feet to the north line of John Cannon Drive; thence along the north line of John Cannon Drive S89°47'45"E 44.00 feet to the projected east line of 5600 West; thence along the east line of 5600 West S00°20'07"W 1284.30 feet to the south line of Section 25 said township; thence along the south lines of said Section 25 and 26 N89°47'25"W 774.13 feet to the Southwest Corner of Watkins Industrial Park Subdivision as recorded in Book 2003P, Page 162 of Subdivisions, in the Salt Lake County Recorder's Office; thence along the south line of said Section 26 N89°47'24"W 2937.61 feet; thence S00°11'54"W 99.14 feet to the Northeast Corner of Parcel 07-35-100-016; thence along said parcel the following 6 courses: 1) N89°46'53"W 1609.45 feet; 2) N89°50'44"W 2642.88 feet; 3) N89°50'20"W 2644.04 feet; 4) N89°44'53"W 1317.05 feet; 5) S00°13'52"W 2541.25 feet; 6) S00°14'20"W 1723.95 feet to the north line of the I-80 right-of-way and an 1849.86 foot radius non-tangent curve to the right; thence along said north line and said curve 63.56 feet (chord bears S71°02'20"W 63.56 feet); thence along said north line N89°47'45"W 9176.07 feet to the west boundary line of Salt Lake City; thence along said west boundary the following 10 courses: 1) N00°19'37"E 1745.63 feet to the West Quarter Corner of Section 32 said township; 2) N00°20'10"E 846.69 feet; 3) S89°47'26"E 1320.00 feet; 4) N00°20'10"E 950.40 feet; 5) N89°47'26"W 1320.00 feet; 6) N00°20'10"E 844.84 feet to the Northwest Corner of said Section 32; 7) N00°19'16"E 5285.43 feet to the Southwest Corner of Section 20 said township; 8) N00°17'46"E 2629.78 feet to the West Quarter Corner of said Section 20; 9) N00°18'30"E 2631.00 feet to the Northwest Corner of said Section 20; 10) N00°17'29"E 5280.23 feet to the point of beginning.

Contains 7,739.092 acres, more or less.

EXHIBIT B: DEFINITIONS

1. The term “Act” or “Utah Code 17C Community Reinvestment Agency Act” shall mean the “Limited Purpose Local Government Entities - Community Reinvestment Agency Act” as found in Title 17C, Utah Code Annotated 1953, as amended.
2. The term “Affordable Housing” shall mean housing to be owned or occupied by persons and families of low or moderate income, as determined by resolution of the RDA.
3. The term “Base Taxable Value” unless otherwise adjusted in accordance with provisions of this title, shall mean a property’s taxable value as shown upon the assessment roll last equalized during the base year.
4. The term “Base Year” shall mean, except as provided in Subsection 17C-1-402(4)(c), the year during which the assessment roll is last equalized
5. The term “Board” shall mean the governing body of the Agency, as provided in Section 17C-1-203 of the Act.
6. The term “City” shall mean the city of Salt Lake City.
7. The term “Housing Allocation” shall mean tax increment allocated for housing under Section 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.
8. The term “Income Targeted Housing” shall mean housing to be owned or occupied by a family whose annual income is at or below 80% of the median annual income for Salt Lake County.
9. The term “Northwest Quadrant Master Plan” shall mean the Community General Plan as required by the Act, which acts as the master plan, adopted by Salt Lake City on August 16, 2016.
10. The term “Project Area” shall mean the area described in Exhibit A attached hereto.
11. The term “Project Area Budget” shall mean a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to the Project Area that includes:
 - (i) the Base Taxable Value of property in the Project Area;
 - (ii) the projected Tax Increment expected to be generated within the Project Area;
 - (iii) the amount of Tax Increment expected to be shared with other taxing entities;
 - (iv) the amount of Tax Increment expected to be used to implement the Project Area Plan, including the estimated amount of Tax Increment to be used for land acquisition, public improvements, infrastructure improvements, and loans, grants, or other incentives to private and public entities;
 - (v) the Tax Increment expected to be used to cover the cost of administering the Project Area Plan;
 - (vi) if the area from which Tax Increment is to be collected is less than the entire Project Area:
 - (a) the tax identification numbers of the parcels from which Tax Increment will be collected; or
 - (b) a legal description of the portion of the Project Area from which Tax Increment will be collected;
 - (vii) for property that the RDA owns and expects to sell, the expected total cost of the property to the RDA and the expected selling price; and
 - (viii) the following required information:
 - (a) the number of tax years for which the RDA will be allowed to receive Tax Increment from the Project Area; and
 - (b) the percentage of Tax Increment or maximum cumulative dollar amount of Tax Increment the RDA is entitled to receive from the Project Area under the Project Area Budget.
12. The term “RDA” shall mean the Redevelopment Agency of Salt Lake City.
13. The term “Taxable Value” shall mean the value of property as shown on the last equalized assessment roll as certified by the Salt Lake County Assessor.
14. The term “Tax Increment” shall mean the difference between:
 - (i) the amount of property tax revenues generated each tax year by all taxing entities from the area within a Project Area designated in the Project Area Plan as the area from which Tax Increment is to be collected, using the current assessed value of the property; and
 - (ii) the amount of property tax revenues that would be generated from that same area using the Base Taxable Value of the property.
15. The term “Taxing Entity” shall mean a public entity that levies a tax on a parcel or parcels of property located within the City.



Salt Lake City Redevelopment Agency
Northwest Quadrant
Community Reinvestment Area
Benefits Analysis

ZIONS  PUBLIC FINANCE, INC.

December 7, 2017

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Background

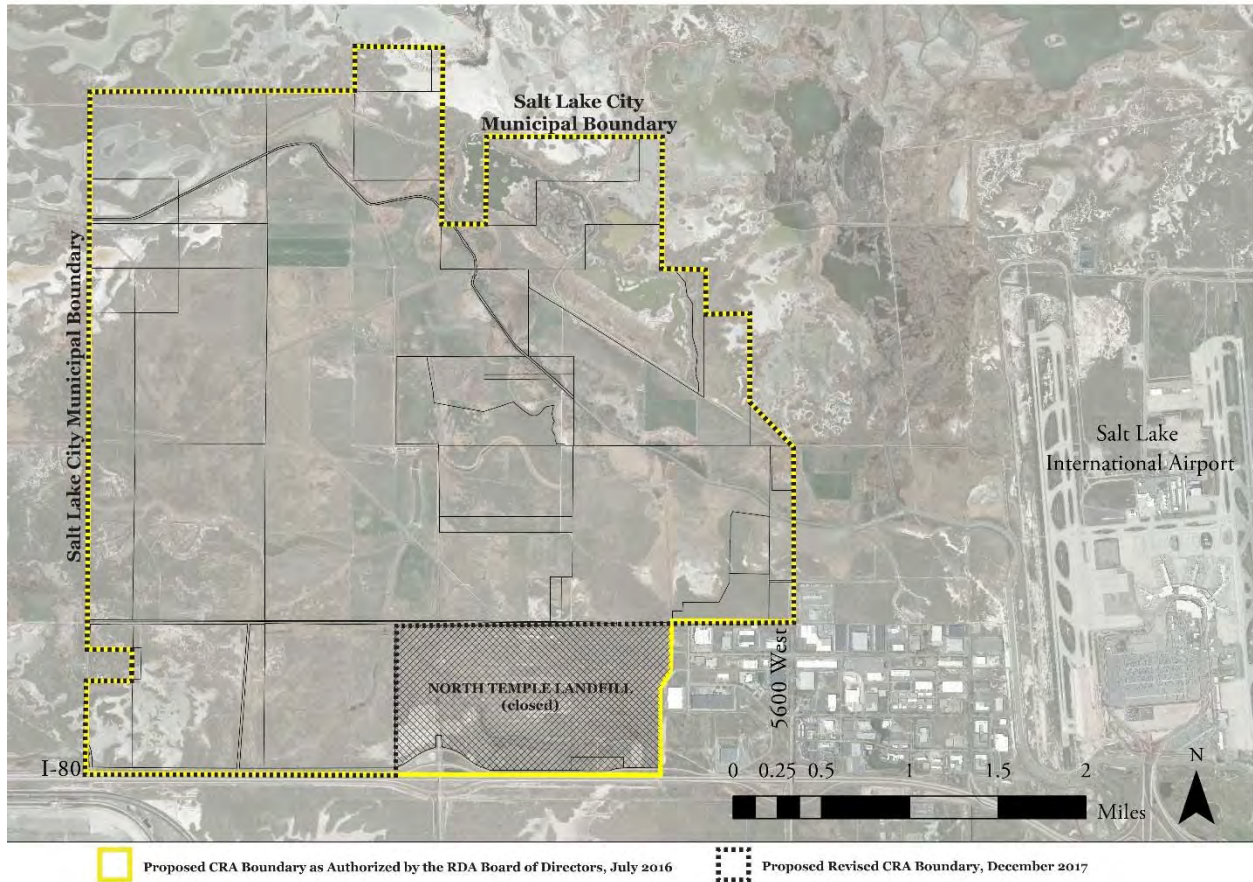
The purpose of this report is to conduct a benefits analysis for development of the Northwest Quadrant under Utah Code §17C-5-105(2) which lists the following requirements:

- (a) An Agency shall conduct an analysis in accordance with Subsection (2)(b) to determine whether the proposed community reinvestment project area plan will provide a public benefit.
- (b) The analysis described in Subsection (2)(a) shall consider:
 - (i) the benefit of any financial assistance or other public subsidy to be provided by the agency, including:
 - (A) an evaluation of the reasonableness of the costs of the proposed project area development;
 - (B) efforts that have been, or will be made, to maximize private investment;
 - (C) the rationale for use of project area funds, including an analysis of whether the proposed project area development might reasonably be expected to occur in the foreseeable future solely through private investment; and
 - (D) an estimate of the total amount of project area funds that the agency intends to spend on project area development and the length of time over which the project area funds will be spent; and
 - (ii) the anticipated public benefit derived from the proposed project area development, including:
 - (A) the beneficial influences on the community's tax base;
 - (B) the associated business and economic activity the proposed project area development will likely stimulate; and
 - (C) whether adoption of the proposed community reinvestment project area plan is necessary and appropriate to undertake the proposed project area redevelopment.

The study area, outlined in the figure below, is the area located immediately west of the Salt Lake City International Airport and the International Center, and north of I-80, not including the North Temple Landfill.

FIGURE 1: MAP OF PROJECT AREA BOUNDARIES

PROPOSED NORTHWEST QUADRANT COMMUNITY REINVESTMENT AREA



This report is organized as follows:

- Background
- Development Assumptions
- Tax Increment Projections
- Benefits Analysis

Development Assumptions

Development assumptions were provided by the Salt Lake City Redevelopment Agency (“RDA”) from the *Salt Lake City Northwest Quadrant Phase II Feasibility Analysis* prepared by JLL in December 2017. Absorption projections are for light industrial, flex office, retail and hotel development. Zones A & C represent the study area shown above, minus the landfill. Zone B represents the landfill site.

TABLE 1: BUILDING SF ABSORPTION PROJECTIONS, 2019-2053

	Light Industrial	Flex Office	Retail	Hotel Rooms/Acres
Zone A	14,196,995	5,166,231	85,327	115
Zone B	5,880,412	5,302,950	534,293	718
Zone C	20,115,587	2,088,368	-	-
TOTAL SF Absorbed	40,192,994	12,557,549	619,620	833

Source: Salt Lake City Northwest Quadrant Phase II Feasibility Analysis

For purposes of analysis, Zones A and C have been combined in this study, and Zone B (landfill) is considered in a separate analysis. Therefore, the total square feet absorbed in zones A & C is as follows:

TABLE 2: BUILDING SF ABSORPTION PROJECTIONS, 2019-2053, ZONES A & C

	Light Industrial	Flex Office	Retail	Hotel Rooms/Acres
Zone A	14,196,995	5,166,231	85,327	115
Zone C	20,115,587	2,088,368	-	-
TOTAL SF Absorbed	34,312,582	7,254,599	85,327	115

Source: Salt Lake City Northwest Quadrant Phase II Feasibility Analysis

The JLL study also provides estimates of the future densities, or floor area ratios (FAR), of the various types of development. ZPFI has used the JLL assumptions for light industrial, retail and hotel, but has slightly reduced the FAR for flex office.

TABLE 3: BUILDING DENSITY ASSUMPTIONS

	Light Industrial	Flex Office	Retail	Hotel Rooms/Acres
Building sf per acre	13,068	17,424	13,068	79
Floor Area Ratio	0.3	0.5	0.3	NA

Finally, the JLL report also provides estimates of the land and construction costs of the various types of development. This analysis uses the JLL estimates for all categories, with the exception of flex office construction costs. For this category, we have reduced the building costs to \$100 per building square foot. Throughout the analysis, all costs have been inflated at a growth rate of two percent per year.

TABLE 4: LAND COSTS PER ACRE

Light Industrial	Flex Office	Retail	Hotel Rooms/Acres
\$189,006	\$325,319	\$285,628	\$831,904

TABLE 5: VERTICAL CONSTRUCTION COSTS PER BUILDING SF

Light Industrial	Flex Office	Retail	Hotel Rooms/Acres
\$60	\$100	\$160	\$130,000

In addition, personal property valuation must be added to the light industrial and flex office construction costs. This analysis adds \$5.00 per building square foot to the light industrial and flex office categories in order to cover personal property valuation. While it is recognized that personal property values depreciate yearly, and replacement costs must also be considered, the \$5.00 is an average value used. Personal property values range significantly in industrial development. With no specific tenants in mind at this point in time, a conservative estimate has been used.

Zones A & C

Based on the foregoing assumptions, total valuation is expected to reach \$3,574,881,978 over the 35-year time period of this analysis.

TABLE 6: PROJECTED TAXABLE VALUE AT BUILDOUT – ZONES A & C

Building Category	Taxable Value at Buildout
Zones A & C – Land	
Light Industrial	\$496,363,338
Flex Office	\$54,189,523
Retail	\$1,865,342
Hotel	\$1,214,581
TOTAL Land	\$553,632,784
Zones A & C – Construction	
Light Industrial	\$2,230,727,390
Flex Office	\$761,872,774
Retail	\$13,654,827
Hotel	\$14,994,202
TOTAL Construction	\$3,021,249,194
TOTAL TAXABLE VALUE	\$3,574,881,978

Benefits Analysis

Evaluation of the Reasonableness of the Costs of the Proposed Project Area Development

An evaluation of the reasonableness of the costs of the proposed project area development is based on a comparison of the costs of the development compared to the revenues and benefits it will generate for the various taxing entities.

The project area is currently generating only a minimal amount of tax revenues annually. Over 20 years, the anticipated tax revenues, assuming current conditions, will amount to \$207,272.¹

TABLE 7: BASE (EXISTING) TAX REVENUES

Base Year Tax Revenues	Total – 20 Years	NPV* – 20 Years	Annual Tax Revenues
Salt Lake County	\$32,934	\$22,379	\$1,647
Multicounty Assessing & Collecting Levy	\$147	\$100	\$7
County Assessing & Collecting Levy	\$3,591	\$2,440	\$180
Salt Lake City School District	\$84,586	\$57,478	\$4,229
Salt Lake City	\$63,072	\$42,858	\$3,154
Salt Lake Library	\$12,273	\$8,340	\$614
Salt Lake Metropolitan Water District	\$4,783	\$3,250	\$239
Central Utah Water Conservancy District	\$5,886	\$4,000	\$294
TOTAL	\$207,272	\$140,845	\$10,364

*Net present value discounted at a rate of 4 percent

In comparison, with the projected development, the area will generate an estimated \$233 million in property tax revenues over 20 years. The annual tax increment revenue will increase yearly, as development proceeds.

TABLE 8: INCREMENTAL PROPERTY TAX REVENUES GENERATED

Incremental Tax Revenues - 100%	Total – 20 Years	NPV* – 20 Years
Salt Lake County	\$37,035,901	\$21,148,021
Multicounty Assessing & Collecting Levy	\$165,487	\$94,495
County Assessing & Collecting Levy	\$4,037,873	\$2,305,682
Salt Lake City School District	\$95,121,698	\$54,315,828
Salt Lake City	\$70,927,557	\$40,500,633
Salt Lake Library	\$13,801,582	\$7,880,898
Salt Lake Metropolitan Water District	\$5,378,315	\$3,071,093
Central Utah Water Conservancy District	\$6,619,464	\$3,779,807
TOTAL	\$233,087,876	\$133,096,458

*Net present value discounted at a rate of 4 percent

Therefore, the proposal to contribute 75 percent to the Agency, with 25 percent remaining with the taxing entities appears reasonable. The following table shows the *additional* property tax revenues that the taxing entities will receive, assuming 25 percent of incremental tax revenues for a period of 20 years. The additional amount is projected to be over \$58 million.

TABLE 9: INCREMENTAL PROPERTY TAX REVENUES TO TAXING ENTITIES FOR 20 YEARS

Incremental Tax Revenues to Taxing Entities	Total – 20 Years	NPV* – 20 Years
Salt Lake County	\$9,258,975	\$5,287,005
Multicounty Assessing & Collecting Levy	\$41,372	\$23,624
County Assessing & Collecting Levy	\$1,009,468	\$576,421
Salt Lake City School District	\$23,780,424	\$13,578,957
Salt Lake City	\$17,731,889	\$10,125,158
Salt Lake Library	\$3,450,396	\$1,970,224
Salt Lake Metropolitan Water District	\$1,344,579	\$767,773

¹ The base year taxable value of the project area is \$735,791.

Incremental Tax Revenues to Taxing Entities	Total – 20 Years	NPV* – 20 Years
Central Utah Water Conservancy District	\$1,654,866	\$944,952
TOTAL	\$58,271,969	\$33,274,114

*Net present value discounted at a rate of 4 percent

Efforts to Maximize Private Investment

Private investment in the area, for real property alone, is anticipated to reach nearly \$3.6 billion within 35 years. This represents a substantial investment in an area of the Salt Lake Valley that is currently undeveloped and that deals with significant construction concerns, most notably the high water levels, soil stability and lack of infrastructure. In an effort to increase private investment in the area, the Redevelopment Agency is proposing the creation of a CRA to assist with the extraordinary costs of construction that negatively impact the attractiveness of the area to developers.

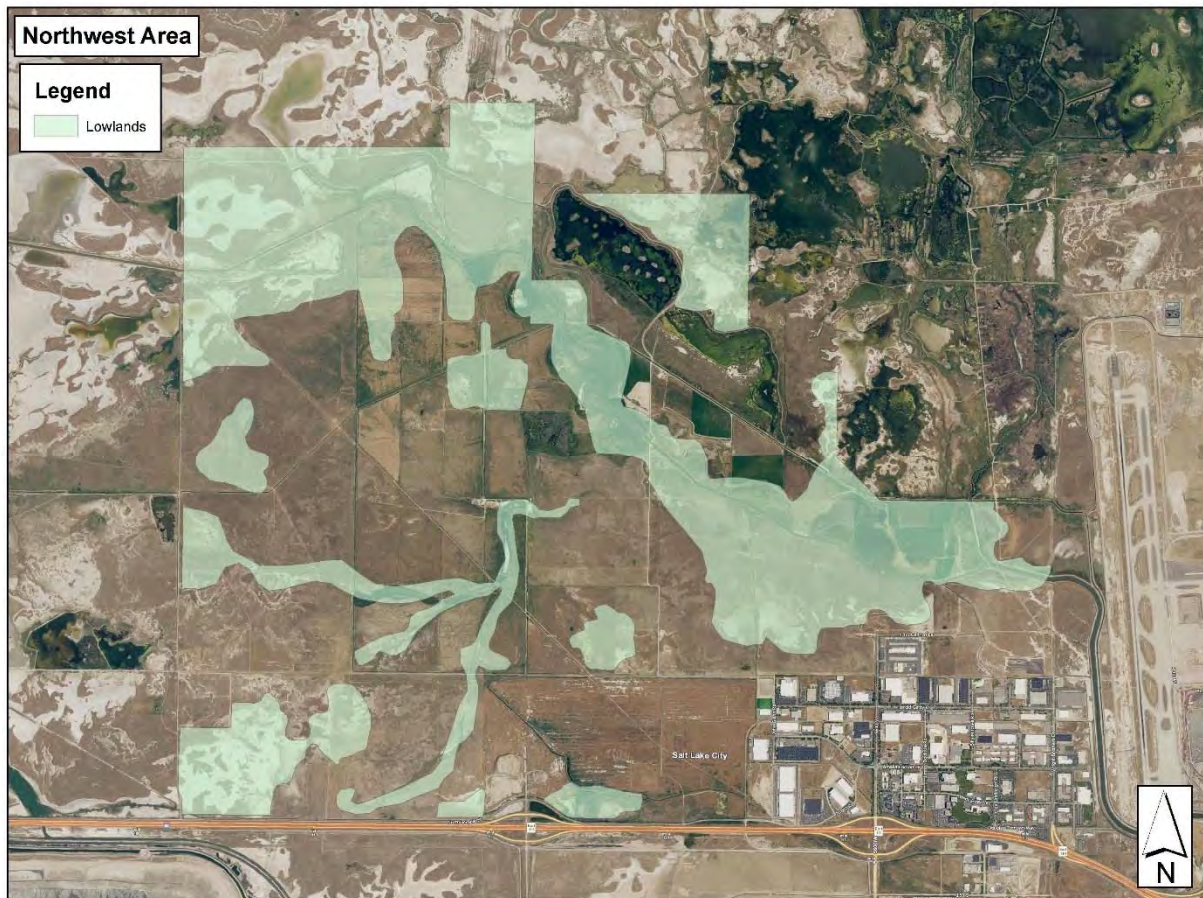
The amount to be contributed to the Agency is estimated at \$174,815,907. Therefore, this represents a ratio of 20:1 of private investment to public investment.

Rationale for Use of Project Area Funds – Whether the Proposed Project Area Development Might Reasonably Be Expected to Occur in the Foreseeable Future Solely Through Private Investment

Development within the proposed Project Area is unlikely to take place within the next ten years without some sort of public assistance. The rationale for the use of tax increment funds in the area is due to the extraordinary costs of construction associated with the high water table and lack of infrastructure in the area. By assisting with these concerns, much of the present uncertainty expressed by developers would be mitigated and the area would become more attractive for development.

As the following map shows, there are a considerable amount of lowland areas within the general area. This adds uncertainty, time and cost to the construction process.

FIGURE 2: MAP OF LOWLANDS IN NORTHWEST QUADRANT AREA



There is also some uncertainty regarding access to utilities and the placement of future infrastructure in the area. Preliminary plans indicate that the State of Utah will lead the construction effort for two roadway/transmission corridors, one running north from I-80 to the prison site and the other running west from the International Center to the prison site. It is anticipated that the State will cover the upfront costs of street and baseline water/sewer infrastructure. In anticipation of future development, Salt Lake City may allocate funding to cover the difference between the cost of baseline water/sewer infrastructure and a higher capacity system, thereby establishing a backbone system for the study area. Tax increment may be utilized to cover the cost of street and public utility improvements that lead from this backbone system to developable sites.

Estimate of Total Amount of Project Area Funds the Agency Intends to Spend on Project Area Development and Length of Time Over Which the Project Area Funds Will Be Spent

Because of the extremely high costs associated with placing backbone infrastructure in this area, as well as the uncertainties with the soil stability in some areas, the Redevelopment Agency anticipates the need for 75 percent of tax increment for a period of 20 years. The tax increment projections shown below assume completion of major roads and utilities. Assuming a 20-year timeframe, with 75 percent of

increment flowing to the Agency, the Agency would receive a total of nearly \$175 million with a net present value (NPV) of roughly \$100 million.

TABLE 10: 20-YEAR TAX INCREMENT REVENUES TO AGENCY AT 75% PARTICIPATION RATE

Incremental Tax Revenues to Agency	Total, 20 Years	NPV, 20 Years
Salt Lake County	\$27,776,926	\$15,861,016
Multicounty Assessing & Collecting Levy	\$124,115	\$70,871
County Assessing & Collecting Levy	\$3,028,405	\$1,729,262
Salt Lake City School District	\$71,341,273	\$40,736,871
Salt Lake City	\$53,195,668	\$30,375,475
Salt Lake Library	\$10,351,187	\$5,910,673
Salt Lake Metropolitan Water District	\$4,033,736	\$2,303,320
Central Utah Water Conservancy District	\$4,964,598	\$2,834,855
TOTAL	\$174,815,907	\$99,822,343

Beneficial Influences on the Community's Tax Base

The current taxable value of the project area is \$735,791 (see list of attached parcels in Appendix A) or an average of \$95.64 per acre.² With the proposed development, the average taxable value per acre is projected to increase to \$464,668 – an increase of roughly 485,751 percent.

The following table summarizes the increases in real property taxable value projected at different time periods using the assumptions for absorption and average values discussed previously in this analysis.

TABLE 11: INCREMENTAL PROPERTY TAX VALUE

Year	Taxable Value	Increase over Current Value
5	\$226,457,109	\$225,721,318
10	\$700,177,676	\$699,441,885
15	\$1,293,827,500	\$1,293,091,710
20	\$1,893,473,788	\$1,892,737,997
25	\$2,493,120,075	\$2,492,384,285
30	\$3,092,766,363	\$3,092,030,572
35	\$3,574,881,978	\$3,574,146,187

The project area is located in Tax Districts 13E and 13F. The two districts have the following taxing entities, with the following tax rates:³

TABLE 12: PERCENTAGE BENEFIT TO VARIOUS TAXING ENTITIES

Taxing Entity	Tax Rate	% of Total
Salt Lake County	0.002238	16%

² Based on 7,693.41 acres in the project area.

³ Tax District 13E accounts for 942.52 acres in the project area, while Tax District 13F accounts for 6,750.89 acres. There is one difference between the two tax districts. 13E includes the Magna Mosquito Abatement District while 13F does not. The Magna Mosquito Abatement District is not included in the analysis as much of the area located in Tax District 13E is undevelopable and the impacts of the Mosquito Abatement District would be minimal.

Taxing Entity	Tax Rate	% of Total
Multicounty Assessing & Collecting Levy	0.00001	0%
County Assessing & Collecting Levy	0.000244	2%
Salt Lake City School District	0.005748	41%
Salt Lake City	0.004286	30%
Salt Lake Library	0.000834	6%
Salt Lake Metropolitan Water District	0.000325	2%
Central Utah Water Conservancy District	0.0004	3%
TOTAL	0.014085	100%

Therefore, 41 percent of the increased tax revenues would benefit the Salt Lake City School District, 30 percent would benefit Salt Lake City and 16 percent would benefit Salt Lake County.

Therefore, there are significant benefits to the tax base of the community from creating a project area.

Associated Business and Economic Activity the Proposed Project Area Development Will Likely Stimulate

Full-Time Job Creation. The proposed development will create jobs in the study area. The number of jobs created will vary significantly by type, as shown in the table below, taken directly from the JLL study.

TABLE 13: AVERAGE BUILDING SQUARE FEET PER EMPLOYEE

Development Type	Square Feet per Employee
Light Industrial	2,000
Flex Office	500
Retail	500
Hotel	0.5 employees per room

Using both the total square feet projections of JLL, and JLL's estimate of the number of square feet per employee, nearly 32,000 jobs are created in the study area. This is a significant number. Total employment in Salt Lake County was 712,912 in October 2017.⁴ Therefore, the job projections for the project area represent 4.5 percent of the current workforce in the County.

TABLE 14: PROJECTED JOB CREATION – 35 YEARS

Square Feet per Employee	SF per Employee/Employees per Room	Total SF	Total Jobs
Light Industrial	2,000	34,312,582	17,156
Flex Office	500	7,254,599	14,509
Retail	500	85,327	171
Hotel (per Room)	0.5	115	58
TOTAL			31,894

⁴ Source: <https://jobs.utah.gov/wi/press/2001press/ratecurrent.pdf>

At the present time, average wages for available jobs in the Northwest Quadrant (including the International Center and south of I-80) are between \$42,000 to \$50,000.⁵

TABLE 15: PROJECTED JOB CREATION BY TIMEFRAME

	Year 5	Year 10	Year 20	Year 30
Light Industrial	1,012	3,296	9,050	14,833
Flex Office	856	2,788	7,654	12,544
Retail	10	33	90	148
Hotel	58	58	58	58
TOTAL	1,936	6,174	16,852	27,582

Assuming an average wage of \$50,000, the following wages would be paid *annually* in the timeframes shown below:

TABLE 16: PROJECTED ANNUAL WAGES PAID IN SELECTED YEARS

Wages	Year 5	Year 10	Year 20	Year 30
Jobs	1,936	6,174	16,852	27,582
Wages Paid in That Year	\$96,779,109	\$308,714,911	\$842,578,514	\$1,379,124,848

With the wages paid, these employees will create additional jobs in the community through their purchases for food, entertainment, housing, transportation, education, etc.

Construction Job Creation. In addition to full-time jobs created in the study area, there will be a significant number of construction jobs created over a long period of time as absorption takes place in this area. The average construction wage is roughly \$50,000 per year.⁶ With benefits and other costs, this analysis uses an average construction job cost of \$75,000.

Labor costs represent approximately 40 percent of construction expenses, with the remaining 60 percent mainly allocated for construction supplies, and with some room for overhead and profit. This analysis assumes that 40 percent of the projected construction investment per year will be spent on construction labor and that the number of construction jobs created per year will vary depending on the level of development taking place in that year. Given the absorption projections shown earlier in this report, it is assumed that the area will average 460 construction jobs per year,⁷ with some years higher and other years lower.

As the table below indicates, projected jobs are based on average burdened labor of \$75,000 per employee, with construction labor estimated at 40 percent of new construction costs. The number of jobs created and wages paid in given years, is shown in the table below.

⁵ Source: Job Search databases, multiple listing services and active brokers

⁶ Utah Department of Workforce Services

⁷ Construction jobs in the early years are much lower than construction jobs in later years, as absorption is projected to increase over time. Therefore, the average of 381 jobs per year is much more reflective of later years, as this analysis considers development through 2050. The average number of jobs in the first three years is only 30.

TABLE 17: PROJECTED JOBS AND WAGES PAID

	Year 5	Year 10	Year 20	Year 30
Construction Cost	\$55,721,852	\$91,181,212	\$101,312,458	\$101,312,458
Construction Wages Paid	\$22,288,741	\$36,472,485	\$40,524,983	\$40,524,983
Construction Jobs	297	486	540	540

Whether Adoption of the Proposed Community Reinvestment Project Area Plan is Necessary and Appropriate to Undertake the Proposed Project Area Development

The creation of the proposed Community Reinvestment Project Area Plan is necessary and appropriate for the following reasons:

- There are significant infrastructure issues (landfill remediation, uncertainty regarding access to utilities, and lowlands with high water tables) that make the area currently unattractive to developers
- The creation of a Project Area with remediation of the above-listed problems will generate significant economic development and increased property tax base
- The development that will take place in the area will create a significant number of new jobs
- Expansion of the Salt Lake City International Airport will create significant development opportunities in the area if a well-planned area, with good infrastructure, is available
- This area forms a gateway from the west, along I-80, for visitors entering Salt Lake City, the State's capitol city.

Appendix A

TABLE 18: PARCELS IN PROJECT AREA

Parcel ID	Owner Name	Property Location
7094000020000	GILLMOR, EDWARD L JR	2698 N 8800 W
7094000044002	GILLMOR, EDWARD L, JR	2698 N 8800 W
7152000050000	SALT LAKE CITY CORPORATION	2698 N 8800 W
7154000040000	SALT LAKE CITY CORPORATION	2698 N 8800 W
7161000020000	KENNECOTT UTAH COPPER LLC	2698 N 8800 W
7162000010000	SIV GILLMOR PROPERTIES, LLC	2698 N 8800 W
7171000030000	EPPERSON ASSOCIATES, LLC	2698 N 8800 W
7173000020000	EPPERSON ASSOCIATES, LLC	2698 N 8800 W
7173000030000	KENNECOTT UTAH COPPER	2698 N 8800 W
7174000020000	EPPERSON ASSOCIATES, LLC	2698 N 8800 W
7201000010000	KENNECOTT UTAH COPPER	2698 N 8800 W
7201000020000	EPPERSON ASSOCIATES, LLC	2698 N 8800 W
7202000030000	MOREHOUSE, RICHARD M &	2698 N 8800 W
7203000010000	EPPERSON ASSOCIATES, LLC	2698 N 8800 W
7223000050000	KENNECOTT UTAH COPPER LLC	6901 W IEIGHTYWEST FWY
7223000060000	DIVERSIFIED HABITATS 1 LLC	6901 W IEIGHTYWEST FWY
7223000070000	G-BAR VENTURES, LLC	2698 N 8800 W
7223000080000	GILLMOR, EDWARD L, JR	2698 N 8800 W
7231000180000	SALT LAKE CITY CORPORATION	2698 N 8800 W
7231000190000	SALT LAKE CITY CORPORATION	2698 N 8800 W
7233000034001	SIV GILLMOR PROPERTIES, LLC	2698 N 8800 W
7234000040000	G-BAR VENTURES, LLC	850 N 5600 W
7251000120000	SALT LAKE CITY CORPORATION &	780 N 5600 W
7261000080000	KENNECOTT UTAH COPPER, LLC	6620 W 700 N
7262000010000	G-BAR VENTURES, LLC	850 N 5600 W
7262000030000	SUBURBAN LAND RESERVE, INC	718 N 5600 W
7262760010000	G-BAR VENTURES, LLC	850 N 5600 W
7264000010000	SUBURBAN LAND RESERVE INC	775 N 5600 W
7264000024001	SUBURBAN LAND RESERVE, INC	695 N JOHN GLENN RD
7264000024002	SUBURBAN LAND RESERVE, INC	695 N JOHN GLENN RD
7264260010000	G-BAR VENTURES, LLC	850 N 5600 W
7271000030000	G-BAR VENTURES, LLC	2698 N 8800 W
7271000040000	GILLMOR, EDWARD L, JR	2698 N 8800 W
7274000020000	KENNECOTT UTAH COPPER LLC	6680 W 700 N
7291000030000	EPPERSON ASSOCIATES, LLC	8306 W 700 N
7292000010000	EPPERSON ASSOCIATES LLC	8306 W 700 N
7321000010000	BONNEVILLE INTERNATIONAL CORP	550 N 8800 W

Parcel ID	Owner Name	Property Location
7321000030000	EPPERSON ASSOCIATES, LLC	8306 W 700 N
7321000040000	EPPERSON ASSOCIATES, LLC	8700 NORTHTEMPLE FRTG ST
7322000030000	EPPERSON ASSOCIATES LLC	8390 NORTHTEMPLE FRTG ST
7331000050000	EPPERSON ASSOCIATES, LLC	7610 NORTHTEMPLE FRTG ST
7351000170000	KENNECOTT UTAH COPPER LLC	675 N JOHN GLENN RD
7352010050000	SALT LAKE CITY CORP	578 N JOHN GLENN RD
7331000010000		
7341000010000		
7342000010000		
7342000020000		
7342000030000		
7342000040000		
7342000050000		



Appendix B

Tax Increment projections spreadsheet

NORTHWEST QUADRANT	TOTAL	NPV	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Base Year Taxable Value			\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791
Total Taxable Value			\$18,349,176	\$48,343,484	\$90,319,060	\$160,496,017	\$226,457,109	\$304,411,126	\$394,358,069	\$490,301,475	\$592,241,344	\$700,177,676	\$814,110,471	\$934,039,728	\$1,053,968,985	\$1,173,898,243	\$1,293,827,500	\$1,413,756,758	\$1,533,686,015	\$1,653,615,273	\$1,773,544,530	\$1,893,473,788
Incremental Taxable Value			\$17,613,386	\$47,607,693	\$89,583,269	\$159,760,227	\$225,721,318	\$303,675,336	\$393,622,279	\$489,565,685	\$591,505,554	\$699,441,885	\$813,374,680	\$933,303,937	\$1,053,233,195	\$1,173,162,452	\$1,293,091,710	\$1,413,020,967	\$1,532,950,225	\$1,652,879,482	\$1,772,808,740	\$1,892,737,997
Taxing Entities																						
Salt Lake County			0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238
Multicounty Assessing & Collecting Levy			0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001
County Assessing & Collecting Levy			0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244
Salt Lake City School District			0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748
Salt Lake City			0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286
Salt Lake Library			0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834
Salt Lake Metropolitan Water District			0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325
Central Utah Water Conservancy District			0.000400	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004
TOTAL			0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085
Base Year Tax Revenues																						
Salt Lake County	\$32,934	\$22,379	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647
Multicounty Assessing & Collecting Levy	\$147	\$100	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7
County Assessing & Collecting Levy	\$3,591	\$2,440	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180
Salt Lake City School District	\$84,586	\$57,478	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229
Salt Lake City	\$63,072	\$42,858	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154
Salt Lake Library	\$12,273	\$8,340	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614
Salt Lake Metropolitan Water District	\$4,783	\$3,250	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239
Central Utah Water Conservancy District	\$5,886	\$4,000	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294
TOTAL	\$207,272	\$140,845	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364
Incremental Tax Revenues - 100%																						
Salt Lake County	\$37,035,901	\$21,148,021	\$39,419	\$106,546	\$200,487	\$357,543	\$505,164	\$679,625	\$880,927	\$1,095,648	\$1,323,789	\$1,565,351	\$1,820,333	\$2,088,734	\$2,357,136	\$2,625,538	\$2,893,939	\$3,162,341	\$3,430,743	\$3,699,144	\$3,967,546	\$4,235,948
Multicounty Assessing & Collecting Levy	\$165,487	\$94,495	\$176	\$476	\$896	\$1,598	\$2,257	\$3,037	\$3,936	\$4,896	\$5,915	\$6,994	\$8,134	\$9,333	\$10,532	\$11,732	\$12,931	\$14,130	\$15,330	\$16,529	\$17,728	\$18,927
County Assessing & Collecting Levy	\$4,037,873	\$2,305,682	\$4,298	\$11,616	\$21,858	\$38,981	\$55,076	\$74,097	\$96,044	\$119,454	\$144,327	\$170,664	\$198,463	\$227,726	\$256,989	\$286,252	\$315,514	\$344,777	\$374,040	\$403,303	\$432,565	\$461,828
Salt Lake City School District	\$95,121,698	\$54,315,828	\$101,242	\$273,649	\$514,925	\$918,302	\$1,297,446	\$1,745,526	\$2,262,541	\$2,814,024	\$3,399,974	\$4,020,392	\$4,675,278	\$5,364,631	\$6,053,984	\$6,743,338	\$7,432,691	\$8,122,045	\$8,811,398	\$9,500,751	\$10,190,105	\$10,879,458
Salt Lake City	\$70,927,557	\$40,500,633	\$75,491	\$204,047	\$383,954	\$684,732	\$967,442	\$1,301,552	\$1,687,065	\$2,098,279	\$2,535,193	\$2,997,808	\$3,486,124	\$4,000,141	\$4,514,157	\$5,028,174	\$5,542,191	\$6,056,208	\$6,570,225	\$7,084,241	\$7,598,258	\$8,112,275
Salt Lake Library	\$13,801,582	\$7,880,898	\$14,690	\$39,705	\$74,712	\$133,240	\$188,252	\$253,265	\$328,281	\$408,298	\$493,316	\$583,335	\$678,354	\$778,375	\$878,396	\$978,417	\$1,078,438	\$1,178,459	\$1,278,480	\$1,378,501	\$1,478,522	\$1,578,543
Salt Lake Metropolitan Water District	\$5,378,315	\$3,071,093	\$5,724	\$15,473	\$29,115	\$51,922	\$73,359	\$98,694	\$127,927	\$159,109	\$192,239	\$227,319	\$264,347	\$303,324	\$342,301	\$381,278	\$420,255	\$459,232	\$498,209	\$537,186	\$576,163	\$615,140
Central Utah Water Conservancy District	\$6,619,464	\$3,779,807	\$7,045	\$19,043	\$35,833	\$63,904	\$90,289	\$121,470	\$157,449	\$195,826	\$236,602	\$279,777	\$325,350	\$373,322	\$421,293	\$469,265	\$517,237	\$565,208	\$613,180	\$661,152	\$709,123	\$757,095
TOTAL	\$233,087,876	\$133,096,458	\$248,085	\$670,554	\$1,261,780	\$2,250,223	\$3,179,285	\$4,277,267	\$5,544,170	\$6,895,533	\$8,331,356	\$9,851,639	\$11,456,382	\$13,145,586	\$14,834,790	\$16,523,993	\$18,213,197	\$19,902,400	\$21,591,604	\$23,280,808	\$24,970,011	\$26,659,215
Percent to Agency																						
Salt Lake County			75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Multicounty Assessing & Collecting Levy			75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
County Assessing & Collecting Levy			75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Salt Lake City School District			75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Salt Lake City			75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Salt Lake Library			75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Salt Lake Metropolitan Water District			75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Central Utah Water Conservancy District			75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
DOES NOT INCLUDE MAGNA MOSQUITO ABATEMENT DISTRICT																						
Incremental Tax Revenues to Taxing Entities																						
Salt Lake County	\$9,258,975	\$5,287,005	\$9,855	\$26,637	\$50,122	\$89,386	\$126,291	\$169,906	\$220,232	\$273,912	\$330,947	\$391,338	\$455,083	\$522,184	\$589,284	\$656,384	\$723,485	\$790,585	\$857,686	\$924,786	\$991,886	\$1,058,987
Multicounty Assessing & Collecting Levy	\$41,372	\$23,624	\$44	\$119	\$224	\$399	\$564	\$759	\$984	\$1,224	\$1,479	\$1,749	\$2,033	\$2,333	\$2,633	\$2,933	\$3,233	\$3,533	\$3,832	\$4,132	\$4,432	\$4,732
County Assessing & Collecting Levy	\$1,009,468	\$576,421	\$1,074	\$2,904	\$5,465	\$9,745	\$13,769	\$18,524	\$24,011	\$29,864	\$36,082	\$42,666	\$49,616	\$56,932	\$64,247	\$71,563	\$78,879	\$86,194	\$93,510	\$100,826	\$108,141	\$115,457
Salt Lake City School District	\$23,780,424	\$13,578,957	\$25,310	\$68,412	\$128,731	\$229,575	\$324,362	\$436,381	\$565,635	\$703,506	\$849,993	\$1,005,098	\$1,168,819	\$1,341,158	\$1,513,496	\$1,685,834	\$1,858,173	\$2,030,511	\$2,202,849	\$2,375,188	\$2,547,526	\$2,719,865
Salt Lake City	\$17,731,889	\$10,125,158	\$18,873	\$51,012	\$95,988	\$171,183	\$241,860</															

NORTHWEST QUADRANT	TOTAL	NPV	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Salt Lake City School District	\$71,341,273	\$40,736,871	\$75,931	\$205,237	\$386,193	\$688,726	\$973,085	\$1,309,144	\$1,696,906	\$2,110,518	\$2,549,980	\$3,015,294	\$3,506,458	\$4,023,473	\$4,540,488	\$5,057,503	\$5,574,518	\$6,091,533	\$6,608,548	\$7,125,563	\$7,642,578	\$8,159,594
Salt Lake City	\$53,195,668	\$30,375,475	\$56,618	\$153,035	\$287,965	\$513,549	\$725,581	\$976,164	\$1,265,299	\$1,573,709	\$1,901,395	\$2,248,356	\$2,614,593	\$3,000,106	\$3,385,618	\$3,771,131	\$4,156,643	\$4,542,156	\$4,927,668	\$5,313,181	\$5,698,694	\$6,084,206
Salt Lake Library	\$10,351,187	\$5,910,673	\$11,017	\$29,779	\$56,034	\$99,930	\$141,189	\$189,949	\$246,211	\$306,223	\$369,987	\$437,501	\$508,766	\$583,782	\$658,797	\$733,813	\$808,829	\$883,845	\$958,860	\$1,033,876	\$1,108,892	\$1,183,908
Salt Lake Metropolitan Water District	\$4,033,736	\$2,303,320	\$4,293	\$11,604	\$21,836	\$38,942	\$55,020	\$74,021	\$95,945	\$119,332	\$144,179	\$170,489	\$198,260	\$227,493	\$256,726	\$285,958	\$315,191	\$344,424	\$373,657	\$402,889	\$432,122	\$461,355
Central Utah Water Conservancy District	\$4,964,598	\$2,834,855	\$5,284	\$14,282	\$26,875	\$47,928	\$67,716	\$91,103	\$118,087	\$146,870	\$177,452	\$209,833	\$244,012	\$279,991	\$315,970	\$351,949	\$387,928	\$423,906	\$459,885	\$495,864	\$531,843	\$567,821
TOTAL	\$174,815,907	\$99,822,343	\$186,063	\$502,916	\$946,335	\$1,687,667	\$2,384,464	\$3,207,950	\$4,158,127	\$5,171,650	\$6,248,517	\$7,388,729	\$8,592,287	\$9,859,189	\$11,126,092	\$12,392,995	\$13,659,898	\$14,926,800	\$16,193,703	\$17,460,606	\$18,727,508	\$19,994,411

REDEVELOPMENT AGENCY OF SALT LAKE CITY

RESOLUTION NO. _____:

Northwest Quadrant Community Reinvestment Area Plans

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY ADOPTING A NORTHWEST QUADRANT COMMUNITY REINVESTMENT AREA PLAN

WHEREAS, the Redevelopment Agency of Salt Lake City (“RDA”) was created to transact the business and exercise the powers provided for in the Utah Title 17C Community Reinvestment Agency Act (“the Act”).

WHEREAS, on July 12, 2016, the RDA Board of Directors (“RDA Board”) adopted Resolution No. 772.02, designating the geographic area referred to as Proposed Project Area as a survey area (“Survey Area”) to study whether project area development is feasible within the Survey Area.

WHEREAS, on August 16, 2016, Salt Lake City adopted the Northwest Quadrant Master Plan (the “Community General Plan”).

WHEREAS, the RDA has determined that project area development is feasible within a modified boundary within the Survey Area (“Project Area”), a boundary description of which is attached hereto as **Exhibit A**.

WHEREAS, the RDA has prepared the Northwest Quadrant Community Reinvestment Area Plan (“CRA Plan”) that is attached hereto as **Exhibit B**.

WHEREAS, the RDA’s purpose and intent with respect to the Project Area is to utilize tax increment funds derived from the Project Area to facilitate community reinvestment activities as further described in the CRA Plan.

WHEREAS, the RDA Board of Directors desires to approve and adopt the CRA Plan.

NOW, THEREFORE, BE IT RESOLVED, THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY MAKES THE FOLLOWING FINDINGS AND DETERMINATIONS REGARDING THE CRA PLAN IN ACCORDANCE WITH 17C-5-108 OF THE ACT:

1. Serves a public purpose;
2. Produces a public benefit as demonstrated by the analysis described in Subsection 17C-5-105(2);
3. Is economically sound and feasible;
4. Conforms to the Community General Plan; and
5. Promotes the public peace, health, safety, and welfare of Salt Lake City.

Passed by the Board of Directors of the Redevelopment Agency of Salt Lake City, this
____ day of ____, 2018


_____, Chairperson

Transmitted to the Executive Director on _____.

The Executive Director:

_____ does not request reconsideration
_____ requests reconsideration at the next regular Agency meeting.

Jacqueline M. Biskupski, Executive Director

Approved as to form: 

Salt Lake City Attorney's Office
Katherine N. Lewis

Attest:

City Recorder

EXHIBIT A

[Attach Boundary Description of Project Area]

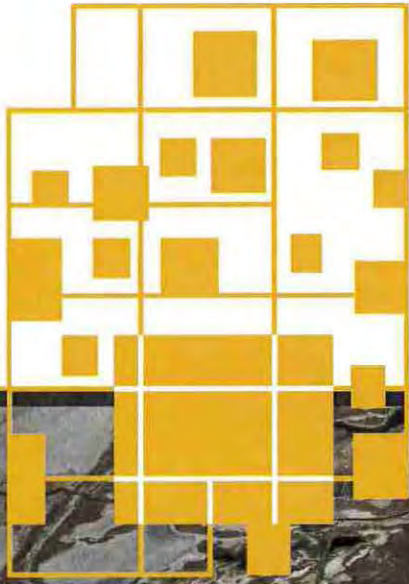
Northwest Quadrant Community Reinvestment Area Boundary Legal Description

Beginning at a point on the existing Salt Lake City boundary which is the Northwest Corner of Section 17, Township 1 North, Range 2 West, Salt Lake Base and Meridian, and running thence along the existing Salt Lake City boundary the following 18 courses: 1) N89°54'36"E 2637.89 feet to the N1/4 Corner of said Section 17; 2) N89°53'20"E 2640.05 feet to the NE Corner of said Section 17; 3) S89°48'47"E 2640.69 feet to the N1/4 Corner of Section 16 said Township; 4) N00°26'13"E 1320.23 feet to the W1/4 Corner of the SE1/4 of Section 9 said Township; 5) S89°48'47"E 2625.84 feet to the E1/4 Corner of the SE1/4 of said Section 9; 6) S00°24'42"W 1320.23 feet to the NE Corner of said Section 16; 7) S00°24'42"W 2650.57 feet to the E1/4 Corner of said Section 16; 8) S00°26'25"W 1325.15 feet to the W1/4 Corner of the SW1/4 of Section 15; 9) S89°50'13"E 1322.93 feet to the Center of the SW1/4 of said Section 15; 10) N00°23'04"E 2648.09 feet to the Center of the NW1/4 of said Section 15; 11) S89°44'08"E 3963.23 feet to the E1/4 Corner of the NE1/4 of said Section 15; 12) S89°47'29"E 1317.60 feet to the Center of the NW1/4 of Section 14 said Township; 13) S00°15'30"W 3961.12 feet to the S1/4 Corner of the SW1/4 of said Section 14; 14) S89°47'29"E 1317.60 feet to the S1/4 Corner of said Section 14; 15) S00°13'53"W 1320.92 feet to the E1/4 Corner of the NW1/4 Section 23 said Township; 16) S89°46'07"E 1320.22 feet to the Center of the NE1/4 of said Section 23; 17) S00°13'54"W 2643.89 feet to the Center of the SE1/4 of said Section 23; 18) S44°44'23"E 1868.01 feet to the SE Corner of said Section 23; thence along the east line of Section 26 said Township S00°20'01"W 3991.93 feet to the north line of John Cannon Drive; thence along the north line of John Cannon Drive S89°47'45"E 44.00 feet to the projected east line of 5600 West; thence along the east line of 5600 West S00°20'07"W 1284.30 feet to the south line of Section 25 said township; thence along the south lines of said Section 25 and 26 N89°47'25"W 774.13 feet to the Southwest Corner of Watkins Industrial Park Subdivision as recorded in Book 2003P, Page 162 of Subdivisions, in the Salt Lake County Recorder's Office; thence along the south line of said Section 26 N89°47'24"W 2937.61 feet; thence S00°11'54"W 99.14 feet to the Northeast Corner of Parcel 07-35-100-016; thence along said parcel the following 6 courses: 1) N89°46'53"W 1609.45 feet; 2) N89°50'44"W 2642.88 feet; 3) N89°50'20"W 2644.04 feet; 4) N89°44'53"W 1317.05 feet; 5) S00°13'52"W 2541.25 feet; 6) S00°14'20"W 1723.95 feet to the north line of the I-80 right-of-way and an 1849.86 foot radius non-tangent curve to the right; thence along said north line and said curve 63.56 feet (chord bears S71°02'20"W 63.56 feet); thence along said north line N89°47'45"W 9176.07 feet to the west boundary line of Salt Lake City; thence along said west boundary the following 10 courses: 1) N00°19'37"E 1745.63 feet to the West Quarter Corner of Section 32 said township; 2) N00°20'10"E 846.69 feet; 3) S89°47'26"E 1320.00 feet; 4) N00°20'10"E 950.40 feet; 5) N89°47'26"W 1320.00 feet; 6) N00°20'10"E 844.84 feet to the Northwest Corner of said Section 32; 7) N00°19'16"E 5285.43 feet to the Southwest Corner of Section 20 said township; 8) N00°17'46"E 2629.78 feet to the West Quarter Corner of said Section 20; 9) N00°18'30"E 2631.00 feet to the Northwest Corner of said Section 20; 10) N00°17'29"E 5280.23 feet to the point of beginning.

Contains 7,739.092 acres, more or less.

EXHIBIT B

[NWQ Project Area Plan]



NORTHWEST QUADRANT CRA PLAN



SLCRDA

Date available for public comment:
December 8, 2017



NWQ
COMMUNITY REINVESTMENT AREA
PLAN

ACKNOWLEDGEMENTS:

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RDA BOARD OF DIRECTORS

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Stan Penfold, District 3 (outgoing)

Chris Wharton, District 3 (incoming)

Derek Kitchen, District 4

Erin Mendenhall, District 5

Charlie Luke, District 6

Lisa Adams, District 7 (outgoing)

Amy Fowler, District 7 (incoming)



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INTRODUCTION

Through this Northwest Quadrant Community Reinvestment Area Plan (“CRA Plan”), the Redevelopment Agency of Salt Lake City (“RDA”) contemplates the creation of a Community Reinvestment Area (“CRA”) to facilitate the use of tax increment financing (“TIF”) as a funding mechanism to further Salt Lake City’s economic development goals. In addition, this CRA Plan will facilitate the implementation of the community vision and land use plan established by the Northwest Quadrant Master Plan.

HARNESSING OPPORTUNITY

Acclaimed as an area with unparalleled economic opportunity, the Northwest Quadrant (“NWQ”) north of Interstate 80 offers over 3,000 acres of developable land in close proximity to an international airport, major highway interchange, and national rail crossing. Through the strategic cultivation of growth and prosperity, this area is positioned to become a model of regional economic development that elevates the global competitiveness of Salt Lake City, Salt Lake County, and the State of Utah.

The complexity of developing the NWQ, combined with a changing economic landscape, requires a tactical approach to maximize the opportunities at hand. This CRA Plan sets forth goals, objectives, and strategies for the utilization of tax increment to advance development objectives in a sustainable, efficient, and collaborative manner.

As efforts move forward, further coordination and partnership building will be key to take full advantage of the knowledge, skills, reach, and experience that stakeholders offer one another. State, county, city, public, private, and nonprofit partners together can have greater impact than working individually. With a steadfast approach, the development of the NWQ will provide jobs, economic growth, and regional prosperity for generations to come.

CRA PLAN REQUIREMENTS

This CRA Plan complies with the community reinvestment project area plan requirements as per Utah Code 17C Community Reinvestment Agency Act. The RDA does not anticipate using eminent domain within the Project Area. Since the RDA is not carrying out a blight study or a blight determination, the Project Area is authorized through interlocal agreements with individual taxing entities, rather than a taxing entity committee.

Prior to adopting a board resolution, the RDA Board of Directors (Board) has determined that this CRA Plan:

- Contains a boundary description of the Project Area
- Contains the RDA's purposes and intent with respect to the Project Area
- Serves a public purpose
- Produces a public benefit as per 17C-5-105(2)
- Is economically sound and feasible
- Conforms to the community's general plan
- Promotes the public peace, health, safety, and welfare of the community

PLAN & POLICY COORDINATION

Salt Lake City has carried out various planning efforts focused citywide as well as specific to the NWQ. As components of the city's general plan, these efforts have established a clear vision for future development, and are based on extensive data gathering and community engagement. It is important that this CRA Plan draws from, builds upon, and integrates these prior plans and studies. The hierarchy of the these plans is outlined below.



1

COMMUNITY REINVESTMENT ANALYSIS

OVERVIEW

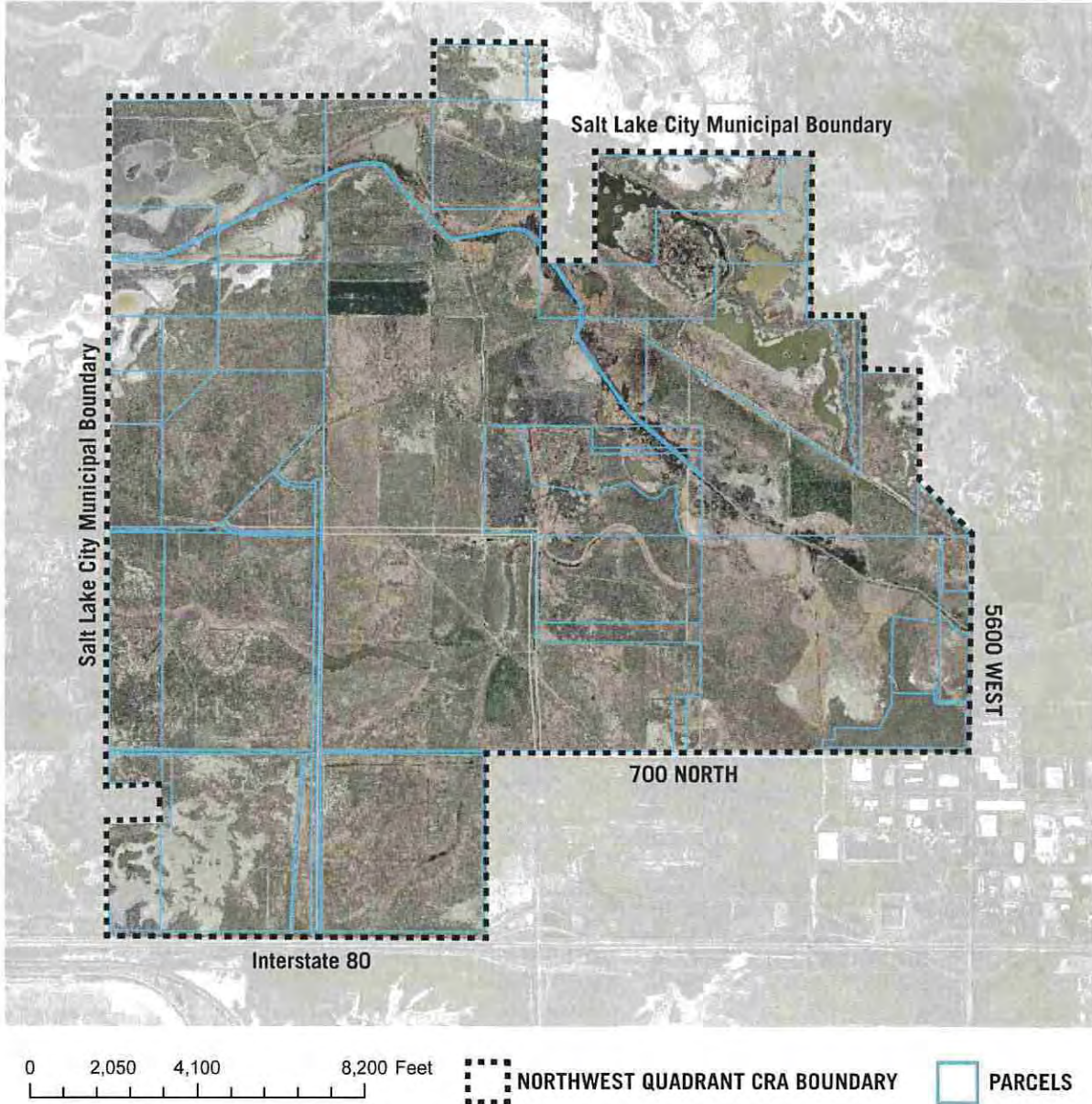
Section 1 conforms to the requirements of 17C-5-105(1), and includes the following information:

- a. Project Area Boundary Description
- b. Existing Land Uses and Neighborhood Context
- c. Standards To Guide Project Area Development
- d. Furthering Purposes of Utah Title 17C
- e. General Plan Consistency
- f. Elimination or Reduction of Blight
- g. Specific Project Area Development
- h. Process of Selecting Participants
- i. Reasons for Selecting the Project Area
- j. Existing Physical, Social, and Economic Conditions
- k. Financial Assistance to be Offered to Participants
- l. Public Benefit Analysis Results
- m. Historic Preservation Requirements
- n. Interlocal Agreement

1(a): PROJECT AREA BOUNDARY DESCRIPTION

The Northwest Quadrant Community Reinvestment Area (“Project Area”) is generally defined on the south by Interstate 80 and 700 North; on the west by the Salt Lake City municipal boundary; on the North by the Salt Lake City municipal boundary; and on the east by 5600 West and the western edge of the decommissioned North Temple Landfill. Refer to Exhibit A for a complete legal description of the Project Area.

FIGURE 1: PROJECT AREA BOUNDARY MAP



1(b): EXISTING LAND USES AND NEIGHBORHOOD CONTEXT

This section includes a general statement of the existing land uses, layout of principal streets, population densities, and building intensities of the Project Area and how each will be affected by the project area development.

LAND USES

Existing: Portions of the 7,739-acre Project Area have historically been used for agricultural, recreational, and conservation purposes include farming, grazing, hunting and fishing, housing for individuals working the land, and wildlife and habitat preservation. Today, several hundred acres are still being utilized as a working ranch, with the remainder of the area characterized by vacant land, large canals, stormwater management systems, natural habitat, and floodplains. In addition, regions within the Project Area are characterized by low elevations and highly liquefiable soils, which pose challenges to development.

Anticipated Changes: The Northwest Quadrant Master Plan, adopted on August 16, 2016, provides a foundation for future land uses. Of the 7,739 acres contained within the Project Area, approximately half of the land area has been identified for preservation as a natural area. The remaining land area is considered to be developable as per zoning, drainage, and transportation planning requirements and standards. The Northwest Quadrant Overlay District, as established through zoning code, provides the following three subareas:

1. Development Area:

Area in which development of light manufacturing uses may occur to promote economic development while minimizing impacts to sensitive lands. Supportive uses, such as restaurants, retail, and service stations are also permitted within this area.

2. Eco-Industrial Buffer Area:

A 400' tract of land in which development may occur with additional design standards to mitigate impacts on birds, other wildlife, and the Natural Area.

3. Natural Area:

Area in which new development is limited for the protection of sensitive lands and wildlife near the Great Salt Lake shorelands.

LAYOUT OF PRINCIPAL STREETS

Existing: There are currently no paved streets within the interior of the Project Area, however there are a limited number of privately-owned dirt roads.

Anticipated Changes: In coordination with the development of the Utah State Correctional Facility, two access roads will be constructed, the first runs along 8000 West and the second zigzags from 700 North to 7200 West to 1400 North. Other major arterials, minor arterials, and collectors are being planned for the area and will be added to Salt Lake City's Major Street Plan. Additional local streets will be added as development occurs.

POPULATION DENSITIES

Existing: Residential uses in the area are currently limited to housing for individuals working the land. As such, the Project Area has an extremely low population density.

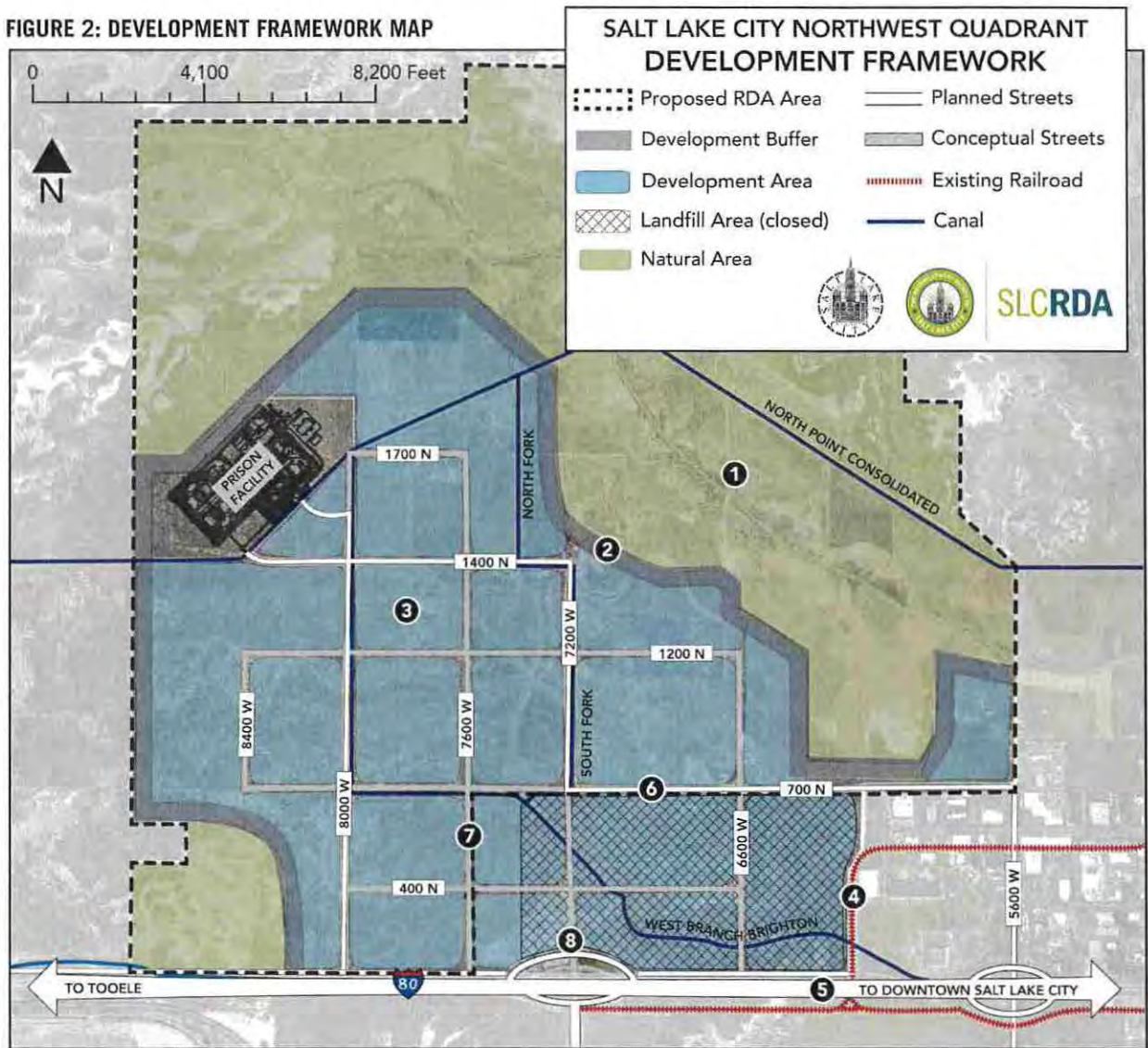
Anticipated Changes: As per the Northwest Quadrant Master Plan, residential is not a future land use within the Project Area. As such, the residential population density is anticipated to be few to zero. However, as the Project Area and adjacent landfill develops into a major employment center, a significant number of employees will be employed at businesses located in the NWQ. Tens of thousands of jobs will be created at full build-out depending on the type and density of businesses.

BUILDING INTENSITIES

Existing: Buildings currently located in the area are accessory structures relating to agricultural and recreational uses. As such, there are a very few existing structures in the Project Area.

Anticipated Changes: Low density, large-scale industrial buildings will be developed for businesses relating to technology, manufacturing, processing, fabrication, assembly, freight handling, or similar operations. In addition, the NWQ has been contemplated for an intermodal facility and logistics park, to include a rail system co-located with light industrial development. Incidental commercial, service, and hospitality-oriented buildings will be developed and located primarily at gateways to the Project Area such as 7200 West at Interstate 80.

FIGURE 2: DEVELOPMENT FRAMEWORK MAP



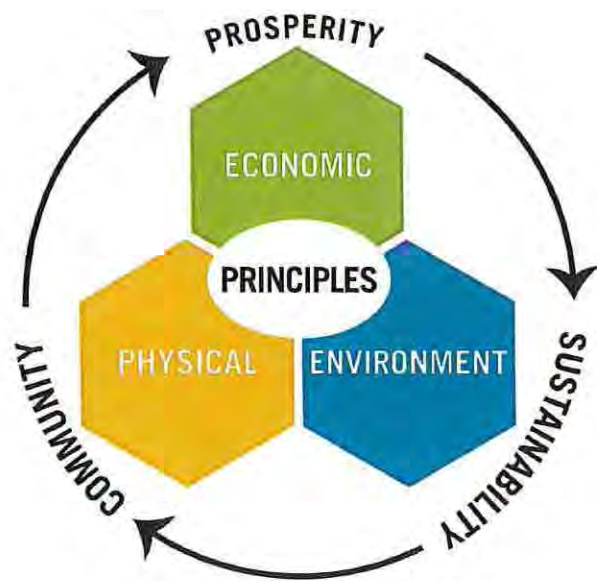
1. **NATURAL AREA**
Area in which new development is limited for the protection of sensitive lands and wildlife near the Great Salt Lake shorelands.
2. **ECO INDUSTRIAL BUFFER**
Within this 400' tract of land, development may occur with additional development standards that are intended to help mitigate impacts on wildlife and the natural areas.
3. **DEVELOPMENT AREA**
Area in which development of light manufacturing uses may occur to promote economic development. Supportive uses, such as restaurants, retail, and services stations are also permitted within this area.
4. **EXISTING RAILROAD**
A short line railroad currently crosses under I-80 west of the International Center. This rail alignment has the potential to be expanded into the Development Area to boost the economic advantage of the area.
5. **MOUNTAINVIEW CORRIDOR @ I-80**
UDOT's expansion plans for the Mountainview Corridor include a system connection located at I-80 halfway between the 5600 W and 7200 W ramps.
6. **PLANNED STREETS**
Two streets will be built to serve the new correctional facility. These streets will need to be up sized to accommodate economic development and growth.
7. **CONCEPTUAL STREETS**
Once finalized, Salt Lake City's Major Street Plan will be updated to include additional arterial and collector streets, thereby enabling these streets to be eligible for impact fees. As development occurs, adjustments to the Major Street Plan may occur to provide flexibility.
8. **7200 WEST @ I - 80**
To be developed as a major gateway to Salt Lake City. Development is anticipated to be 4 - 5 stories high, and provide office, lodging, and other services that will support the area's employees and visitors.

1(c): STANDARDS TO GUIDE PROJECT AREA DEVELOPMENT

As standards to guide development, the RDA proposes to use the Guiding Principles provided in the Salt Lake City Northwest Quadrant Visioning Report (“Visioning Report”), dated March 2017. These Guiding Principles were established through analysis of existing site conditions, review of the Northwest Quadrant Master Plan, and input gathered through a stakeholder engagement process that was carried out between November 2016 and January 2017. Input was collected through seven roundtable groups that reached over 100 individual stakeholders. Guiding Principles are divided into Physical, Economic, and Environmental categories, as follows:

PHYSICAL

1. Create a **mixed-use gateway** that highlights the project area as the western entry for Salt Lake City, **capitalizes on key transportation corridors**, and **connects to existing neighborhoods**.
2. Create **walkable and bikeable linkages** to nearby residential communities and recreation amenities.
3. Develop an **infrastructure master plan** that accounts for high water table and allows for **flexibility in distribution and maintenance**.
4. Design for an **interconnected street and transportation network** that accommodates all modes (e.g. pedestrians, bicycles, passenger vehicles, cargo trucks, and passenger and freight rail).
5. Incorporate **passive sustainable practices** such as permeable surfaces, stormwater capture/bio-filtration swales, and dark sky requirements.
6. **Limit expansive impermeable parking areas** and **maximize developable areas** by incorporating transportation demand management strategies.



ECONOMIC

1. Maximize economic value and leverage regional demand by creating a **forward-thinking, innovative development plan** for light industrial uses.
2. Assist in the identification of a preferred **location for an inland port** to assure Salt Lake City as a growing manufacturing and distribution center that attracts **high-quality and innovative businesses**.
3. Encourage development of industrial Mega Sites in order to **enhance the employment base and economic prosperity** of the region.
4. **Create partnerships** between local educational institutions and business entities to **enhance on-the-job training and capitalize on a young, growing workforce**.
5. Promote the NWQ as “open for business” by facilitating a **streamlined development approval process** that includes clear requirements but is **flexible enough to capitalize on market opportunities**.
6. Recognize that the area provides opportunity to **connect to the global supply chain in a more meaningful way** by strategically aligning the site’s exceptional ability to connect to **regional, national, and international transportation networks**.
7. Maximize economic value by **building synergies with the prison development and infrastructure improvements**.
8. Build in flexibility to **ensure that implementation plans are nimble enough to adapt to changes in society, technology, and the economy**.
9. **Cultivate economic benefits** enabled by Salt Lake City’s **Foreign Trade Zone (FTZ)**.

ENVIRONMENTAL

1. Promote **transit use and alternative modes of travel**.
2. Respect the existing canals and work to **incorporate the existing landscape into the overall site design**.
3. Promote development that respects the **sensitive environment, balances uses and conservation**, and reflects a keen **understanding of the existing landscape** that is unique to the NWQ.
4. Promote public and environmental health to ensure **clean air, clean water, and a livable environment**.
5. Facilitate the implementation of **development standards** in the Eco-Industrial Buffer to help **mitigate impacts on birds, wildlife, and the natural environment**.
6. Prioritize the ecological health of the NWQ by encouraging project designs that prioritize the **preservation and restoration of native habitats**.
7. Encourage development that incorporates renewable energy generation, is environmentally friendly, and includes sustainable practices to **reduce energy consumption and greenhouse gas emissions**.
8. Encourage **sustainable project development**, possibly to include Eco-district certification, LEED certification, and/or Sustainable Sites certification.

1(d): FURTHERING PURPOSES OF UTAH TITLE 17C

By implementing this CRA Plan, the RDA shall leverage private investment with TIF to facilitate economic growth and prosperity through infrastructure improvements, preparation of building sites, business development, and citywide housing development. Implementation shall be carried out through the following objectives.

OBJECTIVE : INFRASTRUCTURE IMPROVEMENTS

1

TO CONSTRUCT INFRASTRUCTURE IN A COORDINATED, EFFICIENT, AND SYSTEMATIC MANNER FOR THE FACILITATION OF ECONOMIC DEVELOPMENT AND IMPLEMENTATION OF THE CITY'S GENERAL PLAN, MAJOR STREET PLAN, AND THE NORTHWEST QUADRANT MASTER DRAINAGE PLAN.

TIF may be provided for capital and land costs associated with public infrastructure improvements. Projects shall facilitate economic development, the expansion of the City's tax base, and encourage orderly growth in compliance with the City's General Plan, Major Street Plan, and the Northwest Quadrant Master Drainage Plan. Eligible uses of funds may include, but not be limited to, the following:

- Streets, sidewalks, curb and gutter, traffic controls, street lights, bike lanes, trails, wayfinding, and streetscaping;
- Stormwater and drainage management systems including drainage channels, storm drains, bio swales, retention areas, and canal improvements;
- Water distribution and sewer systems;
- Railways and related facilities and infrastructure, including rail track, spurs, terminals, bridges, underpasses, and crossings; and
- Other infrastructure that may be located outside of the Project Area but that is found to directly benefit the Project Area.

OBJECTIVE : SITE DEVELOPMENT AND REMEDIATION

2

TO FACILITATE ECONOMIC GOALS AND OBJECTIVES THROUGH THE PREPARATION OF BUILDING SITES FOR FUTURE DEVELOPMENT.

TIF may be provided for costs associated with the preparation of building sites for development. Uses of TIF may include, but not be limited to, environmental remediation and/or containment; vapor intrusion mitigation; grading, fill and/or soil correction; burden costs associated with bringing water, sewer, electrical, telecommunications, and/or other utility service to building sites; and landscaping or drainage improvements. TIF shall support projects that are in accordance with the City's General Plan, meet policies established for the NWQ, meet the City's economic development goals, are projected to generate an increase in the tax base, and meet financial criteria.

OBJECTIVE : BUSINESS DEVELOPMENT

3

- TO FACILITATE AN ACTIVE AND VITAL EMPLOYMENT CENTER THROUGH
- THE RECRUITMENT, RETENTION, AND EXPANSION OF BUSINESSES TO
- PROVIDE LIVABLE WAGE JOBS AND ENHANCE ECONOMIC PROSPERITY.

TIF may be provided to support business or industry-specific development projects. In addition to loans and reimbursements, the RDA may utilize TIF for the acquisition and/or disposition of property to carry out economic development objectives within the Project Area. TIF shall support projects that are in accordance with the City's general plan, meet policies established for the NWQ, meet the City's economic development goals, are projected to generate an increase in the tax base or return on investment, and meet financial criteria.

OBJECTIVE : CITYWIDE HOUSING DEVELOPMENT

4

- TO EXPAND THE AVAILABILITY AND AFFORDABILITY OF HOUSING
- CITYWIDE TO PROVIDE ADDITIONAL HOUSING OPTIONS ALONG WITH
- JOB GROWTH.

TIF may be provided for the development of citywide housing to ensure the availability and affordability of quality housing throughout Salt Lake City. Funding will not only provide affordable housing for existing Salt Lake City residents, but will also provide housing for the expanding employment base spurred by economic development in the NWQ.

1(e): GENERAL PLAN CONSISTENCY

The Northwest Quadrant Master Plan is the community general plan for the Project Area. The construction of buildings and improvements in the Project Area will be carried out in accordance with the standards set forth in the Northwest Quadrant Master Plan, as well as other applicable plans and policies. Building permits will be issued by the City in order to assure that project area development is consistent with the Northwest Quadrant Master Plan and City ordinances.

This CRA Plan aligns with the future land use framework and goals established through the Northwest Quadrant Master Plan. Goals are as follows:

- Preserve natural open spaces and sensitive areas to sustain biodiversity and ecosystem functions.
- Balance protection and management of natural lands with access to recreational opportunities.
- Ensure that the City responds effectively to the social, environmental, and developmental concerns.
- Encourage a resilient and diversified economy.
- Support quality jobs that include nonpolluting and environmentally-conscious high-tech and manufacturing sectors.
- Promote industrial development that is compatible with the environmentally-sensitive nature of the area.
- Provide services and infrastructure that are similar to other parts of the City.

1(f): ELIMINATION OR REDUCTION OF BLIGHT

Not applicable.

1(g): SPECIFIC PROJECT AREA DEVELOPMENT

Specific projects and project sites have not been identified. Rather, project area development activities will facilitate infrastructure improvements, preparation of building sites, business development, and citywide housing development as further described in Section 1(d).

1(h): PROCESS OF SELECTING PARTICIPANTS

The RDA may enter into participation agreements (also known as tax increment reimbursement agreements) for the purpose of providing incentives in the form of tax increment for project area development. Program participants shall be selected through an evaluation process as per the RDA's tax increment reimbursement program and policies. Potential participants must provide sufficient evidence that tax increment funding is necessary for the proposed project to succeed. In addition, the proposed project must align with CRA objectives and involve significant private investment so as to assure adequate yield of tax increment.

1(i): REASON FOR SELECTING THE PROJECT AREA

Salt Lake City selected the Project Area due to the unparalleled opportunity to facilitate job creation, economic growth, and regional prosperity. However, the complexity of developing the NWQ, combined with a changing economic landscape, requires a tactical approach to maximize the opportunities at hand. As such, over the past several months, Salt Lake City has adopted a land use master plan, enacted zoning amendments, drafted an economic development visioning report and strategic plan, and established a public utilities basis for design. These efforts not only provide a land use and development framework for the area, but also provide an assessment of economic and market conditions to inform policy objectives and direct investments.

Looking to the future, implementation of the vision and plans recently completed will require significant commitment of capital to leverage private investment. Establishment of the Project Area to facilitate tax increment financing is the first step in advancing development objectives in a sustainable, efficient, and collaborative manner.

1(j): EXISTING PHYSICAL, SOCIAL, ECONOMIC CONDITIONS

An analysis of social and economic conditions within the CRA is generally inapplicable due to the undeveloped nature of the area. Current physical conditions relate to wildlife management, ranching, farming, canals, stormwater management, and vacant land. The Project Area is adjacent to a major regional rail line and extensive highway infrastructure. A relatively small group of property owners control the majority of the Northwest Quadrant's undeveloped land, providing a unique opportunity for quality planning and collaboration on development.

1(k): FINANCIAL ASSISTANCE OFFERED TO PARTICIPANTS

To promote investment in real property and consequent increases in property values, the RDA has established programs to assist property owners and businesses within RDA project areas. The most widely used forms of RDA assistance are loans, tax increment reimbursements, and the property acquisition/disposition process. However, the RDA may also develop project area-specific programs strategically targeted to promote the goals and objectives of the Project Area. An overview of existing programs is as follows:

1. TAX INCREMENT REIMBURSEMENT PROGRAM

The RDA Tax Increment Reimbursement Program may provide project developers a tax increment reimbursement for the development of improvements that meet the goals and objectives of this CRA Plan and provide significant public benefit. Tax increment

reimbursements shall be based upon the difference between the initial taxable value of a property prior to improvements and the increased taxable value resulting from said improvements. The developer will receive a percentage of the tax increment generated from its project for a specified time frame, and the RDA will receive the residual tax increment generated by the project.

2. LOAN PROGRAM

The RDA Loan Program may provide financing to facilitate various development projects, including new construction, building rehabilitation, and energy efficiency upgrades. Funding is made available for construction costs or hard costs. Loan funds may also be used for site improvements associated with a development project. Use of funds for environmental remediation or demolition shall be considered on a case-by-case basis.

3. PROPERTY ACQUISITION/DISPOSITION

In addition to programs, the RDA may implement this CRA Plan by acquiring property to market for strategic redevelopment, particularly to stimulate private investment, improve conditions, and increase economic development with the area. As per the Utah Code 17C Community Reinvestment Agency Act, the RDA may sell, convey, grant, gift, or otherwise dispose of any interest in real property to provide for project area development. Disposition of all RDA-owned real property, including land write-downs, shall abide by the RDA's real property disposition policy, all applicable laws, and be conducted in a competitive and transparent manner as deemed appropriate and effective.

1 (I): PUBLIC BENEFITS ANALYSIS SUMMARY

According to the Utah Code 17C Community Reinvestment Agency Act, the RDA shall conduct an analysis to determine whether this CRA Plan will provide a public benefit. The RDA contracted with Zions Public Finance ("ZPFI") to carry out this effort. A summary of the resulting analysis, as completed by ZPFI, is as follows. Refer to Exhibit C for the complete Northwest Quadrant Community Reinvestment Area Public Benefits Analysis.

a. An evaluation of the reasonableness of the costs of the proposed project area development

An evaluation of the reasonableness of the costs of the proposed project area development is based on a comparison of the costs of the development compared to the revenues and benefits it will generate for the various taxing entities. The Project Area is currently generating only a minimal amount of tax revenues annually. Over 20 years, the anticipated tax revenues, assuming current conditions, will amount to \$207,272.

BASE (EXISTING) TAX REVENUES:

Base Year Tax Revenues	Total – 20 Years	NPV* – 20 Years	Annual Tax Revenues
Salt Lake County	\$32,934	\$22,379	\$1,647
Multicounty Assessing & Collecting Levy	\$147	\$100	\$7
County Assessing & Collecting Levy	\$3,591	\$2,440	\$180
Salt Lake City School District	\$84,586	\$57,478	\$4,229
Salt Lake City	\$63,072	\$42,858	\$3,154
Salt Lake Library	\$12,273	\$8,340	\$614
Salt Lake Metropolitan Water District	\$4,783	\$3,250	\$239
Central Utah Water Conservancy District	\$5,886	\$4,000	\$294
TOTAL	\$207,272	\$140,845	\$10,364

*Net present value discounted at a rate of 4 percent

In comparison, with the projected development, the area will generate an estimated \$233 million in property tax revenues over 20 years. The annual tax increment revenue will increase yearly, as development proceeds.

b. Efforts that have been, or will be made to capitalize private investment

Private investment in the area, for real property alone, is anticipated to reach nearly \$3.6 billion within 35 years. This represents a substantial investment in an area of the Salt Lake Valley that is currently undeveloped and that deals with significant construction concerns, most notably the high water levels, soil stability, and lack of infrastructure. In an effort to increase private investment in the area, the RDA is proposing the creation of a CRA to assist with the extraordinary costs of construction that negatively impact the attractiveness of the area to developers. The amount to be contributed to the RDA is estimated at \$174,815,907. Therefore, this represents a ratio of 20:1 of private investment to public investment.

c. Rationale for use of project area funds (“but for” analysis)

Development within the Project Area is unlikely to take place within the next ten years without some sort of public assistance. The rationale for the use of tax increment funds in the area is due to the extraordinary costs of construction associated with the high water table and lack of infrastructure in the area. In addition, there are development barriers relating to soil conditions and lowland areas within the general area. This adds uncertainty, time, and cost to the construction process. By assisting with these concerns, much of the present uncertainty expressed by developers would be mitigated and the area would become more attractive for development.

There is also some uncertainty regarding access to utilities and the placement of future infrastructure in the area. Preliminary plans indicate that the State of Utah will lead the construction effort for two roadway/transmission corridors, one running north from I-80 to the prison site and the other running west from the International Center to the prison site. It is anticipated that the State will cover the up-front costs of street and baseline water/sewer infrastructure. In anticipation of future development, Salt Lake City may allocate funding to cover the difference between the cost of baseline water/sewer infrastructure and a higher capacity system, thereby establishing a backbone system for the Project Area. Tax increment may be utilized to cover the cost of street and public utility improvements that lead from this backbone system to developable sites.

d. An estimate of total amount of funds and the length of time during which funds will be spent

Because of the extremely high costs associated with placing backbone infrastructure in this area, as well the uncertainties with the soil stability in some areas, the RDA anticipates the need for 75 percent of tax increment for a period of 20 years. Assuming a 20-year timeframe, with 75 percent of increment flowing to the RDA, the RDA would receive a total of nearly \$175 million with a net present value (NPV) of roughly \$100 million.

e. The beneficial influences on the community's tax base

The current taxable value of the Project Area is \$735,791 or an average of \$95.64 per acre. With the proposed development, the average taxable value per acre is projected to increase to \$464,668 – an increase of roughly 485,751 percent. The following table summarizes the increases in real property taxable value projected at different time periods using the assumptions for absorption and average values.

Year	Taxable Value	Increase over Current Value
5	\$226,457,109	\$225,721,318
10	\$700,177,676	\$699,441,885
15	\$1,293,827,500	\$1,293,091,710
20	\$1,893,473,788	\$1,892,737,997
25	\$2,493,120,075	\$2,492,384,285
30	\$3,092,766,363	\$3,092,030,572
35	\$3,574,881,978	\$3,574,146,187

Forty-one percent of the increased tax revenues would benefit the Salt Lake City School District, 30 percent would benefit Salt Lake City and 16 percent would benefit Salt Lake County. Therefore, there are significant benefits to the tax base of the community from creating a project area.

f. The associated business and economic activity the proposed project area development will likely stimulate

Based on a financial feasibility analysis completed by Jones Lang LaSalle, the Salt Lake City Northwest Quadrant Phase II Feasibility Analysis, nearly 32,000 jobs will be created in the Project Area. This is a significant number, as total employment in Salt Lake County was 712,912 in October 2017. Therefore, the job projections for the Project Area represent 4.5 percent of the current workforce in the County.

The Kem C. Gardner Policy Institute (“Policy Institute”) recently completed an economic analysis specifically looking at employment sector comparisons for the NWQ. The Policy Institute’s analysis indicates that as many as 100,000+ jobs may be created at full build out when factoring in local multipliers. In addition to full-time jobs created in the Project Area, there will be a significant number of construction jobs created over a long period of time as absorption takes place in this area.

g. Whether adoption of the proposed community reinvestment project area plan is necessary and appropriate to undertake the proposed project area development

The creation of the proposed Community Reinvestment Project Area Plan is necessary and appropriate for the following reasons:

- There are significant infrastructure issues (landfill remediation, uncertainty regarding access to utilities, and lowlands with high water tables) that make the area currently unattractive to developers.
- The creation of a Project Area with remediation of the above-listed problems will generate significant economic development and increased property tax base.
- The development that will take place in the area will create a significant number of new jobs.
- Expansion of the Salt Lake City International Airport will create significant development opportunities in the area if a well-planned area, with good infrastructure, is available.
- This area forms a gateway from the west, along I-80, for visitors entering Salt Lake City, the State’s capital city.

1 (m): HISTORIC PRESERVATION

Not applicable.

1 (n): INTERLOCAL AGREEMENT

According to the Utah Code 17C Community Reinvestment Agency Act The Project Area is subject to an interlocal agreement with taxing entities, rather than a taxing entity committee, because the RDA is not carrying out a blight study.

2

PROJECT AREA BUDGET

OVERVIEW

Section 2 of this CRA Plan conforms with the requirements of 17C-5-303, and includes the following information:

- 1) Receipt of Tax Increment
 - a. Base taxable value;
 - b. Projected amount of tax increment to be generated within the CRA;
 - c. Each project area funds collection period;
 - d. Projected amount of tax increment to be paid to other taxing entities in accordance with Section 17C-1-410 (if applicable);
 - e. If the area from which tax increment is collected is less than the entire community reinvestment project area:
 - (i) a boundary description of the portion or portions of the community reinvestment project area from which the agency receives tax increment; and
 - (ii) for each portion described in Subsection (1)(e)(i), the period of time during which tax increment is collected;
 - f. Percentage of tax increment the agency is authorized to receive from the community reinvestment project area; and
 - g. Maximum cumulative dollar amount of tax increment the agency is authorized to receive from the community reinvestment project area.
- 2) Receipt of Sales and Use Tax Revenue
- 3) Project Area Funds to Implement this CRA Plan
- 4) RDA's Combined Incremental Value
- 5) Amount for Administration
- 6) Property Owned and Expected to Sell

1(a): BASE TAXABLE VALUE

The base year is anticipated to be 2017, with a base year taxable value of \$735,791.

1(b): PROJECTED AMOUNT OF TIF

INCREMENTAL PROPERTY TAX REVENUES GENERATED FOR 20 YEARS:

Incremental Tax Revenues - 100%	Total – 20 Years	NPV* – 20 Years
Salt Lake County	\$37,035,901	\$21,148,021
Multicounty Assessing & Collecting Levy	\$165,487	\$94,495
County Assessing & Collecting Levy	\$4,037,873	\$2,305,682
Salt Lake City School District	\$95,121,698	\$54,315,828
Salt Lake City	\$70,927,557	\$40,500,633
Salt Lake Library	\$13,801,582	\$7,880,898
Salt Lake Metropolitan Water District	\$5,378,315	\$3,071,093
Central Utah Water Conservancy District	\$6,619,464	\$3,779,807
TOTAL	\$233,087,876	\$133,096,458

*Net present value discounted at a rate of 4 percent

1(c): COLLECTION PERIOD

The collection period shall be 20 years.

1(d): TIF PAID TO OTHER TAXING ENTITIES

INCREMENTAL PROPERTY TAX REVENUES TO TAXING ENTITIES FOR 20 YEARS:

Incremental Tax Revenues to Taxing Entities	Total – 20 Years	NPV* – 20 Years
Salt Lake County	\$9,258,975	\$5,287,005
Multicounty Assessing & Collecting Levy	\$41,372	\$23,624
County Assessing & Collecting Levy	\$1,009,468	\$576,421
Salt Lake City School District	\$23,780,424	\$13,578,957
Salt Lake City	\$17,731,889	\$10,125,158
Salt Lake Library	\$3,450,396	\$1,970,224
Salt Lake Metropolitan Water District	\$1,344,579	\$767,773
Central Utah Water Conservancy District	\$1,654,866	\$944,952
TOTAL	\$58,271,969	\$33,274,114

*Net present value discounted at a rate of 4 percent

1(e): IF TIF COLLECTION AREA IS LESS THAN CRA BOUNDARY

Not applicable. The TIF collection area is the entire CRA boundary.

1(f): PERCENTAGE OF TIF AUTHORIZED TO RECEIVE

REQUESTED PARTICIPATION FROM TAXING ENTITIES:

Taxing Entity	Percentage	Length
Salt Lake County	75%	20 Years
Salt Lake City School District	75%	20 Years
Salt Lake City	75%	20 Years
Salt Lake Library	75%	20 Years
Salt Lake Metropolitan District	75%	20 Years
Salt Lake City Mosquito Abatement Dis.	75%	20 Years
Central Utah Water Conservancy District	75%	20 Years

1(g): MAXIMUM CUMULATIVE AMOUNT RECEIVED BY THE RDA

Based on a conservative projection of tax increment generation, the RDA estimates receiving approximately \$175,000,000 in tax increment revenues over a 20-year period. Actual receipt of tax increment may be higher depending on absorption rates, market conditions, and taxing entity participation terms. As such, tax increment budget estimates and maximums, if applicable, will be established through an interlocal agreement with each of the participating taxing entities. Estimated tax increment revenues are as follows:

20-YEAR TAX INCREMENT REVENUES TO RDA AT 75% PARTICIPATION RATE:

Incremental Tax Revenues to RDA	Total, 2022-2041	NPV, 2022-2041
Salt Lake County	\$27,776,926	\$15,861,016
Multicounty Assessing & Collecting Levy	\$124,115	\$70,871
County Assessing & Collecting Levy	\$3,028,405	\$1,729,262
Salt Lake City School District	\$71,341,273	\$40,736,871
Salt Lake City	\$53,195,668	\$30,375,475
Salt Lake Library	\$10,351,187	\$5,910,673
Salt Lake Metropolitan Water District	\$4,033,736	\$2,303,320
Central Utah Water Conservancy District	\$4,964,598	\$2,834,855
TOTAL	\$174,815,907	\$99,822,343

2: SALES AND USE TAX REVENUE: Not applicable.

3: PROJECT AREA FUNDS TO IMPLEMENT THIS CRA PLAN

BUDGET FOR 20-YEAR TAX INCREMENT REVENUES TO RDA:

Activity	Percentage	Amount
Administration	10%	\$17,481,591
Housing	10%	\$17,481,591
Shared Costs	10%	\$17,481,591
Redevelopment Activities	70%	\$122,815,907
Total	100%	\$174,815,907

The RDA shall implement this plan through the following activities:

- **ADMINISTRATION AND OPERATIONS:**
The tax increment expected to be used to cover the operations costs of administering and implementing the CRA Plan.
- **HOUSING:**
The tax increment allocation required to be used for housing activities pursuant to Section 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.
- **SHARED COSTS:**
The tax increment expected to be used for redevelopment activities that benefit the entire Project Area, are system wide, or that benefit multiple property owners or parcels.
- **REDEVELOPMENT ACTIVITIES:**
The tax increment expected to be used to carry out project development activities as further described in this CRA Plan. Activities may include, but not be limited to, land acquisition, public improvements, infrastructure improvements, loans, grants, and other incentives to public and private entities.

4: RDA'S COMBINED INCREMENTAL VALUE

PROJECT AREA	ASSESSED PROPERTY VALUE	BASE TAXABLE VALUE	INCREMENTAL VALUE
SLC CBD In	\$2,253,069,110	\$136,894,100	\$2,116,175,010
SLC CBD Out	\$468,564,069	\$0	\$468,564,069
Sugar House	\$358,792,409	\$53,401,199	\$305,391,210
West Temple	\$131,625,455	\$50,234,090	\$81,391,365
Baseball	\$2,994,111	\$0	\$2,994,111
West Capitol Hill	\$83,471,701	\$28,322,952	\$55,148,749
Depot District	\$419,610,969	\$27,476,425	\$392,134,544
Depot District Non-Collection	\$17,069,143	\$0	\$17,069,143
Granary	\$90,443,298	\$48,813,397	\$41,629,901
North Temple Viaduct	\$64,730,133	\$36,499,680	\$28,230,453
North Temple	\$106,098,060	\$84,073,572	\$22,024,488
Block 70	\$158,846,344	\$58,757,937	\$100,088,407
COMBINED VALUE	\$4,155,314,802	\$524,473,352	\$3,630,841,450

5: PROJECT AREA FUNDS USED FOR ADMINISTRATION

The RDA anticipates utilizing up to 10 percent of the funds captured and retained by the agency, which is estimated to be \$17,481,591.

6: EXPECTED SALE PRICE FOR PROPERTY THE RDA OWNS

The RDA does not own property within the Project Area.

EXHIBIT A: PROJECT AREA LEGAL DESCRIPTION & MAP

Beginning at a point on the existing Salt Lake City boundary which is the Northwest Corner of Section 17, Township 1 North, Range 2 West, Salt Lake Base and Meridian, and running thence along the existing Salt Lake City boundary the following 18 courses: 1) N89°54'36"E 2637.89 feet to the N1/4 Corner of said Section 17; 2) N89°53'20"E 2640.05 feet to the NE Corner of said Section 17; 3) S89°48'47"E 2640.69 feet to the N1/4 Corner of Section 16 said Township; 4) N00°26'13"E 1320.23 feet to the W1/4 Corner of the SE1/4 of Section 9 said Township; 5) S89°48'47"E 2625.84 feet to the E1/4 Corner of the SE1/4 of said Section 9; 6) S00°24'42"W 1320.23 feet to the NE Corner of said Section 16; 7) S00°24'42"W 2650.57 feet to the E1/4 Corner of said Section 16; 8) S00°26'25"W 1325.15 feet to the W1/4 Corner of the SW1/4 of Section 15; 9) S89°50'13"E 1322.93 feet to the Center of the SW1/4 of said Section 15; 10) N00°23'04"E 2648.09 feet to the Center of the NW1/4 of said Section 15; 11) S89°44'08"E 3963.23 feet to the E1/4 Corner of the NE1/4 of said Section 15; 12) S89°47'29"E 1317.60 feet to the Center of the NW1/4 of Section 14 said Township; 13) S00°15'30"W 3961.12 feet to the S1/4 Corner of the SW1/4 of said Section 14; 14) S89°47'29"E 1317.60 feet to the S1/4 Corner of said Section 14; 15) S00°13'53"W 1320.92 feet to the E1/4 Corner of the NW1/4 Section 23 said Township; 16) S89°46'07"E 1320.22 feet to the Center of the NE1/4 of said Section 23; 17) S00°13'54"W 2643.89 feet to the Center of the SE1/4 of said Section 23; 18) S44°44'23"E 1868.01 feet to the SE Corner of said Section 23; thence along the east line of Section 26 said Township S00°20'01"W 3991.93 feet to the north line of John Cannon Drive; thence along the north line of John Cannon Drive S89°47'45"E 44.00 feet to the projected east line of 5600 West; thence along the east line of 5600 West S00°20'07"W 1284.30 feet to the south line of Section 25 said township; thence along the south lines of said Section 25 and 26 N89°47'25"W 774.13 feet to the Southwest Corner of Watkins Industrial Park Subdivision as recorded in Book 2003P, Page 162 of Subdivisions, in the Salt Lake County Recorder's Office; thence along the south line of said Section 26 N89°47'24"W 2937.61 feet; thence S00°11'54"W 99.14 feet to the Northeast Corner of Parcel 07-35-100-016; thence along said parcel the following 6 courses: 1) N89°46'53"W 1609.45 feet; 2) N89°50'44"W 2642.88 feet; 3) N89°50'20"W 2644.04 feet; 4) N89°44'53"W 1317.05 feet; 5) S00°13'52"W 2541.25 feet; 6) S00°14'20"W 1723.95 feet to the north line of the I-80 right-of-way and an 1849.86 foot radius non-tangent curve to the right; thence along said north line and said curve 63.56 feet (chord bears S71°02'20"W 63.56 feet); thence along said north line N89°47'45"W 9176.07 feet to the west boundary line of Salt Lake City; thence along said west boundary the following 10 courses: 1) N00°19'37"E 1745.63 feet to the West Quarter Corner of Section 32 said township; 2) N00°20'10"E 846.69 feet; 3) S89°47'26"E 1320.00 feet; 4) N00°20'10"E 950.40 feet; 5) N89°47'26"W 1320.00 feet; 6) N00°20'10"E 844.84 feet to the Northwest Corner of said Section 32; 7) N00°19'16"E 5285.43 feet to the Southwest Corner of Section 20 said township; 8) N00°17'46"E 2629.78 feet to the West Quarter Corner of said Section 20; 9) N00°18'30"E 2631.00 feet to the Northwest Corner of said Section 20; 10) N00°17'29"E 5280.23 feet to the point of beginning.

Contains 7,739.092 acres, more or less.

EXHIBIT B: DEFINITIONS

1. The term "Act" or "Utah Code 17C Community Reinvestment Agency Act" shall mean the "Limited Purpose Local Government Entities - Community Reinvestment Agency Act" as found in Title 17C, Utah Code Annotated 1953, as amended.
2. The term "Affordable Housing" shall mean housing to be owned or occupied by persons and families of low or moderate income, as determined by resolution of the RDA.
3. The term "Base Taxable Value" unless otherwise adjusted in accordance with provisions of this title, shall mean a property's taxable value as shown upon the assessment roll last equalized during the base year.
4. The term "Base Year" shall mean, except as provided in Subsection 17C-1-402(4)(c), the year during which the assessment roll is last equalized
5. The term "Board" shall mean the governing body of the Agency, as provided in Section 17C-1-203 of the Act.
6. The term "City" shall mean the city of Salt Lake City.
7. The term "Housing Allocation" shall mean tax increment allocated for housing under Section 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.
8. The term "Income Targeted Housing" shall mean housing to be owned or occupied by a family whose annual income is at or below 80% of the median annual income for Salt Lake County.
9. The term "Northwest Quadrant Master Plan" shall mean the Community General Plan as required by the Act, which acts as the master plan, adopted by Salt Lake City on August 16, 2016.
10. The term "Project Area" shall mean the area described in Exhibit A attached hereto.
11. The term "Project Area Budget" shall mean a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to the Project Area that includes:
 - (i) the Base Taxable Value of property in the Project Area;
 - (ii) the projected Tax Increment expected to be generated within the Project Area;
 - (iii) the amount of Tax Increment expected to be shared with other taxing entities;
 - (iv) the amount of Tax Increment expected to be used to implement the Project Area Plan, including the estimated amount of Tax Increment to be used for land acquisition, public improvements, infrastructure improvements, and loans, grants, or other incentives to private and public entities;
 - (v) the Tax Increment expected to be used to cover the cost of administering the Project Area Plan;
 - (vi) if the area from which Tax Increment is to be collected is less than the entire Project Area:
 - (a) the tax identification numbers of the parcels from which Tax Increment will be collected; or
 - (b) a legal description of the portion of the Project Area from which Tax Increment will be collected;
 - (vii) for property that the RDA owns and expects to sell, the expected total cost of the property to the RDA and the expected selling price; and
 - (viii) the following required information:
 - (a) the number of tax years for which the RDA will be allowed to receive Tax Increment from the Project Area; and
 - (b) the percentage of Tax Increment or maximum cumulative dollar amount of Tax Increment the RDA is entitled to receive from the Project Area under the Project Area Budget.
12. The term "RDA" shall mean the Redevelopment Agency of Salt Lake City.
13. The term "Taxable Value" shall mean the value of property as shown on the last equalized assessment roll as certified by the Salt Lake County Assessor.
14. The term "Tax Increment" shall mean the difference between:
 - (i) the amount of property tax revenues generated each tax year by all taxing entities from the area within a Project Area designated in the Project Area Plan as the area from which Tax Increment is to be collected, using the current assessed value of the property; and
 - (ii) the amount of property tax revenues that would be generated from that same area using the Base Taxable Value of the property.
15. The term "Taxing Entity" shall mean a public entity that levies a tax on a parcel or parcels of property located within the City.



**Salt Lake City Redevelopment Agency
Northwest Quadrant
Community Reinvestment Area
Benefits Analysis**

ZIONS  PUBLIC FINANCE, INC.

December 7, 2017

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Background

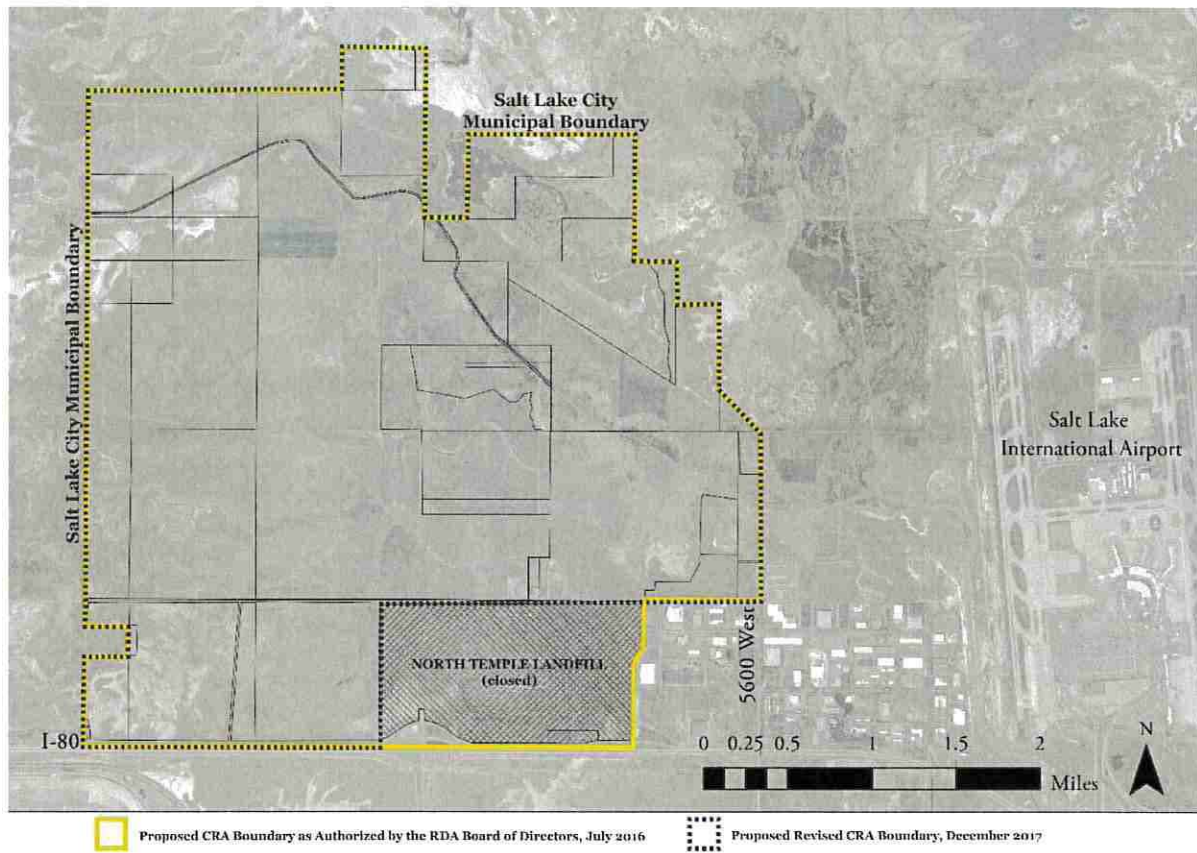
The purpose of this report is to conduct a benefits analysis for development of the Northwest Quadrant under Utah Code §17C-5-105(2) which lists the following requirements:

- (a) An Agency shall conduct an analysis in accordance with Subsection (2)(b) to determine whether the proposed community reinvestment project area plan will provide a public benefit.
- (b) The analysis described in Subsection (2)(a) shall consider:
 - (i) the benefit of any financial assistance or other public subsidy to be provided by the agency, including:
 - (A) an evaluation of the reasonableness of the costs of the proposed project area development;
 - (B) efforts that have been, or will be made, to maximize private investment;
 - (C) the rationale for use of project area funds, including an analysis of whether the proposed project area development might reasonably be expected to occur in the foreseeable future solely through private investment; and
 - (D) an estimate of the total amount of project area funds that the agency intends to spend on project area development and the length of time over which the project area funds will be spent; and
 - (ii) the anticipated public benefit derived from the proposed project area development, including:
 - (A) the beneficial influences on the community's tax base;
 - (B) the associated business and economic activity the proposed project area development will likely stimulate; and
 - (C) whether adoption of the proposed community reinvestment project area plan is necessary and appropriate to undertake the proposed project area redevelopment.

The study area, outlined in the figure below, is the area located immediately west of the Salt Lake City International Airport and the International Center, and north of I-80, not including the North Temple Landfill.

FIGURE 1: MAP OF PROJECT AREA BOUNDARIES

PROPOSED NORTHWEST QUADRANT COMMUNITY REINVESTMENT AREA



This report is organized as follows:

- Background
- Development Assumptions
- Tax Increment Projections
- Benefits Analysis

Development Assumptions

Development assumptions were provided by the Salt Lake City Redevelopment Agency (“RDA”) from the *Salt Lake City Northwest Quadrant Phase II Feasibility Analysis* prepared by JLL in December 2017. Absorption projections are for light industrial, flex office, retail and hotel development. Zones A & C represent the study area shown above, minus the landfill. Zone B represents the landfill site.

TABLE 1: BUILDING SF ABSORPTION PROJECTIONS, 2019-2053

	Light Industrial	Flex Office	Retail	Hotel Rooms/Acres
Zone A	14,196,995	5,166,231	85,327	115
Zone B	5,880,412	5,302,950	534,293	718
Zone C	20,115,587	2,088,368	-	-
TOTAL SF Absorbed	40,192,994	12,557,549	619,620	833

Source: *Salt Lake City Northwest Quadrant Phase II Feasibility Analysis*

For purposes of analysis, Zones A and C have been combined in this study, and Zone B (landfill) is considered in a separate analysis. Therefore, the total square feet absorbed in zones A & C is as follows:

TABLE 2: BUILDING SF ABSORPTION PROJECTIONS, 2019-2053, ZONES A & C

	Light Industrial	Flex Office	Retail	Hotel Rooms/Acres
Zone A	14,196,995	5,166,231	85,327	115
Zone C	20,115,587	2,088,368	-	-
TOTAL SF Absorbed	34,312,582	7,254,599	85,327	115

Source: *Salt Lake City Northwest Quadrant Phase II Feasibility Analysis*

The JLL study also provides estimates of the future densities, or floor area ratios (FAR), of the various types of development. ZPFI has used the JLL assumptions for light industrial, retail and hotel, but has slightly reduced the FAR for flex office.

TABLE 3: BUILDING DENSITY ASSUMPTIONS

	Light Industrial	Flex Office	Retail	Hotel Rooms/Acres
Building sf per acre	13,068	17,424	13,068	79
Floor Area Ratio	0.3	0.5	0.3	NA

Finally, the JLL report also provides estimates of the land and construction costs of the various types of development. This analysis uses the JLL estimates for all categories, with the exception of flex office construction costs. For this category, we have reduced the building costs to \$100 per building square foot. Throughout the analysis, all costs have been inflated at a growth rate of two percent per year.

TABLE 4: LAND COSTS PER ACRE

Light Industrial	Flex Office	Retail	Hotel Rooms/Acres
\$189,006	\$325,319	\$285,628	\$831,904

TABLE 5: VERTICAL CONSTRUCTION COSTS PER BUILDING SF

Light Industrial	Flex Office	Retail	Hotel Rooms/Acres
\$60	\$100	\$160	\$130,000

In addition, personal property valuation must be added to the light industrial and flex office construction costs. This analysis adds \$5.00 per building square foot to the light industrial and flex office categories in order to cover personal property valuation. While it is recognized that personal property values depreciate yearly, and replacement costs must also be considered, the \$5.00 is an average value used. Personal property values range significantly in industrial development. With no specific tenants in mind at this point in time, a conservative estimate has been used.

Zones A & C

Based on the foregoing assumptions, total valuation is expected to reach \$3,574,881,978 over the 35-year time period of this analysis.

TABLE 6: PROJECTED TAXABLE VALUE AT BUILDOUT – ZONES A & C

Building Category	Taxable Value at Buildout
Zones A & C – Land	
Light Industrial	\$496,363,338
Flex Office	\$54,189,523
Retail	\$1,865,342
Hotel	\$1,214,581
TOTAL Land	\$553,632,784
Zones A & C – Construction	
Light Industrial	\$2,230,727,390
Flex Office	\$761,872,774
Retail	\$13,654,827
Hotel	\$14,994,202
TOTAL Construction	\$3,021,249,194
TOTAL TAXABLE VALUE	\$3,574,881,978

Benefits Analysis

Evaluation of the Reasonableness of the Costs of the Proposed Project Area Development

An evaluation of the reasonableness of the costs of the proposed project area development is based on a comparison of the costs of the development compared to the revenues and benefits it will generate for the various taxing entities.

The project area is currently generating only a minimal amount of tax revenues annually. Over 20 years, the anticipated tax revenues, assuming current conditions, will amount to \$207,272.¹

TABLE 7: BASE (EXISTING) TAX REVENUES

Base Year Tax Revenues	Total – 20 Years	NPV* – 20 Years	Annual Tax Revenues
Salt Lake County	\$32,934	\$22,379	\$1,647
Multicounty Assessing & Collecting Levy	\$147	\$100	\$7
County Assessing & Collecting Levy	\$3,591	\$2,440	\$180
Salt Lake City School District	\$84,586	\$57,478	\$4,229
Salt Lake City	\$63,072	\$42,858	\$3,154
Salt Lake Library	\$12,273	\$8,340	\$614
Salt Lake Metropolitan Water District	\$4,783	\$3,250	\$239
Central Utah Water Conservancy District	\$5,886	\$4,000	\$294
TOTAL	\$207,272	\$140,845	\$10,364

*Net present value discounted at a rate of 4 percent

In comparison, with the projected development, the area will generate an estimated \$233 million in property tax revenues over 20 years. The annual tax increment revenue will increase yearly, as development proceeds.

TABLE 8: INCREMENTAL PROPERTY TAX REVENUES GENERATED

Incremental Tax Revenues - 100%	Total – 20 Years	NPV* – 20 Years
Salt Lake County	\$37,035,901	\$21,148,021
Multicounty Assessing & Collecting Levy	\$165,487	\$94,495
County Assessing & Collecting Levy	\$4,037,873	\$2,305,682
Salt Lake City School District	\$95,121,698	\$54,315,828
Salt Lake City	\$70,927,557	\$40,500,633
Salt Lake Library	\$13,801,582	\$7,880,898
Salt Lake Metropolitan Water District	\$5,378,315	\$3,071,093
Central Utah Water Conservancy District	\$6,619,464	\$3,779,807
TOTAL	\$233,087,876	\$133,096,458

*Net present value discounted at a rate of 4 percent

Therefore, the proposal to contribute 75 percent to the Agency, with 25 percent remaining with the taxing entities appears reasonable. The following table shows the *additional* property tax revenues that the taxing entities will receive, assuming 25 percent of incremental tax revenues for a period of 20 years. The additional amount is projected to be over \$58 million.

TABLE 9: INCREMENTAL PROPERTY TAX REVENUES TO TAXING ENTITIES FOR 20 YEARS

Incremental Tax Revenues to Taxing Entities	Total – 20 Years	NPV* – 20 Years
Salt Lake County	\$9,258,975	\$5,287,005
Multicounty Assessing & Collecting Levy	\$41,372	\$23,624
County Assessing & Collecting Levy	\$1,009,468	\$576,421
Salt Lake City School District	\$23,780,424	\$13,578,957
Salt Lake City	\$17,731,889	\$10,125,158
Salt Lake Library	\$3,450,396	\$1,970,224
Salt Lake Metropolitan Water District	\$1,344,579	\$767,773

¹ The base year taxable value of the project area is \$735,791.

Incremental Tax Revenues to Taxing Entities	Total – 20 Years	NPV* – 20 Years
Central Utah Water Conservancy District	\$1,654,866	\$944,952
TOTAL	\$58,271,969	\$33,274,114

*Net present value discounted at a rate of 4 percent

Efforts to Maximize Private Investment

Private investment in the area, for real property alone, is anticipated to reach nearly \$3.6 billion within 35 years. This represents a substantial investment in an area of the Salt Lake Valley that is currently undeveloped and that deals with significant construction concerns, most notably the high water levels, soil stability and lack of infrastructure. In an effort to increase private investment in the area, the Redevelopment Agency is proposing the creation of a CRA to assist with the extraordinary costs of construction that negatively impact the attractiveness of the area to developers.

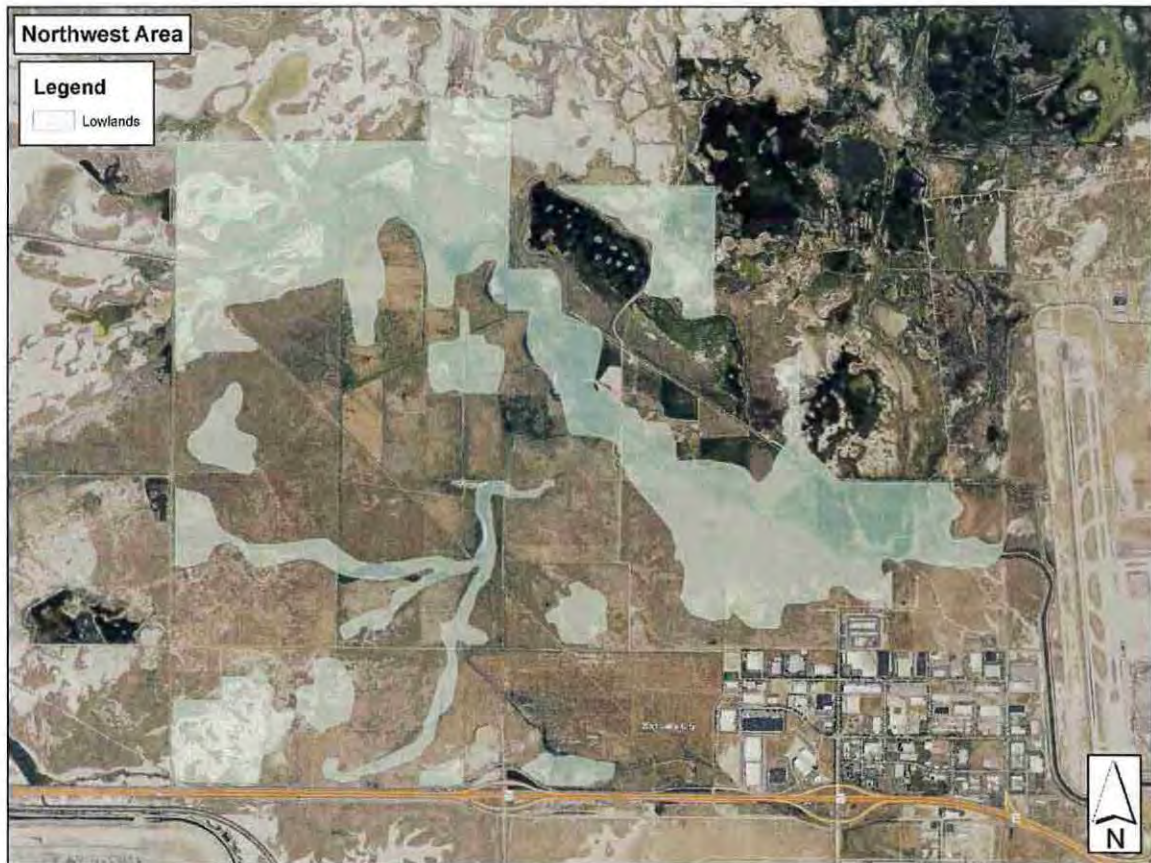
The amount to be contributed to the Agency is estimated at \$174,815,907. Therefore, this represents a ratio of 20:1 of private investment to public investment.

Rationale for Use of Project Area Funds – Whether the Proposed Project Area Development Might Reasonably Be Expected to Occur in the Foreseeable Future Solely Through Private Investment

Development within the proposed Project Area is unlikely to take place within the next ten years without some sort of public assistance. The rationale for the use of tax increment funds in the area is due to the extraordinary costs of construction associated with the high water table and lack of infrastructure in the area. By assisting with these concerns, much of the present uncertainty expressed by developers would be mitigated and the area would become more attractive for development.

As the following map shows, there are a considerable amount of lowland areas within the general area. This adds uncertainty, time and cost to the construction process.

FIGURE 2: MAP OF LOWLANDS IN NORTHWEST QUADRANT AREA



There is also some uncertainty regarding access to utilities and the placement of future infrastructure in the area. Preliminary plans indicate that the State of Utah will lead the construction effort for two roadway/transmission corridors, one running north from I-80 to the prison site and the other running west from the International Center to the prison site. It is anticipated that the State will cover the upfront costs of street and baseline water/sewer infrastructure. In anticipation of future development, Salt Lake City may allocate funding to cover the difference between the cost of baseline water/sewer infrastructure and a higher capacity system, thereby establishing a backbone system for the study area. Tax increment may be utilized to cover the cost of street and public utility improvements that lead from this backbone system to developable sites.

Estimate of Total Amount of Project Area Funds the Agency Intends to Spend on Project Area Development and Length of Time Over Which the Project Area Funds Will Be Spent

Because of the extremely high costs associated with placing backbone infrastructure in this area, as well as the uncertainties with the soil stability in some areas, the Redevelopment Agency anticipates the need for 75 percent of tax increment for a period of 20 years. The tax increment projections shown below assume completion of major roads and utilities. Assuming a 20-year timeframe, with 75 percent of

increment flowing to the Agency, the Agency would receive a total of nearly \$175 million with a net present value (NPV) of roughly \$100 million.

TABLE 10: 20-YEAR TAX INCREMENT REVENUES TO AGENCY AT 75% PARTICIPATION RATE

Incremental Tax Revenues to Agency	Total, 20 Years	NPV, 20 Years
Salt Lake County	\$27,776,926	\$15,861,016
Multicounty Assessing & Collecting Levy	\$124,115	\$70,871
County Assessing & Collecting Levy	\$3,028,405	\$1,729,262
Salt Lake City School District	\$71,341,273	\$40,736,871
Salt Lake City	\$53,195,668	\$30,375,475
Salt Lake Library	\$10,351,187	\$5,910,673
Salt Lake Metropolitan Water District	\$4,033,736	\$2,303,320
Central Utah Water Conservancy District	\$4,964,598	\$2,834,855
TOTAL	\$174,815,907	\$99,822,343

Beneficial Influences on the Community's Tax Base

The current taxable value of the project area is \$735,791 (see list of attached parcels in Appendix A) or an average of \$95.64 per acre.² With the proposed development, the average taxable value per acre is projected to increase to \$464,668 – an increase of roughly 485,751 percent.

The following table summarizes the increases in real property taxable value projected at different time periods using the assumptions for absorption and average values discussed previously in this analysis.

TABLE 11: INCREMENTAL PROPERTY TAX VALUE

Year	Taxable Value	Increase over Current Value
5	\$226,457,109	\$225,721,318
10	\$700,177,676	\$699,441,885
15	\$1,293,827,500	\$1,293,091,710
20	\$1,893,473,788	\$1,892,737,997
25	\$2,493,120,075	\$2,492,384,285
30	\$3,092,766,363	\$3,092,030,572
35	\$3,574,881,978	\$3,574,146,187

The project area is located in Tax Districts 13E and 13F. The two districts have the following taxing entities, with the following tax rates:³

TABLE 12: PERCENTAGE BENEFIT TO VARIOUS TAXING ENTITIES

Taxing Entity	Tax Rate	% of Total
Salt Lake County	0.002238	16%

² Based on 7,693.41 acres in the project area.

³ Tax District 13E accounts for 942.52 acres in the project area, while Tax District 13F accounts for 6,750.89 acres. There is one difference between the two tax districts. 13E includes the Magna Mosquito Abatement District while 13F does not. The Magna Mosquito Abatement District is not included in the analysis as much of the area located in Tax District 13E is undevelopable and the impacts of the Mosquito Abatement District would be minimal.

Taxing Entity	Tax Rate	% of Total
Multicounty Assessing & Collecting Levy	0.00001	0%
County Assessing & Collecting Levy	0.000244	2%
Salt Lake City School District	0.005748	41%
Salt Lake City	0.004286	30%
Salt Lake Library	0.000834	6%
Salt Lake Metropolitan Water District	0.000325	2%
Central Utah Water Conservancy District	0.0004	3%
TOTAL	0.014085	100%

Therefore, 41 percent of the increased tax revenues would benefit the Salt Lake City School District, 30 percent would benefit Salt Lake City and 16 percent would benefit Salt Lake County.

Therefore, there are significant benefits to the tax base of the community from creating a project area.

Associated Business and Economic Activity the Proposed Project Area Development Will Likely Stimulate

Full-Time Job Creation. The proposed development will create jobs in the study area. The number of jobs created will vary significantly by type, as shown in the table below, taken directly from the JLL study.

TABLE 13: AVERAGE BUILDING SQUARE FEET PER EMPLOYEE

Development Type	Square Feet per Employee
Light Industrial	2,000
Flex Office	500
Retail	500
Hotel	0.5 employees per room

Using both the total square feet projections of JLL, and JLL's estimate of the number of square feet per employee, nearly 32,000 jobs are created in the study area. This is a significant number. Total employment in Salt Lake County was 712,912 in October 2017.⁴ Therefore, the job projections for the project area represent 4.5 percent of the current workforce in the County.

TABLE 14: PROJECTED JOB CREATION – 35 YEARS

Square Feet per Employee	SF per Employee/Employees per Room	Total SF	Total Jobs
Light Industrial	2,000	34,312,582	17,156
Flex Office	500	7,254,599	14,509
Retail	500	85,327	171
Hotel (per Room)	0.5	115	58
TOTAL			31,894

⁴ Source: <https://jobs.utah.gov/wi/press/2001press/ratecurrent.pdf>

At the present time, average wages for available jobs in the Northwest Quadrant (including the International Center and south of I-80) are between \$42,000 to \$50,000.⁵

TABLE 15: PROJECTED JOB CREATION BY TIMEFRAME

	Year 5	Year 10	Year 20	Year 30
Light Industrial	1,012	3,296	9,050	14,833
Flex Office	856	2,788	7,654	12,544
Retail	10	33	90	148
Hotel	58	58	58	58
TOTAL	1,936	6,174	16,852	27,582

Assuming an average wage of \$50,000, the following wages would be paid *annually* in the timeframes shown below:

TABLE 16: PROJECTED ANNUAL WAGES PAID IN SELECTED YEARS

Wages	Year 5	Year 10	Year 20	Year 30
Jobs	1,936	6,174	16,852	27,582
Wages Paid in That Year	\$96,779,109	\$308,714,911	\$842,578,514	\$1,379,124,848

With the wages paid, these employees will create additional jobs in the community through their purchases for food, entertainment, housing, transportation, education, etc.

Construction Job Creation. In addition to full-time jobs created in the study area, there will be a significant number of construction jobs created over a long period of time as absorption takes place in this area. The average construction wage is roughly \$50,000 per year.⁶ With benefits and other costs, this analysis uses an average construction job cost of \$75,000.

Labor costs represent approximately 40 percent of construction expenses, with the remaining 60 percent mainly allocated for construction supplies, and with some room for overhead and profit. This analysis assumes that 40 percent of the projected construction investment per year will be spent on construction labor and that the number of construction jobs created per year will vary depending on the level of development taking place in that year. Given the absorption projections shown earlier in this report, it is assumed that the area will average 460 construction jobs per year,⁷ with some years higher and other years lower.

As the table below indicates, projected jobs are based on average burdened labor of \$75,000 per employee, with construction labor estimated at 40 percent of new construction costs. The number of jobs created and wages paid in given years, is shown in the table below.

⁵ Source: Job Search databases, multiple listing services and active brokers

⁶ Utah Department of Workforce Services

⁷ Construction jobs in the early years are much lower than construction jobs in later years, as absorption is projected to increase over time. Therefore, the average of 381 jobs per year is much more reflective of later years, as this analysis considers development through 2050. The average number of jobs in the first three years is only 30.

TABLE 17: PROJECTED JOBS AND WAGES PAID

	Year 5	Year 10	Year 20	Year 30
Construction Cost	\$55,721,852	\$91,181,212	\$101,312,458	\$101,312,458
Construction Wages Paid	\$22,288,741	\$36,472,485	\$40,524,983	\$40,524,983
Construction Jobs	297	486	540	540

Whether Adoption of the Proposed Community Reinvestment Project Area Plan is Necessary and Appropriate to Undertake the Proposed Project Area Development

The creation of the proposed Community Reinvestment Project Area Plan is necessary and appropriate for the following reasons:

- There are significant infrastructure issues (landfill remediation, uncertainty regarding access to utilities, and lowlands with high water tables) that make the area currently unattractive to developers
- The creation of a Project Area with remediation of the above-listed problems will generate significant economic development and increased property tax base
- The development that will take place in the area will create a significant number of new jobs
- Expansion of the Salt Lake City International Airport will create significant development opportunities in the area if a well-planned area, with good infrastructure, is available
- This area forms a gateway from the west, along I-80, for visitors entering Salt Lake City, the State's capitol city.

Appendix A

TABLE 18: PARCELS IN PROJECT AREA

Parcel ID	Owner Name	Property Location
7094000020000	GILLMOR, EDWARD L JR	2698 N 8800 W
7094000044002	GILLMOR, EDWARD L, JR	2698 N 8800 W
7152000050000	SALT LAKE CITY CORPORATION	2698 N 8800 W
7154000040000	SALT LAKE CITY CORPORATION	2698 N 8800 W
7161000020000	KENNECOTT UTAH COPPER LLC	2698 N 8800 W
7162000010000	SIV GILLMOR PROPERTIES, LLC	2698 N 8800 W
7171000030000	EPPERSON ASSOCIATES, LLC	2698 N 8800 W
7173000020000	EPPERSON ASSOCIATES, LLC	2698 N 8800 W
7173000030000	KENNECOTT UTAH COPPER	2698 N 8800 W
7174000020000	EPPERSON ASSOCIATES, LLC	2698 N 8800 W
7201000010000	KENNECOTT UTAH COPPER	2698 N 8800 W
7201000020000	EPPERSON ASSOCIATES, LLC	2698 N 8800 W
7202000030000	MOREHOUSE, RICHARD M &	2698 N 8800 W
7203000010000	EPPERSON ASSOCIATES, LLC	2698 N 8800 W
7223000050000	KENNECOTT UTAH COPPER LLC	6901 W IEIGHTYWEST FWY
7223000060000	DIVERSIFIED HABITATS 1 LLC	6901 W IEIGHTYWEST FWY
7223000070000	G-BAR VENTURES, LLC	2698 N 8800 W
7223000080000	GILLMOR, EDWARD L, JR	2698 N 8800 W
7231000180000	SALT LAKE CITY CORPORATION	2698 N 8800 W
7231000190000	SALT LAKE CITY CORPORATION	2698 N 8800 W
7233000034001	SIV GILLMOR PROPERTIES, LLC	2698 N 8800 W
7234000040000	G-BAR VENTURES, LLC	850 N 5600 W
7251000120000	SALT LAKE CITY CORPORATION &	780 N 5600 W
7261000080000	KENNECOTT UTAH COPPER, LLC	6620 W 700 N
7262000010000	G-BAR VENTURES, LLC	850 N 5600 W
7262000030000	SUBURBAN LAND RESERVE, INC	718 N 5600 W
7262760010000	G-BAR VENTURES, LLC	850 N 5600 W
7264000010000	SUBURBAN LAND RESERVE INC	775 N 5600 W
7264000024001	SUBURBAN LAND RESERVE, INC	695 N JOHN GLENN RD
7264000024002	SUBURBAN LAND RESERVE, INC	695 N JOHN GLENN RD
7264260010000	G-BAR VENTURES, LLC	850 N 5600 W
7271000030000	G-BAR VENTURES, LLC	2698 N 8800 W
7271000040000	GILLMOR, EDWARD L, JR	2698 N 8800 W
7274000020000	KENNECOTT UTAH COPPER LLC	6680 W 700 N
7291000030000	EPPERSON ASSOCIATES, LLC	8306 W 700 N
7292000010000	EPPERSON ASSOCIATES LLC	8306 W 700 N
7321000010000	BONNEVILLE INTERNATIONAL CORP	550 N 8800 W



Parcel ID	Owner Name	Property Location
7321000030000	EPPERSON ASSOCIATES, LLC	8306 W 700 N
7321000040000	EPPERSON ASSOCIATES, LLC	8700 NORTHTEMPLE FRTG ST
7322000030000	EPPERSON ASSOCIATES LLC	8390 NORTHTEMPLE FRTG ST
7331000050000	EPPERSON ASSOCIATES, LLC	7610 NORTHTEMPLE FRTG ST
7351000170000	KENNECOTT UTAH COPPER LLC	675 N JOHN GLENN RD
7352010050000	SALT LAKE CITY CORP	578 N JOHN GLENN RD
7331000010000		
7341000010000		
7342000010000		
7342000020000		
7342000030000		
7342000040000		
7342000050000		



Appendix B

Tax Increment projections spreadsheet

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
NORTHWEST QUADRANT																				
Base Year Taxable Value	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791
Incremental Value	\$1,480,176	\$48,243,484	\$20,310,060	\$160,496,017	\$226,457,109	\$304,411,126	\$394,350,609	\$490,201,475	\$597,241,344	\$700,177,676	\$814,110,471	\$934,039,737	\$1,059,968,085	\$1,173,898,243	\$1,292,821,500	\$1,413,256,738	\$1,533,686,015	\$1,651,615,273	\$1,774,544,530	\$1,893,473,788
Total Taxable Value	\$1,714,967	\$49,737,275	\$21,045,851	\$176,992,014	\$252,914,210	\$338,822,917	\$438,701,218	\$547,442,946	\$654,482,719	\$770,369,467	\$888,220,942	\$1,004,079,468	\$1,166,766,170	\$1,347,696,486	\$1,585,613,001	\$1,826,513,471	\$2,067,372,030	\$2,303,230,546	\$2,539,339,061	\$2,778,917,579
Teasing Entities																				
Soil Lake County																				
Multi-County Assessing & Collecting Levy	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238
County Assessing & Collecting Levy	0.000001	0.000001	0.000001	0.000001	0.000001	0.000001	0.000001	0.000001	0.000001	0.000001	0.000001	0.000001	0.000001	0.000001	0.000001	0.000001	0.000001	0.000001	0.000001	0.000001
Soil Lake City School District	0.000748	0.000748	0.000748	0.000748	0.000748	0.000748	0.000748	0.000748	0.000748	0.000748	0.000748	0.000748	0.000748	0.000748	0.000748	0.000748	0.000748	0.000748	0.000748	0.000748
Soil Lake City	0.000386	0.000386	0.000386	0.000386	0.000386	0.000386	0.000386	0.000386	0.000386	0.000386	0.000386	0.000386	0.000386	0.000386	0.000386	0.000386	0.000386	0.000386	0.000386	0.000386
Soil Lake Metropolitan Water District	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325
Central Utah Water Conservancy District	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400
Base Year Tax Revenues																				
Soil Lake County	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647
Multi-County Assessing & Collecting Levy	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167
County Assessing & Collecting Levy	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180
Soil Lake City School District	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229
Soil Lake City	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154
Soil Lake Library	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614
Soil Lake Metropolitan Water District	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219
Central Utah Water Conservancy District	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284
TOTAL	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272
Incremental Tax Revenues - 100%																				
Soil Lake County	\$38,419	\$106,546	\$700,487	\$357,543	\$565,164	\$679,625	\$800,927	\$1,095,648	\$1,323,769	\$1,562,351	\$1,820,333	\$2,086,734	\$2,357,136	\$2,623,938	\$2,893,938	\$3,167,361	\$3,439,743	\$3,699,144	\$3,957,546	\$4,235,948
Multi-County Assessing & Collecting Levy	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167
County Assessing & Collecting Levy	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180
Soil Lake City School District	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229
Soil Lake City	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154
Soil Lake Library	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614
Soil Lake Metropolitan Water District	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219
Central Utah Water Conservancy District	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284
TOTAL	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272
Incremental Tax Revenues - 100%																				
Soil Lake County	\$38,419	\$106,546	\$700,487	\$357,543	\$565,164	\$679,625	\$800,927	\$1,095,648	\$1,323,769	\$1,562,351	\$1,820,333	\$2,086,734	\$2,357,136	\$2,623,938	\$2,893,938	\$3,167,361	\$3,439,743	\$3,699,144	\$3,957,546	\$4,235,948
Multi-County Assessing & Collecting Levy	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167
County Assessing & Collecting Levy	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180
Soil Lake City School District	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229	\$54,229
Soil Lake City	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154
Soil Lake Library	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614
Soil Lake Metropolitan Water District	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219	\$219
Central Utah Water Conservancy District	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284	\$284
TOTAL	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272	\$207,272
Percent of County																				
Soil Lake County	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Multi-County Assessing & Collecting Levy	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
County Assessing & Collecting Levy	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Soil Lake City School District	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Soil Lake City	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Soil Lake Library	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Soil Lake Metropolitan Water District	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Central Utah Water Conservancy District	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
TOTAL	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Incremental Tax Revenues to Taxing Entities																				
Soil Lake County	\$1,258,975	\$5,287,005	\$21,637,005	\$10,818,503	\$16,227,758	\$19,941,250	\$23,654,750	\$29,571,250	\$35,487,750	\$41,404,250	\$47,320,750	\$53,237,250	\$59,153,750	\$65,070,250	\$70,986,750	\$76,903,250	\$82,819,750			

	TOTAL	NPV	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
NORTHWEST QUADRANT																						
Salt Lake City School District	\$71,381,273	\$40,738,871	\$76,931	\$205,237	\$386,193	\$688,726	\$973,086	\$1,809,144	\$1,686,906	\$2,110,518	\$2,840,080	\$3,015,294	\$3,256,168	\$4,024,473	\$4,540,888	\$5,097,503	\$5,743,938	\$6,091,538	\$6,606,548	\$7,125,563	\$7,642,578	\$8,159,594
Salt Lake City	\$43,195,608	\$30,475,475	\$58,618	\$153,035	\$287,565	\$511,540	\$725,581	\$976,154	\$1,765,299	\$1,573,709	\$1,401,395	\$2,248,356	\$2,614,933	\$3,000,106	\$3,385,818	\$3,771,131	\$4,156,643	\$4,512,156	\$4,937,668	\$5,313,181	\$5,698,694	\$6,084,208
Salt Lake Library	\$10,351,187	\$5,210,673	\$11,017	\$29,779	\$56,034	\$98,930	\$141,186	\$189,949	\$246,211	\$306,223	\$363,387	\$437,501	\$508,766	\$583,792	\$658,797	\$733,813	\$808,829	\$883,845	\$958,860	\$1,033,876	\$1,108,892	\$1,183,908
Salt Lake Metropolitan Water District	\$4,033,736	\$2,303,320	\$4,293	\$11,604	\$21,836	\$38,942	\$55,020	\$74,071	\$95,345	\$119,337	\$144,179	\$170,469	\$198,260	\$227,493	\$256,226	\$285,958	\$315,191	\$344,424	\$373,657	\$402,889	\$432,122	\$461,355
Central Utah Water Conservancy District	\$4,964,598	\$7,834,855	\$1,284	\$14,287	\$28,875	\$47,728	\$67,716	\$91,103	\$118,087	\$146,870	\$177,452	\$208,433	\$244,012	\$279,991	\$315,570	\$351,949	\$387,978	\$423,906	\$459,885	\$495,864	\$531,843	\$567,821
TOTAL	\$174,815,007	\$99,822,340	\$186,089	\$502,915	\$896,335	\$1,607,667	\$2,389,464	\$3,207,850	\$4,158,127	\$5,171,600	\$6,248,517	\$7,388,729	\$8,592,287	\$9,859,188	\$11,126,692	\$12,392,095	\$13,658,898	\$14,926,800	\$16,193,703	\$17,460,606	\$18,727,508	\$19,994,411

SALT LAKE CITY ORDINANCE

No. ____ of 2018

(Adoption of Northwest Quadrant Community Reinvestment Area Project Area Plan)

An ordinance adopting the Community Reinvestment Area Project Area Plan for the Northwest Quadrant Community Reinvestment Project Area, as approved by the Board of Directors of the Redevelopment Agency of Salt Lake City, and designating the Plan as the official Community Reinvestment Project Area Plan for the Northwest Quadrant Community Reinvestment Project Area.

WHEREAS, the Redevelopment Agency of Salt Lake City (the “Agency”), prepared a Draft Community Reinvestment Project Area Plan (the “Draft Plan”) for the Northwest Quadrant Community Reinvestment Project Area, the legal description of which is attached hereto as **Exhibit A**.

WHEREAS, on January 9, 2018, the Board of Directors of the Agency held a public hearing on the Draft Plan and pursuant to Utah Code § 17C-5-108, adopted a resolution on on January 9, 2018 approving the Draft Plan as the Official Community Reinvestment Project Area Plan for the Northwest Quadrant Project Area (“Official Plan”) (see Agency Resolution No. ____).

WHEREAS, Utah Code § 17C-5-109 requires that, before a community reinvestment project area plan approved by the Agency may take effect, it must be adopted by ordinance of the legislative body of the community that created the Agency.

WHEREAS, the Act also requires certain notice to be given by the community legislative body upon its adoption of a community reinvestment project area plan under Utah Code § 17C-5-110.

NOW, THEREFORE, BE IT ORDAINED BY THE SALT LAKE CITY COUNCIL AS FOLLOWS:

SECTION 1. The Salt Lake City Council hereby adopts the Northwest Quadrant Community Reinvestment Project Area Plan, as approved by the Agency as the Official Plan for the Northwest Quadrant Community Reinvestment Project Area.

SECTION 2. The City staff is hereby authorized and directed to publish or cause to be published the notice required by Utah Code § 17C-5-110, whereupon the Official Plan shall become effective.

SECTION 4. This ordinance shall take effect immediately upon the date of its first publication.

Passed by the City Council of Salt Lake City, Utah this _____ day of _____, 2018.

CHAIRPERSON

Approved as to Form:
Salt Lake City Attorney's Office



Katherine N. Lewis

ATTEST:

CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CITY RECORDER

(SEAL)

Bill No. _____ of 2018.

Published: _____.

HB_ATTU-#66302-v1-Ordinance_re_Northwest_Quadrant_Project_Area_Adoption_.doc

EXHIBIT A TO ORDINANCE NO. _____

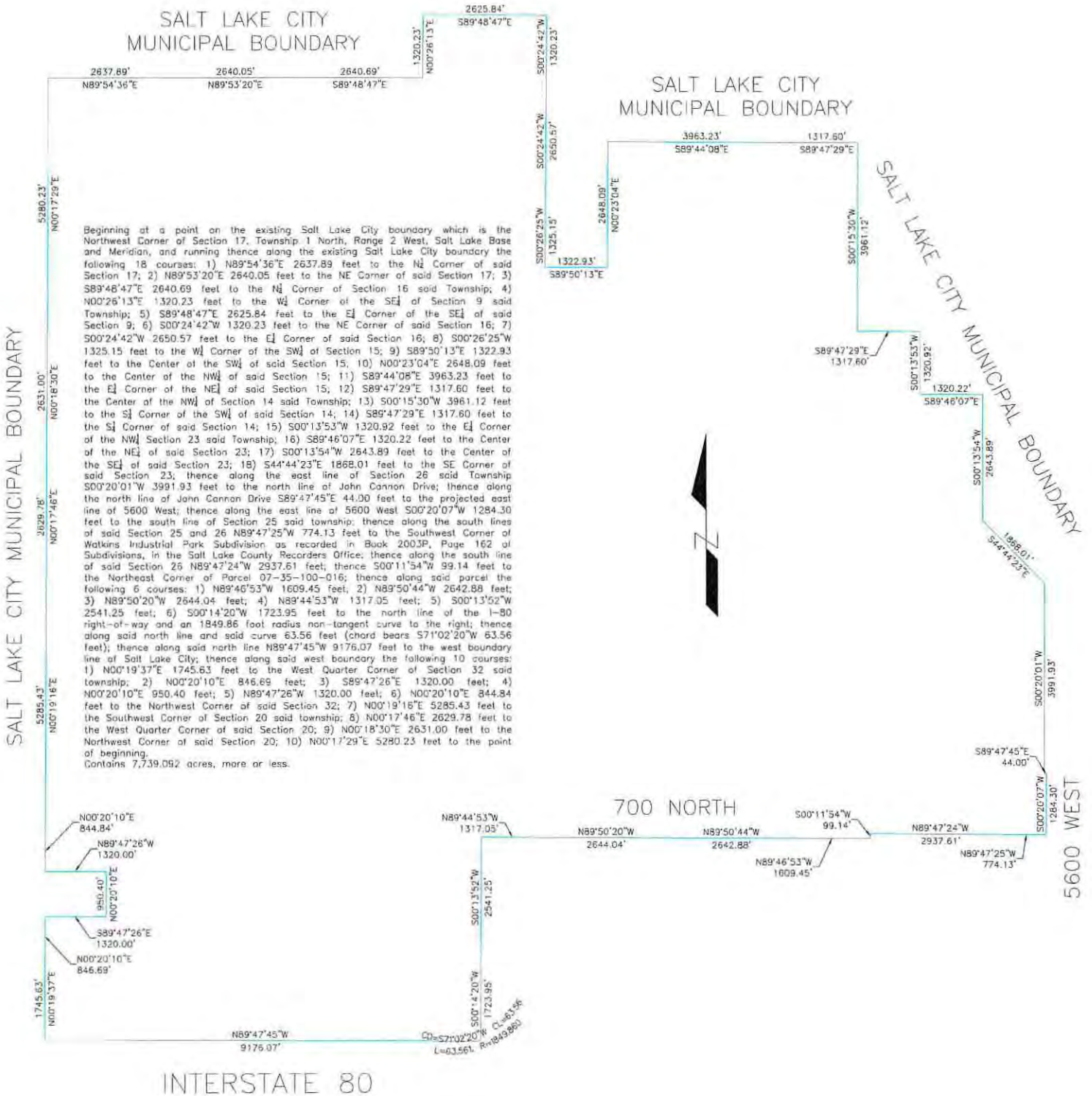
[Attach Legal Description for Northwest Quadrant Project Area]

Northwest Quadrant Community Reinvestment Area Boundary Legal Description

Beginning at a point on the existing Salt Lake City boundary which is the Northwest Corner of Section 17, Township 1 North, Range 2 West, Salt Lake Base and Meridian, and running thence along the existing Salt Lake City boundary the following 18 courses: 1) N89°54'36"E 2637.89 feet to the N1/4 Corner of said Section 17; 2) N89°53'20"E 2640.05 feet to the NE Corner of said Section 17; 3) S89°48'47"E 2640.69 feet to the N1/4 Corner of Section 16 said Township; 4) N00°26'13"E 1320.23 feet to the W1/4 Corner of the SE1/4 of Section 9 said Township; 5) S89°48'47"E 2625.84 feet to the E1/4 Corner of the SE1/4 of said Section 9; 6) S00°24'42"W 1320.23 feet to the NE Corner of said Section 16; 7) S00°24'42"W 2650.57 feet to the E1/4 Corner of said Section 16; 8) S00°26'25"W 1325.15 feet to the W1/4 Corner of the SW1/4 of Section 15; 9) S89°50'13"E 1322.93 feet to the Center of the SW1/4 of said Section 15; 10) N00°23'04"E 2648.09 feet to the Center of the NW1/4 of said Section 15; 11) S89°44'08"E 3963.23 feet to the E1/4 Corner of the NE1/4 of said Section 15; 12) S89°47'29"E 1317.60 feet to the Center of the NW1/4 of Section 14 said Township; 13) S00°15'30"W 3961.12 feet to the S1/4 Corner of the SW1/4 of said Section 14; 14) S89°47'29"E 1317.60 feet to the S1/4 Corner of said Section 14; 15) S00°13'53"W 1320.92 feet to the E1/4 Corner of the NW1/4 Section 23 said Township; 16) S89°46'07"E 1320.22 feet to the Center of the NE1/4 of said Section 23; 17) S00°13'54"W 2643.89 feet to the Center of the SE1/4 of said Section 23; 18) S44°44'23"E 1868.01 feet to the SE Corner of said Section 23; thence along the east line of Section 26 said Township S00°20'01"W 3991.93 feet to the north line of John Cannon Drive; thence along the north line of John Cannon Drive S89°47'45"E 44.00 feet to the projected east line of 5600 West; thence along the east line of 5600 West S00°20'07"W 1284.30 feet to the south line of Section 25 said township; thence along the south lines of said Section 25 and 26 N89°47'25"W 774.13 feet to the Southwest Corner of Watkins Industrial Park Subdivision as recorded in Book 2003P, Page 162 of Subdivisions, in the Salt Lake County Recorder's Office; thence along the south line of said Section 26 N89°47'24"W 2937.61 feet; thence S00°11'54"W 99.14 feet to the Northeast Corner of Parcel 07-35-100-016; thence along said parcel the following 6 courses: 1) N89°46'53"W 1609.45 feet; 2) N89°50'44"W 2642.88 feet; 3) N89°50'20"W 2644.04 feet; 4) N89°44'53"W 1317.05 feet; 5) S00°13'52"W 2541.25 feet; 6) S00°14'20"W 1723.95 feet to the north line of the I-80 right-of-way and an 1849.86 foot radius non-tangent curve to the right; thence along said north line and said curve 63.56 feet (chord bears S71°02'20"W 63.56 feet); thence along said north line N89°47'45"W 9176.07 feet to the west boundary line of Salt Lake City; thence along said west boundary the following 10 courses: 1) N00°19'37"E 1745.63 feet to the West Quarter Corner of Section 32 said township; 2) N00°20'10"E 846.69 feet; 3) S89°47'26"E 1320.00 feet; 4) N00°20'10"E 950.40 feet; 5) N89°47'26"W 1320.00 feet; 6) N00°20'10"E 844.84 feet to the Northwest Corner of said Section 32; 7) N00°19'16"E 5285.43 feet to the Southwest Corner of Section 20 said township; 8) N00°17'46"E 2629.78 feet to the West Quarter Corner of said Section 20; 9) N00°18'30"E 2631.00 feet to the Northwest Corner of said Section 20; 10) N00°17'29"E 5280.23 feet to the point of beginning.

Contains 7,739.092 acres, more or less.

Northwest Quadrant Community Reinvestment Area Boundary Model



INTERLOCAL COOPERATION AGREEMENT

[Northwest Quadrant Project Area Tax Increment]

THIS INTERLOCAL COOPERATION AGREEMENT (“**Agreement**”) is executed as of _____, 2018 (“**Effective Date**”), by and between the Redevelopment Agency of Salt Lake City, a public entity (“**Agency**”), and Salt Lake City Corporation, a Utah municipal corporation (the “**City**”) (collectively, the “**Parties**”).

RECITALS

A. Pursuant to Resolution No. ___ adopted by the Agency on January __, 2018, the Agency has commenced the process under Utah Code 17C to create the Northwest Quadrant Project Area (the “**Project Area**”), and has prepared a draft of a community reinvestment project area plan for the Project Area, a copy of which is attached hereto as **Exhibit A** (the “**Project Area Plan**,” which includes the legal description and a map of the Project Area).

B. Under the Project Area Plan, the Agency desires to support the development of the Project Area into an ecologically-oriented industrial park that is an economic engine for the city, region, and state.

C. The City has determined that it is in its best interests to provide certain financial assistance through the use of Tax Increment (as defined below) to Agency for development as set forth in the Project Area Plan.

D. The Agency anticipates using tax increment (as defined in Utah Code § 17C-1-102(60) (“**Tax Increment**”) created by development activities in the Project Area to assist in development as set forth in the Project Area Plan.

E. Utah Code § 17C-5-204 authorizes the City to consent to the payment to the Agency of a portion of its share of Tax Increment generated from the Project Area for the purposes set forth in the Project Area Plan.

NOW, THEREFORE, for good and valuable consideration, the Parties agree as follows:

1. **City’s Consent.** Pursuant to Utah Code § 17C-5-204, the City hereby agrees and consents that the Agency shall be entitled to retain seventy-five percent (75%) of the City’s portion of the Tax Increment from the Project Area for twenty (20) years from the Effective Date of this Agreement. The calculation of annual Tax Increment shall be made using (a) Salt Lake County’s then current tax levy rate for the City, and (b) the 2017 base year taxable value of \$ _____, which taxable value is subject to adjustment as required by law.

2. **Budget.** Pursuant to Utah Code § 17C-5-204(6)(c), a copy of the Project Area budget is attached hereto as **Exhibit B**.

3. **Interlocal Cooperation Act.** In satisfaction of the requirements of Utah Code § 11-13, *et seq.* (the “**Interlocal 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 Interlocal 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 Section 11-13-202.5(3) of the Interlocal Cooperation Act.

c. Except as otherwise specifically provided herein, each Party shall be responsible for its own costs of any action taken pursuant to this Agreement, and for any financing of such costs.

d. 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 Interlocal Cooperation Act.

e. No separate legal entity is created by the terms of this Agreement. The Executive Director of the Agency is hereby designated the administrator for all purposes of the Interlocal Cooperation Act, pursuant to Section 11-13-207 of the Interlocal Cooperation Act.

f. Following the execution of this Agreement by each of the Parties, each Party shall cause a notice regarding this Agreement to be published in accordance with Section 11-13-219 of the Interlocal Cooperation Act.

g. No real or personal property shall be acquired jointly by the Parties as a result of this Agreement. To the extent a Party acquires, holds, or disposes of any real or personal property for use in the joint or cooperative undertaking contemplated by this Agreement, such Party shall do so in the same manner that it deals with other property of such Party.

h. No separate legal entity is created by the terms of this Agreement.

4. **Modification and Amendment.** Any modification of or amendment to any provision of this Agreement shall be effective only if the modification or amendment is in writing and signed by each of the Parties. Any oral representation or modification concerning this Agreement shall be of no force or effect.

5. **Further Assurance.** Each of the Parties hereto agrees to cooperate in good faith with the other, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.

6. **Governing Law.** This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Utah.

7. **Authorization.** Each of the Parties hereto represents and warrants to the other that the warranting Party has taken all steps, including the publication of public notice where necessary, in order to authorize the execution, delivery, and performance of this Agreement by each such Party.

Executed to be effective as of the Effective Date.

REDEVELOPMENT AGENCY OF SALT LAKE
CITY

Jacqueline M. Biskupski, Executive Director

Approved as to form:

Salt Lake City Attorney's Office

Katherine N. Lewis

SALT LAKE CITY CORPORATION

Mayor Jacqueline M. Biskupski

ATTEST AND COUNTERSIGN:

City Recorder

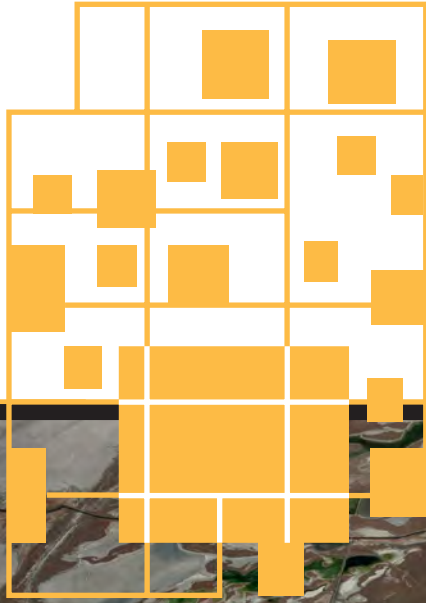
Approved as to form:

Salt Lake City Attorney's Office

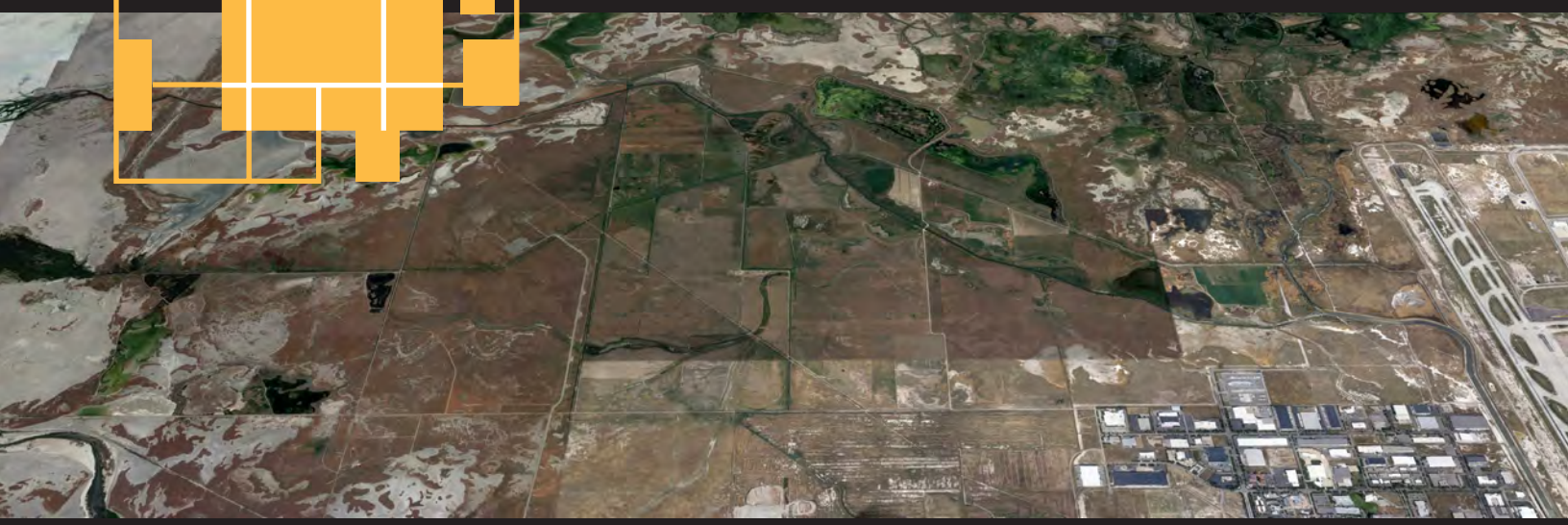
E. Russell Vetter

EXHIBIT A

[Attach Project Area Plan]



NORTHWEST QUADRANT CRA PLAN



SLCRDA

Date available for public comment:
December 8, 2017



NWQ COMMUNITY REINVESTMENT AREA PLAN

ACKNOWLEDGEMENTS:

MAYOR

RDA EXECUTIVE DIRECTOR

Jacqueline M. Biskupski

DEPARTMENT OF ECONOMIC DEVELOPMENT DIRECTOR

RDA CHIEF EXECUTIVE OFFICER

Lara Fritts

RDA CHIEF OPERATING OFFICER

Danny Walz

RDA BOARD OF DIRECTORS

James Rogers, District 1

Andrew Johnston, District 2

Stan Penfold, District 3 (outgoing)

Chris Wharton, District 3 (incoming)

Derek Kitchen, District 4

Erin Mendenhall, District 5

Charlie Luke, District 6

Lisa Adams, District 7 (outgoing)

Amy Fowler, District 7 (incoming)



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INTRODUCTION

Through this Northwest Quadrant Community Reinvestment Area Plan (“CRA Plan”), the Redevelopment Agency of Salt Lake City (“RDA”) contemplates the creation of a Community Reinvestment Area (“CRA”) to facilitate the use of tax increment financing (“TIF”) as a funding mechanism to further Salt Lake City’s economic development goals. In addition, this CRA Plan will facilitate the implementation of the community vision and land use plan established by the Northwest Quadrant Master Plan.

HARNESSING OPPORTUNITY

Acclaimed as an area with unparalleled economic opportunity, the Northwest Quadrant (“NWQ”) north of Interstate 80 offers over 3,000 acres of developable land in close proximity to an international airport, major highway interchange, and national rail crossing. Through the strategic cultivation of growth and prosperity, this area is positioned to become a model of regional economic development that elevates the global competitiveness of Salt Lake City, Salt Lake County, and the State of Utah.

The complexity of developing the NWQ, combined with a changing economic landscape, requires a tactical approach to maximize the opportunities at hand. This CRA Plan sets forth goals, objectives, and strategies for the utilization of tax increment to advance development objectives in a sustainable, efficient, and collaborative manner.

As efforts move forward, further coordination and partnership building will be key to take full advantage of the knowledge, skills, reach, and experience that stakeholders offer one another. State, county, city, public, private, and nonprofit partners together can have greater impact than working individually. With a steadfast approach, the development of the NWQ will provide jobs, economic growth, and regional prosperity for generations to come.

CRA PLAN REQUIREMENTS

This CRA Plan complies with the community reinvestment project area plan requirements as per Utah Code 17C Community Reinvestment Agency Act. The RDA does not anticipate using eminent domain within the Project Area. Since the RDA is not carrying out a blight study or a blight determination, the Project Area is authorized through interlocal agreements with individual taxing entities, rather than a taxing entity committee.

Prior to adopting a board resolution, the RDA Board of Directors (Board) has determined that this CRA Plan:

- Contains a boundary description of the Project Area
- Contains the RDA’s purposes and intent with respect to the Project Area
- Serves a public purpose
- Produces a public benefit as per 17C-5-105(2)
- Is economically sound and feasible
- Conforms to the community’s general plan
- Promotes the public peace, health, safety, and welfare of the community

PLAN & POLICY COORDINATION

Salt Lake City has carried out various planning efforts focused citywide as well as specific to the NWQ. As components of the city’s general plan, these efforts have established a clear vision for future development, and are based on extensive data gathering and community engagement. It is important that this CRA Plan draws from, builds upon, and integrates these prior plans and studies. The hierarchy of the these plans is outlined below.





COMMUNITY REINVESTMENT ANALYSIS

OVERVIEW

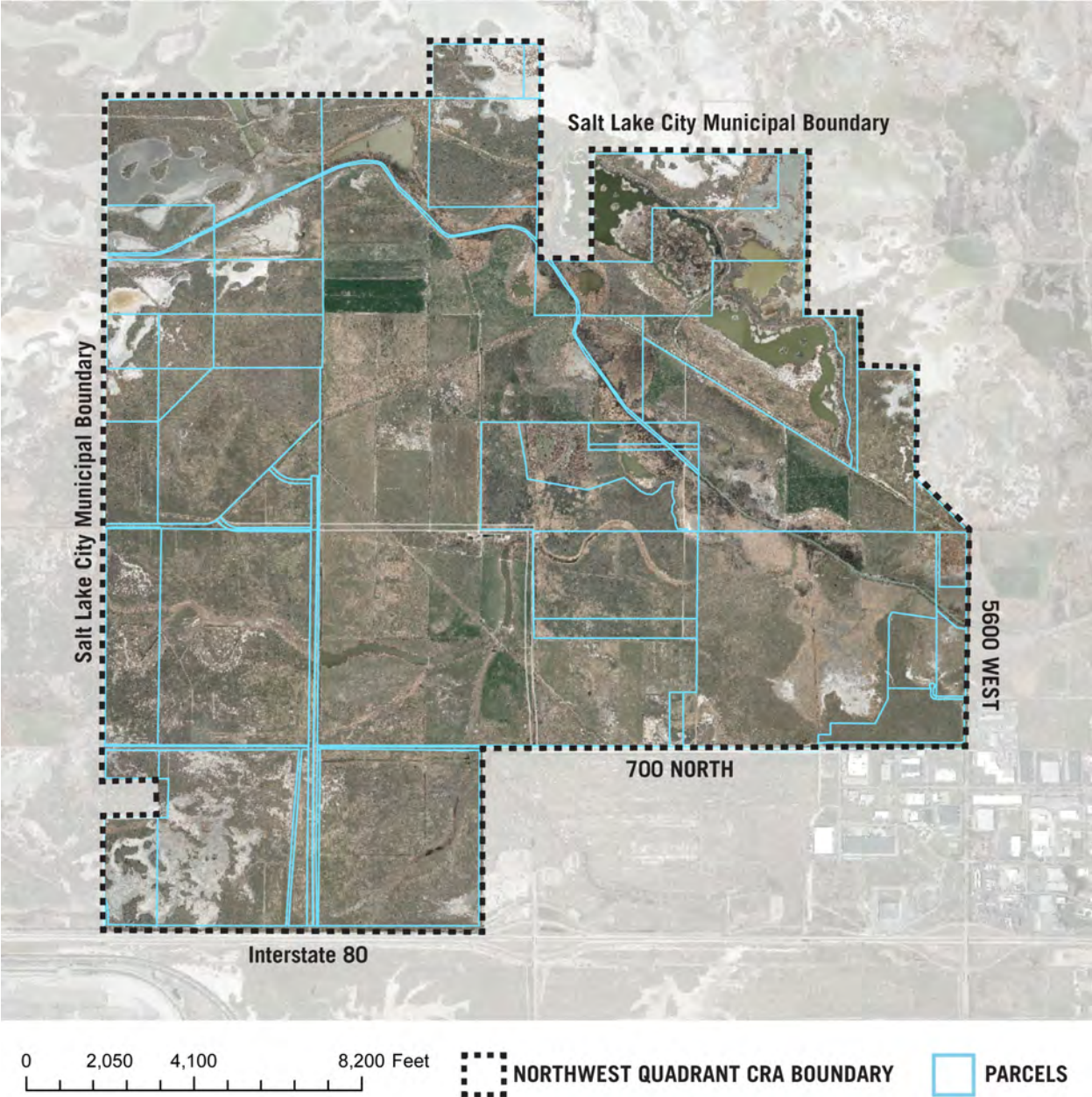
Section 1 conforms to the requirements of 17C-5-105(1), and includes the following information:

- a. Project Area Boundary Description
- b. Existing Land Uses and Neighborhood Context
- c. Standards To Guide Project Area Development
- d. Furthering Purposes of Utah Title 17C
- e. General Plan Consistency
- f. Elimination or Reduction of Blight
- g. Specific Project Area Development
- h. Process of Selecting Participants
- i. Reasons for Selecting the Project Area
- j. Existing Physical, Social, and Economic Conditions
- k. Financial Assistance to be Offered to Participants
- l. Public Benefit Analysis Results
- m. Historic Preservation Requirements
- n. Interlocal Agreement

1(a): PROJECT AREA BOUNDARY DESCRIPTION

The Northwest Quadrant Community Reinvestment Area (“Project Area”) is generally defined on the south by Interstate 80 and 700 North; on the west by the Salt Lake City municipal boundary; on the North by the Salt Lake City municipal boundary; and on the east by 5600 West and the western edge of the decommissioned North Temple Landfill. Refer to Exhibit A for a complete legal description of the Project Area.

FIGURE 1: PROJECT AREA BOUNDARY MAP



1(b): EXISTING LAND USES AND NEIGHBORHOOD CONTEXT

This section includes a general statement of the existing land uses, layout of principal streets, population densities, and building intensities of the Project Area and how each will be affected by the project area development.

LAND USES

Existing: Portions of the 7,739-acre Project Area have historically been used for agricultural, recreational, and conservation purposes include farming, grazing, hunting and fishing, housing for individuals working the land, and wildlife and habitat preservation. Today, several hundred acres are still being utilized as a working ranch, with the remainder of the area characterized by vacant land, large canals, stormwater management systems, natural habitat, and floodplains. In addition, regions within the Project Area are characterized by low elevations and highly liquefiable soils, which pose challenges to development.

Anticipated Changes: The Northwest Quadrant Master Plan, adopted on August 16, 2016, provides a foundation for future land uses. Of the 7,739 acres contained within the Project Area, approximately half of the land area has been identified for preservation as a natural area. The remaining land area is considered to be developable as per zoning, drainage, and transportation planning requirements and standards. The Northwest Quadrant Overlay District, as established through zoning code, provides the following three subareas:

- 1. Development Area:**
Area in which development of light manufacturing uses may occur to promote economic development while minimizing impacts to sensitive lands. Supportive uses, such as restaurants, retail, and service stations are also permitted within this area.
- 2. Eco-Industrial Buffer Area:**
A 400' tract of land in which development may occur with additional design standards to mitigate impacts on birds, other wildlife, and the Natural Area.
- 3. Natural Area:**
Area in which new development is limited for the protection of sensitive lands and wildlife near the Great Salt Lake shorelands.

LAYOUT OF PRINCIPAL STREETS

Existing: There are currently no paved streets within the interior of the Project Area, however there are a limited number of privately-owned dirt roads.

Anticipated Changes: In coordination with the development of the Utah State Correctional Facility, two access roads will be constructed, the first runs along 8000 West and the second zigzags from 700 North to 7200 West to 1400 North. Other major arterials, minor arterials, and collectors are being planned for the area and will be added to Salt Lake City's Major Street Plan. Additional local streets will be added as development occurs.

POPULATION DENSITIES

Existing: Residential uses in the area are currently limited to housing for individuals working the land. As such, the Project Area has an extremely low population density.

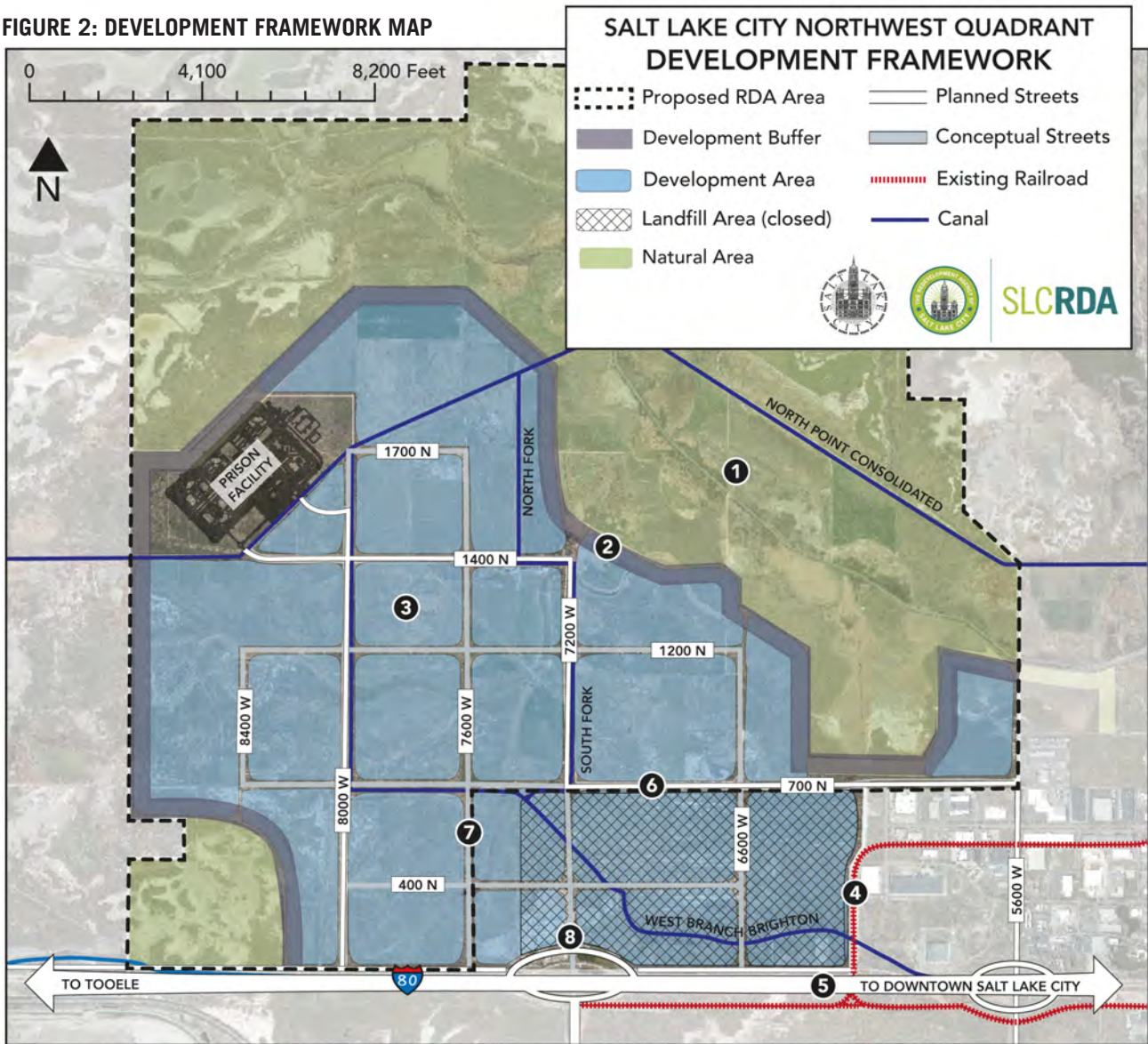
Anticipated Changes: As per the Northwest Quadrant Master Plan, residential is not a future land use within the Project Area. As such, the residential population density is anticipated to be few to zero. However, as the Project Area and adjacent landfill develops into a major employment center, a significant number of employees will be employed at businesses located in the NWQ. Tens of thousands of jobs will be created at full build-out depending on the type and density of businesses.

BUILDING INTENSITIES

Existing: Buildings currently located in the area are accessory structures relating to agricultural and recreational uses. As such, there are a very few existing structures in the Project Area.

Anticipated Changes: Low density, large-scale industrial buildings will be developed for businesses relating to technology, manufacturing, processing, fabrication, assembly, freight handling, or similar operations. In addition, the NWQ has been contemplated for an intermodal facility and logistics park, to include a rail system co-located with light industrial development. Incidental commercial, service, and hospitality-oriented buildings will be developed and located primarily at gateways to the Project Area such as 7200 West at Interstate 80.

FIGURE 2: DEVELOPMENT FRAMEWORK MAP



1. NATURAL AREA

Area in which new development is limited for the protection of sensitive lands and wildlife near the Great Salt Lake shorelands.

2. ECO INDUSTRIAL BUFFER

Within this 400' tract of land, development may occur with additional development standards that are intended to help mitigate impacts on wildlife and the natural areas.

3. DEVELOPMENT AREA

Area in which development of light manufacturing uses may occur to promote economic development. Supportive uses, such as restaurants, retail, and services stations are also permitted within this area.

4. EXISTING RAILROAD

A short line railroad currently crosses under I-80 west of the International Center. This rail alignment has the potential to be expanded into the Development Area to boost the economic advantage of the area.

5. MOUNTAINVIEW CORRIDOR @ I-80

UDOT's expansion plans for the Mountainview Corridor include a system connection located at I-80 halfway between the 5600 W and 7200 W ramps.

6. PLANNED STREETS

Two streets will be built to serve the new correctional facility. These streets will need to be up sized to accommodate economic development and growth.

7. CONCEPTUAL STREETS

Once finalized, Salt Lake City's Major Street Plan will be updated to include additional arterial and collector streets, thereby enabling these streets to be eligible for impact fees. As development occurs, adjustments to the Major Street Plan may occur to provide flexibility.

8. 7200 WEST @ I - 80

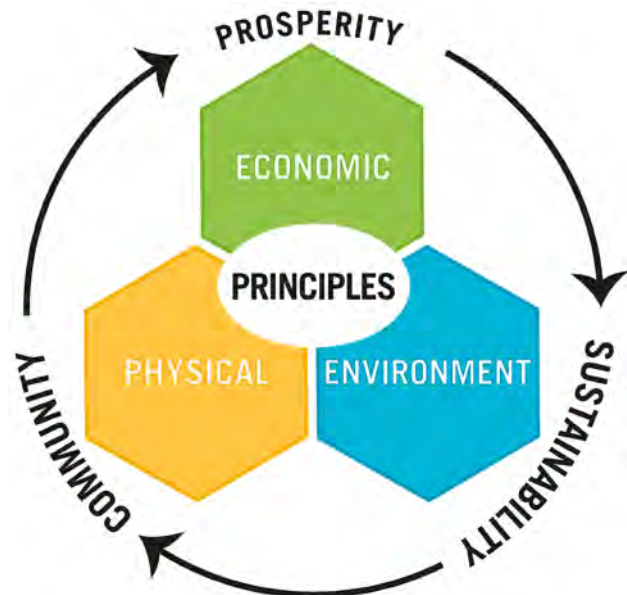
To be developed as a major gateway to Salt Lake City. Development is anticipated to be 4 - 5 stories high, and provide office, lodging, and other services that will support the area's employees and visitors.

1(c): STANDARDS TO GUIDE PROJECT AREA DEVELOPMENT

As standards to guide development, the RDA proposes to use the Guiding Principles provided in the Salt Lake City Northwest Quadrant Visioning Report (“Visioning Report”), dated March 2017. These Guiding Principles were established through analysis of existing site conditions, review of the Northwest Quadrant Master Plan, and input gathered through a stakeholder engagement process that was carried out between November 2016 and January 2017. Input was collected through seven roundtable groups that reached over 100 individual stakeholders. Guiding Principles are divided into Physical, Economic, and Environmental categories, as follows:

PHYSICAL

1. Create a **mixed-use gateway** that highlights the project area as the western entry for Salt Lake City, **capitalizes on key transportation corridors**, and **connects to existing neighborhoods**.
2. Create **walkable and bikeable linkages** to nearby residential communities and recreation amenities.
3. Develop an **infrastructure master plan** that accounts for high water table and allows for **flexibility in distribution and maintenance**.
4. Design for an **interconnected street and transportation network** that accommodates all modes (e.g. pedestrians, bicycles, passenger vehicles, cargo trucks, and passenger and freight rail).
5. Incorporate **passive sustainable practices** such as permeable surfaces, stormwater capture/bio-filtration swales, and dark sky requirements.
6. **Limit expansive impermeable parking areas** and **maximize developable areas** by incorporating transportation demand management strategies.



ECONOMIC

1. **Maximize economic value** and leverage regional demand by creating a **forward-thinking, innovative development plan** for light industrial uses.
2. Assist in the identification of a preferred **location for an inland port** to assure Salt Lake City as a growing manufacturing and distribution center that attracts **high-quality and innovative businesses**.
3. Encourage development of industrial Mega Sites in order to **enhance the employment base and economic prosperity** of the region.
4. **Create partnerships** between local educational institutions and business entities to **enhance on-the-job training** and **capitalize on a young, growing workforce**.
5. Promote the NWQ as “open for business” by facilitating a **streamlined development approval process** that includes clear requirements but is **flexible enough to capitalize on market opportunities**.
6. Recognize that the area provides opportunity to **connect to the global supply chain in a more meaningful way** by strategically aligning the site’s exceptional ability to connect to **regional, national, and international transportation networks**.
7. Maximize economic value by **building synergies with the prison development and infrastructure improvements**.
8. Build in flexibility to **ensure that implementation plans are nimble enough to adapt to changes in society, technology, and the economy**.
9. **Cultivate economic benefits** enabled by Salt Lake City’s **Foreign Trade Zone (FTZ)**.

ENVIRONMENTAL

1. Promote **transit use and alternative modes of travel**.
2. Respect the existing canals and work to **incorporate the existing landscape into the overall site design**.
3. Promote development that respects the **sensitive environment, balances uses and conservation**, and reflects a keen **understanding of the existing landscape** that is unique to the NWQ.
4. Promote public and environmental health to ensure **clean air, clean water, and a livable environment**.
5. Facilitate the implementation of **development standards** in the Eco-Industrial Buffer to help **mitigate impacts on birds, wildlife, and the natural environment**.
6. Prioritize the ecological health of the NWQ by encouraging project designs that prioritize the **preservation and restoration of native habitats**.
7. Encourage development that incorporates renewable energy generation, is environmentally friendly, and includes sustainable practices to **reduce energy consumption and greenhouse gas emissions**.
8. Encourage **sustainable project development**, possibly to include Eco-district certification, LEED certification, and/or Sustainable Sites certification.

1(d): FURTHERING PURPOSES OF UTAH TITLE 17C

By implementing this CRA Plan, the RDA shall leverage private investment with TIF to facilitate economic growth and prosperity through infrastructure improvements, preparation of building sites, business development, and citywide housing development. Implementation shall be carried out through the following objectives.

OBJECTIVE : INFRASTRUCTURE IMPROVEMENTS

1 : TO CONSTRUCT INFRASTRUCTURE IN A COORDINATED, EFFICIENT, AND SYSTEMATIC MANNER FOR THE FACILITATION OF ECONOMIC DEVELOPMENT AND IMPLEMENTATION OF THE CITY’S GENERAL PLAN, MAJOR STREET PLAN, AND THE NORTHWEST QUADRANT MASTER DRAINAGE PLAN.

TIF may be provided for capital and land costs associated with public infrastructure improvements. Projects shall facilitate economic development, the expansion of the City’s tax base, and encourage orderly growth in compliance with the City’s General Plan, Major Street Plan, and the Northwest Quadrant Master Drainage Plan. Eligible uses of funds may include, but not be limited to, the following:

- Streets, sidewalks, curb and gutter, traffic controls, street lights, bike lanes, trails, wayfinding, and streetscaping;
- Stormwater and drainage management systems including drainage channels, storm drains, bio swales, retention areas, and canal improvements;
- Water distribution and sewer systems;
- Railways and related facilities and infrastructure, including rail track, spurs, terminals, bridges, underpasses, and crossings; and
- Other infrastructure that may be located outside of the Project Area but that is found to directly benefit the Project Area.

OBJECTIVE : SITE DEVELOPMENT AND REMEDIATION

2 : TO FACILITATE ECONOMIC GOALS AND OBJECTIVES THROUGH THE PREPARATION OF BUILDING SITES FOR FUTURE DEVELOPMENT.

TIF may be provided for costs associated with the preparation of building sites for development. Uses of TIF may include, but not be limited to, environmental remediation and/or containment; vapor intrusion mitigation; grading, fill and/or soil correction; burden costs associated with bringing water, sewer, electrical, telecommunications, and/or other utility service to building sites; and landscaping or drainage improvements. TIF shall support projects that are in accordance with the City’s General Plan, meet policies established for the NWQ, meet the City’s economic development goals, are projected to generate an increase in the tax base, and meet financial criteria.

OBJECTIVE : BUSINESS DEVELOPMENT

3

- : TO FACILITATE AN ACTIVE AND VITAL EMPLOYMENT CENTER THROUGH
- : THE RECRUITMENT, RETENTION, AND EXPANSION OF BUSINESSES TO
- : PROVIDE LIVABLE WAGE JOBS AND ENHANCE ECONOMIC PROSPERITY.

TIF may be provided to support business or industry-specific development projects. In addition to loans and reimbursements, the RDA may utilize TIF for the acquisition and/or disposition of property to carry out economic development objectives within the Project Area. TIF shall support projects that are in accordance with the City's general plan, meet policies established for the NWQ, meet the City's economic development goals, are projected to generate an increase in the tax base or return on investment, and meet financial criteria.

OBJECTIVE : CITYWIDE HOUSING DEVELOPMENT

4

- : TO EXPAND THE AVAILABILITY AND AFFORDABILITY OF HOUSING
- : CITYWIDE TO PROVIDE ADDITIONAL HOUSING OPTIONS ALONG WITH
- : JOB GROWTH.

TIF may be provided for the development of citywide housing to ensure the availability and affordability of quality housing throughout Salt Lake City. Funding will not only provide affordable housing for existing Salt Lake City residents, but will also provide housing for the expanding employment base spurred by economic development in the NWQ.

1(e): GENERAL PLAN CONSISTENCY

The Northwest Quadrant Master Plan is the community general plan for the Project Area. The construction of buildings and improvements in the Project Area will be carried out in accordance with the standards set forth in the Northwest Quadrant Master Plan, as well as other applicable plans and policies. Building permits will be issued by the City in order to assure that project area development is consistent with the Northwest Quadrant Master Plan and City ordinances.

This CRA Plan aligns with the future land use framework and goals established through the Northwest Quadrant Master Plan. Goals are as follows:

- Preserve natural open spaces and sensitive areas to sustain biodiversity and ecosystem functions.
- Balance protection and management of natural lands with access to recreational opportunities.
- Ensure that the City responds effectively to the social, environmental, and developmental concerns.
- Encourage a resilient and diversified economy.
- Support quality jobs that include nonpolluting and environmentally-conscious high-tech and manufacturing sectors.
- Promote industrial development that is compatible with the environmentally-sensitive nature of the area.
- Provide services and infrastructure that are similar to other parts of the City.

1(f): ELIMINATION OR REDUCTION OF BLIGHT

Not applicable.

1(g): SPECIFIC PROJECT AREA DEVELOPMENT

Specific projects and project sites have not been identified. Rather, project area development activities will facilitate infrastructure improvements, preparation of building sites, business development, and citywide housing development as further described in Section 1(d).

1(h): PROCESS OF SELECTING PARTICIPANTS

The RDA may enter into participation agreements (also known as tax increment reimbursement agreements) for the purpose of providing incentives in the form of tax increment for project area development. Program participants shall be selected through an evaluation process as per the RDA's tax increment reimbursement program and policies. Potential participants must provide sufficient evidence that tax increment funding is necessary for the proposed project to succeed. In addition, the proposed project must align with CRA objectives and involve significant private investment so as to assure adequate yield of tax increment.

1(i): REASON FOR SELECTING THE PROJECT AREA

Salt Lake City selected the Project Area due to the unparalleled opportunity to facilitate job creation, economic growth, and regional prosperity. However, the complexity of developing the NWQ, combined with a changing economic landscape, requires a tactical approach to maximize the opportunities at hand. As such, over the past several months, Salt Lake City has adopted a land use master plan, enacted zoning amendments, drafted an economic development visioning report and strategic plan, and established a public utilities basis for design. These efforts not only provide a land use and development framework for the area, but also provide an assessment of economic and market conditions to inform policy objectives and direct investments.

Looking to the future, implementation of the vision and plans recently completed will require significant commitment of capital to leverage private investment. Establishment of the Project Area to facilitate tax increment financing is the first step in advancing development objectives in a sustainable, efficient, and collaborative manner.

1(j): EXISTING PHYSICAL, SOCIAL, ECONOMIC CONDITIONS

An analysis of social and economic conditions within the CRA is generally inapplicable due to the undeveloped nature of the area. Current physical conditions relate to wildlife management, ranching, farming, canals, stormwater management, and vacant land. The Project Area is adjacent to a major regional rail line and extensive highway infrastructure. A relatively small group of property owners control the majority of the Northwest Quadrant’s undeveloped land, providing a unique opportunity for quality planning and collaboration on development.

1(k): FINANCIAL ASSISTANCE OFFERED TO PARTICIPANTS

To promote investment in real property and consequent increases in property values, the RDA has established programs to assist property owners and businesses within RDA project areas. The most widely used forms of RDA assistance are loans, tax increment reimbursements, and the property acquisition/disposition process. However, the RDA may also develop project area-specific programs strategically targeted to promote the goals and objectives of the Project Area. An overview of existing programs is as follows:

1. TAX INCREMENT REIMBURSEMENT PROGRAM

The RDA Tax Increment Reimbursement Program may provide project developers a tax increment reimbursement for the development of improvements that meet the goals and objectives of this CRA Plan and provide significant public benefit. Tax increment

reimbursements shall be based upon the difference between the initial taxable value of a property prior to improvements and the increased taxable value resulting from said improvements. The developer will receive a percentage of the tax increment generated from its project for a specified time frame, and the RDA will receive the residual tax increment generated by the project.

2. LOAN PROGRAM

The RDA Loan Program may provide financing to facilitate various development projects, including new construction, building rehabilitation, and energy efficiency upgrades. Funding is made available for construction costs or hard costs. Loan funds may also be used for site improvements associated with a development project. Use of funds for environmental remediation or demolition shall be considered on a case-by-case basis.

3. PROPERTY ACQUISITION/DISPOSITION

In addition to programs, the RDA may implement this CRA Plan by acquiring property to market for strategic redevelopment, particularly to stimulate private investment, improve conditions, and increase economic development with the area. As per the Utah Code 17C Community Reinvestment Agency Act, the RDA may sell, convey, grant, gift, or otherwise dispose of any interest in real property to provide for project area development. Disposition of all RDA-owned real property, including land write-downs, shall abide by the RDA's real property disposition policy, all applicable laws, and be conducted in a competitive and transparent manner as deemed appropriate and effective.

1(I): PUBLIC BENEFITS ANALYSIS SUMMARY

According to the Utah Code 17C Community Reinvestment Agency Act, the RDA shall conduct an analysis to determine whether this CRA Plan will provide a public benefit. The RDA contracted with Zions Public Finance (“ZPFI”) to carry out this effort. A summary of the resulting analysis, as completed by ZPFI, is as follows. Refer to Exhibit C for the complete Northwest Quadrant Community Reinvestment Area Public Benefits Analysis.

a. An evaluation of the reasonableness of the costs of the proposed project area development

An evaluation of the reasonableness of the costs of the proposed project area development is based on a comparison of the costs of the development compared to the revenues and benefits it will generate for the various taxing entities. The Project Area is currently generating only a minimal amount of tax revenues annually. Over 20 years, the anticipated tax revenues, assuming current conditions, will amount to \$207,272.

BASE (EXISTING) TAX REVENUES:

Base Year Tax Revenues	Total – 20 Years	NPV* – 20 Years	Annual Tax Revenues
Salt Lake County	\$32,934	\$22,379	\$1,647
Multicounty Assessing & Collecting Levy	\$147	\$100	\$7
County Assessing & Collecting Levy	\$3,591	\$2,440	\$180
Salt Lake City School District	\$84,586	\$57,478	\$4,229
Salt Lake City	\$63,072	\$42,858	\$3,154
Salt Lake Library	\$12,273	\$8,340	\$614
Salt Lake Metropolitan Water District	\$4,783	\$3,250	\$239
Central Utah Water Conservancy District	\$5,886	\$4,000	\$294
TOTAL	\$207,272	\$140,845	\$10,364

*Net present value discounted at a rate of 4 percent

In comparison, with the projected development, the area will generate an estimated \$233 million in property tax revenues over 20 years. The annual tax increment revenue will increase yearly, as development proceeds.

b. Efforts that have been, or will be made to capitalize private investment

Private investment in the area, for real property alone, is anticipated to reach nearly \$3.6 billion within 35 years. This represents a substantial investment in an area of the Salt Lake Valley that is currently undeveloped and that deals with significant construction concerns, most notably the high water levels, soil stability, and lack of infrastructure. In an effort to increase private investment in the area, the RDA is proposing the creation of a CRA to assist with the extraordinary costs of construction that negatively impact the attractiveness of the area to developers. The amount to be contributed to the RDA is estimated at \$174,815,907. Therefore, this represents a ratio of 20:1 of private investment to public investment.

c. Rationale for use of project area funds (“but for” analysis)

Development within the Project Area is unlikely to take place within the next ten years without some sort of public assistance. The rationale for the use of tax increment funds in the area is due to the extraordinary costs of construction associated with the high water table and lack of infrastructure in the area. In addition, there are development barriers relating to soil conditions and lowland areas within the general area. This adds uncertainty, time, and cost to the construction process. By assisting with these concerns, much of the present uncertainty expressed by developers would be mitigated and the area would become more attractive for development.

There is also some uncertainty regarding access to utilities and the placement of future infrastructure in the area. Preliminary plans indicate that the State of Utah will lead the construction effort for two roadway/transmission corridors, one running north from I-80 to the prison site and the other running west from the International Center to the prison site. It is anticipated that the State will cover the up-front costs of street and baseline water/sewer infrastructure. In anticipation of future development, Salt Lake City may allocate funding to cover the difference between the cost of baseline water/sewer infrastructure and a higher capacity system, thereby establishing a backbone system for the Project Area. Tax increment may be utilized to cover the cost of street and public utility improvements that lead from this backbone system to developable sites.

d. An estimate of total amount of funds and the length of time during which funds will be spent

Because of the extremely high costs associated with placing backbone infrastructure in this area, as well the uncertainties with the soil stability in some areas, the RDA anticipates the need for 75 percent of tax increment for a period of 20 years. Assuming a 20-year timeframe, with 75 percent of increment flowing to the RDA, the RDA would receive a total of nearly \$175 million with a net present value (NPV) of roughly \$100 million.

e. The beneficial influences on the community's tax base

The current taxable value of the Project Area is \$735,791 or an average of \$95.64 per acre. With the proposed development, the average taxable value per acre is projected to increase to \$464,668 – an increase of roughly 485,751 percent. The following table summarizes the increases in real property taxable value projected at different time periods using the assumptions for absorption and average values.

Year	Taxable Value	Increase over Current Value
5	\$226,457,109	\$225,721,318
10	\$700,177,676	\$699,441,885
15	\$1,293,827,500	\$1,293,091,710
20	\$1,893,473,788	\$1,892,737,997
25	\$2,493,120,075	\$2,492,384,285
30	\$3,092,766,363	\$3,092,030,572
35	\$3,574,881,978	\$3,574,146,187

Forty-one percent of the increased tax revenues would benefit the Salt Lake City School District, 30 percent would benefit Salt Lake City and 16 percent would benefit Salt Lake County. Therefore, there are significant benefits to the tax base of the community from creating a project area.

f. The associated business and economic activity the proposed project area development will likely stimulate

Based on a financial feasibility analysis completed by Jones Lang LaSalle, the Salt Lake City Northwest Quadrant Phase II Feasibility Analysis, nearly 32,000 jobs will be created in the Project Area. This is a significant number, as total employment in Salt Lake County was 712,912 in October 2017. Therefore, the job projections for the Project Area represent 4.5 percent of the current workforce in the County.

The Kem C. Gardner Policy Institute (“Policy Institute”) recently completed an economic analysis specifically looking at employment sector comparisons for the NWQ. The Policy Institute’s analysis indicates that as many as 100,000+ jobs may be created at full build out when factoring in local multipliers. In addition to full-time jobs created in the Project Area, there will be a significant number of construction jobs created over a long period of time as absorption takes place in this area.

g. Whether adoption of the proposed community reinvestment project area plan is necessary and appropriate to undertake the proposed project area development

The creation of the proposed Community Reinvestment Project Area Plan is necessary and appropriate for the following reasons:

- There are significant infrastructure issues (landfill remediation, uncertainty regarding access to utilities, and lowlands with high water tables) that make the area currently unattractive to developers.
- The creation of a Project Area with remediation of the above-listed problems will generate significant economic development and increased property tax base.
- The development that will take place in the area will create a significant number of new jobs.
- Expansion of the Salt Lake City International Airport will create significant development opportunities in the area if a well-planned area, with good infrastructure, is available.
- This area forms a gateway from the west, along I-80, for visitors entering Salt Lake City, the State’s capital city.

1(m): HISTORIC PRESERVATION

Not applicable.

1(n): INTERLOCAL AGREEMENT

According to the Utah Code 17C Community Reinvestment Agency Act The Project Area is subject to an interlocal agreement with taxing entities, rather than a taxing entity committee, because the RDA is not carrying out a blight study.

2 PROJECT AREA BUDGET

OVERVIEW

Section 2 of this CRA Plan conforms with the requirements of 17C-5-303, and includes the following information:

- 1) Receipt of Tax Increment
 - a. Base taxable value;
 - b. Projected amount of tax increment to be generated within the CRA;
 - c. Each project area funds collection period;
 - d. Projected amount of tax increment to be paid to other taxing entities in accordance with Section 17C-1-410 (if applicable);
 - e. If the area from which tax increment is collected is less than the entire community reinvestment project area:
 - (i) a boundary description of the portion or portions of the community reinvestment project area from which the agency receives tax increment; and
 - (ii) for each portion described in Subsection (1)(e)(i), the period of time during which tax increment is collected;
 - f. Percentage of tax increment the agency is authorized to receive from the community reinvestment project area; and
 - g. Maximum cumulative dollar amount of tax increment the agency is authorized to receive from the community reinvestment project area.
- 2) Receipt of Sales and Use Tax Revenue
- 3) Project Area Funds to Implement this CRA Plan
- 4) RDA's Combined Incremental Value
- 5) Amount for Administration
- 6) Property Owned and Expected to Sell

1(a): BASE TAXABLE VALUE

The base year is anticipated to be 2017, with a base year taxable value of \$735,791.

1(b): PROJECTED AMOUNT OF TIF

INCREMENTAL PROPERTY TAX REVENUES GENERATED FOR 20 YEARS:

Incremental Tax Revenues - 100%	Total – 20 Years	NPV* – 20 Years
Salt Lake County	\$37,035,901	\$21,148,021
Multicounty Assessing & Collecting Levy	\$165,487	\$94,495
County Assessing & Collecting Levy	\$4,037,873	\$2,305,682
Salt Lake City School District	\$95,121,698	\$54,315,828
Salt Lake City	\$70,927,557	\$40,500,633
Salt Lake Library	\$13,801,582	\$7,880,898
Salt Lake Metropolitan Water District	\$5,378,315	\$3,071,093
Central Utah Water Conservancy District	\$6,619,464	\$3,779,807
TOTAL	\$233,087,876	\$133,096,458

*Net present value discounted at a rate of 4 percent

1(c): COLLECTION PERIOD

The collection period shall be 20 years.

1(d): TIF PAID TO OTHER TAXING ENTITIES

INCREMENTAL PROPERTY TAX REVENUES TO TAXING ENTITIES FOR 20 YEARS:

Incremental Tax Revenues to Taxing Entities	Total – 20 Years	NPV* – 20 Years
Salt Lake County	\$9,258,975	\$5,287,005
Multicounty Assessing & Collecting Levy	\$41,372	\$23,624
County Assessing & Collecting Levy	\$1,009,468	\$576,421
Salt Lake City School District	\$23,780,424	\$13,578,957
Salt Lake City	\$17,731,889	\$10,125,158
Salt Lake Library	\$3,450,396	\$1,970,224
Salt Lake Metropolitan Water District	\$1,344,579	\$767,773
Central Utah Water Conservancy District	\$1,654,866	\$944,952
TOTAL	\$58,271,969	\$33,274,114

*Net present value discounted at a rate of 4 percent

1(e): IF TIF COLLECTION AREA IS LESS THAN CRA BOUNDARY

Not applicable. The TIF collection area is the entire CRA boundary.

1(f): PERCENTAGE OF TIF AUTHORIZED TO RECEIVE

REQUESTED PARTICIPATION FROM TAXING ENTITIES:

Taxing Entity	Percentage	Length
Salt Lake County	75%	20 Years
Salt Lake City School District	75%	20 Years
Salt Lake City	75%	20 Years
Salt Lake Library	75%	20 Years
Salt Lake Metropolitan District	75%	20 Years
Salt Lake City Mosquito Abatement Dis.	75%	20 Years
Central Utah Water Conservancy District	75%	20 Years

1(g): MAXIMUM CUMULATIVE AMOUNT RECEIVED BY THE RDA

Based on a conservative projection of tax increment generation, the RDA estimates receiving approximately \$175,000,000 in tax increment revenues over a 20-year period. Actual receipt of tax increment may be higher depending on absorption rates, market conditions, and taxing entity participation terms. As such, tax increment budget estimates and maximums, if applicable, will be established through an interlocal agreement with each of the participating taxing entities. Estimated tax increment revenues are as follows:

20-YEAR TAX INCREMENT REVENUES TO RDA AT 75% PARTICIPATION RATE:

Incremental Tax Revenues to RDA	Total, 2022-2041	NPV, 2022-2041
Salt Lake County	\$27,776,926	\$15,861,016
Multicounty Assessing & Collecting Levy	\$124,115	\$70,871
County Assessing & Collecting Levy	\$3,028,405	\$1,729,262
Salt Lake City School District	\$71,341,273	\$40,736,871
Salt Lake City	\$53,195,668	\$30,375,475
Salt Lake Library	\$10,351,187	\$5,910,673
Salt Lake Metropolitan Water District	\$4,033,736	\$2,303,320
Central Utah Water Conservancy District	\$4,964,598	\$2,834,855
TOTAL	\$174,815,907	\$99,822,343

2: SALES AND USE TAX REVENUE: Not applicable.

3: PROJECT AREA FUNDS TO IMPLEMENT THIS CRA PLAN

BUDGET FOR 20-YEAR TAX INCREMENT REVENUES TO RDA:

Activity	Percentage	Amount
Administration	10%	\$17,481,591
Housing	10%	\$17,481,591
Shared Costs	10%	\$17,481,591
Redevelopment Activities	70%	\$122,815,907
Total	100%	\$174,815,907

The RDA shall implement this plan through the following activities:

- **ADMINISTRATION AND OPERATIONS:**

The tax increment expected to be used to cover the operations costs of administering and implementing the CRA Plan.

- **HOUSING:**

The tax increment allocation required to be used for housing activities pursuant to Section 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.

- **SHARED COSTS:**

The tax increment expected to be used for redevelopment activities that benefit the entire Project Area, are system wide, or that benefit multiple property owners or parcels.

- **REDEVELOPMENT ACTIVITIES:**

The tax increment expected to be used to carry out project development activities as further described in this CRA Plan. Activities may include, but not be limited to, land acquisition, public improvements, infrastructure improvements, loans, grants, and other incentives to public and private entities.

4: RDA'S COMBINED INCREMENTAL VALUE

PROJECT AREA	ASSESSED PROPERTY VALUE	BASE TAXABLE VALUE	INCREMENTAL VALUE
SLC CBD In	\$2,253,069,110	\$136,894,100	\$2,116,175,010
SLC CBD Out	\$468,564,069	\$0	\$468,564,069
Sugar House	\$358,792,409	\$53,401,199	\$305,391,210
West Temple	\$131,625,455	\$50,234,090	\$81,391,365
Baseball	\$2,994,111	\$0	\$2,994,111
West Capitol Hill	\$83,471,701	\$28,322,952	\$55,148,749
Depot District	\$419,610,969	\$27,476,425	\$392,134,544
Depot District Non-Collection	\$17,069,143	\$0	\$17,069,143
Granary	\$90,443,298	\$48,813,397	\$41,629,901
North Temple Viaduct	\$64,730,133	\$36,499,680	\$28,230,453
North Temple	\$106,098,060	\$84,073,572	\$22,024,488
Block 70	\$158,846,344	\$58,757,937	\$100,088,407
COMBINED VALUE	\$4,155,314,802	\$524,473,352	\$3,630,841,450

5: PROJECT AREA FUNDS USED FOR ADMINISTRATION

The RDA anticipates utilizing up to 10 percent of the funds captured and retained by the agency, which is estimated to be \$17,481,591.

6: EXPECTED SALE PRICE FOR PROPERTY THE RDA OWNS

The RDA does not own property within the Project Area.

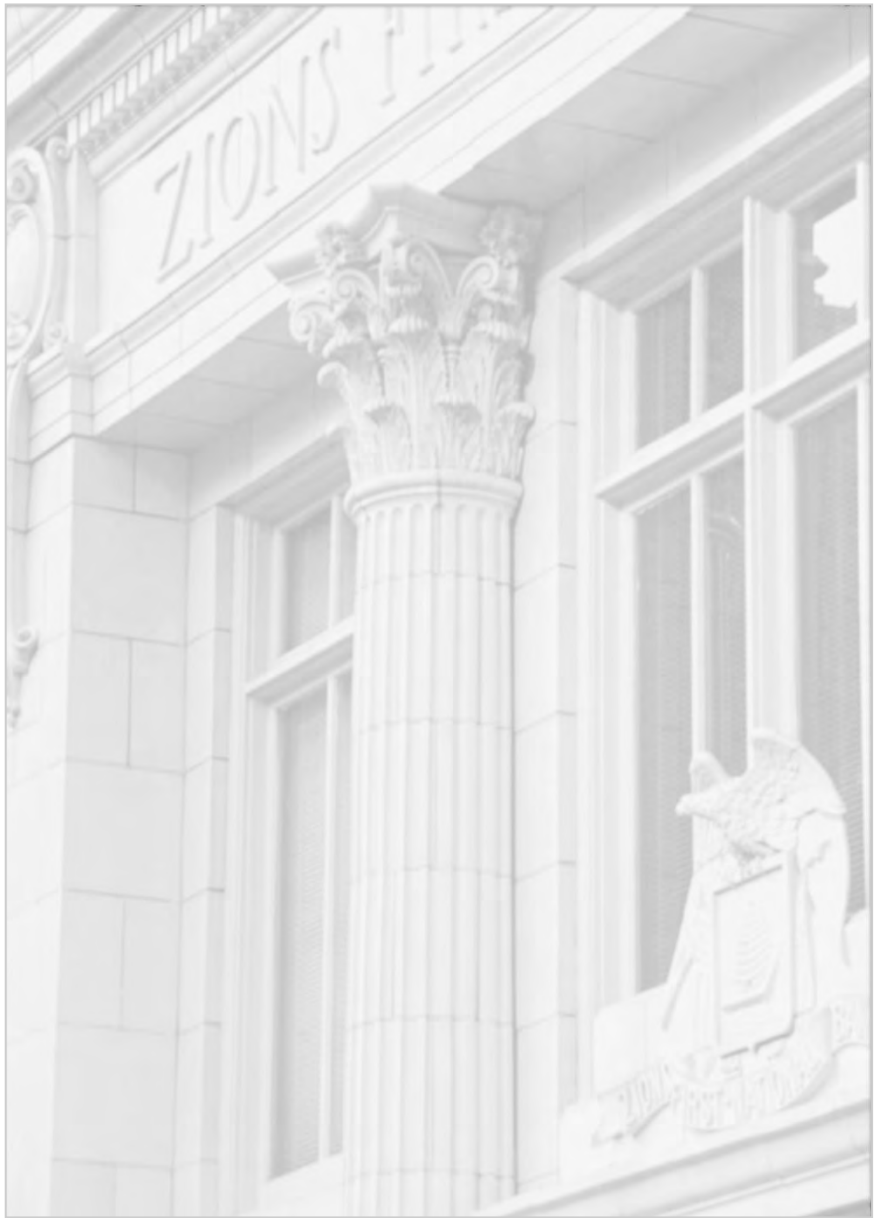
EXHIBIT A: PROJECT AREA LEGAL DESCRIPTION & MAP

Beginning at a point on the existing Salt Lake City boundary which is the Northwest Corner of Section 17, Township 1 North, Range 2 West, Salt Lake Base and Meridian, and running thence along the existing Salt Lake City boundary the following 18 courses: 1) N89°54'36"E 2637.89 feet to the N1/4 Corner of said Section 17; 2) N89°53'20"E 2640.05 feet to the NE Corner of said Section 17; 3) S89°48'47"E 2640.69 feet to the N1/4 Corner of Section 16 said Township; 4) N00°26'13"E 1320.23 feet to the W1/4 Corner of the SE1/4 of Section 9 said Township; 5) S89°48'47"E 2625.84 feet to the E1/4 Corner of the SE1/4 of said Section 9; 6) S00°24'42"W 1320.23 feet to the NE Corner of said Section 16; 7) S00°24'42"W 2650.57 feet to the E1/4 Corner of said Section 16; 8) S00°26'25"W 1325.15 feet to the W1/4 Corner of the SW1/4 of Section 15; 9) S89°50'13"E 1322.93 feet to the Center of the SW1/4 of said Section 15; 10) N00°23'04"E 2648.09 feet to the Center of the NW1/4 of said Section 15; 11) S89°44'08"E 3963.23 feet to the E1/4 Corner of the NE1/4 of said Section 15; 12) S89°47'29"E 1317.60 feet to the Center of the NW1/4 of Section 14 said Township; 13) S00°15'30"W 3961.12 feet to the S1/4 Corner of the SW1/4 of said Section 14; 14) S89°47'29"E 1317.60 feet to the S1/4 Corner of said Section 14; 15) S00°13'53"W 1320.92 feet to the E1/4 Corner of the NW1/4 Section 23 said Township; 16) S89°46'07"E 1320.22 feet to the Center of the NE1/4 of said Section 23; 17) S00°13'54"W 2643.89 feet to the Center of the SE1/4 of said Section 23; 18) S44°44'23"E 1868.01 feet to the SE Corner of said Section 23; thence along the east line of Section 26 said Township S00°20'01"W 3991.93 feet to the north line of John Cannon Drive; thence along the north line of John Cannon Drive S89°47'45"E 44.00 feet to the projected east line of 5600 West; thence along the east line of 5600 West S00°20'07"W 1284.30 feet to the south line of Section 25 said township; thence along the south lines of said Section 25 and 26 N89°47'25"W 774.13 feet to the Southwest Corner of Watkins Industrial Park Subdivision as recorded in Book 2003P, Page 162 of Subdivisions, in the Salt Lake County Recorder's Office; thence along the south line of said Section 26 N89°47'24"W 2937.61 feet; thence S00°11'54"W 99.14 feet to the Northeast Corner of Parcel 07-35-100-016; thence along said parcel the following 6 courses: 1) N89°46'53"W 1609.45 feet; 2) N89°50'44"W 2642.88 feet; 3) N89°50'20"W 2644.04 feet; 4) N89°44'53"W 1317.05 feet; 5) S00°13'52"W 2541.25 feet; 6) S00°14'20"W 1723.95 feet to the north line of the I-80 right-of-way and an 1849.86 foot radius non-tangent curve to the right; thence along said north line and said curve 63.56 feet (chord bears S71°02'20"W 63.56 feet); thence along said north line N89°47'45"W 9176.07 feet to the west boundary line of Salt Lake City; thence along said west boundary the following 10 courses: 1) N00°19'37"E 1745.63 feet to the West Quarter Corner of Section 32 said township; 2) N00°20'10"E 846.69 feet; 3) S89°47'26"E 1320.00 feet; 4) N00°20'10"E 950.40 feet; 5) N89°47'26"W 1320.00 feet; 6) N00°20'10"E 844.84 feet to the Northwest Corner of said Section 32; 7) N00°19'16"E 5285.43 feet to the Southwest Corner of Section 20 said township; 8) N00°17'46"E 2629.78 feet to the West Quarter Corner of said Section 20; 9) N00°18'30"E 2631.00 feet to the Northwest Corner of said Section 20; 10) N00°17'29"E 5280.23 feet to the point of beginning.

Contains 7,739.092 acres, more or less.

EXHIBIT B: DEFINITIONS

1. The term “Act” or “Utah Code 17C Community Reinvestment Agency Act” shall mean the “Limited Purpose Local Government Entities - Community Reinvestment Agency Act” as found in Title 17C, Utah Code Annotated 1953, as amended.
2. The term “Affordable Housing” shall mean housing to be owned or occupied by persons and families of low or moderate income, as determined by resolution of the RDA.
3. The term “Base Taxable Value” unless otherwise adjusted in accordance with provisions of this title, shall mean a property’s taxable value as shown upon the assessment roll last equalized during the base year.
4. The term “Base Year” shall mean, except as provided in Subsection 17C-1-402(4)(c), the year during which the assessment roll is last equalized
5. The term “Board” shall mean the governing body of the Agency, as provided in Section 17C-1-203 of the Act.
6. The term “City” shall mean the city of Salt Lake City.
7. The term “Housing Allocation” shall mean tax increment allocated for housing under Section 17C-2-203, 17C-3-202, or 17C-5-307 for the purposes described in Section 17C-1-412.
8. The term “Income Targeted Housing” shall mean housing to be owned or occupied by a family whose annual income is at or below 80% of the median annual income for Salt Lake County.
9. The term “Northwest Quadrant Master Plan” shall mean the Community General Plan as required by the Act, which acts as the master plan, adopted by Salt Lake City on August 16, 2016.
10. The term “Project Area” shall mean the area described in Exhibit A attached hereto.
11. The term “Project Area Budget” shall mean a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to the Project Area that includes:
 - (i) the Base Taxable Value of property in the Project Area;
 - (ii) the projected Tax Increment expected to be generated within the Project Area;
 - (iii) the amount of Tax Increment expected to be shared with other taxing entities;
 - (iv) the amount of Tax Increment expected to be used to implement the Project Area Plan, including the estimated amount of Tax Increment to be used for land acquisition, public improvements, infrastructure improvements, and loans, grants, or other incentives to private and public entities;
 - (v) the Tax Increment expected to be used to cover the cost of administering the Project Area Plan;
 - (vi) if the area from which Tax Increment is to be collected is less than the entire Project Area:
 - (a) the tax identification numbers of the parcels from which Tax Increment will be collected; or
 - (b) a legal description of the portion of the Project Area from which Tax Increment will be collected;
 - (vii) for property that the RDA owns and expects to sell, the expected total cost of the property to the RDA and the expected selling price; and
 - (viii) the following required information:
 - (a) the number of tax years for which the RDA will be allowed to receive Tax Increment from the Project Area; and
 - (b) the percentage of Tax Increment or maximum cumulative dollar amount of Tax Increment the RDA is entitled to receive from the Project Area under the Project Area Budget.
12. The term “RDA” shall mean the Redevelopment Agency of Salt Lake City.
13. The term “Taxable Value” shall mean the value of property as shown on the last equalized assessment roll as certified by the Salt Lake County Assessor.
14. The term “Tax Increment” shall mean the difference between:
 - (i) the amount of property tax revenues generated each tax year by all taxing entities from the area within a Project Area designated in the Project Area Plan as the area from which Tax Increment is to be collected, using the current assessed value of the property; and
 - (ii) the amount of property tax revenues that would be generated from that same area using the Base Taxable Value of the property.
15. The term “Taxing Entity” shall mean a public entity that levies a tax on a parcel or parcels of property located within the City.



**Salt Lake City Redevelopment Agency
Northwest Quadrant
Community Reinvestment Area
Benefits Analysis**

ZIONS  PUBLIC FINANCE, INC.

December 7, 2017

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Background

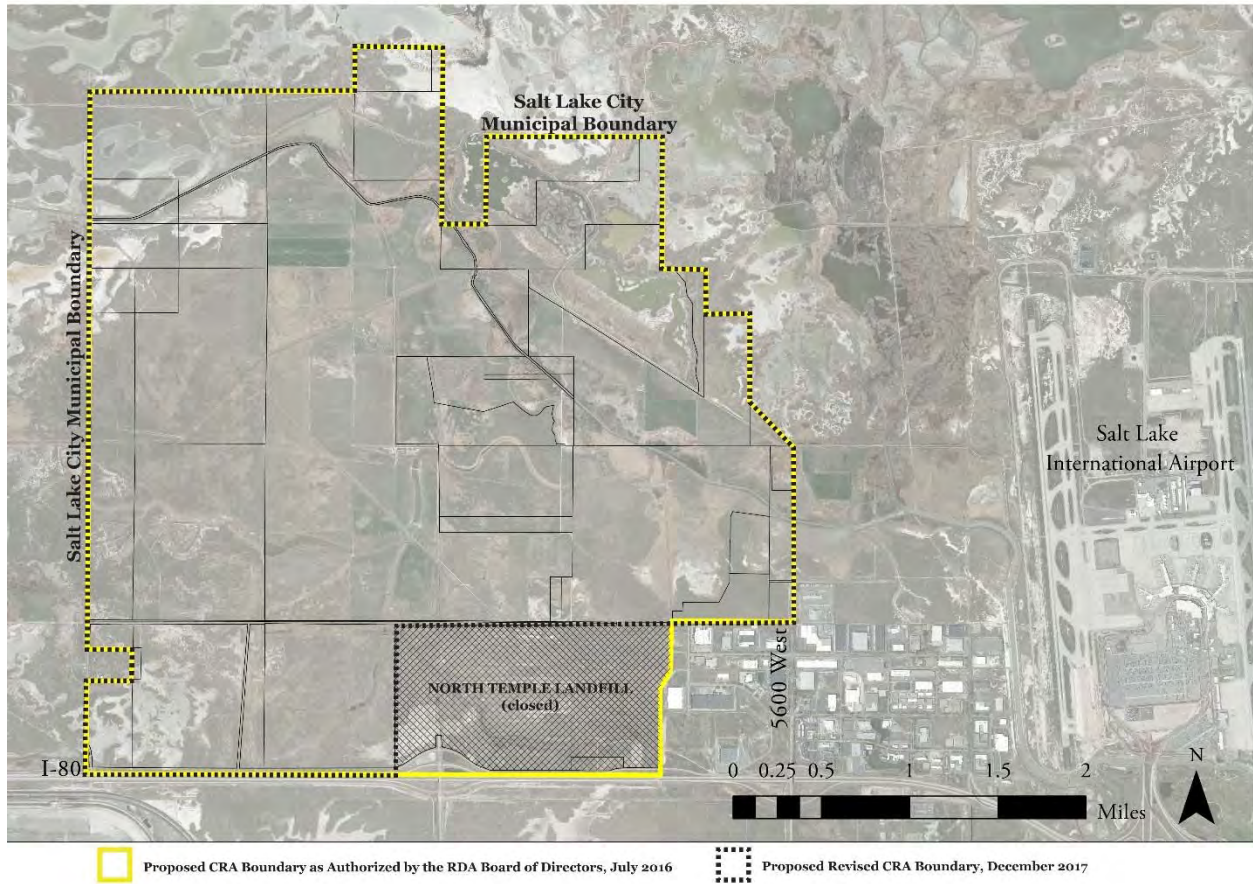
The purpose of this report is to conduct a benefits analysis for development of the Northwest Quadrant under Utah Code §17C-5-105(2) which lists the following requirements:

- (a) An Agency shall conduct an analysis in accordance with Subsection (2)(b) to determine whether the proposed community reinvestment project area plan will provide a public benefit.
- (b) The analysis described in Subsection (2)(a) shall consider:
 - (i) the benefit of any financial assistance or other public subsidy to be provided by the agency, including:
 - (A) an evaluation of the reasonableness of the costs of the proposed project area development;
 - (B) efforts that have been, or will be made, to maximize private investment;
 - (C) the rationale for use of project area funds, including an analysis of whether the proposed project area development might reasonably be expected to occur in the foreseeable future solely through private investment; and
 - (D) an estimate of the total amount of project area funds that the agency intends to spend on project area development and the length of time over which the project area funds will be spent; and
 - (ii) the anticipated public benefit derived from the proposed project area development, including:
 - (A) the beneficial influences on the community's tax base;
 - (B) the associated business and economic activity the proposed project area development will likely stimulate; and
 - (C) whether adoption of the proposed community reinvestment project area plan is necessary and appropriate to undertake the proposed project area redevelopment.

The study area, outlined in the figure below, is the area located immediately west of the Salt Lake City International Airport and the International Center, and north of I-80, not including the North Temple Landfill.

FIGURE 1: MAP OF PROJECT AREA BOUNDARIES

PROPOSED NORTHWEST QUADRANT COMMUNITY REINVESTMENT AREA



This report is organized as follows:

- Background
- Development Assumptions
- Tax Increment Projections
- Benefits Analysis

Development Assumptions

Development assumptions were provided by the Salt Lake City Redevelopment Agency (“RDA”) from the *Salt Lake City Northwest Quadrant Phase II Feasibility Analysis* prepared by JLL in December 2017.

Absorption projections are for light industrial, flex office, retail and hotel development. Zones A & C represent the study area shown above, minus the landfill. Zone B represents the landfill site.

TABLE 1: BUILDING SF ABSORPTION PROJECTIONS, 2019-2053

	Light Industrial	Flex Office	Retail	Hotel Rooms/Acres
Zone A	14,196,995	5,166,231	85,327	115
Zone B	5,880,412	5,302,950	534,293	718
Zone C	20,115,587	2,088,368	-	-
TOTAL SF Absorbed	40,192,994	12,557,549	619,620	833

Source: Salt Lake City Northwest Quadrant Phase II Feasibility Analysis

For purposes of analysis, Zones A and C have been combined in this study, and Zone B (landfill) is considered in a separate analysis. Therefore, the total square feet absorbed in zones A & C is as follows:

TABLE 2: BUILDING SF ABSORPTION PROJECTIONS, 2019-2053, ZONES A & C

	Light Industrial	Flex Office	Retail	Hotel Rooms/Acres
Zone A	14,196,995	5,166,231	85,327	115
Zone C	20,115,587	2,088,368	-	-
TOTAL SF Absorbed	34,312,582	7,254,599	85,327	115

Source: Salt Lake City Northwest Quadrant Phase II Feasibility Analysis

The JLL study also provides estimates of the future densities, or floor area ratios (FAR), of the various types of development. ZPFI has used the JLL assumptions for light industrial, retail and hotel, but has slightly reduced the FAR for flex office.

TABLE 3: BUILDING DENSITY ASSUMPTIONS

	Light Industrial	Flex Office	Retail	Hotel Rooms/Acres
Building sf per acre	13,068	17,424	13,068	79
Floor Area Ratio	0.3	0.5	0.3	NA

Finally, the JLL report also provides estimates of the land and construction costs of the various types of development. This analysis uses the JLL estimates for all categories, with the exception of flex office construction costs. For this category, we have reduced the building costs to \$100 per building square foot. Throughout the analysis, all costs have been inflated at a growth rate of two percent per year.

TABLE 4: LAND COSTS PER ACRE

Light Industrial	Flex Office	Retail	Hotel Rooms/Acres
\$189,006	\$325,319	\$285,628	\$831,904

TABLE 5: VERTICAL CONSTRUCTION COSTS PER BUILDING SF

Light Industrial	Flex Office	Retail	Hotel Rooms/Acres
\$60	\$100	\$160	\$130,000

In addition, personal property valuation must be added to the light industrial and flex office construction costs. This analysis adds \$5.00 per building square foot to the light industrial and flex office categories in order to cover personal property valuation. While it is recognized that personal property values depreciate yearly, and replacement costs must also be considered, the \$5.00 is an average value used. Personal property values range significantly in industrial development. With no specific tenants in mind at this point in time, a conservative estimate has been used.

Zones A & C

Based on the foregoing assumptions, total valuation is expected to reach \$3,574,881,978 over the 35-year time period of this analysis.

TABLE 6: PROJECTED TAXABLE VALUE AT BUILDOUT – ZONES A & C

Building Category	Taxable Value at Buildout
Zones A & C – Land	
Light Industrial	\$496,363,338
Flex Office	\$54,189,523
Retail	\$1,865,342
Hotel	\$1,214,581
TOTAL Land	\$553,632,784
Zones A & C – Construction	
Light Industrial	\$2,230,727,390
Flex Office	\$761,872,774
Retail	\$13,654,827
Hotel	\$14,994,202
TOTAL Construction	\$3,021,249,194
TOTAL TAXABLE VALUE	\$3,574,881,978

Benefits Analysis

Evaluation of the Reasonableness of the Costs of the Proposed Project Area Development

An evaluation of the reasonableness of the costs of the proposed project area development is based on a comparison of the costs of the development compared to the revenues and benefits it will generate for the various taxing entities.

The project area is currently generating only a minimal amount of tax revenues annually. Over 20 years, the anticipated tax revenues, assuming current conditions, will amount to \$207,272.¹

TABLE 7: BASE (EXISTING) TAX REVENUES

Base Year Tax Revenues	Total – 20 Years	NPV* – 20 Years	Annual Tax Revenues
Salt Lake County	\$32,934	\$22,379	\$1,647
Multicounty Assessing & Collecting Levy	\$147	\$100	\$7
County Assessing & Collecting Levy	\$3,591	\$2,440	\$180
Salt Lake City School District	\$84,586	\$57,478	\$4,229
Salt Lake City	\$63,072	\$42,858	\$3,154
Salt Lake Library	\$12,273	\$8,340	\$614
Salt Lake Metropolitan Water District	\$4,783	\$3,250	\$239
Central Utah Water Conservancy District	\$5,886	\$4,000	\$294
TOTAL	\$207,272	\$140,845	\$10,364

*Net present value discounted at a rate of 4 percent

In comparison, with the projected development, the area will generate an estimated \$233 million in property tax revenues over 20 years. The annual tax increment revenue will increase yearly, as development proceeds.

TABLE 8: INCREMENTAL PROPERTY TAX REVENUES GENERATED

Incremental Tax Revenues - 100%	Total – 20 Years	NPV* – 20 Years
Salt Lake County	\$37,035,901	\$21,148,021
Multicounty Assessing & Collecting Levy	\$165,487	\$94,495
County Assessing & Collecting Levy	\$4,037,873	\$2,305,682
Salt Lake City School District	\$95,121,698	\$54,315,828
Salt Lake City	\$70,927,557	\$40,500,633
Salt Lake Library	\$13,801,582	\$7,880,898
Salt Lake Metropolitan Water District	\$5,378,315	\$3,071,093
Central Utah Water Conservancy District	\$6,619,464	\$3,779,807
TOTAL	\$233,087,876	\$133,096,458

*Net present value discounted at a rate of 4 percent

Therefore, the proposal to contribute 75 percent to the Agency, with 25 percent remaining with the taxing entities appears reasonable. The following table shows the *additional* property tax revenues that the taxing entities will receive, assuming 25 percent of incremental tax revenues for a period of 20 years. The additional amount is projected to be over \$58 million.

TABLE 9: INCREMENTAL PROPERTY TAX REVENUES TO TAXING ENTITIES FOR 20 YEARS

Incremental Tax Revenues to Taxing Entities	Total – 20 Years	NPV* – 20 Years
Salt Lake County	\$9,258,975	\$5,287,005
Multicounty Assessing & Collecting Levy	\$41,372	\$23,624
County Assessing & Collecting Levy	\$1,009,468	\$576,421
Salt Lake City School District	\$23,780,424	\$13,578,957
Salt Lake City	\$17,731,889	\$10,125,158
Salt Lake Library	\$3,450,396	\$1,970,224
Salt Lake Metropolitan Water District	\$1,344,579	\$767,773

¹ The base year taxable value of the project area is \$735,791.

Incremental Tax Revenues to Taxing Entities	Total – 20 Years	NPV* – 20 Years
Central Utah Water Conservancy District	\$1,654,866	\$944,952
TOTAL	\$58,271,969	\$33,274,114

*Net present value discounted at a rate of 4 percent

Efforts to Maximize Private Investment

Private investment in the area, for real property alone, is anticipated to reach nearly \$3.6 billion within 35 years. This represents a substantial investment in an area of the Salt Lake Valley that is currently undeveloped and that deals with significant construction concerns, most notably the high water levels, soil stability and lack of infrastructure. In an effort to increase private investment in the area, the Redevelopment Agency is proposing the creation of a CRA to assist with the extraordinary costs of construction that negatively impact the attractiveness of the area to developers.

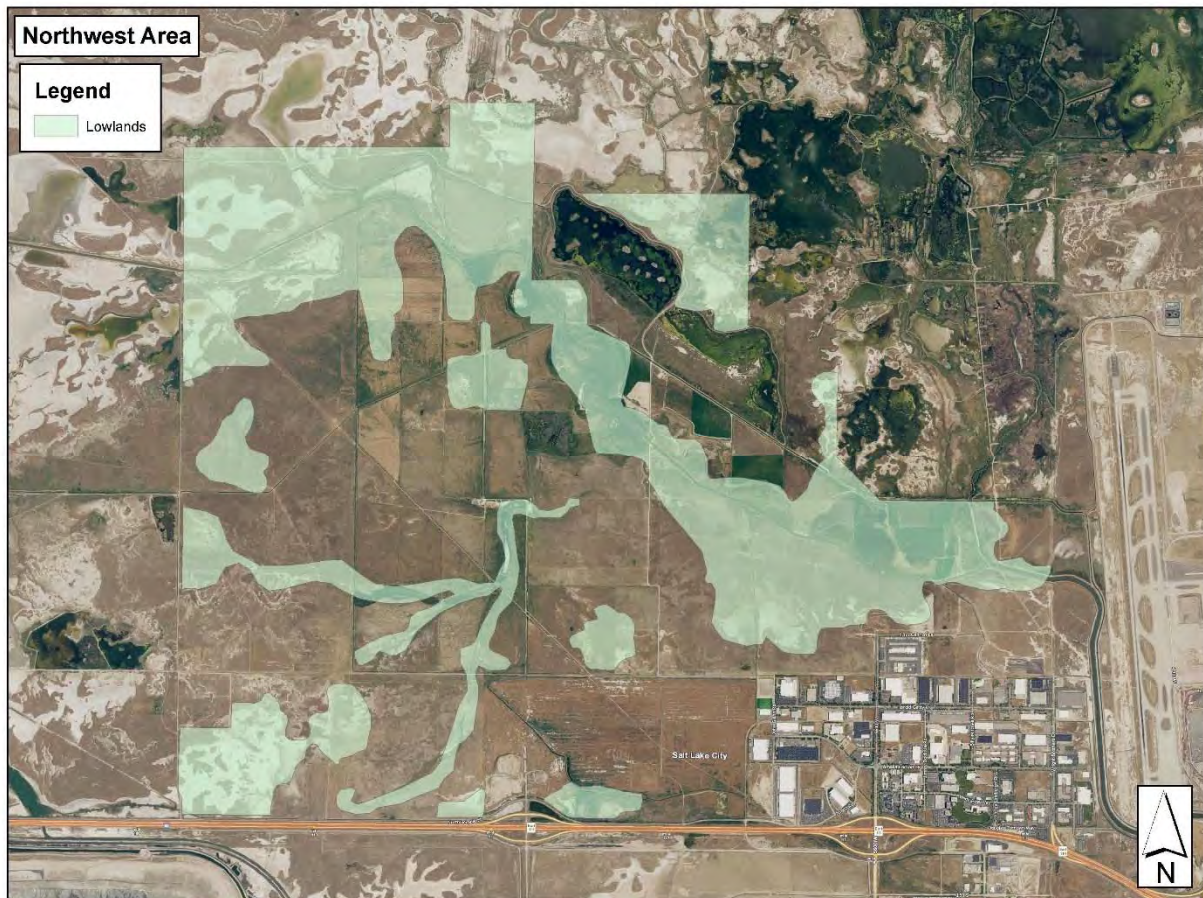
The amount to be contributed to the Agency is estimated at \$174,815,907. Therefore, this represents a ratio of 20:1 of private investment to public investment.

Rationale for Use of Project Area Funds – Whether the Proposed Project Area Development Might Reasonably Be Expected to Occur in the Foreseeable Future Solely Through Private Investment

Development within the proposed Project Area is unlikely to take place within the next ten years without some sort of public assistance. The rationale for the use of tax increment funds in the area is due to the extraordinary costs of construction associated with the high water table and lack of infrastructure in the area. By assisting with these concerns, much of the present uncertainty expressed by developers would be mitigated and the area would become more attractive for development.

As the following map shows, there are a considerable amount of lowland areas within the general area. This adds uncertainty, time and cost to the construction process.

FIGURE 2: MAP OF LOWLANDS IN NORTHWEST QUADRANT AREA



There is also some uncertainty regarding access to utilities and the placement of future infrastructure in the area. Preliminary plans indicate that the State of Utah will lead the construction effort for two roadway/transmission corridors, one running north from I-80 to the prison site and the other running west from the International Center to the prison site. It is anticipated that the State will cover the upfront costs of street and baseline water/sewer infrastructure. In anticipation of future development, Salt Lake City may allocate funding to cover the difference between the cost of baseline water/sewer infrastructure and a higher capacity system, thereby establishing a backbone system for the study area. Tax increment may be utilized to cover the cost of street and public utility improvements that lead from this backbone system to developable sites.

Estimate of Total Amount of Project Area Funds the Agency Intends to Spend on Project Area Development and Length of Time Over Which the Project Area Funds Will Be Spent

Because of the extremely high costs associated with placing backbone infrastructure in this area, as well as the uncertainties with the soil stability in some areas, the Redevelopment Agency anticipates the need for 75 percent of tax increment for a period of 20 years. The tax increment projections shown below assume completion of major roads and utilities. Assuming a 20-year timeframe, with 75 percent of

increment flowing to the Agency, the Agency would receive a total of nearly \$175 million with a net present value (NPV) of roughly \$100 million.

TABLE 10: 20-YEAR TAX INCREMENT REVENUES TO AGENCY AT 75% PARTICIPATION RATE

Incremental Tax Revenues to Agency	Total, 20 Years	NPV, 20 Years
Salt Lake County	\$27,776,926	\$15,861,016
Multicounty Assessing & Collecting Levy	\$124,115	\$70,871
County Assessing & Collecting Levy	\$3,028,405	\$1,729,262
Salt Lake City School District	\$71,341,273	\$40,736,871
Salt Lake City	\$53,195,668	\$30,375,475
Salt Lake Library	\$10,351,187	\$5,910,673
Salt Lake Metropolitan Water District	\$4,033,736	\$2,303,320
Central Utah Water Conservancy District	\$4,964,598	\$2,834,855
TOTAL	\$174,815,907	\$99,822,343

Beneficial Influences on the Community's Tax Base

The current taxable value of the project area is \$735,791 (see list of attached parcels in Appendix A) or an average of \$95.64 per acre.² With the proposed development, the average taxable value per acre is projected to increase to \$464,668 – an increase of roughly 485,751 percent.

The following table summarizes the increases in real property taxable value projected at different time periods using the assumptions for absorption and average values discussed previously in this analysis.

TABLE 11: INCREMENTAL PROPERTY TAX VALUE

Year	Taxable Value	Increase over Current Value
5	\$226,457,109	\$225,721,318
10	\$700,177,676	\$699,441,885
15	\$1,293,827,500	\$1,293,091,710
20	\$1,893,473,788	\$1,892,737,997
25	\$2,493,120,075	\$2,492,384,285
30	\$3,092,766,363	\$3,092,030,572
35	\$3,574,881,978	\$3,574,146,187

The project area is located in Tax Districts 13E and 13F. The two districts have the following taxing entities, with the following tax rates:³

TABLE 12: PERCENTAGE BENEFIT TO VARIOUS TAXING ENTITIES

Taxing Entity	Tax Rate	% of Total
Salt Lake County	0.002238	16%

² Based on 7,693.41 acres in the project area.

³ Tax District 13E accounts for 942.52 acres in the project area, while Tax District 13F accounts for 6,750.89 acres. There is one difference between the two tax districts. 13E includes the Magna Mosquito Abatement District while 13F does not. The Magna Mosquito Abatement District is not included in the analysis as much of the area located in Tax District 13E is undevelopable and the impacts of the Mosquito Abatement District would be minimal.

Taxing Entity	Tax Rate	% of Total
Multicounty Assessing & Collecting Levy	0.00001	0%
County Assessing & Collecting Levy	0.000244	2%
Salt Lake City School District	0.005748	41%
Salt Lake City	0.004286	30%
Salt Lake Library	0.000834	6%
Salt Lake Metropolitan Water District	0.000325	2%
Central Utah Water Conservancy District	0.0004	3%
TOTAL	0.014085	100%

Therefore, 41 percent of the increased tax revenues would benefit the Salt Lake City School District, 30 percent would benefit Salt Lake City and 16 percent would benefit Salt Lake County.

Therefore, there are significant benefits to the tax base of the community from creating a project area.

Associated Business and Economic Activity the Proposed Project Area Development Will Likely Stimulate

Full-Time Job Creation. The proposed development will create jobs in the study area. The number of jobs created will vary significantly by type, as shown in the table below, taken directly from the JLL study.

TABLE 13: AVERAGE BUILDING SQUARE FEET PER EMPLOYEE

Development Type	Square Feet per Employee
Light Industrial	2,000
Flex Office	500
Retail	500
Hotel	0.5 employees per room

Using both the total square feet projections of JLL, and JLL's estimate of the number of square feet per employee, nearly 32,000 jobs are created in the study area. This is a significant number. Total employment in Salt Lake County was 712,912 in October 2017.⁴ Therefore, the job projections for the project area represent 4.5 percent of the current workforce in the County.

TABLE 14: PROJECTED JOB CREATION – 35 YEARS

Square Feet per Employee	SF per Employee/Employees per Room	Total SF	Total Jobs
Light Industrial	2,000	34,312,582	17,156
Flex Office	500	7,254,599	14,509
Retail	500	85,327	171
Hotel (per Room)	0.5	115	58
TOTAL			31,894

⁴ Source: <https://jobs.utah.gov/wi/press/2001press/ratecurrent.pdf>

At the present time, average wages for available jobs in the Northwest Quadrant (including the International Center and south of I-80) are between \$42,000 to \$50,000.⁵

TABLE 15: PROJECTED JOB CREATION BY TIMEFRAME

	Year 5	Year 10	Year 20	Year 30
Light Industrial	1,012	3,296	9,050	14,833
Flex Office	856	2,788	7,654	12,544
Retail	10	33	90	148
Hotel	58	58	58	58
TOTAL	1,936	6,174	16,852	27,582

Assuming an average wage of \$50,000, the following wages would be paid *annually* in the timeframes shown below:

TABLE 16: PROJECTED ANNUAL WAGES PAID IN SELECTED YEARS

Wages	Year 5	Year 10	Year 20	Year 30
Jobs	1,936	6,174	16,852	27,582
Wages Paid in That Year	\$96,779,109	\$308,714,911	\$842,578,514	\$1,379,124,848

With the wages paid, these employees will create additional jobs in the community through their purchases for food, entertainment, housing, transportation, education, etc.

Construction Job Creation. In addition to full-time jobs created in the study area, there will be a significant number of construction jobs created over a long period of time as absorption takes place in this area. The average construction wage is roughly \$50,000 per year.⁶ With benefits and other costs, this analysis uses an average construction job cost of \$75,000.

Labor costs represent approximately 40 percent of construction expenses, with the remaining 60 percent mainly allocated for construction supplies, and with some room for overhead and profit. This analysis assumes that 40 percent of the projected construction investment per year will be spent on construction labor and that the number of construction jobs created per year will vary depending on the level of development taking place in that year. Given the absorption projections shown earlier in this report, it is assumed that the area will average 460 construction jobs per year,⁷ with some years higher and other years lower.

As the table below indicates, projected jobs are based on average burdened labor of \$75,000 per employee, with construction labor estimated at 40 percent of new construction costs. The number of jobs created and wages paid in given years, is shown in the table below.

⁵ Source: Job Search databases, multiple listing services and active brokers

⁶ Utah Department of Workforce Services

⁷ Construction jobs in the early years are much lower than construction jobs in later years, as absorption is projected to increase over time. Therefore, the average of 381 jobs per year is much more reflective of later years, as this analysis considers development through 2050. The average number of jobs in the first three years is only 30.

TABLE 17: PROJECTED JOBS AND WAGES PAID

	Year 5	Year 10	Year 20	Year 30
Construction Cost	\$55,721,852	\$91,181,212	\$101,312,458	\$101,312,458
Construction Wages Paid	\$22,288,741	\$36,472,485	\$40,524,983	\$40,524,983
Construction Jobs	297	486	540	540

Whether Adoption of the Proposed Community Reinvestment Project Area Plan is Necessary and Appropriate to Undertake the Proposed Project Area Development

The creation of the proposed Community Reinvestment Project Area Plan is necessary and appropriate for the following reasons:

- There are significant infrastructure issues (landfill remediation, uncertainty regarding access to utilities, and lowlands with high water tables) that make the area currently unattractive to developers
- The creation of a Project Area with remediation of the above-listed problems will generate significant economic development and increased property tax base
- The development that will take place in the area will create a significant number of new jobs
- Expansion of the Salt Lake City International Airport will create significant development opportunities in the area if a well-planned area, with good infrastructure, is available
- This area forms a gateway from the west, along I-80, for visitors entering Salt Lake City, the State's capitol city.

Appendix A

TABLE 18: PARCELS IN PROJECT AREA

Parcel ID	Owner Name	Property Location
7094000020000	GILLMOR, EDWARD L JR	2698 N 8800 W
7094000044002	GILLMOR, EDWARD L, JR	2698 N 8800 W
7152000050000	SALT LAKE CITY CORPORATION	2698 N 8800 W
7154000040000	SALT LAKE CITY CORPORATION	2698 N 8800 W
7161000020000	KENNECOTT UTAH COPPER LLC	2698 N 8800 W
7162000010000	SIV GILLMOR PROPERTIES, LLC	2698 N 8800 W
7171000030000	EPPERSON ASSOCIATES, LLC	2698 N 8800 W
7173000020000	EPPERSON ASSOCIATES, LLC	2698 N 8800 W
7173000030000	KENNECOTT UTAH COPPER	2698 N 8800 W
7174000020000	EPPERSON ASSOCIATES, LLC	2698 N 8800 W
7201000010000	KENNECOTT UTAH COPPER	2698 N 8800 W
7201000020000	EPPERSON ASSOCIATES, LLC	2698 N 8800 W
7202000030000	MOREHOUSE, RICHARD M &	2698 N 8800 W
7203000010000	EPPERSON ASSOCIATES, LLC	2698 N 8800 W
7223000050000	KENNECOTT UTAH COPPER LLC	6901 W IEIGHTYWEST FWY
7223000060000	DIVERSIFIED HABITATS 1 LLC	6901 W IEIGHTYWEST FWY
7223000070000	G-BAR VENTURES, LLC	2698 N 8800 W
7223000080000	GILLMOR, EDWARD L, JR	2698 N 8800 W
7231000180000	SALT LAKE CITY CORPORATION	2698 N 8800 W
7231000190000	SALT LAKE CITY CORPORATION	2698 N 8800 W
7233000034001	SIV GILLMOR PROPERTIES, LLC	2698 N 8800 W
7234000040000	G-BAR VENTURES, LLC	850 N 5600 W
7251000120000	SALT LAKE CITY CORPORATION &	780 N 5600 W
7261000080000	KENNECOTT UTAH COPPER, LLC	6620 W 700 N
7262000010000	G-BAR VENTURES, LLC	850 N 5600 W
7262000030000	SUBURBAN LAND RESERVE, INC	718 N 5600 W
7262760010000	G-BAR VENTURES, LLC	850 N 5600 W
7264000010000	SUBURBAN LAND RESERVE INC	775 N 5600 W
7264000024001	SUBURBAN LAND RESERVE, INC	695 N JOHN GLENN RD
7264000024002	SUBURBAN LAND RESERVE, INC	695 N JOHN GLENN RD
7264260010000	G-BAR VENTURES, LLC	850 N 5600 W
7271000030000	G-BAR VENTURES, LLC	2698 N 8800 W
7271000040000	GILLMOR, EDWARD L, JR	2698 N 8800 W
7274000020000	KENNECOTT UTAH COPPER LLC	6680 W 700 N
7291000030000	EPPERSON ASSOCIATES, LLC	8306 W 700 N
7292000010000	EPPERSON ASSOCIATES LLC	8306 W 700 N
7321000010000	BONNEVILLE INTERNATIONAL CORP	550 N 8800 W

Parcel ID	Owner Name	Property Location
7321000030000	EPPERSON ASSOCIATES, LLC	8306 W 700 N
7321000040000	EPPERSON ASSOCIATES, LLC	8700 NORTHTEMPLE FRTG ST
7322000030000	EPPERSON ASSOCIATES LLC	8390 NORTHTEMPLE FRTG ST
7331000050000	EPPERSON ASSOCIATES, LLC	7610 NORTHTEMPLE FRTG ST
7351000170000	KENNECOTT UTAH COPPER LLC	675 N JOHN GLENN RD
7352010050000	SALT LAKE CITY CORP	578 N JOHN GLENN RD
7331000010000		
7341000010000		
7342000010000		
7342000020000		
7342000030000		
7342000040000		
7342000050000		



Appendix B

Tax Increment projections spreadsheet

NORTHWEST QUADRANT	TOTAL	NPV	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Base Year Taxable Value			\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791	\$735,791
Total Taxable Value			\$18,349,176	\$48,343,484	\$90,319,060	\$160,496,017	\$226,457,109	\$304,411,126	\$394,358,069	\$490,301,475	\$592,241,344	\$700,177,676	\$814,110,471	\$934,039,728	\$1,053,968,985	\$1,173,898,243	\$1,293,827,500	\$1,413,756,758	\$1,533,686,015	\$1,653,615,273	\$1,773,544,530	\$1,893,473,788
Incremental Taxable Value			\$17,613,386	\$47,607,693	\$89,583,269	\$159,760,227	\$225,721,318	\$303,675,336	\$393,622,279	\$489,565,685	\$591,505,554	\$699,441,885	\$813,374,680	\$933,303,937	\$1,053,233,195	\$1,173,162,452	\$1,293,091,710	\$1,413,020,967	\$1,532,950,225	\$1,652,879,482	\$1,772,808,740	\$1,892,737,997
Taxing Entities																						
Salt Lake County			0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238	0.002238
Multicounty Assessing & Collecting Levy			0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001	0.00001
County Assessing & Collecting Levy			0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244	0.000244
Salt Lake City School District			0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748	0.005748
Salt Lake City			0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286	0.004286
Salt Lake Library			0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834	0.000834
Salt Lake Metropolitan Water District			0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325	0.000325
Central Utah Water Conservancy District			0.000400	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004
TOTAL			0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085	0.014085
Base Year Tax Revenues																						
Salt Lake County	\$32,934	\$22,379	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647	\$1,647
Multicounty Assessing & Collecting Levy	\$147	\$100	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7
County Assessing & Collecting Levy	\$3,591	\$2,440	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180	\$180
Salt Lake City School District	\$84,586	\$57,478	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229	\$4,229
Salt Lake City	\$63,072	\$42,858	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154	\$3,154
Salt Lake Library	\$12,273	\$8,340	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614	\$614
Salt Lake Metropolitan Water District	\$4,783	\$3,250	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239	\$239
Central Utah Water Conservancy District	\$5,886	\$4,000	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294	\$294
TOTAL	\$207,272	\$140,845	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364	\$10,364
Incremental Tax Revenues - 100%																						
Salt Lake County	\$37,035,901	\$21,148,021	\$39,419	\$106,546	\$200,487	\$357,543	\$505,164	\$679,625	\$880,927	\$1,095,648	\$1,323,789	\$1,565,351	\$1,820,333	\$2,088,734	\$2,357,136	\$2,625,538	\$2,893,939	\$3,162,341	\$3,430,743	\$3,699,144	\$3,967,546	\$4,235,948
Multicounty Assessing & Collecting Levy	\$165,487	\$94,495	\$176	\$476	\$896	\$1,598	\$2,257	\$3,037	\$3,936	\$4,896	\$5,915	\$6,994	\$8,134	\$9,333	\$10,532	\$11,732	\$12,931	\$14,130	\$15,330	\$16,529	\$17,728	\$18,927
County Assessing & Collecting Levy	\$4,037,873	\$2,305,682	\$4,298	\$11,616	\$21,858	\$38,981	\$55,076	\$74,097	\$96,044	\$119,454	\$144,327	\$170,664	\$198,463	\$227,726	\$256,989	\$286,252	\$315,514	\$344,777	\$374,040	\$403,303	\$432,565	\$461,828
Salt Lake City School District	\$95,121,698	\$54,315,828	\$101,242	\$273,649	\$514,925	\$918,302	\$1,297,446	\$1,745,526	\$2,262,541	\$2,814,024	\$3,399,974	\$4,020,392	\$4,675,278	\$5,364,631	\$6,053,984	\$6,743,338	\$7,432,691	\$8,122,045	\$8,811,398	\$9,500,751	\$10,190,105	\$10,879,458
Salt Lake City	\$70,927,557	\$40,500,633	\$75,491	\$204,047	\$383,954	\$684,732	\$967,442	\$1,301,552	\$1,687,065	\$2,098,279	\$2,535,193	\$2,997,808	\$3,486,124	\$4,000,141	\$4,514,157	\$5,028,174	\$5,542,191	\$6,056,208	\$6,570,225	\$7,084,241	\$7,598,258	\$8,112,275
Salt Lake Library	\$13,801,582	\$7,880,898	\$14,690	\$39,705	\$74,712	\$133,240	\$188,252	\$253,265	\$328,281	\$408,298	\$493,316	\$583,335	\$678,354	\$778,375	\$878,396	\$978,417	\$1,078,438	\$1,178,459	\$1,278,480	\$1,378,501	\$1,478,522	\$1,578,543
Salt Lake Metropolitan Water District	\$5,378,315	\$3,071,093	\$5,724	\$15,473	\$29,115	\$51,922	\$73,359	\$98,694	\$127,927	\$159,109	\$192,239	\$227,319	\$264,347	\$303,324	\$342,301	\$381,278	\$420,255	\$459,232	\$498,209	\$537,186	\$576,163	\$615,140
Central Utah Water Conservancy District	\$6,619,464	\$3,779,807	\$7,045	\$19,043	\$35,833	\$63,904	\$90,289	\$121,470	\$157,449	\$195,826	\$236,602	\$279,777	\$325,350	\$373,322	\$421,293	\$469,265	\$517,237	\$565,208	\$613,180	\$661,152	\$709,123	\$757,095
TOTAL	\$233,087,876	\$133,096,458	\$248,085	\$670,554	\$1,261,780	\$2,250,223	\$3,179,285	\$4,277,267	\$5,544,170	\$6,895,533	\$8,331,356	\$9,851,639	\$11,456,382	\$13,145,586	\$14,834,790	\$16,523,993	\$18,213,197	\$19,902,400	\$21,591,604	\$23,280,808	\$24,970,011	\$26,659,215
Percent to Agency																						
Salt Lake County			75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Multicounty Assessing & Collecting Levy			75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
County Assessing & Collecting Levy			75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Salt Lake City School District			75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Salt Lake City			75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Salt Lake Library			75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Salt Lake Metropolitan Water District			75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
Central Utah Water Conservancy District			75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
DOES NOT INCLUDE MAGNA MOSQUITO ABATEMENT DISTRICT																						
Incremental Tax Revenues to Taxing Entities																						
Salt Lake County	\$9,258,975	\$5,287,005	\$9,855	\$26,637	\$50,122	\$89,386	\$126,291	\$169,906	\$220,232	\$273,912	\$330,947	\$391,338	\$455,083	\$522,184	\$589,284	\$656,384	\$723,485	\$790,585	\$857,686	\$924,786	\$991,886	\$1,058,987
Multicounty Assessing & Collecting Levy	\$41,372	\$23,624	\$44	\$119	\$224	\$399	\$564	\$759	\$984	\$1,224	\$1,479	\$1,749	\$2,033	\$2,333	\$2,633	\$2,933	\$3,233	\$3,533	\$3,832	\$4,132	\$4,432	\$4,732
County Assessing & Collecting Levy	\$1,009,468	\$576,421	\$1,074	\$2,904	\$5,465	\$9,745	\$13,769	\$18,524	\$24,011	\$29,864	\$36,082	\$42,666	\$49,616	\$56,932	\$64,247	\$71,563	\$78,879	\$86,194	\$93,510	\$100,826	\$108,141	\$115,457
Salt Lake City School District	\$23,780,424	\$13,578,957	\$25,310	\$68,412	\$128,731	\$229,575	\$324,362	\$436,381	\$565,635	\$703,506	\$849,993	\$1,005,098	\$1,168,819	\$1,341,158	\$1,513,496	\$1,685,834	\$1,858,173	\$2,030,511	\$2,202,849	\$2,375,188	\$2,547,526	\$2,719,865
Salt Lake City	\$17,731,889	\$10,125,158	\$18,873	\$51,012	\$95,988	\$171,183	\$241,860</															

NORTHWEST QUADRANT	TOTAL	NPV	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Salt Lake City School District	\$71,341,273	\$40,736,871	\$75,931	\$205,237	\$386,193	\$688,726	\$973,085	\$1,309,144	\$1,696,906	\$2,110,518	\$2,549,980	\$3,015,294	\$3,506,458	\$4,023,473	\$4,540,488	\$5,057,503	\$5,574,518	\$6,091,533	\$6,608,548	\$7,125,563	\$7,642,578	\$8,159,594
Salt Lake City	\$53,195,668	\$30,375,475	\$56,618	\$153,035	\$287,965	\$513,549	\$725,581	\$976,164	\$1,265,299	\$1,573,709	\$1,901,395	\$2,248,356	\$2,614,593	\$3,000,106	\$3,385,618	\$3,771,131	\$4,156,643	\$4,542,156	\$4,927,668	\$5,313,181	\$5,698,694	\$6,084,206
Salt Lake Library	\$10,351,187	\$5,910,673	\$11,017	\$29,779	\$56,034	\$99,930	\$141,189	\$189,949	\$246,211	\$306,223	\$369,987	\$437,501	\$508,766	\$583,782	\$658,797	\$733,813	\$808,829	\$883,845	\$958,860	\$1,033,876	\$1,108,892	\$1,183,908
Salt Lake Metropolitan Water District	\$4,033,736	\$2,303,320	\$4,293	\$11,604	\$21,836	\$38,942	\$55,020	\$74,021	\$95,945	\$119,332	\$144,179	\$170,489	\$198,260	\$227,493	\$256,726	\$285,958	\$315,191	\$344,424	\$373,657	\$402,889	\$432,122	\$461,355
Central Utah Water Conservancy District	\$4,964,598	\$2,834,855	\$5,284	\$14,282	\$26,875	\$47,928	\$67,716	\$91,103	\$118,087	\$146,870	\$177,452	\$209,833	\$244,012	\$279,991	\$315,970	\$351,949	\$387,928	\$423,906	\$459,885	\$495,864	\$531,843	\$567,821
TOTAL	\$174,815,907	\$99,822,343	\$186,063	\$502,916	\$946,335	\$1,687,667	\$2,384,464	\$3,207,950	\$4,158,127	\$5,171,650	\$6,248,517	\$7,388,729	\$8,592,287	\$9,859,189	\$11,126,092	\$12,392,995	\$13,659,898	\$14,926,800	\$16,193,703	\$17,460,606	\$18,727,508	\$19,994,411

EXHIBIT B

[Attach Project Area Budget]

**Project Area Budget
Salt Lake City’s Portion of Tax Increment from the
Northwest Quadrant Community Reinvestment Area**

Pursuant to the Northwest Quadrant Project Area Tax Increment Interlocal Cooperation Agreement (“Interlocal Agreement”) the Redevelopment Agency of Salt Lake City (“RDA”) shall be entitled to retain seventy-five percent (75%) of Salt Lake City’s portion of the Tax Increment from the Northwest Quadrant Community Reinvestment Area (“CRA Area”) for twenty (20) years. Accordingly, tax increment (“TIF”) shall be utilized to implement the Northwest Quadrant Community Reinvestment Area Plan (“CRA Plan”) as follows:

I. BUDGET ALLOCATIONS

Budget allocations shall be provided as follows:

Activity	Percentage
1. Administration and Operations	10%
2. Housing	10%
3. Shared Costs	10%
4. Redevelopment Activities	70%
Total	100%

Description of activities is as follows:

1. **Administration and Operations:** The tax increment expected to be used to cover the operating costs of administering and implementing the CRA Plan.
2. **Housing:** The tax increment expected to be used for housing activities pursuant to Utah Code 17C.
3. **Shared Costs:** The tax increment allocation required to be used for redevelopment activities that benefit the entire Project Area, are system wide, or that benefit multiple property owners or parcels.
4. **Redevelopment Activities:** The tax increment expected to be used to carry out project development activities as further described in this CRA Plan. Activities may include, but not be limited to, land acquisition, public improvements, infrastructure improvements, loans, grants, and other incentives to public and private entities.

II. BUDGET PRIORITIES

Priorities for the allocation of TIF are as follows:

1. **Infrastructure Improvements:** TIF may be provided for capital and land costs associated with public infrastructure improvements. Projects shall facilitate economic development, the expansion of the City’s tax base, and encourage orderly growth in compliance with the City’s General Plan, Major Street Plan, and the Northwest Quadrant Master Drainage Plan. Eligible uses of funds may include, but not be limited to, the following:
 - Streets, sidewalks, curb and gutter, traffic controls, street lights, bike lanes, trails, wayfinding, and streetscaping;

- Stormwater and drainage management systems including drainage channels, storm drains, bio swales, retention areas, and canal improvements;
 - Water distribution and sewer systems;
 - Railways and related facilities and infrastructure, including rail track, spurs, terminals, bridges, underpasses, and crossings; and
 - Other infrastructure that may be located outside of the Project Area but that is found to directly benefit the CRA Area.
2. **Site Development and Remediation:** TIF may be provided for costs associated with the preparation of building sites for development. Uses of TIF may include, but not be limited to, environmental remediation and/or containment; vapor intrusion mitigation; grading, fill and/or soil correction; burden costs associated with bringing water, sewer, electrical, telecommunications, and/or other utility service to building sites; and landscaping or drainage improvements. TIF shall support projects that are in accordance with the City's General Plan, meet policies established for the NWQ, meet the City's economic development goals, are projected to generate an increase in the tax base, and meet financial criteria.
 3. **Business Development:** TIF may be provided to support business or industry-specific development projects. In addition to loans and reimbursements, the RDA may utilize TIF for the acquisition and/or disposition of property to carry out economic development objectives within the Project Area. TIF shall support projects that are in accordance with the City's general plan, meet policies established for the NWQ, meet the City's economic development goals, are projected to generate an increase in the tax base or return on investment, and meet financial criteria.
 4. **Citywide Housing Development:** TIF may be provided for the development of citywide housing to ensure the availability and affordability of quality housing throughout Salt Lake City. Funding will not only provide affordable housing for existing Salt Lake City residents, but will also provide housing for the expanding employment base spurred by economic development in the Northwest Quadrant.

REDEVELOPMENT AGENCY OF SALT LAKE CITY

RESOLUTION NO. _____ :

Interlocal Agreement Authorizing Use of a Portion of Tax Increment to Support the Implementation of the Northwest Quadrant Community Reinvestment Area Plan

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY ADOPTING AN INTERLOCAL AGREEMENT AUTHORIZING USE OF A PORTION OF TAX INCREMENT TO SUPPORT THE IMPLEMENTATION OF THE NORTHWEST QUADRANT COMMUNITY REINVESTMENT AREA PLAN

WHEREAS, pursuant to Chapter 5, Community Reinvestment, of Title 17C of the Utah Code (the "Act"), the RDA may approve a Community Reinvestment Project Area Plan ("CRA Plan") for the purpose of supporting community revitalization within a designated project area.

WHEREAS, the Board of Directors of the Redevelopment Agency of Salt Lake City (the "RDA") has approved the Northwest Quadrant Community Reinvestment Area ("Project Area") to facilitate the capture of tax increment within the boundaries of the Project Area which is further depicted in **Exhibit A**.

WHEREAS, tax increment will be utilized to carry out community reinvestment activity that will catalyze private development within the Project Area.

WHEREAS, tax increment funds and private development will generate economic growth and create employment opportunities.

WHEREAS, the Northwest Quadrant Master Plan calls for the area to be an ecologically-oriented industrial park that is an economic engine for the city, region, and state.

WHEREAS, Salt Lake City Corporation (the "City") is considering approving the use of its tax increment from the Project Area to support the community revitalization activities in accordance with the Act.

WHEREAS, the RDA desires to execute an interlocal agreement with the City in which the City will consent to the RDA being paid its share of the tax increment from the Project Area.

THEREFORE, BE IT RESOLVED by the Board of Directors of the Redevelopment Agency of Salt Lake City:

1. It does hereby approve the execution and delivery of the following:

AN INTERLOCAL COOPERATION AGREEMENT BETWEEN SALT LAKE CITY CORPORATION AND THE REDEVELOPMENT AGENCY OF SALT LAKE CITY [NORTHWEST QUADRANT PROJECT AREA TAX INCREMENT], EFFECTIVE ON THE DATE IT IS SIGNED BY ALL PARTIES.

2. Jacqueline M. Biskupski, Executive Director of the Redevelopment Agency of Salt Lake City or her designee is hereby authorized to approve, execute, and deliver said agreement on behalf of the Redevelopment Agency of Salt Lake City, in substantially the same form as now before the Redevelopment Agency of Salt Lake City Board of Directors and attached hereto as **Exhibit B**, subject to such minor changes that do not materially affect the rights and obligations of the Redevelopment Agency thereunder and as shall be approved by the Executive Director, her execution thereof to constitute conclusive evidence of such approval.

Passed by the Board of Directors of the Redevelopment Agency of Salt Lake City, this ____ day of ____, 2018


_____, Chairperson

Transmitted to the Executive Director on _____.

The Executive Director:

_____ does not request reconsideration
_____ requests reconsideration at the next regular Agency meeting.

Jacqueline M. Biskupski, Executive Director

Approved as to form: 

Salt Lake City Attorney's Office
Katherine N. Lewis

Attest:

City Recorder

EXHIBIT A

[Attach Depiction of Project Area]

Northwest Quadrant Community Reinvestment Area Boundary Legal Description

Beginning at a point on the existing Salt Lake City boundary which is the Northwest Corner of Section 17, Township 1 North, Range 2 West, Salt Lake Base and Meridian, and running thence along the existing Salt Lake City boundary the following 18 courses: 1) N89°54'36"E 2637.89 feet to the N1/4 Corner of said Section 17; 2) N89°53'20"E 2640.05 feet to the NE Corner of said Section 17; 3) S89°48'47"E 2640.69 feet to the N1/4 Corner of Section 16 said Township; 4) N00°26'13"E 1320.23 feet to the W1/4 Corner of the SE1/4 of Section 9 said Township; 5) S89°48'47"E 2625.84 feet to the E1/4 Corner of the SE1/4 of said Section 9; 6) S00°24'42"W 1320.23 feet to the NE Corner of said Section 16; 7) S00°24'42"W 2650.57 feet to the E1/4 Corner of said Section 16; 8) S00°26'25"W 1325.15 feet to the W1/4 Corner of the SW1/4 of Section 15; 9) S89°50'13"E 1322.93 feet to the Center of the SW1/4 of said Section 15; 10) N00°23'04"E 2648.09 feet to the Center of the NW1/4 of said Section 15; 11) S89°44'08"E 3963.23 feet to the E1/4 Corner of the NE1/4 of said Section 15; 12) S89°47'29"E 1317.60 feet to the Center of the NW1/4 of Section 14 said Township; 13) S00°15'30"W 3961.12 feet to the S1/4 Corner of the SW1/4 of said Section 14; 14) S89°47'29"E 1317.60 feet to the S1/4 Corner of said Section 14; 15) S00°13'53"W 1320.92 feet to the E1/4 Corner of the NW1/4 Section 23 said Township; 16) S89°46'07"E 1320.22 feet to the Center of the NE1/4 of said Section 23; 17) S00°13'54"W 2643.89 feet to the Center of the SE1/4 of said Section 23; 18) S44°44'23"E 1868.01 feet to the SE Corner of said Section 23; thence along the east line of Section 26 said Township S00°20'01"W 3991.93 feet to the north line of John Cannon Drive; thence along the north line of John Cannon Drive S89°47'45"E 44.00 feet to the projected east line of 5600 West; thence along the east line of 5600 West S00°20'07"W 1284.30 feet to the south line of Section 25 said township; thence along the south lines of said Section 25 and 26 N89°47'25"W 774.13 feet to the Southwest Corner of Watkins Industrial Park Subdivision as recorded in Book 2003P, Page 162 of Subdivisions, in the Salt Lake County Recorder's Office; thence along the south line of said Section 26 N89°47'24"W 2937.61 feet; thence S00°11'54"W 99.14 feet to the Northeast Corner of Parcel 07-35-100-016; thence along said parcel the following 6 courses: 1) N89°46'53"W 1609.45 feet; 2) N89°50'44"W 2642.88 feet; 3) N89°50'20"W 2644.04 feet; 4) N89°44'53"W 1317.05 feet; 5) S00°13'52"W 2541.25 feet; 6) S00°14'20"W 1723.95 feet to the north line of the I-80 right-of-way and an 1849.86 foot radius non-tangent curve to the right; thence along said north line and said curve 63.56 feet (chord bears S71°02'20"W 63.56 feet); thence along said north line N89°47'45"W 9176.07 feet to the west boundary line of Salt Lake City; thence along said west boundary the following 10 courses: 1) N00°19'37"E 1745.63 feet to the West Quarter Corner of Section 32 said township; 2) N00°20'10"E 846.69 feet; 3) S89°47'26"E 1320.00 feet; 4) N00°20'10"E 950.40 feet; 5) N89°47'26"W 1320.00 feet; 6) N00°20'10"E 844.84 feet to the Northwest Corner of said Section 32; 7) N00°19'16"E 5285.43 feet to the Southwest Corner of Section 20 said township; 8) N00°17'46"E 2629.78 feet to the West Quarter Corner of said Section 20; 9) N00°18'30"E 2631.00 feet to the Northwest Corner of said Section 20; 10) N00°17'29"E 5280.23 feet to the point of beginning.

Contains 7,739.092 acres, more or less.

Northwest Quadrant Community Reinvestment Area Boundary Model

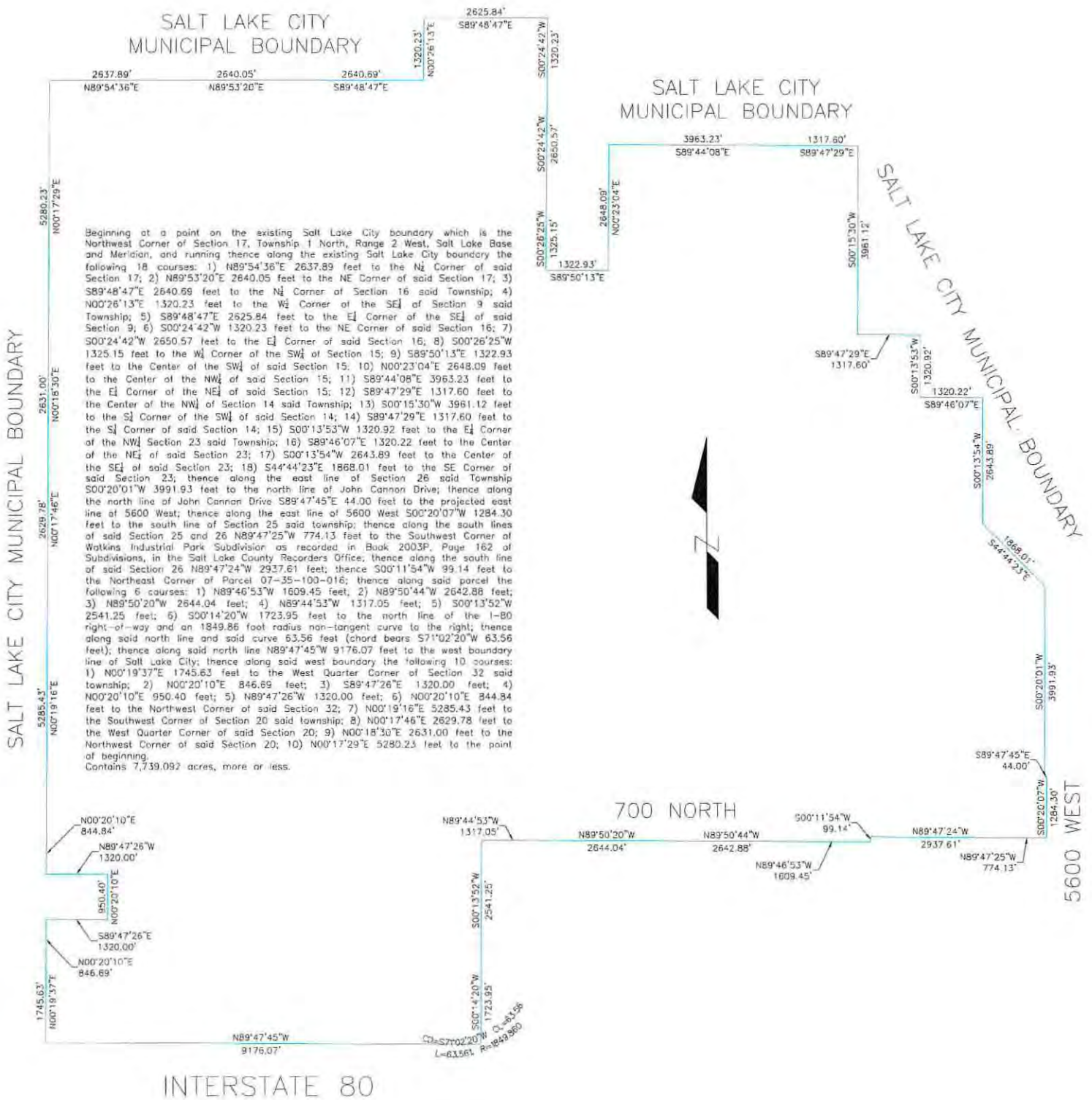


EXHIBIT B

[Attach Form Interlocal Agreement]

INTERLOCAL COOPERATION AGREEMENT

[Northwest Quadrant Project Area Tax Increment]

THIS INTERLOCAL COOPERATION AGREEMENT (“**Agreement**”) is executed as of _____, 2018 (“**Effective Date**”), by and between the Redevelopment Agency of Salt Lake City, a public entity (“**Agency**”), and Salt Lake City Corporation, a Utah municipal corporation (the “**City**”) (collectively, the “**Parties**”).

RECITALS

A. Pursuant to Resolution No. ___ adopted by the Agency on January __, 2018, the Agency has commenced the process under Utah Code 17C to create the Northwest Quadrant Project Area (the “**Project Area**”), and has prepared a draft of a community reinvestment project area plan for the Project Area, a copy of which is attached hereto as **Exhibit A** (the “**Project Area Plan**,” which includes the legal description and a map of the Project Area).

B. Under the Project Area Plan, the Agency desires to support the development of the Project Area into an ecologically-oriented industrial park that is an economic engine for the city, region, and state.

C. The City has determined that it is in its best interests to provide certain financial assistance through the use of Tax Increment (as defined below) to Agency for development as set forth in the Project Area Plan.

D. The Agency anticipates using tax increment (as defined in Utah Code § 17C-1-102(60) (“**Tax Increment**”) created by development activities in the Project Area to assist in development as set forth in the Project Area Plan.

E. Utah Code § 17C-5-204 authorizes the City to consent to the payment to the Agency of a portion of its share of Tax Increment generated from the Project Area for the purposes set forth in the Project Area Plan.

NOW, THEREFORE, for good and valuable consideration, the Parties agree as follows:

1. **City’s Consent.** Pursuant to Utah Code § 17C-5-204, the City hereby agrees and consents that the Agency shall be entitled to retain seventy-five percent (75%) of the City’s portion of the Tax Increment from the Project Area for twenty (20) years from the Effective Date of this Agreement. The calculation of annual Tax Increment shall be made using (a) Salt Lake County’s then current tax levy rate for the City, and (b) the 2017 base year taxable value of \$ _____, which taxable value is subject to adjustment as required by law.

2. **Budget.** Pursuant to Utah Code § 17C-5-204(6)(c), a copy of the Project Area budget is attached hereto as **Exhibit B**.

3. **Interlocal Cooperation Act.** In satisfaction of the requirements of Utah Code § 11-13, *et seq.* (the “**Interlocal 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 Interlocal 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 Section 11-13-202.5(3) of the Interlocal Cooperation Act.

c. Except as otherwise specifically provided herein, each Party shall be responsible for its own costs of any action taken pursuant to this Agreement, and for any financing of such costs.

d. 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 Interlocal Cooperation Act.

e. No separate legal entity is created by the terms of this Agreement. The Executive Director of the Agency is hereby designated the administrator for all purposes of the Interlocal Cooperation Act, pursuant to Section 11-13-207 of the Interlocal Cooperation Act.

f. Following the execution of this Agreement by each of the Parties, each Party shall cause a notice regarding this Agreement to be published in accordance with Section 11-13-219 of the Interlocal Cooperation Act.

g. No real or personal property shall be acquired jointly by the Parties as a result of this Agreement. To the extent a Party acquires, holds, or disposes of any real or personal property for use in the joint or cooperative undertaking contemplated by this Agreement, such Party shall do so in the same manner that it deals with other property of such Party.

h. No separate legal entity is created by the terms of this Agreement.

4. **Modification and Amendment.** Any modification of or amendment to any provision of this Agreement shall be effective only if the modification or amendment is in writing and signed by each of the Parties. Any oral representation or modification concerning this Agreement shall be of no force or effect.

5. **Further Assurance.** Each of the Parties hereto agrees to cooperate in good faith with the other, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.

6. **Governing Law.** This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Utah.

7. **Authorization.** Each of the Parties hereto represents and warrants to the other that the warranting Party has taken all steps, including the publication of public notice where necessary, in order to authorize the execution, delivery, and performance of this Agreement by each such Party.

Executed to be effective as of the Effective Date.

REDEVELOPMENT AGENCY OF SALT LAKE
CITY

Jacqueline M. Biskupski, Executive Director

Approved as to form:

Salt Lake City Attorney's Office

Katherine N. Lewis

SALT LAKE CITY CORPORATION

Mayor Jacqueline M. Biskupski

ATTEST AND COUNTERSIGN:

City Recorder

Approved as to form:

Salt Lake City Attorney's Office

E. Russell Vetter

EXHIBIT A

[Attach Project Area Plan]

EXHIBIT B

[Attach Project Area Budget]

RESOLUTION _____ OF 2018

Authorizing approval of an Interlocal Cooperation Agreement between Salt Lake City Corporation and the Redevelopment Agency of Salt Lake City Authorizing Use of a Portion of Tax Increment to Support the Implementation of the Northwest Quadrant Community Reinvestment Area Plan

WHEREAS, the Board of Directors of the Redevelopment Agency of Salt Lake City (the “RDA”) has approved the Northwest Quadrant Community Reinvestment Area (“Project Area”) to facilitate the capture of tax increment within the boundaries of the Project Area which is further depicted in **Exhibit A**.

WHEREAS, tax increment will be utilized to carry out community reinvestment activity that will catalyze private development within the Project Area.

WHEREAS, tax increment funds and private development will generate economic growth and create employment opportunities.

WHEREAS, the Northwest Quadrant Master Plan calls for the area to be an ecologically-oriented industrial park that is an economic engine for the city, region, and state.

WHEREAS, Salt Lake City Corporation (the “City”) desires to approve the use of its tax increment from the Project Area to support the community revitalization activities in accordance with the Act.

WHEREAS, the City desires to execute an interlocal agreement with the RDA in which the City will consent to the RDA being paid its share of the tax increment from the Project Area.

THEREFORE, BE IT RESOLVED, by the City Council of Salt Lake City, Utah as follows:

1. It does hereby approve the execution and delivery of the following:

AN INTERLOCAL COOPERATION AGREEMENT BETWEEN SALT LAKE CITY CORPORATION AND THE REDEVELOPMENT AGENCY OF SALT LAKE CITY [NORTHWEST QUADRANT PROJECT AREA TAX INCREMENT], EFFECTIVE ON THE DATE IT IS SIGNED BY ALL PARTIES.

2. Jacqueline M. Biskupski, Mayor of Salt Lake City, Utah or her designee is hereby authorized to approve, execute, and deliver said agreement on behalf of Salt Lake City Corporation, in substantially the same form as now before the City Council and attached hereto as **Exhibit B**, subject to such minor changes that do not materially affect the rights and obligations of the City thereunder and as shall be approved by the Mayor, her execution thereof to constitute conclusive evidence of such approval.

PASSED by the City Council of Salt Lake City this _____ day of _____, 2018.


SALT LAKE CITY COUNCIL

CHAIRPERSON

ATTEST:

CITY RECORDER

APPROVED AS TO FORM:
Salt Lake City Attorney's Office



Katherine N. Lewis

HB_ATTYY-#66296-v1-City_Resolution_Interlocal_(NWQ_Tax_Increment_Interlocal).docx

EXHIBIT A

[Attach Depiction of Project Area]

Northwest Quadrant Community Reinvestment Area Boundary Legal Description

Beginning at a point on the existing Salt Lake City boundary which is the Northwest Corner of Section 17, Township 1 North, Range 2 West, Salt Lake Base and Meridian, and running thence along the existing Salt Lake City boundary the following 18 courses: 1) N89°54'36"E 2637.89 feet to the N1/4 Corner of said Section 17; 2) N89°53'20"E 2640.05 feet to the NE Corner of said Section 17; 3) S89°48'47"E 2640.69 feet to the N1/4 Corner of Section 16 said Township; 4) N00°26'13"E 1320.23 feet to the W1/4 Corner of the SE1/4 of Section 9 said Township; 5) S89°48'47"E 2625.84 feet to the E1/4 Corner of the SE1/4 of said Section 9; 6) S00°24'42"W 1320.23 feet to the NE Corner of said Section 16; 7) S00°24'42"W 2650.57 feet to the E1/4 Corner of said Section 16; 8) S00°26'25"W 1325.15 feet to the W1/4 Corner of the SW1/4 of Section 15; 9) S89°50'13"E 1322.93 feet to the Center of the SW1/4 of said Section 15; 10) N00°23'04"E 2648.09 feet to the Center of the NW1/4 of said Section 15; 11) S89°44'08"E 3963.23 feet to the E1/4 Corner of the NE1/4 of said Section 15; 12) S89°47'29"E 1317.60 feet to the Center of the NW1/4 of Section 14 said Township; 13) S00°15'30"W 3961.12 feet to the S1/4 Corner of the SW1/4 of said Section 14; 14) S89°47'29"E 1317.60 feet to the S1/4 Corner of said Section 14; 15) S00°13'53"W 1320.92 feet to the E1/4 Corner of the NW1/4 Section 23 said Township; 16) S89°46'07"E 1320.22 feet to the Center of the NE1/4 of said Section 23; 17) S00°13'54"W 2643.89 feet to the Center of the SE1/4 of said Section 23; 18) S44°44'23"E 1868.01 feet to the SE Corner of said Section 23; thence along the east line of Section 26 said Township S00°20'01"W 3991.93 feet to the north line of John Cannon Drive; thence along the north line of John Cannon Drive S89°47'45"E 44.00 feet to the projected east line of 5600 West; thence along the east line of 5600 West S00°20'07"W 1284.30 feet to the south line of Section 25 said township; thence along the south lines of said Section 25 and 26 N89°47'25"W 774.13 feet to the Southwest Corner of Watkins Industrial Park Subdivision as recorded in Book 2003P, Page 162 of Subdivisions, in the Salt Lake County Recorder's Office; thence along the south line of said Section 26 N89°47'24"W 2937.61 feet; thence S00°11'54"W 99.14 feet to the Northeast Corner of Parcel 07-35-100-016; thence along said parcel the following 6 courses: 1) N89°46'53"W 1609.45 feet; 2) N89°50'44"W 2642.88 feet; 3) N89°50'20"W 2644.04 feet; 4) N89°44'53"W 1317.05 feet; 5) S00°13'52"W 2541.25 feet; 6) S00°14'20"W 1723.95 feet to the north line of the I-80 right-of-way and an 1849.86 foot radius non-tangent curve to the right; thence along said north line and said curve 63.56 feet (chord bears S71°02'20"W 63.56 feet); thence along said north line N89°47'45"W 9176.07 feet to the west boundary line of Salt Lake City; thence along said west boundary the following 10 courses: 1) N00°19'37"E 1745.63 feet to the West Quarter Corner of Section 32 said township; 2) N00°20'10"E 846.69 feet; 3) S89°47'26"E 1320.00 feet; 4) N00°20'10"E 950.40 feet; 5) N89°47'26"W 1320.00 feet; 6) N00°20'10"E 844.84 feet to the Northwest Corner of said Section 32; 7) N00°19'16"E 5285.43 feet to the Southwest Corner of Section 20 said township; 8) N00°17'46"E 2629.78 feet to the West Quarter Corner of said Section 20; 9) N00°18'30"E 2631.00 feet to the Northwest Corner of said Section 20; 10) N00°17'29"E 5280.23 feet to the point of beginning.

Contains 7,739.092 acres, more or less.

Northwest Quadrant Community Reinvestment Area Boundary Model

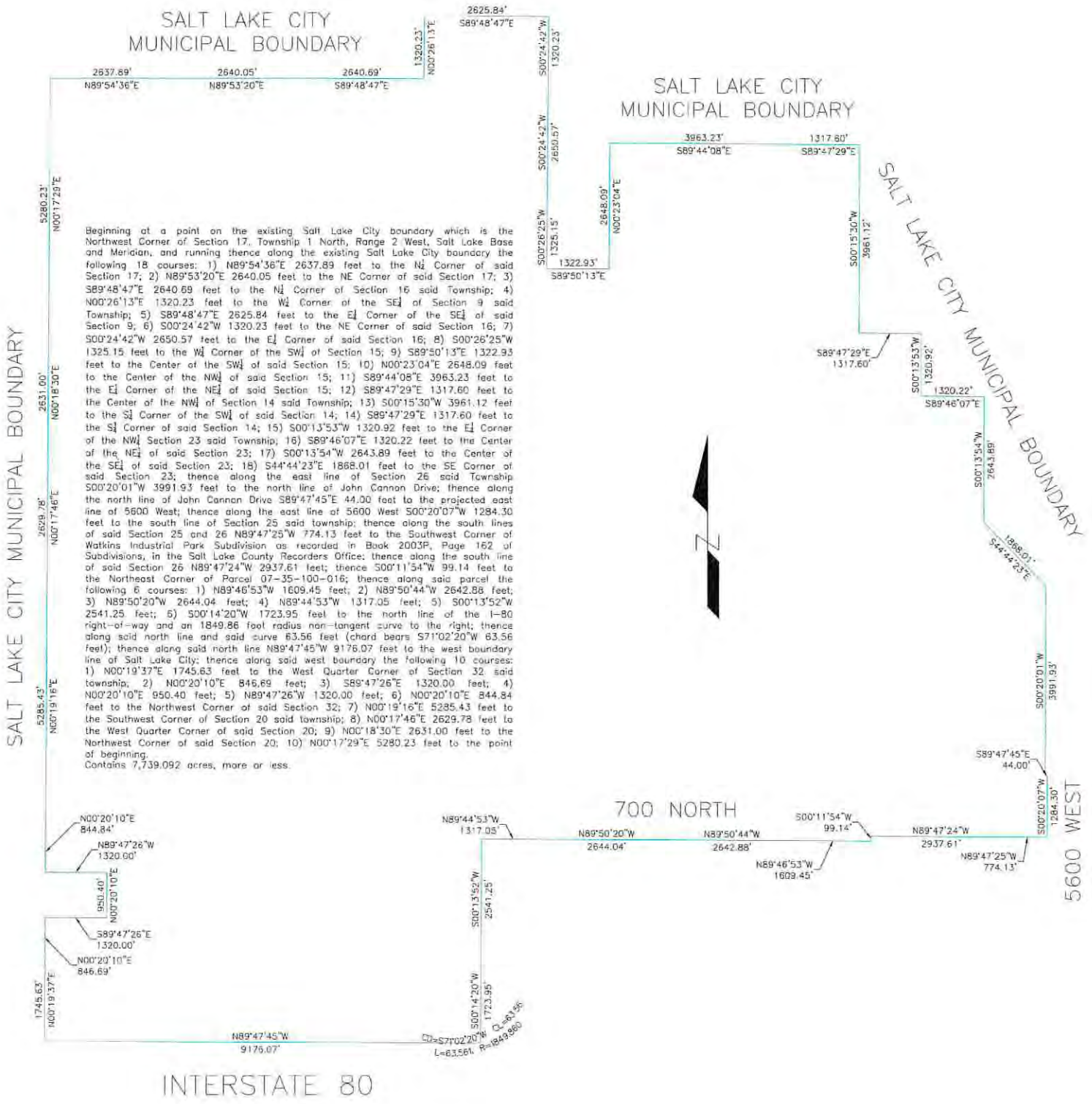


EXHIBIT B

[Attach Form Interlocal Agreement]

INTERLOCAL COOPERATION AGREEMENT

[Northwest Quadrant Project Area Tax Increment]

THIS INTERLOCAL COOPERATION AGREEMENT (“**Agreement**”) is executed as of _____, 2018 (“**Effective Date**”), by and between the Redevelopment Agency of Salt Lake City, a public entity (“**Agency**”), and Salt Lake City Corporation, a Utah municipal corporation (the “**City**”) (collectively, the “**Parties**”).

RECITALS

A. Pursuant to Resolution No. ___ adopted by the Agency on January __, 2018, the Agency has commenced the process under Utah Code 17C to create the Northwest Quadrant Project Area (the “**Project Area**”), and has prepared a draft of a community reinvestment project area plan for the Project Area, a copy of which is attached hereto as **Exhibit A** (the “**Project Area Plan**,” which includes the legal description and a map of the Project Area).

B. Under the Project Area Plan, the Agency desires to support the development of the Project Area into an ecologically-oriented industrial park that is an economic engine for the city, region, and state.

C. The City has determined that it is in its best interests to provide certain financial assistance through the use of Tax Increment (as defined below) to Agency for development as set forth in the Project Area Plan.

D. The Agency anticipates using tax increment (as defined in Utah Code § 17C-1-102(60) (“**Tax Increment**”) created by development activities in the Project Area to assist in development as set forth in the Project Area Plan.

E. Utah Code § 17C-5-204 authorizes the City to consent to the payment to the Agency of a portion of its share of Tax Increment generated from the Project Area for the purposes set forth in the Project Area Plan.

NOW, THEREFORE, for good and valuable consideration, the Parties agree as follows:

1. **City’s Consent.** Pursuant to Utah Code § 17C-5-204, the City hereby agrees and consents that the Agency shall be entitled to retain seventy-five percent (75%) of the City’s portion of the Tax Increment from the Project Area for twenty (20) years from the Effective Date of this Agreement. The calculation of annual Tax Increment shall be made using (a) Salt Lake County’s then current tax levy rate for the City, and (b) the 2017 base year taxable value of \$ _____, which taxable value is subject to adjustment as required by law.

2. **Budget.** Pursuant to Utah Code § 17C-5-204(6)(c), a copy of the Project Area budget is attached hereto as **Exhibit B**.

3. **Interlocal Cooperation Act.** In satisfaction of the requirements of Utah Code § 11-13, *et seq.* (the “**Interlocal 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 Interlocal 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 Section 11-13-202.5(3) of the Interlocal Cooperation Act.

c. Except as otherwise specifically provided herein, each Party shall be responsible for its own costs of any action taken pursuant to this Agreement, and for any financing of such costs.

d. 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 Interlocal Cooperation Act.

e. No separate legal entity is created by the terms of this Agreement. The Executive Director of the Agency is hereby designated the administrator for all purposes of the Interlocal Cooperation Act, pursuant to Section 11-13-207 of the Interlocal Cooperation Act.

f. Following the execution of this Agreement by each of the Parties, each Party shall cause a notice regarding this Agreement to be published in accordance with Section 11-13-219 of the Interlocal Cooperation Act.

g. No real or personal property shall be acquired jointly by the Parties as a result of this Agreement. To the extent a Party acquires, holds, or disposes of any real or personal property for use in the joint or cooperative undertaking contemplated by this Agreement, such Party shall do so in the same manner that it deals with other property of such Party.

h. No separate legal entity is created by the terms of this Agreement.

4. **Modification and Amendment.** Any modification of or amendment to any provision of this Agreement shall be effective only if the modification or amendment is in writing and signed by each of the Parties. Any oral representation or modification concerning this Agreement shall be of no force or effect.

5. **Further Assurance.** Each of the Parties hereto agrees to cooperate in good faith with the other, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.

6. **Governing Law.** This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Utah.

7. **Authorization.** Each of the Parties hereto represents and warrants to the other that the warranting Party has taken all steps, including the publication of public notice where necessary, in order to authorize the execution, delivery, and performance of this Agreement by each such Party.

Executed to be effective as of the Effective Date.

REDEVELOPMENT AGENCY OF SALT LAKE CITY

Jacqueline M. Biskupski, Executive Director

Approved as to form:

Salt Lake City Attorney's Office

Katherine N. Lewis

SALT LAKE CITY CORPORATION

Mayor Jacqueline M. Biskupski

ATTEST AND COUNTERSIGN:

City Recorder

Approved as to form:

Salt Lake City Attorney's Office

E. Russell Vetter

EXHIBIT A

[Attach Project Area Plan]

EXHIBIT B

[Attach Project Area Budget]

REDEVELOPMENT AGENCY OF SALT LAKE CITY

RESOLUTION NO. _____:

Authorizing approval of a Development Agreement between Salt Lake City Corporation, the Redevelopment Agency of Salt Lake City, and Kennecott Utah Copper, LLC

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY AUTHORIZING APPROVAL OF A DEVELOPMENT AGREEMENT BETWEEN SALT LAKE CITY CORPORATION, THE REDEVELOPMENT AGENCY OF SALT LAKE CITY, AND KENNECOTT UTAH COPPER, LLC.

WHEREAS, Kennecott Utah Copper, LLC (“Developer”) owns certain real property (“Property”) located within the Northwest Quadrant Project Area created by the Redevelopment Agency of Salt Lake City (“RDA”).

WHEREAS, the RDA, Salt Lake City Corporation (“City”), and Developer have negotiated a development agreement (“Development Agreement”) which will, among other things, vest Developer in the zoning as it currently exists on the Property, and facilitate a process for Developer to apply for tax increment reimbursement from the Agency as the Property is developed.

WHEREAS, RDA desires to execute the Development Agreement with Developer and City.

THEREFORE, BE IT RESOLVED, by the Board of Directors of the Redevelopment Agency of Salt Lake City as follows:

1. It does hereby approve the execution and delivery of the following:

DEVELOPMENT AGREEMENT BETWEEN SALT LAKE CITY CORPORATION, REDEVELOPMENT AGENCY OF SALT LAKE CITY, AND KENNECOTT UTAH COPPER, LLC, EFFECTIVE ON THE DATE IT IS SIGNED BY ALL PARTIES.

2. Jacqueline M. Biskupski, Executive Director of the Redevelopment Agency of Salt Lake City, or her designee is hereby authorized to approve, execute, and deliver said agreement on behalf of the Redevelopment Agency of Salt Lake City, in substantially the same form as now before the Board of Directors of the Redevelopment Agency of Salt Lake City and attached hereto as **Exhibit A**, subject to such minor changes that do not materially affect the rights and obligations of the Redevelopment Agency thereunder and as shall be approved by the Executive Director, her execution thereof to constitute conclusive evidence of such approval.

Passed by the Board of Directors of the Redevelopment Agency of Salt Lake City, this
___ day of ___, 2018


_____, Chairperson

Transmitted to the Executive Director on _____.

The Executive Director:

_____ does not request reconsideration
_____ requests reconsideration at the next regular Agency meeting.

Jacqueline M. Biskupski, Executive Director

Approved as to form: 

Salt Lake City Attorney's Office
Katherine N. Lewis

Attest:

City Recorder

EXHIBIT A

[Attach Development Agreement]

**Recording Requested By and
When Recorded Return to:**
Salt Lake City Corporation
Attn: _____
451 South State Street
Salt Lake City, UT 84111

Parcel Nos. _____

**MASTER DEVELOPMENT AND
REIMBURSEMENT AGREEMENT
Northwest Quadrant (North)**

This Master Development and Reimbursement Agreement (this “**Agreement**”) is made and entered into and made effective as of the date this Agreement is recorded by the City Recorder (“**Effective Date**”) by and among **SALT LAKE CITY CORPORATION**, a Utah municipal corporation (“**City**”); the **REDEVELOPMENT AGENCY OF SALT LAKE CITY**, a public entity (“**RDA**”); and **KENNECOTT UTAH COPPER LLC**, a Utah limited liability company (“**Master Developer**”). City, RDA and Master Developer may from time to time be referred to herein each as a “**Party**” or collectively as the “**Parties**.”

RECITALS

A. Master Developer is the record owner of approximately 2,800 acres of lands located in Salt Lake County, Utah, which are more particularly described on the attached **Exhibit A** (the “**Property**”). The Property is located within an area of Salt Lake City known as the Northwest Quadrant.

B. Master Developer is engaged in planning a large scale, master planned logistics center, industrial and warehousing system and series of projects within portions of the Property, and areas located near the Property.

C. A significant component of the development of the Property is the installation of an infrastructure network in, around and near the Property to facilitate the development of the Intended Uses.

D. Infrastructure planned for the area will require close coordination between property owners, users and public and private service providers and will include rail and road improvements, along with utilities and other improvements reasonable, necessary and useful for the development of the Property.

E. To support the development of the Property and the development of areas within City’s jurisdiction, on January 9, 2018, RDA and City created and approved the Northwest Quadrant Community Reinvestment Project Area (the “**Project Area**”) under Utah Code 17C-5-101, *et seq.*

F. The Project Area includes the Property as well as a neighboring property owned by NWQ, LLC, a Utah limited liability company and other properties.

G. Under Utah Code Title 17C, RDA is entitled to receive certain Tax Increment from the Project Area.

H. City and RDA have executed an interlocal agreement whereby a portion of the Tax Increment received by City shall be paid to RDA for use in accordance with this Agreement, the Project Area Plan, and separate reimbursement agreements entered into between RDA and property owners, including Master Developer.

I. This Agreement provides the core approvals and commitments that will facilitate the commencement of development within the Property and provide a basis for future agreements governing the development of the Property, construction of infrastructure and the reimbursement of costs.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I DEFINITIONS

1.1 Definitions.

1.1.1 “*Buildout*” means the completion of all development in the Property.

1.1.2 “*City’s Current Laws*” means all laws, ordinances, policies, standards, guidelines, directives, procedures and processing fee schedules of City in effect as of the date of this Agreement.

1.1.3 “*City’s Future Laws*” means the laws, ordinances, policies, standards, guidelines, directives, procedures and processing fee schedules of City which may be in effect in the future at any time when a Development Application is submitted and which may or may not apply to such Development Application based upon the terms of this Agreement.

1.1.4 “*Developer’s Reimbursable Expenses*” means costs incurred by Master Developer or its assigns for the construction of Permitted Improvements.

1.1.5 “*Development Application*” means an application to City for development of a portion of the Property, including, but not limited to applications for site plan, subdivision, building permit or other permit, certificate or authorization from City required for development of the Property.

1.1.6 “*Intended Uses*” means the use of all or portions of the Property for warehouses, logistic centers, intermodal transfer facilities, offices, rail freight terminal facilities,

storage facilities, light manufacturing and supporting or facilitating uses allowed under City's Current Laws.

1.1.7 “*Master Developer*” means Kennecott Utah Copper LLC, or its successors and assigns.

1.1.8 “*Offsite Improvements*” shall have the meaning given in Section 3.2 below.

1.1.9 “*Permitted Improvements*” means site improvements; road infrastructure, bridges over and under passes and including heavy haul roads described below; remediation or containment of environmental conditions; water and sewer improvements; storm water improvements; dedications of land for excess capacity in System Improvements or excess capacity in improvements accommodating uses outside of the Project Area; Offsite Improvements; utility infrastructure of every type including, but not limited to, electric, gas, fiber, communications; rail infrastructure; street lighting; developer incentives to facilitate and attract development to the Northwest Quadrant Project Area that has a positive impact for Salt Lake City, including projects that increase property tax value, provide high paying jobs, attract prominent tenants, promote green building standards or encourage good planning design; and other uses as agreed to by RDA and Master Developer in future agreements.

1.1.10 “*Project Area*” means the Northwest Quadrant Community Reinvestment Project Area as may be expanded or modified.

1.1.11 “*Project Area Increment*” shall mean the Tax Increment received by the RDA pursuant to an interlocal agreement executed with any applicable taxing entities in the Project Area, including the interlocal agreement executed January 9, 2018 with City.

1.1.12 “*Project Area Plan*” means the plan for the Project Area approved by RDA and City on January 9, 2018.

1.1.13 “*Project Phase*” means an area designated by Master Developer for development of a particular phase or portion of the Property.

1.1.14 “*Property*” means the real property described on Exhibit A.

1.1.15 “*Reimbursable System Improvement Expenses*” means costs and expenses, as approved by City, incurred by Master Developer, or its contractors or those working on its behalf, in acquiring or dedicating right of way for the location of System Improvements and the construction of System Improvements.

1.1.16 “*Sub Area Plan*” means a plan for a portion of the Property, or Project Area, as may be established by RDA.

1.1.17 “*Sub-developer*” means an owner of development parcel within the Property which is not the Master Developer, or an affiliate of Master Developer.

1.1.18 “*System Improvements*” means improvements included in City’s impact fee facility plan now or in the future and are located within or facilitate development of the Property and other properties.

1.1.19 “*Tax Increment*” shall have the same meaning set forth in Utah Code § 17C-1-102(60) which is:

. . . the difference between:

- (i) the amount of property tax revenue generated each tax year by a taxing entity from the area within a project area designated in the project area plan as the area from which tax increment is to be collected, using the current assessed value of the property; and (ii) the amount of property tax revenue that would be generated from that same area using the base taxable value of the property.

1.1.20 “*Transfer Acknowledgment*” means an acknowledgment in the form attached hereto as **Exhibit B**.

1.1.21 “*Transfer Deed*” has the meaning set forth in Section 9.2.

ARTICLE II CITY APPROVALS AND VESTING

2.1 City Approval. City and RDA enter into this Agreement after taking all necessary actions to enter into the agreements and understandings set forth herein. City’s enactment of the resolution approving this Agreement, and entering into this Agreement, are legislative acts allowed and authorized by Utah Code § 10-9a-101, *et seq.*, including specifically Utah Code § 10-9a-102(2).

2.2 Project Vesting. To the maximum extent permissible under state and federal law, and at equity, City and Master Developer agree that this Agreement confirms that Master Developer is vested with all rights to develop the Property in accordance with City’s Current Laws without modification or change by the City except as specifically provided herein. By way of further clarification, Master Developer is vested with the right to develop and locate on the Property the uses and densities including, without limitation, the Intended Uses, and to develop in accordance with dimensional requirements as allowed by City’s Current Laws. The Property is also vested with access to all City roads, described below, which adjoin or traverse any portion of the Property. The Parties intend that the rights granted to Master Developer hereunder are contractual vested rights and include the rights that exist as of the Effective Date under statute, common law and at equity. The Parties acknowledge and agree this Agreement provides significant and valuable rights, benefits, and interests in favor of Master Developer and the Property, including, but not limited to, certain vested rights, development rights, permitted and conditional uses (including for industrial and commercial uses), potential rights for new improvements, facilities, and infrastructure, as well as flexible timing, sequencing, and phasing rights to assist in the development of the Property. To the extent the City Council adopts that certain land use ordinance known as Ordinance No. ____, Inland Port in Manufacturing Zones Text Amendment, Petition #PLNPCM2017-01038 (“**Text Amendment**”), such Text Amendment

shall become included in the City's Current Laws and Master Developer shall automatically be vested in the Text Amendment without further action or approval by the City.

2.2.1 *Rescission Option.* To the extent Master Developer has executed this Agreement in advance of City approval of the Text Amendment, and if the Text Amendment is not enacted in a form reasonably satisfactory to Master Developer by February 28, 2018, then Master Developer may deliver notice of rescission to City and RDA to terminate this Agreement. Any such rescission notice must be delivered, if at all, no later than March 14, 2018. Upon Master Developer's delivery of notice of rescission pursuant to this Section, this Agreement shall automatically terminate whereupon the Parties shall have no further rights or obligations under this Agreement.

2.2.2 *Invalidity.* If any of the City's Current Laws are declared to be unlawful, unconstitutional or otherwise unenforceable then Master Developer will, nonetheless comply with the terms of this Agreement to the extent not precluded by law. In such an event, Master Developer and City shall cooperate to have City adopt a new enactment which is materially similar to any such stricken provisions and which implements the intent of the Parties under this Agreement.

2.2.3 *City's Future Laws.* City's Future Laws with respect to development or use of the Property shall not apply except as follows:

A. City's Future Laws that Master Developer agrees in writing to the application thereof to the Property;

B. City's Future Laws which are generally applicable to all properties in the City's jurisdiction and which are required to comply with State and Federal laws and regulations affecting the Property;

C. City's Future Laws that are updates or amendments to existing building, plumbing, mechanical, electrical, dangerous buildings, or similar construction or safety related codes, such as the International Building Code, the APWA Specifications, AAHSTO Standards, the Manual of Uniform Traffic Control Devices or similar standards that are generated by a nationally or statewide recognized construction/safety organization, or by the State or Federal governments and are required to meet legitimate concerns related to public health, safety or welfare;

D. City's Future Laws that are health and environmental standards based on the City's obligations to comply with Federal or State environmental laws;

E. Taxes, or modifications thereto, so long as such taxes are lawfully imposed and charged uniformly by the City to all properties, applications, persons and entities similarly situated;

F. Changes to the amounts of fees (but not changes to the times provided in the City's Current Laws for the imposition or collection of such fees) for the processing of Development Applications that are generally applicable to all development within City's jurisdiction (or a portion of the City as specified in the lawfully adopted fee schedule) and which are lawfully adopted pursuant to State law; or

G. Impact fees or modifications thereto which are lawfully adopted, imposed and collected.

2.2.4 *Applications Under City's Future Laws.* Without waiving any rights granted or benefits imparted by this Agreement, Master Developer may at any time, choose to submit a Development Application for some or all of the Property under the City's Future Laws in effect at the time of the Development Application. Any Development Application filed for consideration under the City's Future Laws shall be governed by all portions of the City's Future Laws related to the Development Application. The election by Master Developer at any time to submit a Development Application under the City's Future Laws shall not be construed to prevent or limit Master Developer from submitting and relying for other Development Applications on the City's Current Laws.

2.3 Change in Law/Non-Conforming Uses. For the term of this Agreement, City agrees that any City's Future Law shall not apply to the Property where the application would impair or impede development, or eliminate or reclassify a use allowed under City's Current Laws. To the extent any change in law causes a use, structure or parcel to become non-conforming, such non-conforming status shall not impair, impede or prohibit the development of previously approved uses, reconstruction or restoration of developed uses, or the extension of such uses on parcels within the Property. If a City's Future Law applies to any portion of the Property under Section 2.2 above, it shall only apply as may be necessary to meet a legitimate governmental interest and then only to the minimum extent needed to meet such legitimate governmental interest.

2.4 Most Favored Nation. Should any property immediately adjacent to the Property or the Project Area (excluding road rights of way, including interstates) receive a zoning use or development entitlement not included in City's Current Laws, and which use or entitlement could facilitate development within the Project Area, City agrees to cooperate with Master Developer to promptly obtain the same use or entitlements for the Property.

2.5 Term. The initial term of this Agreement shall be forty (40) years beginning on the Effective Date, which term may be extended by written agreement of City, RDA, and Master Developer.

2.6 Development of Property. The development of the Property shall be in accordance with City's Current Laws, City's Future Laws (to the extent that they apply as allowed by this Agreement) and this Agreement. City and RDA agree that Master Developer shall have the full power and exclusive control of the Property. Nothing in this Agreement shall obligate Master Developer (or its successors) to develop the Property or to develop in any particular order or phase and that Master Developer reserves all discretion to determine whether to develop a particular portion or phase of the Property based upon Master Developer's business judgment. The Property may be developed for all uses allowed by City's Current Laws, including, but not limited to, the Intended Uses.

2.7 Design Requirements. City shall not impose design requirements on buildings, improvements and structures located within the Property other than those required by City's Current Laws.

2.8 Open Space Dedications. No further open space dedications shall be required as a condition of Development Application approval; it being acknowledged by the Parties that prior to entering into this Agreement, and as consideration for creating a natural area to the north of the Property, the Property is located within an area designated by City as suitable for development. So long as there is no residential development within the Property, development within the Property shall not be required to pay open space or park impact fees of any type.

2.9 Recitals and Exhibits. The above recitals and all exhibits hereto are hereby incorporated by reference into this Agreement.

2.10 Separate Development Agreements. Master Developer may elect to propose and enter into separate agreements with City to govern the construction or development of a particular phase or portion of phase within the Property. City agrees to cooperate with the preparation and execution of any such separate agreement with Master Developer.

ARTICLE III ROADS AND UTILITIES

3.1 Roads.

3.1.1 *Major Roads.* The Property includes proposed or existing state roads and City arterial and collector roads. To the extent such roads will be owned by the State of Utah (“State”), the State will be responsible for the acquisition of right of way and development of such roads. Prior to development or acquisition of arterial or collector roads, the City shall provide Master Developer nine (9) months advance notice and an opportunity to consult and comment on any proposed plans to acquire or develop arterial and collector roads. City agrees to cooperate with Master Developer in relocating, modifying or removing planned City arterial and collector roads to the extent a Project Phase necessitates or would be improved by a different road configuration.

3.1.2 *Local Roads.* Subject to Section 3.3, Master Developer shall be responsible for the dedication of right of way and the construction of local roads installed in connection with the development of a Project Phase or portion thereof.

3.1.3 *Heavy Haul Road.* Master Developer may elect to plan, designate and construct, or have constructed, certain roads designed and constructed for heavy loads in connection with the uses contemplated for the Property. If such roads will be public roads, City’s prior approval will be required. The Parties agree in coordinating infrastructure locations to accommodate such roads, which may be public or private roads.

3.1.4 *Road Widths.* City agrees that road right of way and pavement widths for local roads, collector roads, arterial roads and any other public roads shall not exceed the standards applicable to other similar developments within Salt Lake City.

3.1.5 *Drainage Areas.* Master Developer may propose that drainage facilities, including swales, berms and surface facilities for the Project Area, or portion thereof, be located within rights of way, including road rights of way, dedicated to City. City agrees to accept such offers of dedication consistent with City standards; provided that Master Developer provide a

commitment to have such areas as may be located outside of the typical road rights of way cross sections maintained by an owners association or other form of property owner group.

3.2 Culinary Water and Sanitary Sewer Improvements. Master Developer shall be responsible for constructing and installing the requisite service and water and sewer distribution lines and similar improvements within the Property necessary for City to provide culinary water and sewer service to a particular Project Phase. Master Developer shall not be required to install transmission, service or distribution lines (or other significant infrastructure improvements) outside of the Property, or lines within the Property providing capacity for areas outside of the Property beyond City's normal project level requirements; *provided, however*, Master Developer acknowledges that certain areas within the Property may not be developable without the construction of infrastructure improvements outside the Property that would not be paid for by City ("**Offsite Improvements**"). All such Offsite Improvements shall qualify for reimbursement under the term Permitted Improvements, or other reimbursement provision as provided for in this Agreement. The foregoing limitation shall not prohibit Master Developer from installing improvements, including Offsite Improvements, subject to City's approval, for the benefit of areas outside of the Property, or areas leading to the Property, where the costs for such development will be paid for or Master Developer may be reimbursed by Project Area Increment, fees from a pioneering agreement(s), and/or the payment of impact fees.

3.3 Storm Water Improvements. Master Developer shall manage storm water flows within the Property according to the Northwest Quadrant Storm Water Drainage Master Plan or other City-approved Northwest Quadrant master plan. City Agrees to coordinate with Master Developer in advance of approving or amending the Northwest Quadrant Storm Water Drainage Master Plan in a way that will affect the Project Area. City agrees to work with Master Developer to approve storm water systems which account for the large amount of time anticipated that will be required to develop the Property, and to allow the usage of existing drainage areas by Master Developer where possible. City agrees to minimize situations where Master Developer is required to design or construct detention or retention facilities to address storm water flows originating from outside the Property without reimbursement from City or other property owners. Master Developer may be required to provide additional drainage capacity in conveyance channels and associated easements to accommodate pass-through drainage from other properties. Notwithstanding the foregoing, the City may require dedications for storm water drainage within the Property. Any dedications for excess capacity required for flows originating outside of the Project Area shall entitle Master Developer to obtain reimbursement, including under the definition of Permitted Improvements, for the value of the associated land dedications or space set aside for pass-through facilities. City agrees to consider design of drainage systems which incorporate filtering or other methods so a project or property may avoid the costs of designing a system with an oil/water separator, including the installation of swales, bio-filters and other systems best suited for the unique drainage conditions in the Project Area.

3.4 City Services. City agrees that it shall make available (subject to application for service, issuance of applicable permits and payment of connection fees and applicable commodity usage rates) culinary water, sanitary sewer, street light, storm water and other municipal services to the Property. Such services shall be provided to the Property at the same levels of services, on the same terms and at rates as approved by the Salt Lake City Council, which rates may not differ materially from those charged to others in Salt Lake City.

3.5 Installation of Public Improvements. Notwithstanding any other provisions of this Agreement, all improvements to be publically dedicated shall be constructed in compliance with City's Current Laws and this Agreement. For each Project Phase, or portion thereof that is subject to a Development Application, Master Developer may enter into an improvement construction and assurance agreement in a form consistent with State law and City's Current Laws prior to recording the final plat for such phase, *provided, however*, subject to City's Current Laws, Master Developer may elect to install public improvements associated with such phase in coordination with City, and in advance of plat recordation in order to eliminate or reduce the need for providing financial assurances for public improvements within each phase which are completed in advance of dedication.

3.6 City Cooperation. City agrees to cooperate in making available public rights of way and easements for use by utility and service providers to development within the Property. City further agrees to cooperate with Master Developer in efforts to relocate, reconfigure or upgrade canal facilities which cross onto any portion of the Property. Separate agreements under this Section will not require RDA approval.

ARTICLE IV DEVELOPMENT PROCESSES

4.1 Planning Coordination and Approval. City will use reasonable efforts to process any Development Application promptly. Should City's Current Laws allow discretion as to whether a Development Application should be approved by City staff or a public body, City staff shall initially review the Development Application at the staff-level and make a reasonable determination about whether the land use decision can appropriately be made at staff-level. In the event the Development Application is forwarded to a non-staff land use authority, the City will provide notice to the applicant of the reasons for referring the decision to a non-staff land use authority.

4.2 Conditional Use Permits. City agrees that any conditional use permits shall be approved in accordance with State law and City's Current Laws. City agrees further that no land use authority may impose conditions on a conditional use permit which relate to criteria or detrimental impacts not expressly stated in City's Current Laws. No conditional use permit application shall be the subject to more than two public hearings without the express written consent of Master Developer.

4.3 Processing. City shall promptly process Development Applications. In order to ensure that the Development Applications are promptly reviewed and processed, City will use reasonable efforts to designate one or more City Planning Division staff member(s) as principal liaisons/specialists on the Development Applications. These Planning Division staff members will be fully informed on the terms of this Agreement and will facilitate timely review of any Development Applications submitted hereunder.

4.4 Acceptance of Certifications Required for Development Applications. Any Development Application requiring the signature, endorsement, or certification and/or stamping by a person holding a license or professional certification required by the State of Utah in a particular discipline shall be so signed, endorsed, certified or stamped signifying that the contents

of the Development Application comply with the applicable regulatory standards of City. Subject to City's review and confirmation, a Development Application with the foregoing signature, endorsement, certification or stamp shall be deemed to meet the specific standards which are the subject of the opinion or certification. It is not the intent of this Section to preclude the normal process of City's "redlining", commenting on or suggesting alternatives to the proposed designs or specifications in the Development Application.

4.5 City Denial of a Development Application. If City denies a Development Application then City shall provide a written determination advising the applicant of the reasons for denial including specifying the reasons City believes that the Development Application is not consistent with this Agreement. In the event of a denial, City shall notify Master Developer even if Master Developer is not the applicant. The following provisions shall apply to any such denial:

4.5.1 Meet and Confer regarding Development Application Denials. City and applicant shall, within fifteen (15) days of any denial, discuss possible methods of resolving the issues specified in the denial of a Development Application. These discussions will not stay any appeal deadlines, and any party seeking to appeal should file a formal appeal with the City in order to preserve jurisdiction. The Parties may agree to stay the time for a formal appeal hearing on the denial.

4.5.2 City Denials of Development Applications Based on Denials from Non-City Agencies. If City's denial of a Development Application is based on the denial of the Development Application by a non-City agency, applicant shall appeal any such denial through the appropriate procedures for such a decision and not through the processes specified below.

4.6 Mediation of Development Application Denials.

4.6.1 Issues Subject to Mediation. Issues resulting from the City's denial of a Development Application may, upon the concurrence of both Parties, be mediated.

4.6.2 Mediation Process. If City and applicant mutually agree to mediation, the Parties shall attempt within ten (10) business days to appoint a mutually acceptable mediator with knowledge of the issue in dispute. If the Parties are unable to agree on a single acceptable mediator they shall each, within ten (10) business days, appoint their own representative. These two representatives shall, between them, choose the single mediator. Applicant shall pay the fees of the chosen mediator. The chosen mediator shall within fifteen (15) business days, review the positions of the Parties regarding the mediation issue and promptly attempt to mediate the issue between the Parties. If the Parties are unable to reach agreement, the mediator shall notify the Parties in writing of the resolution that the mediator deems appropriate. The mediator's opinion shall not be binding on the Parties.

ARTICLE V TAX INCREMENT REIMBURSEMENT

5.1 CRA Project Area. RDA has established a Project Area Plan which includes the Property and other property in the vicinity of the Property. The Project Area is intended to produce Tax Increment available for the purposes described in this Agreement and the Project Area Plan, including the Permitted Improvements, economic development within the Project Area Plan and

other purposes as set forth in future agreements relating to the development of the Property. Costs incurred by Master Developer in developing, acquiring or installing Permitted Improvements shall be reimbursable from Project Area Increment as more particularly set forth in this Article. RDA's obligations under this Agreement are special limited obligations payable solely from the Tax Increment collected from the Property and generated from property taxes paid on behalf of the Property. RDA shall not expand or modify the Project Area without the written consent of Master Developer.

5.2 Project Area Tax Reimbursement Policy. Within six (6) months after the Effective Date, RDA agrees to adopt a Tax Increment reimbursement policy ("**TI Policy**") for the Project Area. The TI Policy shall include the following provisions:

5.2.1 *Reimbursement Applications.* RDA staff shall review each application for a new reimbursement agreement and forward the application to the RDA Board of Directors ("Board") within thirty (30) days of receipt. The TI Policy will also establish that the Board will use best efforts to consider the application within sixty (60) days of the Board's receipt of the application from RDA staff and to decide the application as soon as reasonably practicable thereafter.

5.2.2 *Reimbursement Triggers and Duration.* Each application for a new reimbursement agreement shall include an estimate of anticipated total future value, projected construction schedule and recommended future assessed value "trigger" for commencing tax increment collection and disbursement. The project area funds collection period for each individual reimbursement period shall be for a period not less than twenty (20) years dating from the day on which the first payment of project area funds is distributed to an agency under an interlocal agreement.

5.2.3 *Mutual Cooperation.* RDA agrees to lead and cooperate with efforts of the Parties to have other taxing entities enter into interlocal and other agreements allocating such taxing entity(ies)' tax increment to RDA for use in the Project Area as described in this Agreement.

5.2.1 *Increment Allocations.* Unless otherwise agreed by RDA and Master Developer in writing, RDA shall allocate Project Area Increment received by RDA as follows:

A. *Administrative Increment.* Ten percent (10%) of the Project Area Increment received by RDA may be used by RDA for the payment of RDA administrative costs ("**Administrative Increment**"), provided however, that if any portion of the Administrative Increment is not spent by the RDA on administrative costs in a given year, the RDA shall reallocate the Administrative Increment to become Area-Wide Increment to be used in accordance with Subsection C below.

B. *Developer's Tax Increment.* Seventy percent (70%) of the Project Area Increment, plus any potential reallocated Affordable Housing Increment, shall be available for reimbursement of Developer's Reimbursable Expenses.

C. *Area-Wide Increment.* Ten percent (10%) of the Project Area Increment shall be available for Project Area-wide improvements, including improvements located

outside of Project Area but which directly benefit or specifically enhance the Project Area in a way that is measurable and not hypothetical or remote.

D. Affordable Housing Increment. Ten percent (10%) of the Project Area Increment shall be used for affordable housing uses as required by State law, *provided, however*, should the state amend Title 17C of the Utah Code to remove the mandatory ten percent (10%) affordable housing requirement applicable to projects such as the Project Area then such increment may be reallocated in RDA's discretion and pursuant to Utah Code 17C.

5.2.2 Assignable. This Agreement or future reimbursement agreements as to any portion of the Project Area may be assigned, in whole or in part, by Master Developer to successors, including Sub-developers, in writing, and subject to RDA's written approval, which approval shall not be unreasonably withheld, delayed, or conditioned. RDA will be bound by the same terms to the assignees.

5.2.3 Separate Reimbursement Agreements. Separate reimbursement agreements shall be approved by the RDA Board of Directors in accordance with this Agreement and will not require City approval.

ARTICLE VI IMPACT FEE REIMBURSEMENT

6.1 Reimbursements/ Impact Fee Plans. City will, within six (6) months of the Effective Date, create a process by which it will commit to reimburse Master Developer from applicable and available impact fees for Master Developer's Reimbursable System Improvement Expenses, which are not paid for by Project Area Increment or a pioneering or other reimbursement agreement. Nothing in the foregoing process shall preclude expenses from being reimbursed from more than one revenue source so long as Master Developer is only reimbursed once for Permitted Improvements or Reimbursable System Improvement Expenses. Master Developer acknowledges that there are currently no City impact fee facilities plans for System Improvements in the Northwest Quadrant that are water, sewer, storm water, or street lighting improvements. City agrees to consult with Master Developer in advance of amending or enacting any impact fee facilities plan(s) which includes improvements to be located within or directly servicing the Project Area.

6.2 Reimbursement Process. City's impact fee reimbursement process for the System Improvements will include the requirement that, should Master Developer elect to construct any System Improvement, Master Developer shall coordinate such construction with City. The impact fee reimbursement process will also require Master Developer to provide City with estimates for the costs of all System Improvements as they are received, which City may include in updating its impact fee facilities plan. The impact fee reimbursement process will include a requirement that Master Developer provide monthly reports to City of all costs incurred by Master Developer in constructing System Improvements and in calculating Reimbursable System Improvement Expenses, and a requirement that City provide Master Developer with reports on impact fees collected upon reasonable request and without requiring Master Developer to file a records request. The impact fee reimbursement process will only be for impact fees collected for roads, police, and

fire under City Code 18.98, *et seq.*, and will not include impact fees collected by the City's Public Utilities Department.

6.3 No Moratorium or Waiver. City shall include the obligations set forth in this Agreement into any subsequently amended or adopted impact fee facilities plan. Should City reduce any impact fees from the amounts set on the date of this Agreement, then City shall deposit a sum equal to the amount of such reduction into each fund for each class or grouping of impact fees at the time of payment to Master Developer hereunder; it being the Parties' intent that the effective amount of the impact fees not be reduced while obligations are outstanding to Master Developer under this Agreement

ARTICLE VII PIONEERING AGREEMENTS AND OTHER METHODS FOR REIMBURSING INFRASTRUCTURE COSTS

7.1 Bonds and Assessment Area. The Parties agree to evaluate and, where feasible, explore the creation of assessment areas and consider the appropriateness of issuing bonds to the extent such actions will facilitate development of the Property in accordance with this Agreement and the Project Area Plan.

7.2 Pioneering Agreements. City and Master Developer shall enter into pioneering agreements for any infrastructure, including System Improvements or Permitted Improvements, where Master Developer and City have mutually determined that a pioneering agreement will facilitate the reimbursement for costs incurred in developing and improving the Property as set forth in such pioneering agreements. Such pioneering agreements shall include provisions requiring others connecting to infrastructure built with excess capacity to pay for their share of such capacity, including construction, and other reasonable costs and expenses incurred in developing the excess capacity. City and Master Developer will include a definition in the pioneering agreements clarifying that "excess capacity" is limited to the cost of upsizing infrastructure. Nothing in a pioneering agreement shall preclude expenses from being reimbursed from more than one revenue source so long as Master Developer is only reimbursed once for Permitted Improvements or Reimbursable System Improvement Expenses.

ARTICLE VIII ANNEXATION AND SUB PROJECTS

8.1 Additional Property. If Master Developer acquires properties immediately adjacent to the Property, Master Developer may elect to include such later acquired properties in this Agreement, subject to City's and RDA's approval, which approval shall not be unreasonably withheld, delayed, or conditioned. Such later acquired properties must be located within the Project Area to be included in this Agreement, which inclusion must comply with Section 5.1 above.

8.2 Sub-developer Agreements. The Parties hereto, or some of them, may enter into separate agreements with Sub-developers or others obtaining rights from Master Developer, provided however that nothing in any separate agreement may conflict with the entitlements and

benefits obtained by Master Developer in this Agreement without the express written consent of Master Developer, or, as applicable, City and/or RDA.

ARTICLE IX ASSIGNMENT AND TRANSFER

9.1 Assignment and Transfer of Development. If Master Developer assigns, transfers, or otherwise conveys the entire Property or any portion thereof to a subsequent owner, and intends to transfer any of the rights and obligations under this Agreement in connection with such transfer, Master Developer shall execute and deliver a “**Transfer Acknowledgment**” in the form attached hereto as **Exhibit B** for the purpose of notifying City of the transfer. Upon delivery of a fully executed Transfer Acknowledgment, the obligations of Master Developer shall automatically be assigned and assumed to the identified assignee and Master Developer shall be released from the obligations that are assumed by the identified assignee.

9.2 Transfer Deeds. Master Developer may make transfers, with or without transferring the rights under this Agreement under Section 9.1 above, in anticipation or furtherance of future land use approvals and development of the Property or a particular portion therein. In accordance with Utah Code § 10-9a-103(57)(c)(v), Master Developer may convey portions of the Project by metes and bounds prior to recordation of a plat of subdivision for such portion and City agrees to execute an acknowledgment on such deeds of conveyance (each a “**Transfer Deed**”) for the purposes of acknowledging only City’s consent to the conveyance by metes and bounds of the real property that is the subject of the applicable Transfer Deed. Master Developer expressly acknowledges that City’s execution of a Transfer Deed shall not in any way be deemed a waiver of the requirement that the property transferred pursuant to such Transfer Deed shall be subject to the approval process set forth in this Agreement or City’s Current Laws.

9.3 Reservation of Reimbursement Rights. Notwithstanding any provision in City’s Current Laws to the contrary, Master Developer reserves unto itself the right to all payments and reimbursements for items constructed within the Property or by Master Developer even if Master Developer sells any portion of the Property to a third-party. Any assignment of the right to receive payments and reimbursements under this Agreement must be in writing, signed by Master Developer, and approved by RDA, and must include specific details regarding the right or amount of reimbursement transferred to a third party. In the event of a transfer of any reimbursement or payment right under this Agreement, both assignor and assignee must provide written notice to RDA and City in accordance with this Agreement. Notwithstanding the foregoing, Master Developer shall not be entitled to retain reimbursements or payments under this Agreement that exceed the actual costs incurred by Master Developer.

ARTICLE X DISPUTE RESOLUTION

10.1 Default. Except as otherwise expressed herein, in the event of a failure by any Party to comply with the commitments set forth herein, within thirty (30) days of written notice of such failure from the other Party, the non-defaulting Party shall have the right to pursue any or all of the following remedies, which right shall be cumulative:

10.1.1 To cure such default or enjoin such violation and otherwise enforce the requirements contained in this Agreement; and

10.1.2 To enforce all rights and remedies available at law and in equity including, but not limited to, injunctive relief, and/or damages.

ARTICLE XI GENERAL MATTERS

11.1 Amendments. Any alteration or change to this Agreement shall be made in a writing executed by Master Developer and City, after approval by City's appropriate executive or legislative bodies. A provision of this Agreement relating to RDA may be amended with the written consent of RDA but RDA need not be a Party to an amendment that does not alter the reimbursement obligations of RDA hereunder. Master Developer need not obtain the written consent of a subsequent owner of a portion of the Property in order to amend this Agreement.

11.2 Exclusion from Moratoria. The Property shall be excluded from any moratorium adopted pursuant to Utah Code § 10-9a-504 unless such a moratorium is found on the record by the City Council to be necessary to avoid jeopardizing a compelling, countervailing public interest.

11.3 No Waiver. Nothing in this Agreement shall be construed as waiving Master Developer's rights under the United States and Utah constitutions, and the land use and development laws of the state of Utah.

11.4 Captions and Construction. This Agreement shall be construed according to its fair and plain meaning and as if prepared by all Parties hereto and shall be interpreted in accordance with Utah law. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates. Furthermore, this Agreement shall be construed so as to effectuate the public purposes, objectives and benefits set forth herein. As used in this Agreement, the words "include" and "including" shall mean "including, but not limited to" and shall not be interpreted to limit the generality of the terms preceding such word. To the extent a general provision of City's Current Laws or Future Laws, or any other law, conflicts with a specific provision of this Agreement or an interpretation necessary to give effect to the Agreement, then this Agreement shall control.

11.5 Laws and Forum. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns, and shall be construed in accordance with Utah law. Any action brought in connection with this Agreement shall be brought in a court of competent jurisdiction located in Salt Lake County, Utah.

11.6 No Third Party Rights. Unless otherwise specifically provided herein, the obligations of the Parties set forth in this Agreement shall not create any rights in or obligations to any other persons or third parties.

11.7 Force Majeure. Any prevention, delay or stoppage of the performance of any obligation under this Agreement which is due to strikes; labor disputes; inability to obtain labor, materials, equipment or reasonable substitutes therefor; acts of nature; governmental restrictions,

regulations or controls; judicial orders; enemy or hostile government actions; wars; civil commotions; fires, floods, earthquakes or other casualties or other causes beyond the reasonable control of the Party obligated to perform hereunder shall excuse performance of the obligation by that Party for a period equal to the duration of that prevention, delay or stoppage. Any Party seeking relief under the provisions of this section must have notified the other Party in writing of a force majeure event within thirty (30) days following occurrence of the claimed force majeure event.

11.8 Notices. All notices shall be in writing and shall be deemed to have been sufficiently given or served when presented personally, or delivered by a reputable overnight courier that keeps receipts of delivery (such as UPS or Federal Express), or when deposited in the United States mail, by registered or certified mail, addressed as follows:

City: Salt Lake City
451 South State Street
Salt Lake City, UT 84111
Attention: City Recorder

With a copy to: Salt Lake City
Office of the City Attorney
451 South State Street
Salt Lake City, UT 84111
Attention: City Attorney

RDA: Salt Lake City Redevelopment Agency
451 South State Street
Salt Lake City, UT 84111
Attention: Chief Administrative Officer

With a copy to: Salt Lake City
Office of the City Attorney
451 South State Street
Salt Lake City, UT 84111
Attention: Chief Counsel, RDA

Master Developer: Kennecott Utah Copper LLC
4700 Daybreak Parkway
South Jordan, Utah 84009
Attn: John Birkinshaw

With a copy to: Parsons Behle & Latimer
201 South Main Street, Suite 1800
Salt Lake City, Utah 84111
Attn: Kerry L. Owens

Such addresses may be changed by notice to the other Party given in the same manner as above provided. Any notice given hereunder shall be deemed given as of the date delivered or mailed.

11.9 Entire Agreement. This Agreement, together with documents and all regulatory approvals given by City for the Property, contain and constitute the entire agreement of the Parties with respect to the subject matter hereof and supersede any prior promises, representations, warranties, inducements or understandings between the Parties which are not contained in such agreements, regulatory approvals and related conditions. It is expressly agreed by the Parties that this Agreement and additional planned agreements between Master Developer and City, or between Master Developer and RDA, as contemplated and referred to elsewhere in this Agreement, are intended to and shall govern and facilitate the development of the Property.

11.10 Termination. If not timely rescinded in accordance with Section 2.2.1. above, this Agreement shall terminate upon the first of the following to occur: (i) mutual written agreement of the Parties, (ii) Buildout, or (iii) forty (40) years after the Effective Date, unless extended by in writing by City, RDA, and Master Developer, whichever occurs first.

11.11 Further Action. The Parties hereby agree to execute and deliver such additional documents and to take all further actions as may become necessary or desirable to fully carry out the provisions and intent of this Agreement.

11.12 Agreement Runs with the Land. This Agreement shall be recorded against the Property as described in the Exhibit A. The agreements contained herein shall be deemed to run with the land and shall be binding on and shall inure to the benefit of all successors in ownership of the Property. Successors in title are on record notice of the provisions of this Agreement. Notwithstanding the foregoing, each successor in interest shall accede only to the benefits and burdens of this Agreement pursuant to an assignment by Master Developer which pertain to that specific portion of the Property to which such successor holds fee title or leasehold estate, and shall not be deemed to be the "Master Developer" or a third party beneficiary of any of the rights, interests, or benefits relating to other portions of the Property. The provisions, responsibilities and benefits relating or appertaining to a specific portion of the Property may be assigned to such portion of the Property, or owner thereof, by specific written instrument executed by Master Developer and approved by City and RDA, which approval shall not be unreasonably withheld, delayed, or conditioned.

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

11.14 Representation Regarding Ethics. Master Developer represents and warrants that it has not: (1) provided an illegal gift or payoff to a City officer or employee or former City officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

IN WITNESS WHEREOF, the Parties have executed this Development Agreement on January ___, 2018.

CITY:

SALT LAKE CITY CORPORATION, a Utah municipal corporation

ATTEST:

Jacqueline M. Biskupski, Mayor

Cindi Mansell, City Recorder

Approved as to form:
Salt Lake City Attorney's Office

E. Russell Vetter

ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this ____ day of January, 2018, before the undersigned notary public in and for the said state, personally appeared Jacqueline M. Biskupski, known or identified to me to be the Mayor of Salt Lake City, who executed the foregoing instrument on behalf of said City and acknowledged to me that said City executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

RDA:

**REDEVELOPMENT AGENCY OF SALT
LAKE CITY, a public entity:**

Jacqueline M. Biskupski, Executive Director

Approved as to form:
Salt Lake City Attorney's Office

Katherine N. Lewis

ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this ____ day of January, 2018, before the undersigned notary public in and for the said state, personally appeared Jacqueline M. Biskupski, known or identified to me to be the Executive Director of the Redevelopment Agency of Salt Lake City, and who executed the foregoing instrument on behalf of said Redevelopment Agency of Salt Lake City and acknowledged to me that said Redevelopment Agency of Salt Lake City executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

MASTER DEVELOPER:

KENNECOTT UTAH COPPER LLC, a Utah limited liability company

By: _____
Its: _____

ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this ____ day of January, 2018, before the undersigned notary public in and for the said state, personally appeared _____, known or identified to me to be the _____ of **KENNECOTT UTAH COPPER LLC**, a Utah limited liability company, and the person who executed the foregoing instrument and acknowledged to me that said company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

EXHIBIT A
[Legal Description of the Property]

DRAFT

EXHIBIT B

[Form of Transfer Acknowledgment]

DRAFT

REDEVELOPMENT AGENCY OF SALT LAKE CITY

RESOLUTION NO. _____:

Authorizing approval of a Development Agreement between Salt Lake City Corporation, the Redevelopment Agency of Salt Lake City, and NWQ, LLC

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY AUTHORIZING APPROVAL OF A DEVELOPMENT AGREEMENT BETWEEN SALT LAKE CITY CORPORATION, THE REDEVELOPMENT AGENCY OF SALT LAKE CITY, AND NWQ, LLC.

WHEREAS, NWQ, LLC (“Developer”) owns certain real property (“Property”) located within the Northwest Quadrant Project Area created by the Redevelopment Agency of Salt Lake City (“RDA”).

WHEREAS, the RDA, Salt Lake City Corporation (“City”), and Developer have negotiated a development agreement (“Development Agreement”) which will, among other things, vest Developer in the zoning as it currently exists on the Property, and facilitate a process for Developer to apply for tax increment reimbursement from the Agency as the Property is developed.

WHEREAS, RDA desires to execute the Development Agreement with Developer and City.

THEREFORE, BE IT RESOLVED, by the Board of Directors of the Redevelopment Agency of Salt Lake City as follows:

1. It does hereby approve the execution and delivery of the following:

DEVELOPMENT AGREEMENT BETWEEN SALT LAKE CITY CORPORATION, REDEVELOPMENT AGENCY OF SALT LAKE CITY, AND NWQ, LLC, EFFECTIVE ON THE DATE IT IS SIGNED BY ALL PARTIES.

2. Jacqueline M. Biskupski, Executive Director of the Redevelopment Agency of Salt Lake City, or her designee is hereby authorized to approve, execute, and deliver said agreement on behalf of the Redevelopment Agency of Salt Lake City, in substantially the same form as now before the Board of Directors of the Redevelopment Agency of Salt Lake City and attached hereto as **Exhibit A**, subject to such minor changes that do not materially affect the rights and obligations of the Redevelopment Agency thereunder and as shall be approved by the Executive Director, her execution thereof to constitute conclusive evidence of such approval.

Passed by the Board of Directors of the Redevelopment Agency of Salt Lake City, this
____ day of ____, 2018

_____, Chairperson


Transmitted to the Executive Director on _____.

The Executive Director:

_____ does not request reconsideration
_____ requests reconsideration at the next regular Agency meeting.

Jacqueline M. Biskupski, Executive Director

Approved as to form:



Salt Lake City Attorney's Office
Katherine N. Lewis

Attest:

City Recorder

EXHIBIT A

[Attach Development Agreement]

**Recording Requested By and
When Recorded Return to:**
Salt Lake City Corporation
Attn: _____
451 South State Street
Salt Lake City, UT 84111

Parcel Nos. _____

**MASTER DEVELOPMENT AND
REIMBURSEMENT AGREEMENT**
Northwest Quadrant (West)

This Master Development and Reimbursement Agreement (this “**Agreement**”) is made and entered into and made effective as of the date this Agreement is recorded by the City Recorder (“**Effective Date**”) by and among **SALT LAKE CITY CORPORATION**, a Utah municipal corporation (“**City**”); the **REDEVELOPMENT AGENCY OF SALT LAKE CITY**, a public entity (“**RDA**”); and **NWQ, LLC**, a Utah limited liability company (“**Master Developer**”). City, RDA and Master Developer may from time to time be referred to herein each as a “**Party**” or collectively as the “**Parties**.”

RECITALS

A. Master Developer is the record owner of approximately 1,516 acres of lands located in Salt Lake County, Utah, which are more particularly described on the attached **Exhibit A** (the “**Property**”). The Property is located within an area of Salt Lake City known as the Northwest Quadrant.

B. Master Developer is engaged in planning a large scale, master planned logistics center, industrial and warehousing system and series of projects within portions of the Property, and areas located near the Property.

C. A significant component of the development of the Property is the installation of an infrastructure network in, around and near the Property to facilitate the development of the Intended Uses.

D. Infrastructure planned for the area will require close coordination between property owners, users and public and private service providers and will include rail and road improvements, along with utilities and other improvements reasonable, necessary and useful for the development of the Property.

E. To support the development of the Property and the development of areas within City’s jurisdiction, on January 9, 2018, RDA and City created and approved the Northwest Quadrant Community Reinvestment Project Area (the “**Project Area**”) under Utah Code 17C-5-101, *et seq.*

F. The Project Area includes the Property as well as a neighboring property owned by Kennecott Utah Copper LLC, a Utah limited liability company and other properties.

G. Under Utah Code Title 17C, RDA is entitled to receive certain Tax Increment from the Project Area.

H. City and RDA have executed an interlocal agreement whereby a portion of the Tax Increment received by City shall be paid to RDA for use in accordance with this Agreement, the Project Area Plan, and separate reimbursement agreements entered into between RDA and property owners, including Master Developer.

I. This Agreement provides the core approvals and commitments that will facilitate the commencement of development within the Property and provide a basis for future agreements governing the development of the Property, construction of infrastructure and the reimbursement of costs.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I DEFINITIONS

1.1 Definitions.

1.1.1 “*Buildout*” means the completion of all development in the Property.

1.1.2 “*City’s Current Laws*” means all laws, ordinances, policies, standards, guidelines, directives, procedures and processing fee schedules of City in effect as of the date of this Agreement.

1.1.3 “*City’s Future Laws*” means the laws, ordinances, policies, standards, guidelines, directives, procedures and processing fee schedules of City which may be in effect in the future at any time when a Development Application is submitted and which may or may not apply to such Development Application based upon the terms of this Agreement.

1.1.4 “*Developer’s Reimbursable Expenses*” means costs incurred by Master Developer or its assigns for the construction of Permitted Improvements.

1.1.5 “*Development Application*” means an application to City for development of a portion of the Property, including, but not limited to applications for site plan, subdivision, building permit or other permit, certificate or authorization from City required for development of the Property.

1.1.6 “*Intended Uses*” means the use of all or portions of the Property for warehouses, logistic centers, intermodal transfer facilities, offices, rail freight terminal facilities,

storage facilities, light manufacturing and supporting or facilitating uses allowed under City's Current Laws.

1.1.7 “*Master Developer*” means NWQ LLC, or its successors and assigns.

1.1.8 “*Offsite Improvements*” shall have the meaning given in Section 3.2 below.

1.1.9 “*Permitted Improvements*” means site improvements; road infrastructure, bridges over and under passes and including heavy haul roads described below; remediation or containment of environmental conditions; water and sewer improvements; storm water improvements; dedications of land for excess capacity in System Improvements or excess capacity in improvements accommodating uses outside of the Project Area; Offsite Improvements; utility infrastructure of every type including, but not limited to, electric, gas, fiber, communications; rail infrastructure; street lighting; developer incentives to facilitate and attract development to the Northwest Quadrant Project Area that has a positive impact for Salt Lake City, including projects that increase property tax value, provide high paying jobs, attract prominent tenants, promote green building standards or encourage good planning design; and other uses as agreed to by RDA and Master Developer in future agreements.

1.1.10 “*Project Area*” means the Northwest Quadrant Community Reinvestment Project Area as may be expanded or modified.

1.1.11 “*Project Area Increment*” shall mean the Tax Increment received by the RDA pursuant to an interlocal agreement executed with any applicable taxing entities in the Project Area, including the interlocal agreement executed January 9, 2018 with City.

1.1.12 “*Project Area Plan*” means the plan for the Project Area approved by RDA and City on January 9, 2018.

1.1.13 “*Project Phase*” means an area designated by Master Developer for development of a particular phase or portion of the Property.

1.1.14 “*Property*” means the real property described on Exhibit A.

1.1.15 “*Reimbursable System Improvement Expenses*” means costs and expenses, as approved by City, incurred by Master Developer, or its contractors or those working on its behalf, in acquiring or dedicating right of way for the location of System Improvements and the construction of System Improvements.

1.1.16 “*Sub Area Plan*” means a plan for a portion of the Property, or Project Area, as may be established by RDA.

1.1.17 “*Sub-developer*” means an owner of development parcel within the Property which is not the Master Developer, or an affiliate of Master Developer.

1.1.18 “*System Improvements*” means improvements included in City's impact fee facility plan now or in the future and are located within or facilitate development of the Property and other properties.

1.1.19 “*Tax Increment*” shall have the same meaning set forth in Utah Code § 17C-1-102(60) which is:

. . . the difference between:

- (i) the amount of property tax revenue generated each tax year by a taxing entity from the area within a project area designated in the project area plan as the area from which tax increment is to be collected, using the current assessed value of the property; and
- (ii) the amount of property tax revenue that would be generated from that same area using the base taxable value of the property.

1.1.20 “*Transfer Acknowledgment*” means an acknowledgment in the form attached hereto as **Exhibit B**.

1.1.21 “*Transfer Deed*” has the meaning set forth in Section 9.2.

ARTICLE II
CITY APPROVALS AND VESTING

2.1 City Approval. City and RDA enter into this Agreement after taking all necessary actions to enter into the agreements and understandings set forth herein. City’s enactment of the resolution approving this Agreement, and entering into this Agreement, are legislative acts allowed and authorized by Utah Code § 10-9a-101, *et seq.*, including specifically Utah Code § 10-9a-102(2).

2.2 Project Vesting. To the maximum extent permissible under state and federal law, and at equity, City and Master Developer agree that this Agreement confirms that Master Developer is vested with all rights to develop the Property in accordance with City’s Current Laws without modification or change by the City except as specifically provided herein. By way of further clarification, Master Developer is vested with the right to develop and locate on the Property the uses and densities including, without limitation, the Intended Uses, and to develop in accordance with dimensional requirements as allowed by City’s Current Laws. The Property is also vested with access to all City roads, described below, which adjoin or traverse any portion of the Property. The Parties intend that the rights granted to Master Developer hereunder are contractual vested rights and include the rights that exist as of the Effective Date under statute, common law and at equity. The Parties acknowledge and agree this Agreement provides significant and valuable rights, benefits, and interests in favor of Master Developer and the Property, including, but not limited to, certain vested rights, development rights, permitted and conditional uses (including for industrial and commercial uses), potential rights for new improvements, facilities, and infrastructure, as well as flexible timing, sequencing, and phasing rights to assist in the development of the Property. To the extent the City Council adopts that certain land use ordinance known as Ordinance No. ____, Inland Port in Manufacturing Zones Text Amendment, Petition #PLNPCM2017-01038 (“**Text Amendment**”), such Text Amendment shall become included in the City’s Current Laws and Master Developer shall automatically be vested in the Text Amendment without further action or approval by the City.

2.2.1 *Rescission Option.* To the extent Master Developer has executed this Agreement in advance of City approval of the Text Amendment, and if the Text Amendment is not enacted in a form reasonably satisfactory to Master Developer by February 28, 2018, then Master Developer may deliver notice of rescission to City and RDA to terminate this Agreement. Any such rescission notice must be delivered, if at all, no later than March 14, 2018. Upon Master Developer's delivery of notice of rescission pursuant to this Section, this Agreement shall automatically terminate whereupon the Parties shall have no further rights or obligations under this Agreement.

2.2.2 *Invalidity.* If any of the City's Current Laws are declared to be unlawful, unconstitutional or otherwise unenforceable then Master Developer will, nonetheless comply with the terms of this Agreement to the extent not precluded by law. In such an event, Master Developer and City shall cooperate to have City adopt a new enactment which is materially similar to any such stricken provisions and which implements the intent of the Parties under this Agreement.

2.2.3 *City's Future Laws.* City's Future Laws with respect to development or use of the Property shall not apply except as follows:

A. City's Future Laws that Master Developer agrees in writing to the application thereof to the Property;

B. City's Future Laws which are generally applicable to all properties in the City's jurisdiction and which are required to comply with State and Federal laws and regulations affecting the Property;

C. City's Future Laws that are updates or amendments to existing building, plumbing, mechanical, electrical, dangerous buildings, or similar construction or safety related codes, such as the International Building Code, the APWA Specifications, AAHSTO Standards, the Manual of Uniform Traffic Control Devices or similar standards that are generated by a nationally or statewide recognized construction/safety organization, or by the State or Federal governments and are required to meet legitimate concerns related to public health, safety or welfare;

D. City's Future Laws that are health and environmental standards based on the City's obligations to comply with Federal or State environmental laws;

E. Taxes, or modifications thereto, so long as such taxes are lawfully imposed and charged uniformly by the City to all properties, applications, persons and entities similarly situated;

F. Changes to the amounts of fees (but not changes to the times provided in the City's Current Laws for the imposition or collection of such fees) for the processing of Development Applications that are generally applicable to all development within City's jurisdiction (or a portion of the City as specified in the lawfully adopted fee schedule) and which are lawfully adopted pursuant to State law; or

G. Impact fees or modifications thereto which are lawfully adopted, imposed and collected.

2.2.4 Applications Under City's Future Laws. Without waiving any rights granted or benefits imparted by this Agreement, Master Developer may at any time, choose to submit a Development Application for some or all of the Property under the City's Future Laws in effect at the time of the Development Application. Any Development Application filed for consideration under the City's Future Laws shall be governed by all portions of the City's Future Laws related to the Development Application. The election by Master Developer at any time to submit a Development Application under the City's Future Laws shall not be construed to prevent or limit Master Developer from submitting and relying for other Development Applications on the City's Current Laws.

2.3 Change in Law/Non-Conforming Uses. For the term of this Agreement, City agrees that any City's Future Law shall not apply to the Property where the application would impair or impede development, or eliminate or reclassify a use allowed under City's Current Laws. To the extent any change in law causes a use, structure or parcel to become non-conforming, such non-conforming status shall not impair, impede or prohibit the development of previously approved uses, reconstruction or restoration of developed uses, or the extension of such uses on parcels within the Property. If a City's Future Law applies to any portion of the Property under Section 2.2 above, it shall only apply as may be necessary to meet a legitimate governmental interest and then only to the minimum extent needed to meet such legitimate governmental interest.

2.4 Most Favored Nation. Should any property immediately adjacent to the Property or the Project Area (excluding road rights of way, including interstates) receive a zoning use or development entitlement not included in City's Current Laws, and which use or entitlement could facilitate development within the Project Area, City agrees to cooperate with Master Developer to promptly obtain the same use or entitlements for the Property.

2.5 Term. The initial term of this Agreement shall be forty (40) years beginning on the Effective Date, which term may be extended by written agreement of City, RDA, and Master Developer.

2.6 Development of Property. The development of the Property shall be in accordance with City's Current Laws, City's Future Laws (to the extent that they apply as allowed by this Agreement) and this Agreement. City and RDA agree that Master Developer shall have the full power and exclusive control of the Property. Nothing in this Agreement shall obligate Master Developer (or its successors) to develop the Property or to develop in any particular order or phase and that Master Developer reserves all discretion to determine whether to develop a particular portion or phase of the Property based upon Master Developer's business judgment. The Property may be developed for all uses allowed by City's Current Laws, including, but not limited to, the Intended Uses.

2.7 Design Requirements. City shall not impose design requirements on buildings, improvements and structures located within the Property other than those required by City's Current Laws.

2.8 Open Space Dedications. No further open space dedications shall be required as a condition of Development Application approval; it being acknowledged by the Parties that prior to entering into this Agreement, and as consideration for creating a natural area to the north of the

Property, the Property is located within an area designated by City as suitable for development. So long as there is no residential development within the Property, development within the Property shall not be required to pay open space or park impact fees of any type.

2.9 Recitals and Exhibits. The above recitals and all exhibits hereto are hereby incorporated by reference into this Agreement.

2.10 Separate Development Agreements. Master Developer may elect to propose and enter into separate agreements with City to govern the construction or development of a particular phase or portion of phase within the Property. City agrees to cooperate with the preparation and execution of any such separate agreement with Master Developer.

ARTICLE III ROADS AND UTILITIES

3.1 Roads.

3.1.1 *Major Roads.* The Property includes proposed or existing state roads and City arterial and collector roads. To the extent such roads will be owned by the State of Utah (“**State**”), the State will be responsible for the acquisition of right of way and development of such roads. Prior to development or acquisition of arterial or collector roads, the City shall provide Master Developer nine (9) months advance notice and an opportunity to consult and comment on any proposed plans to acquire or develop arterial and collector roads. City agrees to cooperate with Master Developer in relocating, modifying or removing planned City arterial and collector roads to the extent a Project Phase necessitates or would be improved by a different road configuration.

3.1.2 *Local Roads.* Subject to Section 3.3, Master Developer shall be responsible for the dedication of right of way and the construction of local roads installed in connection with the development of a Project Phase or portion thereof.

3.1.3 *Heavy Haul Road.* Master Developer may elect to plan, designate and construct, or have constructed, certain roads designed and constructed for heavy loads in connection with the uses contemplated for the Property. If such roads will be public roads, City’s prior approval will be required. The Parties agree in coordinating infrastructure locations to accommodate such roads, which may be public or private roads.

3.1.4 *Road Widths.* City agrees that road right of way and pavement widths for local roads, collector roads, arterial roads and any other public roads shall not exceed the standards applicable to other similar developments within Salt Lake City.

3.1.5 *Drainage Areas.* Master Developer may propose that drainage facilities, including swales, berms and surface facilities for the Project Area, or portion thereof, be located within rights of way, including road rights of way, dedicated to City. City agrees to accept such offers of dedication consistent with City standards; provided that Master Developer provide a commitment to have such areas as may be located outside of the typical road rights of way cross sections maintained by an owners association or other form of property owner group.

3.2 Culinary Water and Sanitary Sewer Improvements. Master Developer shall be responsible for constructing and installing the requisite service and water and sewer distribution lines and similar improvements within the Property necessary for City to provide culinary water and sewer service to a particular Project Phase. Master Developer shall not be required to install transmission, service or distribution lines (or other significant infrastructure improvements) outside of the Property, or lines within the Property providing capacity for areas outside of the Property beyond City's normal project level requirements; *provided, however*, Master Developer acknowledges that certain areas within the Property may not be developable without the construction of infrastructure improvements outside the Property that would not be paid for by City ("**Offsite Improvements**"). All such Offsite Improvements shall qualify for reimbursement under the term Permitted Improvements, or other reimbursement provision as provided for in this Agreement. The foregoing limitation shall not prohibit Master Developer from installing improvements, including Offsite Improvements, subject to City's approval, for the benefit of areas outside of the Property, or areas leading to the Property, where the costs for such development will be paid for or Master Developer may be reimbursed by Project Area Increment, fees from a pioneering agreement(s), and/or the payment of impact fees.

3.3 Storm Water Improvements. Master Developer shall manage storm water flows within the Property according to the Northwest Quadrant Storm Water Drainage Master Plan or other City-approved Northwest Quadrant master plan. City Agrees to coordinate with Master Developer in advance of approving or amending the Northwest Quadrant Storm Water Drainage Master Plan in a way that will affect the Project Area. City agrees to work with Master Developer to approve storm water systems which account for the large amount of time anticipated that will be required to develop the Property, and to allow the usage of existing drainage areas by Master Developer where possible. City agrees to minimize situations where Master Developer is required to design or construct detention or retention facilities to address storm water flows originating from outside the Property without reimbursement from City or other property owners. Master Developer may be required to provide additional drainage capacity in conveyance channels and associated easements to accommodate pass-through drainage from other properties. Notwithstanding the foregoing, the City may require dedications for storm water drainage within the Property. Any dedications for excess capacity required for flows originating outside of the Project Area shall entitle Master Developer to obtain reimbursement, including under the definition of Permitted Improvements, for the value of the associated land dedications or space set aside for pass-through facilities. City agrees to consider design of drainage systems which incorporate filtering or other methods so a project or property may avoid the costs of designing a system with an oil/water separator, including the installation of swales, bio-filters and other systems best suited for the unique drainage conditions in the Project Area.

3.4 City Services. City agrees that it shall make available (subject to application for service, issuance of applicable permits and payment of connection fees and applicable commodity usage rates) culinary water, sanitary sewer, street light, storm water and other municipal services to the Property. Such services shall be provided to the Property at the same levels of services, on the same terms and at rates as approved by the Salt Lake City Council, which rates may not differ materially from those charged to others in Salt Lake City.

3.5 Installation of Public Improvements. Notwithstanding any other provisions of this Agreement, all improvements to be publically dedicated shall be constructed in compliance with

City's Current Laws and this Agreement. For each Project Phase, or portion thereof that is subject to a Development Application, Master Developer may enter into an improvement construction and assurance agreement in a form consistent with State law and City's Current Laws prior to recording the final plat for such phase, *provided, however*, subject to City's Current Laws, Master Developer may elect to install public improvements associated with such phase in coordination with City, and in advance of plat recordation in order to eliminate or reduce the need for providing financial assurances for public improvements within each phase which are completed in advance of dedication.

3.6 City Cooperation. City agrees to cooperate in making available public rights of way and easements for use by utility and service providers to development within the Property. City further agrees to cooperate with Master Developer in efforts to relocate, reconfigure or upgrade canal facilities which cross onto any portion of the Property. Separate agreements under this Section will not require RDA approval.

ARTICLE IV DEVELOPMENT PROCESSES

4.1 Planning Coordination and Approval. City will use reasonable efforts to process any Development Application promptly. Should City's Current Laws allow discretion as to whether a Development Application should be approved by City staff or a public body, City staff shall initially review the Development Application at the staff-level and make a reasonable determination about whether the land use decision can appropriately be made at staff-level. In the event the Development Application is forwarded to a non-staff land use authority, the City will provide notice to the applicant of the reasons for referring the decision to a non-staff land use authority.

4.2 Conditional Use Permits. City agrees that any conditional use permits shall be approved in accordance with State law and City's Current Laws. City agrees further that no land use authority may impose conditions on a conditional use permit which relate to criteria or detrimental impacts not expressly stated in City's Current Laws. No conditional use permit application shall be the subject to more than two public hearings without the express written consent of Master Developer.

4.3 Processing. City shall promptly process Development Applications. In order to ensure that the Development Applications are promptly reviewed and processed, City will use reasonable efforts to designate one or more City Planning Division staff member(s) as principal liaisons/specialists on the Development Applications. These Planning Division staff members will be fully informed on the terms of this Agreement and will facilitate timely review of any Development Applications submitted hereunder.

4.4 Acceptance of Certifications Required for Development Applications. Any Development Application requiring the signature, endorsement, or certification and/or stamping by a person holding a license or professional certification required by the State of Utah in a particular discipline shall be so signed, endorsed, certified or stamped signifying that the contents of the Development Application comply with the applicable regulatory standards of City. Subject to City's review and confirmation, a Development Application with the foregoing signature,

endorsement, certification or stamp shall be deemed to meet the specific standards which are the subject of the opinion or certification. It is not the intent of this Section to preclude the normal process of City's "redlining", commenting on or suggesting alternatives to the proposed designs or specifications in the Development Application.

4.5 City Denial of a Development Application. If City denies a Development Application then City shall provide a written determination advising the applicant of the reasons for denial including specifying the reasons City believes that the Development Application is not consistent with this Agreement. In the event of a denial, City shall notify Master Developer even if Master Developer is not the applicant. The following provisions shall apply to any such denial:

4.5.1 Meet and Confer regarding Development Application Denials. City and applicant shall, within fifteen (15) days of any denial, discuss possible methods of resolving the issues specified in the denial of a Development Application. These discussions will not stay any appeal deadlines, and any party seeking to appeal should file a formal appeal with the City in order to preserve jurisdiction. The Parties may agree to stay the time for a formal appeal hearing on the denial.

4.5.2 City Denials of Development Applications Based on Denials from Non-City Agencies. If City's denial of a Development Application is based on the denial of the Development Application by a non-City agency, applicant shall appeal any such denial through the appropriate procedures for such a decision and not through the processes specified below.

4.6 Mediation of Development Application Denials.

4.6.1 Issues Subject to Mediation. Issues resulting from the City's denial of a Development Application may, upon the concurrence of both Parties, be mediated.

4.6.2 Mediation Process. If City and applicant mutually agree to mediation, the Parties shall attempt within ten (10) business days to appoint a mutually acceptable mediator with knowledge of the issue in dispute. If the Parties are unable to agree on a single acceptable mediator they shall each, within ten (10) business days, appoint their own representative. These two representatives shall, between them, choose the single mediator. Applicant shall pay the fees of the chosen mediator. The chosen mediator shall within fifteen (15) business days, review the positions of the Parties regarding the mediation issue and promptly attempt to mediate the issue between the Parties. If the Parties are unable to reach agreement, the mediator shall notify the Parties in writing of the resolution that the mediator deems appropriate. The mediator's opinion shall not be binding on the Parties.

ARTICLE V TAX INCREMENT REIMBURSEMENT

5.1 CRA Project Area. RDA has established a Project Area Plan which includes the Property and other property in the vicinity of the Property. The Project Area is intended to produce Tax Increment available for the purposes described in this Agreement and the Project Area Plan, including the Permitted Improvements, economic development within the Project Area Plan and other purposes as set forth in future agreements relating to the development of the Property. Costs incurred by Master Developer in developing, acquiring or installing Permitted Improvements shall

be reimbursable from Project Area Increment as more particularly set forth in this Article. RDA's obligations under this Agreement are special limited obligations payable solely from the Tax Increment collected from the Property and generated from property taxes paid on behalf of the Property. RDA shall not expand or modify the Project Area without the written consent of Master Developer.

5.2 Project Area Tax Reimbursement Policy. Within six (6) months after the Effective Date, RDA agrees to adopt a Tax Increment reimbursement policy ("**TI Policy**") for the Project Area. The TI Policy shall include the following provisions:

5.2.1 *Reimbursement Applications.* RDA staff shall review each application for a new reimbursement agreement and forward the application to the RDA Board of Directors ("Board") within thirty (30) days of receipt. The TI Policy will also establish that the Board will use best efforts to consider the application within sixty (60) days of the Board's receipt of the application from RDA staff and to decide the application as soon as reasonably practicable thereafter.

5.2.2 *Reimbursement Triggers and Duration.* Each application for a new reimbursement agreement shall include an estimate of anticipated total future value, projected construction schedule and recommended future assessed value "trigger" for commencing tax increment collection and disbursement. The project area funds collection period for each individual reimbursement period shall be for a period not less than twenty (20) years dating from the day on which the first payment of project area funds is distributed to an agency under an interlocal agreement.

5.2.3 *Mutual Cooperation.* RDA agrees to lead and cooperate with efforts of the Parties to have other taxing entities enter into interlocal and other agreements allocating such taxing entity(ies)' tax increment to RDA for use in the Project Area as described in this Agreement.

5.2.1 *Increment Allocations.* Unless otherwise agreed by RDA and Master Developer in writing, RDA shall allocate Project Area Increment received by RDA as follows:

A. *Administrative Increment.* Ten percent (10%) of the Project Area Increment received by RDA may be used by RDA for the payment of RDA administrative costs ("**Administrative Increment**"), provided however, that if any portion of the Administrative Increment is not spent by the RDA on administrative costs in a given year, the RDA shall reallocate the Administrative Increment to become Area-Wide Increment to be used in accordance with Subsection C below.

B. *Developer's Tax Increment.* Seventy percent (70%) of the Project Area Increment, plus any potential reallocated Affordable Housing Increment, shall be available for reimbursement of Developer's Reimbursable Expenses.

C. *Area-Wide Increment.* Ten percent (10%) of the Project Area Increment shall be available for Project Area-wide improvements, including improvements located outside of Project Area but which directly benefit or specifically enhance the Project Area in a way that is measurable and not hypothetical or remote.

D. Affordable Housing Increment. Ten percent (10%) of the Project Area Increment shall be used for affordable housing uses as required by State law, *provided, however*, should the state amend Title 17C of the Utah Code to remove the mandatory ten percent (10%) affordable housing requirement applicable to projects such as the Project Area then such increment may be reallocated in RDA's discretion and pursuant to Utah Code 17C.

5.2.2 Assignable. This Agreement or future reimbursement agreements as to any portion of the Project Area may be assigned, in whole or in part, by Master Developer to successors, including Sub-developers, in writing, and subject to RDA's written approval, which approval shall not be unreasonably withheld, delayed, or conditioned. RDA will be bound by the same terms to the assignees.

5.2.3 Separate Reimbursement Agreements. Separate reimbursement agreements shall be approved by the RDA Board of Directors in accordance with this Agreement and will not require City approval.

ARTICLE VI IMPACT FEE REIMBURSEMENT

6.1 Reimbursements/ Impact Fee Plans. City will, within six (6) months of the Effective Date, create a process by which it will commit to reimburse Master Developer from applicable and available impact fees for Master Developer's Reimbursable System Improvement Expenses, which are not paid for by Project Area Increment or a pioneering or other reimbursement agreement. Nothing in the foregoing process shall preclude expenses from being reimbursed from more than one revenue source so long as Master Developer is only reimbursed once for Permitted Improvements or Reimbursable System Improvement Expenses. Master Developer acknowledges that there are currently no City impact fee facilities plans for System Improvements in the Northwest Quadrant that are water, sewer, storm water, or street lighting improvements. City agrees to consult with Master Developer in advance of amending or enacting any impact fee facilities plan(s) which includes improvements to be located within or directly servicing the Project Area.

6.2 Reimbursement Process. City's impact fee reimbursement process for the System Improvements will include the requirement that, should Master Developer elect to construct any System Improvement, Master Developer shall coordinate such construction with City. The impact fee reimbursement process will also require Master Developer to provide City with estimates for the costs of all System Improvements as they are received, which City may include in updating its impact fee facilities plan. The impact fee reimbursement process will include a requirement that Master Developer provide monthly reports to City of all costs incurred by Master Developer in constructing System Improvements and in calculating Reimbursable System Improvement Expenses, and a requirement that City provide Master Developer with reports on impact fees collected upon reasonable request and without requiring Master Developer to file a records request. The impact fee reimbursement process will only be for impact fees collected for roads, police, and fire under City Code 18.98, *et seq.*, and will not include impact fees collected by the City's Public Utilities Department.

6.3 No Moratorium or Waiver. City shall include the obligations set forth in this Agreement into any subsequently amended or adopted impact fee facilities plan. Should City reduce any impact fees from the amounts set on the date of this Agreement, then City shall deposit a sum equal to the amount of such reduction into each fund for each class or grouping of impact fees at the time of payment to Master Developer hereunder; it being the Parties' intent that the effective amount of the impact fees not be reduced while obligations are outstanding to Master Developer under this Agreement

ARTICLE VII PIONEERING AGREEMENTS AND OTHER METHODS FOR REIMBURSING INFRASTRUCTURE COSTS

7.1 Bonds and Assessment Area. The Parties agree to evaluate and, where feasible, explore the creation of assessment areas and consider the appropriateness of issuing bonds to the extent such actions will facilitate development of the Property in accordance with this Agreement and the Project Area Plan.

7.2 Pioneering Agreements. City and Master Developer shall enter into pioneering agreements for any infrastructure, including System Improvements or Permitted Improvements, where Master Developer and City have mutually determined that a pioneering agreement will facilitate the reimbursement for costs incurred in developing and improving the Property as set forth in such pioneering agreements. Such pioneering agreements shall include provisions requiring others connecting to infrastructure built with excess capacity to pay for their share of such capacity, including construction, and other reasonable costs and expenses incurred in developing the excess capacity. City and Master Developer will include a definition in the pioneering agreements clarifying that "excess capacity" is limited to the cost of upsizing infrastructure. Nothing in a pioneering agreement shall preclude expenses from being reimbursed from more than one revenue source so long as Master Developer is only reimbursed once for Permitted Improvements or Reimbursable System Improvement Expenses.

ARTICLE VIII ANNEXATION AND SUB PROJECTS

8.1 Additional Property. If Master Developer acquires properties immediately adjacent to the Property, Master Developer may elect to include such later acquired properties in this Agreement, subject to City's and RDA's approval, which approval shall not be unreasonably withheld, delayed, or conditioned. Such later acquired properties must be located within the Project Area to be included in this Agreement, which inclusion must comply with Section 5.1 above.

8.2 Sub-developer Agreements. The Parties hereto, or some of them, may enter into separate agreements with Sub-developers or others obtaining rights from Master Developer, provided however that nothing in any separate agreement may conflict with the entitlements and benefits obtained by Master Developer in this Agreement without the express written consent of Master Developer, or, as applicable, City and/or RDA.

ARTICLE IX
ASSIGNMENT AND TRANSFER

9.1 Assignment and Transfer of Development. If Master Developer assigns, transfers, or otherwise conveys the entire Property or any portion thereof to a subsequent owner, and intends to transfer any of the rights and obligations under this Agreement in connection with such transfer, Master Developer shall execute and deliver a “**Transfer Acknowledgment**” in the form attached hereto as **Exhibit B** for the purpose of notifying City of the transfer. Upon delivery of a fully executed Transfer Acknowledgment, the obligations of Master Developer shall automatically be assigned and assumed to the identified assignee and Master Developer shall be released from the obligations that are assumed by the identified assignee.

9.2 Transfer Deeds. Master Developer may make transfers, with or without transferring the rights under this Agreement under Section 9.1 above, in anticipation or furtherance of future land use approvals and development of the Property or a particular portion therein. In accordance with Utah Code § 10-9a-103(57)(c)(v), Master Developer may convey portions of the Project by metes and bounds prior to recordation of a plat of subdivision for such portion and City agrees to execute an acknowledgment on such deeds of conveyance (each a “**Transfer Deed**”) for the purposes of acknowledging only City’s consent to the conveyance by metes and bounds of the real property that is the subject of the applicable Transfer Deed. Master Developer expressly acknowledges that City’s execution of a Transfer Deed shall not in any way be deemed a waiver of the requirement that the property transferred pursuant to such Transfer Deed shall be subject to the approval process set forth in this Agreement or City’s Current Laws.

9.3 Reservation of Reimbursement Rights. Notwithstanding any provision in City’s Current Laws to the contrary, Master Developer reserves unto itself the right to all payments and reimbursements for items constructed within the Property or by Master Developer even if Master Developer sells any portion of the Property to a third-party. Any assignment of the right to receive payments and reimbursements under this Agreement must be in writing, signed by Master Developer, and approved by RDA, and must include specific details regarding the right or amount of reimbursement transferred to a third party. In the event of a transfer of any reimbursement or payment right under this Agreement, both assignor and assignee must provide written notice to RDA and City in accordance with this Agreement. Notwithstanding the foregoing, Master Developer shall not be entitled to retain reimbursements or payments under this Agreement that exceed the actual costs incurred by Master Developer.

ARTICLE X
DISPUTE RESOLUTION

10.1 Default. Except as otherwise expressed herein, in the event of a failure by any Party to comply with the commitments set forth herein, within thirty (30) days of written notice of such failure from the other Party, the non-defaulting Party shall have the right to pursue any or all of the following remedies, which right shall be cumulative:

10.1.1 To cure such default or enjoin such violation and otherwise enforce the requirements contained in this Agreement; and

10.1.2 To enforce all rights and remedies available at law and in equity including, but not limited to, injunctive relief, and/or damages.

ARTICLE XI GENERAL MATTERS

11.1 Amendments. Any alteration or change to this Agreement shall be made in a writing executed by Master Developer and City, after approval by City's appropriate executive or legislative bodies. A provision of this Agreement relating to RDA may be amended with the written consent of RDA but RDA need not be a Party to an amendment that does not alter the reimbursement obligations of RDA hereunder. Master Developer need not obtain the written consent of a subsequent owner of a portion of the Property in order to amend this Agreement.

11.2 Exclusion from Moratoria. The Property shall be excluded from any moratorium adopted pursuant to Utah Code § 10-9a-504 unless such a moratorium is found on the record by the City Council to be necessary to avoid jeopardizing a compelling, countervailing public interest.

11.3 No Waiver. Nothing in this Agreement shall be construed as waiving Master Developer's rights under the United States and Utah constitutions, and the land use and development laws of the state of Utah.

11.4 Captions and Construction. This Agreement shall be construed according to its fair and plain meaning and as if prepared by all Parties hereto and shall be interpreted in accordance with Utah law. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates. Furthermore, this Agreement shall be construed so as to effectuate the public purposes, objectives and benefits set forth herein. As used in this Agreement, the words "include" and "including" shall mean "including, but not limited to" and shall not be interpreted to limit the generality of the terms preceding such word. To the extent a general provision of City's Current Laws or Future Laws, or any other law, conflicts with a specific provision of this Agreement or an interpretation necessary to give effect to the Agreement, then this Agreement shall control.

11.5 Laws and Forum. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns, and shall be construed in accordance with Utah law. Any action brought in connection with this Agreement shall be brought in a court of competent jurisdiction located in Salt Lake County, Utah.

11.6 No Third Party Rights. Unless otherwise specifically provided herein, the obligations of the Parties set forth in this Agreement shall not create any rights in or obligations to any other persons or third parties.

11.7 Force Majeure. Any prevention, delay or stoppage of the performance of any obligation under this Agreement which is due to strikes; labor disputes; inability to obtain labor, materials, equipment or reasonable substitutes therefor; acts of nature; governmental restrictions, regulations or controls; judicial orders; enemy or hostile government actions; wars; civil commotions; fires, floods, earthquakes or other casualties or other causes beyond the reasonable control of the Party obligated to perform hereunder shall excuse performance of the obligation by

that Party for a period equal to the duration of that prevention, delay or stoppage. Any Party seeking relief under the provisions of this section must have notified the other Party in writing of a force majeure event within thirty (30) days following occurrence of the claimed force majeure event.

11.8 Notices. All notices shall be in writing and shall be deemed to have been sufficiently given or served when presented personally, or delivered by a reputable overnight courier that keeps receipts of delivery (such as UPS or Federal Express), or when deposited in the United States mail, by registered or certified mail, addressed as follows:

City: Salt Lake City
451 South State Street
Salt Lake City, UT 84111
Attention: City Recorder

With a copy to: Salt Lake City
Office of the City Attorney
451 South State Street
Salt Lake City, UT 84111
Attention: City Attorney

RDA: Salt Lake City Redevelopment Agency
451 South State Street
Salt Lake City, UT 84111
Attention: Chief Administrative Officer

With a copy to: Salt Lake City
Office of the City Attorney
451 South State Street
Salt Lake City, UT 84111
Attention: Chief Counsel, RDA

Master Developer: NWQ, LLC
166 East 14000 South, Suite 210
Draper, UT 84080
Attn: Lance Bullen

With a copy to: Snell and Wilmer L.L.P.
15 West South Temple, Suite 1200
Salt Lake City, UT 84101
Attn: Wade R. Budge

Such addresses may be changed by notice to the other Party given in the same manner as above provided. Any notice given hereunder shall be deemed given as of the date delivered or mailed.

11.9 Entire Agreement. This Agreement, together with documents and all regulatory approvals given by City for the Property, contain and constitute the entire agreement of the Parties with respect to the subject matter hereof and supersede any prior promises, representations, warranties, inducements or understandings between the Parties which are not contained in such agreements, regulatory approvals and related conditions. It is expressly agreed by the Parties that this Agreement and additional planned agreements between Master Developer and City, or between Master Developer and RDA, as contemplated and referred to elsewhere in this Agreement, are intended to and shall govern and facilitate the development of the Property.

11.10 Termination. If not timely rescinded in accordance with Section 2.2.1. above, this Agreement shall terminate upon the first of the following to occur: (i) mutual written agreement of the Parties, (ii) Buildout, or (iii) forty (40) years after the Effective Date, unless extended by in writing by City, RDA, and Master Developer, whichever occurs first.

11.11 Further Action. The Parties hereby agree to execute and deliver such additional documents and to take all further actions as may become necessary or desirable to fully carry out the provisions and intent of this Agreement.

11.12 Agreement Runs with the Land. This Agreement shall be recorded against the Property as described in the Exhibit A. The agreements contained herein shall be deemed to run with the land and shall be binding on and shall inure to the benefit of all successors in ownership of the Property. Successors in title are on record notice of the provisions of this Agreement. Notwithstanding the foregoing, each successor in interest shall accede only to the benefits and burdens of this Agreement pursuant to an assignment by Master Developer which pertain to that specific portion of the Property to which such successor holds fee title or leasehold estate, and shall not be deemed to be the "Master Developer" or a third party beneficiary of any of the rights, interests, or benefits relating to other portions of the Property. The provisions, responsibilities and benefits relating or appertaining to a specific portion of the Property may be assigned to such portion of the Property, or owner thereof, by specific written instrument executed by Master Developer and approved by City and RDA, which approval shall not be unreasonably withheld, delayed, or conditioned.

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

11.14 Representation Regarding Ethics. Master Developer represents and warrants that it has not: (1) provided an illegal gift or payoff to a City officer or employee or former City officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

IN WITNESS WHEREOF, the Parties have executed this Development Agreement on January ___, 2018.

CITY:

SALT LAKE CITY CORPORATION, a Utah municipal corporation

ATTEST:

Jacqueline M. Biskupski, Mayor

Cindi Mansell, City Recorder

Approved as to form:
Salt Lake City Attorney's Office

E. Russell Vetter

ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this ____ day of January, 2018, before the undersigned notary public in and for the said state, personally appeared Jacqueline M. Biskupski, known or identified to me to be the Mayor of Salt Lake City, who executed the foregoing instrument on behalf of said City and acknowledged to me that said City executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

RDA:

**REDEVELOPMENT AGENCY OF SALT
LAKE CITY, a public entity:**

Jacqueline M. Biskupski, Executive Director

Approved as to form:
Salt Lake City Attorney's Office

Katherine N. Lewis

ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this ____ day of January, 2018, before the undersigned notary public in and for the said state, personally appeared Jacqueline M. Biskupski, known or identified to me to be the Executive Director of the Redevelopment Agency of Salt Lake City, and who executed the foregoing instrument on behalf of said Redevelopment Agency of Salt Lake City and acknowledged to me that said Redevelopment Agency of Salt Lake City executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

MASTER DEVELOPER:

NWQ, LLC, a Utah limited liability company:

By: _____
Its: _____

ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this ____ day of _____, 20__, before the undersigned notary public in and for the said state, personally appeared _____, known or identified to me to be the _____ of **NWQ, LLC**, a Utah limited liability company, and the person who executed the foregoing instrument and acknowledged to me that said company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

EXHIBIT A
[Legal Description of the Property]

DRAFT

EXHIBIT B

[Form of Transfer Acknowledgment]

DRAFT

RESOLUTION _____ OF 2018

Authorizing approval of a Development Agreement between Salt Lake City Corporation, the Redevelopment Agency of Salt Lake City, and Kennecott Utah Copper, LLC, a Utah limited liability company

WHEREAS, Kennecott Utah Copper, LLC, a Utah limited liability company (“Developer”) owns certain real property (“Property”) located within the Northwest Quadrant Project Area created by the Redevelopment Agency of Salt Lake City (“RDA”).

WHEREAS, the RDA, Salt Lake City Corporation (“City”), and Developer have negotiated a development agreement (“Development Agreement”) which will, among other things, vest Developer in the zoning as it currently exists on the Property, and facilitate a process for Developer to apply for tax increment reimbursement from the Agency as the Property is developed.

WHEREAS, City desires to execute the Development Agreement with Developer and RDA.

THEREFORE, BE IT RESOLVED, by the City Council of Salt Lake City, Utah as follows:

1. It does hereby approve the execution and delivery of the following:

DEVELOPMENT AGREEMENT BETWEEN SALT LAKE CITY CORPORATION, REDEVELOPMENT AGENCY OF SALT LAKE CITY, AND KENNECOTT UTAH COPPER, LLC, EFFECTIVE ON THE DATE IT IS SIGNED BY ALL PARTIES.

2. Jacqueline M. Biskupski, Mayor of Salt Lake City, Utah or her designee is hereby authorized to approve, execute, and deliver said agreement on behalf of Salt Lake City Corporation, in substantially the same form as now before the City Council and attached hereto as **Exhibit A**, subject to such minor changes that do not materially affect the rights and obligations of the City thereunder and as shall be approved by the Mayor, her execution thereof to constitute conclusive evidence of such approval.

PASSED by the City Council of Salt Lake City this _____ day of _____, 2018.


SALT LAKE CITY COUNCIL

CHAIRPERSON

ATTEST:

CITY RECORDER

APPROVED AS TO FORM:
Salt Lake City Attorney's Office



Katherine N. Lewis

HB_ATTYS-#66299-v1-City_Resolution_NWQ_Development_Agreement_(Kennecott).docx

EXHIBIT A

[Attach Form of Development Agreement]

**Recording Requested By and
When Recorded Return to:**
Salt Lake City Corporation
Attn: _____
451 South State Street
Salt Lake City, UT 84111

Parcel Nos. _____

**MASTER DEVELOPMENT AND
REIMBURSEMENT AGREEMENT**
Northwest Quadrant (North)

This Master Development and Reimbursement Agreement (this “**Agreement**”) is made and entered into and made effective as of the date this Agreement is recorded by the City Recorder (“**Effective Date**”) by and among **SALT LAKE CITY CORPORATION**, a Utah municipal corporation (“**City**”); the **REDEVELOPMENT AGENCY OF SALT LAKE CITY**, a public entity (“**RDA**”); and **KENNECOTT UTAH COPPER LLC**, a Utah limited liability company (“**Master Developer**”). City, RDA and Master Developer may from time to time be referred to herein each as a “**Party**” or collectively as the “**Parties**.”

RECITALS

A. Master Developer is the record owner of approximately 2,800 acres of lands located in Salt Lake County, Utah, which are more particularly described on the attached **Exhibit A** (the “**Property**”). The Property is located within an area of Salt Lake City known as the Northwest Quadrant.

B. Master Developer is engaged in planning a large scale, master planned logistics center, industrial and warehousing system and series of projects within portions of the Property, and areas located near the Property.

C. A significant component of the development of the Property is the installation of an infrastructure network in, around and near the Property to facilitate the development of the Intended Uses.

D. Infrastructure planned for the area will require close coordination between property owners, users and public and private service providers and will include rail and road improvements, along with utilities and other improvements reasonable, necessary and useful for the development of the Property.

E. To support the development of the Property and the development of areas within City’s jurisdiction, on January 9, 2018, RDA and City created and approved the Northwest Quadrant Community Reinvestment Project Area (the “**Project Area**”) under Utah Code 17C-5-101, *et seq.*

F. The Project Area includes the Property as well as a neighboring property owned by NWQ, LLC, a Utah limited liability company and other properties.

G. Under Utah Code Title 17C, RDA is entitled to receive certain Tax Increment from the Project Area.

H. City and RDA have executed an interlocal agreement whereby a portion of the Tax Increment received by City shall be paid to RDA for use in accordance with this Agreement, the Project Area Plan, and separate reimbursement agreements entered into between RDA and property owners, including Master Developer.

I. This Agreement provides the core approvals and commitments that will facilitate the commencement of development within the Property and provide a basis for future agreements governing the development of the Property, construction of infrastructure and the reimbursement of costs.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I DEFINITIONS

1.1 Definitions.

1.1.1 “*Buildout*” means the completion of all development in the Property.

1.1.2 “*City’s Current Laws*” means all laws, ordinances, policies, standards, guidelines, directives, procedures and processing fee schedules of City in effect as of the date of this Agreement.

1.1.3 “*City’s Future Laws*” means the laws, ordinances, policies, standards, guidelines, directives, procedures and processing fee schedules of City which may be in effect in the future at any time when a Development Application is submitted and which may or may not apply to such Development Application based upon the terms of this Agreement.

1.1.4 “*Developer’s Reimbursable Expenses*” means costs incurred by Master Developer or its assigns for the construction of Permitted Improvements.

1.1.5 “*Development Application*” means an application to City for development of a portion of the Property, including, but not limited to applications for site plan, subdivision, building permit or other permit, certificate or authorization from City required for development of the Property.

1.1.6 “*Intended Uses*” means the use of all or portions of the Property for warehouses, logistic centers, intermodal transfer facilities, offices, rail freight terminal facilities,

storage facilities, light manufacturing and supporting or facilitating uses allowed under City's Current Laws.

1.1.7 “*Master Developer*” means Kennecott Utah Copper LLC, or its successors and assigns.

1.1.8 “*Offsite Improvements*” shall have the meaning given in Section 3.2 below.

1.1.9 “*Permitted Improvements*” means site improvements; road infrastructure, bridges over and under passes and including heavy haul roads described below; remediation or containment of environmental conditions; water and sewer improvements; storm water improvements; dedications of land for excess capacity in System Improvements or excess capacity in improvements accommodating uses outside of the Project Area; Offsite Improvements; utility infrastructure of every type including, but not limited to, electric, gas, fiber, communications; rail infrastructure; street lighting; developer incentives to facilitate and attract development to the Northwest Quadrant Project Area that has a positive impact for Salt Lake City, including projects that increase property tax value, provide high paying jobs, attract prominent tenants, promote green building standards or encourage good planning design; and other uses as agreed to by RDA and Master Developer in future agreements.

1.1.10 “*Project Area*” means the Northwest Quadrant Community Reinvestment Project Area as may be expanded or modified.

1.1.11 “*Project Area Increment*” shall mean the Tax Increment received by the RDA pursuant to an interlocal agreement executed with any applicable taxing entities in the Project Area, including the interlocal agreement executed January 9, 2018 with City.

1.1.12 “*Project Area Plan*” means the plan for the Project Area approved by RDA and City on January 9, 2018.

1.1.13 “*Project Phase*” means an area designated by Master Developer for development of a particular phase or portion of the Property.

1.1.14 “*Property*” means the real property described on Exhibit A.

1.1.15 “*Reimbursable System Improvement Expenses*” means costs and expenses, as approved by City, incurred by Master Developer, or its contractors or those working on its behalf, in acquiring or dedicating right of way for the location of System Improvements and the construction of System Improvements.

1.1.16 “*Sub Area Plan*” means a plan for a portion of the Property, or Project Area, as may be established by RDA.

1.1.17 “*Sub-developer*” means an owner of development parcel within the Property which is not the Master Developer, or an affiliate of Master Developer.

1.1.18 “*System Improvements*” means improvements included in City’s impact fee facility plan now or in the future and are located within or facilitate development of the Property and other properties.

1.1.19 “*Tax Increment*” shall have the same meaning set forth in Utah Code § 17C-1-102(60) which is:

. . . the difference between:

- (i) the amount of property tax revenue generated each tax year by a taxing entity from the area within a project area designated in the project area plan as the area from which tax increment is to be collected, using the current assessed value of the property; and (ii) the amount of property tax revenue that would be generated from that same area using the base taxable value of the property.

1.1.20 “*Transfer Acknowledgment*” means an acknowledgment in the form attached hereto as **Exhibit B**.

1.1.21 “*Transfer Deed*” has the meaning set forth in Section 9.2.

ARTICLE II CITY APPROVALS AND VESTING

2.1 City Approval. City and RDA enter into this Agreement after taking all necessary actions to enter into the agreements and understandings set forth herein. City’s enactment of the resolution approving this Agreement, and entering into this Agreement, are legislative acts allowed and authorized by Utah Code § 10-9a-101, *et seq.*, including specifically Utah Code § 10-9a-102(2).

2.2 Project Vesting. To the maximum extent permissible under state and federal law, and at equity, City and Master Developer agree that this Agreement confirms that Master Developer is vested with all rights to develop the Property in accordance with City’s Current Laws without modification or change by the City except as specifically provided herein. By way of further clarification, Master Developer is vested with the right to develop and locate on the Property the uses and densities including, without limitation, the Intended Uses, and to develop in accordance with dimensional requirements as allowed by City’s Current Laws. The Property is also vested with access to all City roads, described below, which adjoin or traverse any portion of the Property. The Parties intend that the rights granted to Master Developer hereunder are contractual vested rights and include the rights that exist as of the Effective Date under statute, common law and at equity. The Parties acknowledge and agree this Agreement provides significant and valuable rights, benefits, and interests in favor of Master Developer and the Property, including, but not limited to, certain vested rights, development rights, permitted and conditional uses (including for industrial and commercial uses), potential rights for new improvements, facilities, and infrastructure, as well as flexible timing, sequencing, and phasing rights to assist in the development of the Property. To the extent the City Council adopts that certain land use ordinance known as Ordinance No. ____, Inland Port in Manufacturing Zones Text Amendment, Petition #PLNPCM2017-01038 (“**Text Amendment**”), such Text Amendment

shall become included in the City's Current Laws and Master Developer shall automatically be vested in the Text Amendment without further action or approval by the City.

2.2.1 *Rescission Option.* To the extent Master Developer has executed this Agreement in advance of City approval of the Text Amendment, and if the Text Amendment is not enacted in a form reasonably satisfactory to Master Developer by February 28, 2018, then Master Developer may deliver notice of rescission to City and RDA to terminate this Agreement. Any such rescission notice must be delivered, if at all, no later than March 14, 2018. Upon Master Developer's delivery of notice of rescission pursuant to this Section, this Agreement shall automatically terminate whereupon the Parties shall have no further rights or obligations under this Agreement.

2.2.2 *Invalidity.* If any of the City's Current Laws are declared to be unlawful, unconstitutional or otherwise unenforceable then Master Developer will, nonetheless comply with the terms of this Agreement to the extent not precluded by law. In such an event, Master Developer and City shall cooperate to have City adopt a new enactment which is materially similar to any such stricken provisions and which implements the intent of the Parties under this Agreement.

2.2.3 *City's Future Laws.* City's Future Laws with respect to development or use of the Property shall not apply except as follows:

A. City's Future Laws that Master Developer agrees in writing to the application thereof to the Property;

B. City's Future Laws which are generally applicable to all properties in the City's jurisdiction and which are required to comply with State and Federal laws and regulations affecting the Property;

C. City's Future Laws that are updates or amendments to existing building, plumbing, mechanical, electrical, dangerous buildings, or similar construction or safety related codes, such as the International Building Code, the APWA Specifications, AAHSTO Standards, the Manual of Uniform Traffic Control Devices or similar standards that are generated by a nationally or statewide recognized construction/safety organization, or by the State or Federal governments and are required to meet legitimate concerns related to public health, safety or welfare;

D. City's Future Laws that are health and environmental standards based on the City's obligations to comply with Federal or State environmental laws;

E. Taxes, or modifications thereto, so long as such taxes are lawfully imposed and charged uniformly by the City to all properties, applications, persons and entities similarly situated;

F. Changes to the amounts of fees (but not changes to the times provided in the City's Current Laws for the imposition or collection of such fees) for the processing of Development Applications that are generally applicable to all development within City's jurisdiction (or a portion of the City as specified in the lawfully adopted fee schedule) and which are lawfully adopted pursuant to State law; or

G. Impact fees or modifications thereto which are lawfully adopted, imposed and collected.

2.2.4 Applications Under City's Future Laws. Without waiving any rights granted or benefits imparted by this Agreement, Master Developer may at any time, choose to submit a Development Application for some or all of the Property under the City's Future Laws in effect at the time of the Development Application. Any Development Application filed for consideration under the City's Future Laws shall be governed by all portions of the City's Future Laws related to the Development Application. The election by Master Developer at any time to submit a Development Application under the City's Future Laws shall not be construed to prevent or limit Master Developer from submitting and relying for other Development Applications on the City's Current Laws.

2.3 Change in Law/Non-Conforming Uses. For the term of this Agreement, City agrees that any City's Future Law shall not apply to the Property where the application would impair or impede development, or eliminate or reclassify a use allowed under City's Current Laws. To the extent any change in law causes a use, structure or parcel to become non-conforming, such non-conforming status shall not impair, impede or prohibit the development of previously approved uses, reconstruction or restoration of developed uses, or the extension of such uses on parcels within the Property. If a City's Future Law applies to any portion of the Property under Section 2.2 above, it shall only apply as may be necessary to meet a legitimate governmental interest and then only to the minimum extent needed to meet such legitimate governmental interest.

2.4 Most Favored Nation. Should any property immediately adjacent to the Property or the Project Area (excluding road rights of way, including interstates) receive a zoning use or development entitlement not included in City's Current Laws, and which use or entitlement could facilitate development within the Project Area, City agrees to cooperate with Master Developer to promptly obtain the same use or entitlements for the Property.

2.5 Term. The initial term of this Agreement shall be forty (40) years beginning on the Effective Date, which term may be extended by written agreement of City, RDA, and Master Developer.

2.6 Development of Property. The development of the Property shall be in accordance with City's Current Laws, City's Future Laws (to the extent that they apply as allowed by this Agreement) and this Agreement. City and RDA agree that Master Developer shall have the full power and exclusive control of the Property. Nothing in this Agreement shall obligate Master Developer (or its successors) to develop the Property or to develop in any particular order or phase and that Master Developer reserves all discretion to determine whether to develop a particular portion or phase of the Property based upon Master Developer's business judgment. The Property may be developed for all uses allowed by City's Current Laws, including, but not limited to, the Intended Uses.

2.7 Design Requirements. City shall not impose design requirements on buildings, improvements and structures located within the Property other than those required by City's Current Laws.

2.8 Open Space Dedications. No further open space dedications shall be required as a condition of Development Application approval; it being acknowledged by the Parties that prior to entering into this Agreement, and as consideration for creating a natural area to the north of the Property, the Property is located within an area designated by City as suitable for development. So long as there is no residential development within the Property, development within the Property shall not be required to pay open space or park impact fees of any type.

2.9 Recitals and Exhibits. The above recitals and all exhibits hereto are hereby incorporated by reference into this Agreement.

2.10 Separate Development Agreements. Master Developer may elect to propose and enter into separate agreements with City to govern the construction or development of a particular phase or portion of phase within the Property. City agrees to cooperate with the preparation and execution of any such separate agreement with Master Developer.

ARTICLE III ROADS AND UTILITIES

3.1 Roads.

3.1.1 *Major Roads.* The Property includes proposed or existing state roads and City arterial and collector roads. To the extent such roads will be owned by the State of Utah (“State”), the State will be responsible for the acquisition of right of way and development of such roads. Prior to development or acquisition of arterial or collector roads, the City shall provide Master Developer nine (9) months advance notice and an opportunity to consult and comment on any proposed plans to acquire or develop arterial and collector roads. City agrees to cooperate with Master Developer in relocating, modifying or removing planned City arterial and collector roads to the extent a Project Phase necessitates or would be improved by a different road configuration.

3.1.2 *Local Roads.* Subject to Section 3.3, Master Developer shall be responsible for the dedication of right of way and the construction of local roads installed in connection with the development of a Project Phase or portion thereof.

3.1.3 *Heavy Haul Road.* Master Developer may elect to plan, designate and construct, or have constructed, certain roads designed and constructed for heavy loads in connection with the uses contemplated for the Property. If such roads will be public roads, City’s prior approval will be required. The Parties agree in coordinating infrastructure locations to accommodate such roads, which may be public or private roads.

3.1.4 *Road Widths.* City agrees that road right of way and pavement widths for local roads, collector roads, arterial roads and any other public roads shall not exceed the standards applicable to other similar developments within Salt Lake City.

3.1.5 *Drainage Areas.* Master Developer may propose that drainage facilities, including swales, berms and surface facilities for the Project Area, or portion thereof, be located within rights of way, including road rights of way, dedicated to City. City agrees to accept such offers of dedication consistent with City standards; provided that Master Developer provide a

commitment to have such areas as may be located outside of the typical road rights of way cross sections maintained by an owners association or other form of property owner group.

3.2 Culinary Water and Sanitary Sewer Improvements. Master Developer shall be responsible for constructing and installing the requisite service and water and sewer distribution lines and similar improvements within the Property necessary for City to provide culinary water and sewer service to a particular Project Phase. Master Developer shall not be required to install transmission, service or distribution lines (or other significant infrastructure improvements) outside of the Property, or lines within the Property providing capacity for areas outside of the Property beyond City's normal project level requirements; *provided, however*, Master Developer acknowledges that certain areas within the Property may not be developable without the construction of infrastructure improvements outside the Property that would not be paid for by City ("**Offsite Improvements**"). All such Offsite Improvements shall qualify for reimbursement under the term Permitted Improvements, or other reimbursement provision as provided for in this Agreement. The foregoing limitation shall not prohibit Master Developer from installing improvements, including Offsite Improvements, subject to City's approval, for the benefit of areas outside of the Property, or areas leading to the Property, where the costs for such development will be paid for or Master Developer may be reimbursed by Project Area Increment, fees from a pioneering agreement(s), and/or the payment of impact fees.

3.3 Storm Water Improvements. Master Developer shall manage storm water flows within the Property according to the Northwest Quadrant Storm Water Drainage Master Plan or other City-approved Northwest Quadrant master plan. City Agrees to coordinate with Master Developer in advance of approving or amending the Northwest Quadrant Storm Water Drainage Master Plan in a way that will affect the Project Area. City agrees to work with Master Developer to approve storm water systems which account for the large amount of time anticipated that will be required to develop the Property, and to allow the usage of existing drainage areas by Master Developer where possible. City agrees to minimize situations where Master Developer is required to design or construct detention or retention facilities to address storm water flows originating from outside the Property without reimbursement from City or other property owners. Master Developer may be required to provide additional drainage capacity in conveyance channels and associated easements to accommodate pass-through drainage from other properties. Notwithstanding the foregoing, the City may require dedications for storm water drainage within the Property. Any dedications for excess capacity required for flows originating outside of the Project Area shall entitle Master Developer to obtain reimbursement, including under the definition of Permitted Improvements, for the value of the associated land dedications or space set aside for pass-through facilities. City agrees to consider design of drainage systems which incorporate filtering or other methods so a project or property may avoid the costs of designing a system with an oil/water separator, including the installation of swales, bio-filters and other systems best suited for the unique drainage conditions in the Project Area.

3.4 City Services. City agrees that it shall make available (subject to application for service, issuance of applicable permits and payment of connection fees and applicable commodity usage rates) culinary water, sanitary sewer, street light, storm water and other municipal services to the Property. Such services shall be provided to the Property at the same levels of services, on the same terms and at rates as approved by the Salt Lake City Council, which rates may not differ materially from those charged to others in Salt Lake City.

3.5 Installation of Public Improvements. Notwithstanding any other provisions of this Agreement, all improvements to be publically dedicated shall be constructed in compliance with City's Current Laws and this Agreement. For each Project Phase, or portion thereof that is subject to a Development Application, Master Developer may enter into an improvement construction and assurance agreement in a form consistent with State law and City's Current Laws prior to recording the final plat for such phase, *provided, however*, subject to City's Current Laws, Master Developer may elect to install public improvements associated with such phase in coordination with City, and in advance of plat recordation in order to eliminate or reduce the need for providing financial assurances for public improvements within each phase which are completed in advance of dedication.

3.6 City Cooperation. City agrees to cooperate in making available public rights of way and easements for use by utility and service providers to development within the Property. City further agrees to cooperate with Master Developer in efforts to relocate, reconfigure or upgrade canal facilities which cross onto any portion of the Property. Separate agreements under this Section will not require RDA approval.

ARTICLE IV DEVELOPMENT PROCESSES

4.1 Planning Coordination and Approval. City will use reasonable efforts to process any Development Application promptly. Should City's Current Laws allow discretion as to whether a Development Application should be approved by City staff or a public body, City staff shall initially review the Development Application at the staff-level and make a reasonable determination about whether the land use decision can appropriately be made at staff-level. In the event the Development Application is forwarded to a non-staff land use authority, the City will provide notice to the applicant of the reasons for referring the decision to a non-staff land use authority.

4.2 Conditional Use Permits. City agrees that any conditional use permits shall be approved in accordance with State law and City's Current Laws. City agrees further that no land use authority may impose conditions on a conditional use permit which relate to criteria or detrimental impacts not expressly stated in City's Current Laws. No conditional use permit application shall be the subject to more than two public hearings without the express written consent of Master Developer.

4.3 Processing. City shall promptly process Development Applications. In order to ensure that the Development Applications are promptly reviewed and processed, City will use reasonable efforts to designate one or more City Planning Division staff member(s) as principal liaisons/specialists on the Development Applications. These Planning Division staff members will be fully informed on the terms of this Agreement and will facilitate timely review of any Development Applications submitted hereunder.

4.4 Acceptance of Certifications Required for Development Applications. Any Development Application requiring the signature, endorsement, or certification and/or stamping by a person holding a license or professional certification required by the State of Utah in a particular discipline shall be so signed, endorsed, certified or stamped signifying that the contents

of the Development Application comply with the applicable regulatory standards of City. Subject to City's review and confirmation, a Development Application with the foregoing signature, endorsement, certification or stamp shall be deemed to meet the specific standards which are the subject of the opinion or certification. It is not the intent of this Section to preclude the normal process of City's "redlining", commenting on or suggesting alternatives to the proposed designs or specifications in the Development Application.

4.5 City Denial of a Development Application. If City denies a Development Application then City shall provide a written determination advising the applicant of the reasons for denial including specifying the reasons City believes that the Development Application is not consistent with this Agreement. In the event of a denial, City shall notify Master Developer even if Master Developer is not the applicant. The following provisions shall apply to any such denial:

4.5.1 Meet and Confer regarding Development Application Denials. City and applicant shall, within fifteen (15) days of any denial, discuss possible methods of resolving the issues specified in the denial of a Development Application. These discussions will not stay any appeal deadlines, and any party seeking to appeal should file a formal appeal with the City in order to preserve jurisdiction. The Parties may agree to stay the time for a formal appeal hearing on the denial.

4.5.2 City Denials of Development Applications Based on Denials from Non-City Agencies. If City's denial of a Development Application is based on the denial of the Development Application by a non-City agency, applicant shall appeal any such denial through the appropriate procedures for such a decision and not through the processes specified below.

4.6 Mediation of Development Application Denials.

4.6.1 Issues Subject to Mediation. Issues resulting from the City's denial of a Development Application may, upon the concurrence of both Parties, be mediated.

4.6.2 Mediation Process. If City and applicant mutually agree to mediation, the Parties shall attempt within ten (10) business days to appoint a mutually acceptable mediator with knowledge of the issue in dispute. If the Parties are unable to agree on a single acceptable mediator they shall each, within ten (10) business days, appoint their own representative. These two representatives shall, between them, choose the single mediator. Applicant shall pay the fees of the chosen mediator. The chosen mediator shall within fifteen (15) business days, review the positions of the Parties regarding the mediation issue and promptly attempt to mediate the issue between the Parties. If the Parties are unable to reach agreement, the mediator shall notify the Parties in writing of the resolution that the mediator deems appropriate. The mediator's opinion shall not be binding on the Parties.

ARTICLE V TAX INCREMENT REIMBURSEMENT

5.1 CRA Project Area. RDA has established a Project Area Plan which includes the Property and other property in the vicinity of the Property. The Project Area is intended to produce Tax Increment available for the purposes described in this Agreement and the Project Area Plan, including the Permitted Improvements, economic development within the Project Area Plan and

other purposes as set forth in future agreements relating to the development of the Property. Costs incurred by Master Developer in developing, acquiring or installing Permitted Improvements shall be reimbursable from Project Area Increment as more particularly set forth in this Article. RDA's obligations under this Agreement are special limited obligations payable solely from the Tax Increment collected from the Property and generated from property taxes paid on behalf of the Property. RDA shall not expand or modify the Project Area without the written consent of Master Developer.

5.2 Project Area Tax Reimbursement Policy. Within six (6) months after the Effective Date, RDA agrees to adopt a Tax Increment reimbursement policy ("**TI Policy**") for the Project Area. The TI Policy shall include the following provisions:

5.2.1 *Reimbursement Applications.* RDA staff shall review each application for a new reimbursement agreement and forward the application to the RDA Board of Directors ("Board") within thirty (30) days of receipt. The TI Policy will also establish that the Board will use best efforts to consider the application within sixty (60) days of the Board's receipt of the application from RDA staff and to decide the application as soon as reasonably practicable thereafter.

5.2.2 *Reimbursement Triggers and Duration.* Each application for a new reimbursement agreement shall include an estimate of anticipated total future value, projected construction schedule and recommended future assessed value "trigger" for commencing tax increment collection and disbursement. The project area funds collection period for each individual reimbursement period shall be for a period not less than twenty (20) years dating from the day on which the first payment of project area funds is distributed to an agency under an interlocal agreement.

5.2.3 *Mutual Cooperation.* RDA agrees to lead and cooperate with efforts of the Parties to have other taxing entities enter into interlocal and other agreements allocating such taxing entity(ies)' tax increment to RDA for use in the Project Area as described in this Agreement.

5.2.1 *Increment Allocations.* Unless otherwise agreed by RDA and Master Developer in writing, RDA shall allocate Project Area Increment received by RDA as follows:

A. *Administrative Increment.* Ten percent (10%) of the Project Area Increment received by RDA may be used by RDA for the payment of RDA administrative costs ("**Administrative Increment**"), provided however, that if any portion of the Administrative Increment is not spent by the RDA on administrative costs in a given year, the RDA shall reallocate the Administrative Increment to become Area-Wide Increment to be used in accordance with Subsection C below.

B. *Developer's Tax Increment.* Seventy percent (70%) of the Project Area Increment, plus any potential reallocated Affordable Housing Increment, shall be available for reimbursement of Developer's Reimbursable Expenses.

C. *Area-Wide Increment.* Ten percent (10%) of the Project Area Increment shall be available for Project Area-wide improvements, including improvements located

outside of Project Area but which directly benefit or specifically enhance the Project Area in a way that is measurable and not hypothetical or remote.

D. Affordable Housing Increment. Ten percent (10%) of the Project Area Increment shall be used for affordable housing uses as required by State law, *provided, however*, should the state amend Title 17C of the Utah Code to remove the mandatory ten percent (10%) affordable housing requirement applicable to projects such as the Project Area then such increment may be reallocated in RDA's discretion and pursuant to Utah Code 17C.

5.2.2 Assignable. This Agreement or future reimbursement agreements as to any portion of the Project Area may be assigned, in whole or in part, by Master Developer to successors, including Sub-developers, in writing, and subject to RDA's written approval, which approval shall not be unreasonably withheld, delayed, or conditioned. RDA will be bound by the same terms to the assignees.

5.2.3 Separate Reimbursement Agreements. Separate reimbursement agreements shall be approved by the RDA Board of Directors in accordance with this Agreement and will not require City approval.

ARTICLE VI IMPACT FEE REIMBURSEMENT

6.1 Reimbursements/ Impact Fee Plans. City will, within six (6) months of the Effective Date, create a process by which it will commit to reimburse Master Developer from applicable and available impact fees for Master Developer's Reimbursable System Improvement Expenses, which are not paid for by Project Area Increment or a pioneering or other reimbursement agreement. Nothing in the foregoing process shall preclude expenses from being reimbursed from more than one revenue source so long as Master Developer is only reimbursed once for Permitted Improvements or Reimbursable System Improvement Expenses. Master Developer acknowledges that there are currently no City impact fee facilities plans for System Improvements in the Northwest Quadrant that are water, sewer, storm water, or street lighting improvements. City agrees to consult with Master Developer in advance of amending or enacting any impact fee facilities plan(s) which includes improvements to be located within or directly servicing the Project Area.

6.2 Reimbursement Process. City's impact fee reimbursement process for the System Improvements will include the requirement that, should Master Developer elect to construct any System Improvement, Master Developer shall coordinate such construction with City. The impact fee reimbursement process will also require Master Developer to provide City with estimates for the costs of all System Improvements as they are received, which City may include in updating its impact fee facilities plan. The impact fee reimbursement process will include a requirement that Master Developer provide monthly reports to City of all costs incurred by Master Developer in constructing System Improvements and in calculating Reimbursable System Improvement Expenses, and a requirement that City provide Master Developer with reports on impact fees collected upon reasonable request and without requiring Master Developer to file a records request. The impact fee reimbursement process will only be for impact fees collected for roads, police, and

fire under City Code 18.98, *et seq.*, and will not include impact fees collected by the City's Public Utilities Department.

6.3 No Moratorium or Waiver. City shall include the obligations set forth in this Agreement into any subsequently amended or adopted impact fee facilities plan. Should City reduce any impact fees from the amounts set on the date of this Agreement, then City shall deposit a sum equal to the amount of such reduction into each fund for each class or grouping of impact fees at the time of payment to Master Developer hereunder; it being the Parties' intent that the effective amount of the impact fees not be reduced while obligations are outstanding to Master Developer under this Agreement

ARTICLE VII PIONEERING AGREEMENTS AND OTHER METHODS FOR REIMBURSING INFRASTRUCTURE COSTS

7.1 Bonds and Assessment Area. The Parties agree to evaluate and, where feasible, explore the creation of assessment areas and consider the appropriateness of issuing bonds to the extent such actions will facilitate development of the Property in accordance with this Agreement and the Project Area Plan.

7.2 Pioneering Agreements. City and Master Developer shall enter into pioneering agreements for any infrastructure, including System Improvements or Permitted Improvements, where Master Developer and City have mutually determined that a pioneering agreement will facilitate the reimbursement for costs incurred in developing and improving the Property as set forth in such pioneering agreements. Such pioneering agreements shall include provisions requiring others connecting to infrastructure built with excess capacity to pay for their share of such capacity, including construction, and other reasonable costs and expenses incurred in developing the excess capacity. City and Master Developer will include a definition in the pioneering agreements clarifying that "excess capacity" is limited to the cost of upsizing infrastructure. Nothing in a pioneering agreement shall preclude expenses from being reimbursed from more than one revenue source so long as Master Developer is only reimbursed once for Permitted Improvements or Reimbursable System Improvement Expenses.

ARTICLE VIII ANNEXATION AND SUB PROJECTS

8.1 Additional Property. If Master Developer acquires properties immediately adjacent to the Property, Master Developer may elect to include such later acquired properties in this Agreement, subject to City's and RDA's approval, which approval shall not be unreasonably withheld, delayed, or conditioned. Such later acquired properties must be located within the Project Area to be included in this Agreement, which inclusion must comply with Section 5.1 above.

8.2 Sub-developer Agreements. The Parties hereto, or some of them, may enter into separate agreements with Sub-developers or others obtaining rights from Master Developer, provided however that nothing in any separate agreement may conflict with the entitlements and

benefits obtained by Master Developer in this Agreement without the express written consent of Master Developer, or, as applicable, City and/or RDA.

ARTICLE IX ASSIGNMENT AND TRANSFER

9.1 Assignment and Transfer of Development. If Master Developer assigns, transfers, or otherwise conveys the entire Property or any portion thereof to a subsequent owner, and intends to transfer any of the rights and obligations under this Agreement in connection with such transfer, Master Developer shall execute and deliver a “**Transfer Acknowledgment**” in the form attached hereto as **Exhibit B** for the purpose of notifying City of the transfer. Upon delivery of a fully executed Transfer Acknowledgment, the obligations of Master Developer shall automatically be assigned and assumed to the identified assignee and Master Developer shall be released from the obligations that are assumed by the identified assignee.

9.2 Transfer Deeds. Master Developer may make transfers, with or without transferring the rights under this Agreement under Section 9.1 above, in anticipation or furtherance of future land use approvals and development of the Property or a particular portion therein. In accordance with Utah Code § 10-9a-103(57)(c)(v), Master Developer may convey portions of the Project by metes and bounds prior to recordation of a plat of subdivision for such portion and City agrees to execute an acknowledgment on such deeds of conveyance (each a “**Transfer Deed**”) for the purposes of acknowledging only City’s consent to the conveyance by metes and bounds of the real property that is the subject of the applicable Transfer Deed. Master Developer expressly acknowledges that City’s execution of a Transfer Deed shall not in any way be deemed a waiver of the requirement that the property transferred pursuant to such Transfer Deed shall be subject to the approval process set forth in this Agreement or City’s Current Laws.

9.3 Reservation of Reimbursement Rights. Notwithstanding any provision in City’s Current Laws to the contrary, Master Developer reserves unto itself the right to all payments and reimbursements for items constructed within the Property or by Master Developer even if Master Developer sells any portion of the Property to a third-party. Any assignment of the right to receive payments and reimbursements under this Agreement must be in writing, signed by Master Developer, and approved by RDA, and must include specific details regarding the right or amount of reimbursement transferred to a third party. In the event of a transfer of any reimbursement or payment right under this Agreement, both assignor and assignee must provide written notice to RDA and City in accordance with this Agreement. Notwithstanding the foregoing, Master Developer shall not be entitled to retain reimbursements or payments under this Agreement that exceed the actual costs incurred by Master Developer.

ARTICLE X DISPUTE RESOLUTION

10.1 Default. Except as otherwise expressed herein, in the event of a failure by any Party to comply with the commitments set forth herein, within thirty (30) days of written notice of such failure from the other Party, the non-defaulting Party shall have the right to pursue any or all of the following remedies, which right shall be cumulative:

10.1.1 To cure such default or enjoin such violation and otherwise enforce the requirements contained in this Agreement; and

10.1.2 To enforce all rights and remedies available at law and in equity including, but not limited to, injunctive relief, and/or damages.

ARTICLE XI GENERAL MATTERS

11.1 Amendments. Any alteration or change to this Agreement shall be made in a writing executed by Master Developer and City, after approval by City's appropriate executive or legislative bodies. A provision of this Agreement relating to RDA may be amended with the written consent of RDA but RDA need not be a Party to an amendment that does not alter the reimbursement obligations of RDA hereunder. Master Developer need not obtain the written consent of a subsequent owner of a portion of the Property in order to amend this Agreement.

11.2 Exclusion from Moratoria. The Property shall be excluded from any moratorium adopted pursuant to Utah Code § 10-9a-504 unless such a moratorium is found on the record by the City Council to be necessary to avoid jeopardizing a compelling, countervailing public interest.

11.3 No Waiver. Nothing in this Agreement shall be construed as waiving Master Developer's rights under the United States and Utah constitutions, and the land use and development laws of the state of Utah.

11.4 Captions and Construction. This Agreement shall be construed according to its fair and plain meaning and as if prepared by all Parties hereto and shall be interpreted in accordance with Utah law. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates. Furthermore, this Agreement shall be construed so as to effectuate the public purposes, objectives and benefits set forth herein. As used in this Agreement, the words "include" and "including" shall mean "including, but not limited to" and shall not be interpreted to limit the generality of the terms preceding such word. To the extent a general provision of City's Current Laws or Future Laws, or any other law, conflicts with a specific provision of this Agreement or an interpretation necessary to give effect to the Agreement, then this Agreement shall control.

11.5 Laws and Forum. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns, and shall be construed in accordance with Utah law. Any action brought in connection with this Agreement shall be brought in a court of competent jurisdiction located in Salt Lake County, Utah.

11.6 No Third Party Rights. Unless otherwise specifically provided herein, the obligations of the Parties set forth in this Agreement shall not create any rights in or obligations to any other persons or third parties.

11.7 Force Majeure. Any prevention, delay or stoppage of the performance of any obligation under this Agreement which is due to strikes; labor disputes; inability to obtain labor, materials, equipment or reasonable substitutes therefor; acts of nature; governmental restrictions,

regulations or controls; judicial orders; enemy or hostile government actions; wars; civil commotions; fires, floods, earthquakes or other casualties or other causes beyond the reasonable control of the Party obligated to perform hereunder shall excuse performance of the obligation by that Party for a period equal to the duration of that prevention, delay or stoppage. Any Party seeking relief under the provisions of this section must have notified the other Party in writing of a force majeure event within thirty (30) days following occurrence of the claimed force majeure event.

11.8 Notices. All notices shall be in writing and shall be deemed to have been sufficiently given or served when presented personally, or delivered by a reputable overnight courier that keeps receipts of delivery (such as UPS or Federal Express), or when deposited in the United States mail, by registered or certified mail, addressed as follows:

City: Salt Lake City
451 South State Street
Salt Lake City, UT 84111
Attention: City Recorder

With a copy to: Salt Lake City
Office of the City Attorney
451 South State Street
Salt Lake City, UT 84111
Attention: City Attorney

RDA: Salt Lake City Redevelopment Agency
451 South State Street
Salt Lake City, UT 84111
Attention: Chief Administrative Officer

With a copy to: Salt Lake City
Office of the City Attorney
451 South State Street
Salt Lake City, UT 84111
Attention: Chief Counsel, RDA

Master Developer: Kennecott Utah Copper LLC
4700 Daybreak Parkway
South Jordan, Utah 84009
Attn: John Birkinshaw

With a copy to: Parsons Behle & Latimer
201 South Main Street, Suite 1800
Salt Lake City, Utah 84111
Attn: Kerry L. Owens

Such addresses may be changed by notice to the other Party given in the same manner as above provided. Any notice given hereunder shall be deemed given as of the date delivered or mailed.

11.9 Entire Agreement. This Agreement, together with documents and all regulatory approvals given by City for the Property, contain and constitute the entire agreement of the Parties with respect to the subject matter hereof and supersede any prior promises, representations, warranties, inducements or understandings between the Parties which are not contained in such agreements, regulatory approvals and related conditions. It is expressly agreed by the Parties that this Agreement and additional planned agreements between Master Developer and City, or between Master Developer and RDA, as contemplated and referred to elsewhere in this Agreement, are intended to and shall govern and facilitate the development of the Property.

11.10 Termination. If not timely rescinded in accordance with Section 2.2.1. above, this Agreement shall terminate upon the first of the following to occur: (i) mutual written agreement of the Parties, (ii) Buildout, or (iii) forty (40) years after the Effective Date, unless extended by in writing by City, RDA, and Master Developer, whichever occurs first.

11.11 Further Action. The Parties hereby agree to execute and deliver such additional documents and to take all further actions as may become necessary or desirable to fully carry out the provisions and intent of this Agreement.

11.12 Agreement Runs with the Land. This Agreement shall be recorded against the Property as described in the Exhibit A. The agreements contained herein shall be deemed to run with the land and shall be binding on and shall inure to the benefit of all successors in ownership of the Property. Successors in title are on record notice of the provisions of this Agreement. Notwithstanding the foregoing, each successor in interest shall accede only to the benefits and burdens of this Agreement pursuant to an assignment by Master Developer which pertain to that specific portion of the Property to which such successor holds fee title or leasehold estate, and shall not be deemed to be the "Master Developer" or a third party beneficiary of any of the rights, interests, or benefits relating to other portions of the Property. The provisions, responsibilities and benefits relating or appertaining to a specific portion of the Property may be assigned to such portion of the Property, or owner thereof, by specific written instrument executed by Master Developer and approved by City and RDA, which approval shall not be unreasonably withheld, delayed, or conditioned.

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

11.14 Representation Regarding Ethics. Master Developer represents and warrants that it has not: (1) provided an illegal gift or payoff to a City officer or employee or former City officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

IN WITNESS WHEREOF, the Parties have executed this Development Agreement on January ___, 2018.

CITY:

SALT LAKE CITY CORPORATION, a Utah municipal corporation

ATTEST:

Jacqueline M. Biskupski, Mayor

Cindi Mansell, City Recorder

Approved as to form:
Salt Lake City Attorney's Office

E. Russell Vetter

ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this ____ day of January, 2018, before the undersigned notary public in and for the said state, personally appeared Jacqueline M. Biskupski, known or identified to me to be the Mayor of Salt Lake City, who executed the foregoing instrument on behalf of said City and acknowledged to me that said City executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

RDA:

**REDEVELOPMENT AGENCY OF SALT
LAKE CITY, a public entity:**

Jacqueline M. Biskupski, Executive Director

Approved as to form:
Salt Lake City Attorney's Office

Katherine N. Lewis

ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this ____ day of January, 2018, before the undersigned notary public in and for the said state, personally appeared Jacqueline M. Biskupski, known or identified to me to be the Executive Director of the Redevelopment Agency of Salt Lake City, and who executed the foregoing instrument on behalf of said Redevelopment Agency of Salt Lake City and acknowledged to me that said Redevelopment Agency of Salt Lake City executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

MASTER DEVELOPER:

KENNECOTT UTAH COPPER LLC, a Utah limited liability company

By: _____
Its: _____

ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this ____ day of January, 2018, before the undersigned notary public in and for the said state, personally appeared _____, known or identified to me to be the _____ of **KENNECOTT UTAH COPPER LLC**, a Utah limited liability company, and the person who executed the foregoing instrument and acknowledged to me that said company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

EXHIBIT A
[Legal Description of the Property]

DRAFT

EXHIBIT B

[Form of Transfer Acknowledgment]

DRAFT

RESOLUTION _____ OF 2018

Authorizing approval of a Development Agreement between Salt Lake City Corporation, the Redevelopment Agency of Salt Lake City, and NWQ, LLC, a Utah limited liability company

WHEREAS, NWQ, LLC, a Utah limited liability company (“Developer”) owns certain real property (“Property”) located within the Northwest Quadrant Project Area created by the Redevelopment Agency of Salt Lake City (“RDA”).

WHEREAS, the RDA, Salt Lake City Corporation (“City”), and Developer have negotiated a development agreement (“Development Agreement”) which will, among other things, vest Developer in the zoning as it currently exists on the Property, and facilitate a process for Developer to apply for tax increment reimbursement from the Agency as the Property is developed.

WHEREAS, City desires to execute the Development Agreement with Developer and RDA.

THEREFORE, BE IT RESOLVED, by the City Council of Salt Lake City, Utah as follows:

1. It does hereby approve the execution and delivery of the following:

DEVELOPMENT AGREEMENT BETWEEN SALT LAKE CITY CORPORATION, REDEVELOPMENT AGENCY OF SALT LAKE CITY, AND NWQ, LLC, EFFECTIVE ON THE DATE IT IS SIGNED BY ALL PARTIES.

2. Jacqueline M. Biskupski, Mayor of Salt Lake City, Utah or her designee is hereby authorized to approve, execute, and deliver said agreement on behalf of Salt Lake City Corporation, in substantially the same form as now before the City Council and attached hereto as **Exhibit A**, subject to such minor changes that do not materially affect the rights and obligations of the City thereunder and as shall be approved by the Mayor, her execution thereof to constitute conclusive evidence of such approval.

PASSED by the City Council of Salt Lake City this _____ day of _____, 2018.

SALT LAKE CITY COUNCIL

CHAIRPERSON

ATTEST:

CITY RECORDER

APPROVED AS TO FORM:
Salt Lake City Attorney's Office



Katherine N. Lewis

HB_ATTYY-#66298-v1-City_Resolution_NWQ_Development_Agreement_(NWQ_LLC).docx

EXHIBIT A

[Attach Form of Development Agreement]

**Recording Requested By and
When Recorded Return to:**
Salt Lake City Corporation
Attn: _____
451 South State Street
Salt Lake City, UT 84111

Parcel Nos. _____

**MASTER DEVELOPMENT AND
REIMBURSEMENT AGREEMENT**
Northwest Quadrant (West)

This Master Development and Reimbursement Agreement (this “**Agreement**”) is made and entered into and made effective as of the date this Agreement is recorded by the City Recorder (“**Effective Date**”) by and among **SALT LAKE CITY CORPORATION**, a Utah municipal corporation (“**City**”); the **REDEVELOPMENT AGENCY OF SALT LAKE CITY**, a public entity (“**RDA**”); and **NWQ, LLC**, a Utah limited liability company (“**Master Developer**”). City, RDA and Master Developer may from time to time be referred to herein each as a “**Party**” or collectively as the “**Parties**.”

RECITALS

A. Master Developer is the record owner of approximately 1,516 acres of lands located in Salt Lake County, Utah, which are more particularly described on the attached **Exhibit A** (the “**Property**”). The Property is located within an area of Salt Lake City known as the Northwest Quadrant.

B. Master Developer is engaged in planning a large scale, master planned logistics center, industrial and warehousing system and series of projects within portions of the Property, and areas located near the Property.

C. A significant component of the development of the Property is the installation of an infrastructure network in, around and near the Property to facilitate the development of the Intended Uses.

D. Infrastructure planned for the area will require close coordination between property owners, users and public and private service providers and will include rail and road improvements, along with utilities and other improvements reasonable, necessary and useful for the development of the Property.

E. To support the development of the Property and the development of areas within City’s jurisdiction, on January 9, 2018, RDA and City created and approved the Northwest Quadrant Community Reinvestment Project Area (the “**Project Area**”) under Utah Code 17C-5-101, *et seq.*

F. The Project Area includes the Property as well as a neighboring property owned by Kennecott Utah Copper LLC, a Utah limited liability company and other properties.

G. Under Utah Code Title 17C, RDA is entitled to receive certain Tax Increment from the Project Area.

H. City and RDA have executed an interlocal agreement whereby a portion of the Tax Increment received by City shall be paid to RDA for use in accordance with this Agreement, the Project Area Plan, and separate reimbursement agreements entered into between RDA and property owners, including Master Developer.

I. This Agreement provides the core approvals and commitments that will facilitate the commencement of development within the Property and provide a basis for future agreements governing the development of the Property, construction of infrastructure and the reimbursement of costs.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I DEFINITIONS

1.1 Definitions.

1.1.1 “*Buildout*” means the completion of all development in the Property.

1.1.2 “*City’s Current Laws*” means all laws, ordinances, policies, standards, guidelines, directives, procedures and processing fee schedules of City in effect as of the date of this Agreement.

1.1.3 “*City’s Future Laws*” means the laws, ordinances, policies, standards, guidelines, directives, procedures and processing fee schedules of City which may be in effect in the future at any time when a Development Application is submitted and which may or may not apply to such Development Application based upon the terms of this Agreement.

1.1.4 “*Developer’s Reimbursable Expenses*” means costs incurred by Master Developer or its assigns for the construction of Permitted Improvements.

1.1.5 “*Development Application*” means an application to City for development of a portion of the Property, including, but not limited to applications for site plan, subdivision, building permit or other permit, certificate or authorization from City required for development of the Property.

1.1.6 “*Intended Uses*” means the use of all or portions of the Property for warehouses, logistic centers, intermodal transfer facilities, offices, rail freight terminal facilities,

storage facilities, light manufacturing and supporting or facilitating uses allowed under City's Current Laws.

1.1.7 “*Master Developer*” means NWQ LLC, or its successors and assigns.

1.1.8 “*Offsite Improvements*” shall have the meaning given in Section 3.2 below.

1.1.9 “*Permitted Improvements*” means site improvements; road infrastructure, bridges over and under passes and including heavy haul roads described below; remediation or containment of environmental conditions; water and sewer improvements; storm water improvements; dedications of land for excess capacity in System Improvements or excess capacity in improvements accommodating uses outside of the Project Area; Offsite Improvements; utility infrastructure of every type including, but not limited to, electric, gas, fiber, communications; rail infrastructure; street lighting; developer incentives to facilitate and attract development to the Northwest Quadrant Project Area that has a positive impact for Salt Lake City, including projects that increase property tax value, provide high paying jobs, attract prominent tenants, promote green building standards or encourage good planning design; and other uses as agreed to by RDA and Master Developer in future agreements.

1.1.10 “*Project Area*” means the Northwest Quadrant Community Reinvestment Project Area as may be expanded or modified.

1.1.11 “*Project Area Increment*” shall mean the Tax Increment received by the RDA pursuant to an interlocal agreement executed with any applicable taxing entities in the Project Area, including the interlocal agreement executed January 9, 2018 with City.

1.1.12 “*Project Area Plan*” means the plan for the Project Area approved by RDA and City on January 9, 2018.

1.1.13 “*Project Phase*” means an area designated by Master Developer for development of a particular phase or portion of the Property.

1.1.14 “*Property*” means the real property described on Exhibit A.

1.1.15 “*Reimbursable System Improvement Expenses*” means costs and expenses, as approved by City, incurred by Master Developer, or its contractors or those working on its behalf, in acquiring or dedicating right of way for the location of System Improvements and the construction of System Improvements.

1.1.16 “*Sub Area Plan*” means a plan for a portion of the Property, or Project Area, as may be established by RDA.

1.1.17 “*Sub-developer*” means an owner of development parcel within the Property which is not the Master Developer, or an affiliate of Master Developer.

1.1.18 “*System Improvements*” means improvements included in City's impact fee facility plan now or in the future and are located within or facilitate development of the Property and other properties.

1.1.19 “*Tax Increment*” shall have the same meaning set forth in Utah Code § 17C-1-102(60) which is:

. . . the difference between:

(i) the amount of property tax revenue generated each tax year by a taxing entity from the area within a project area designated in the project area plan as the area from which tax increment is to be collected, using the current assessed value of the property; and (ii) the amount of property tax revenue that would be generated from that same area using the base taxable value of the property.

1.1.20 “*Transfer Acknowledgment*” means an acknowledgment in the form attached hereto as **Exhibit B**.

1.1.21 “*Transfer Deed*” has the meaning set forth in Section 9.2.

ARTICLE II CITY APPROVALS AND VESTING

2.1 City Approval. City and RDA enter into this Agreement after taking all necessary actions to enter into the agreements and understandings set forth herein. City’s enactment of the resolution approving this Agreement, and entering into this Agreement, are legislative acts allowed and authorized by Utah Code § 10-9a-101, *et seq.*, including specifically Utah Code § 10-9a-102(2).

2.2 Project Vesting. To the maximum extent permissible under state and federal law, and at equity, City and Master Developer agree that this Agreement confirms that Master Developer is vested with all rights to develop the Property in accordance with City’s Current Laws without modification or change by the City except as specifically provided herein. By way of further clarification, Master Developer is vested with the right to develop and locate on the Property the uses and densities including, without limitation, the Intended Uses, and to develop in accordance with dimensional requirements as allowed by City’s Current Laws. The Property is also vested with access to all City roads, described below, which adjoin or traverse any portion of the Property. The Parties intend that the rights granted to Master Developer hereunder are contractual vested rights and include the rights that exist as of the Effective Date under statute, common law and at equity. The Parties acknowledge and agree this Agreement provides significant and valuable rights, benefits, and interests in favor of Master Developer and the Property, including, but not limited to, certain vested rights, development rights, permitted and conditional uses (including for industrial and commercial uses), potential rights for new improvements, facilities, and infrastructure, as well as flexible timing, sequencing, and phasing rights to assist in the development of the Property. To the extent the City Council adopts that certain land use ordinance known as Ordinance No. ____, Inland Port in Manufacturing Zones Text Amendment, Petition #PLNPCM2017-01038 (“**Text Amendment**”), such Text Amendment shall become included in the City’s Current Laws and Master Developer shall automatically be vested in the Text Amendment without further action or approval by the City.

2.2.1 *Rescission Option.* To the extent Master Developer has executed this Agreement in advance of City approval of the Text Amendment, and if the Text Amendment is not enacted in a form reasonably satisfactory to Master Developer by February 28, 2018, then Master Developer may deliver notice of rescission to City and RDA to terminate this Agreement. Any such rescission notice must be delivered, if at all, no later than March 14, 2018. Upon Master Developer's delivery of notice of rescission pursuant to this Section, this Agreement shall automatically terminate whereupon the Parties shall have no further rights or obligations under this Agreement.

2.2.2 *Invalidity.* If any of the City's Current Laws are declared to be unlawful, unconstitutional or otherwise unenforceable then Master Developer will, nonetheless comply with the terms of this Agreement to the extent not precluded by law. In such an event, Master Developer and City shall cooperate to have City adopt a new enactment which is materially similar to any such stricken provisions and which implements the intent of the Parties under this Agreement.

2.2.3 *City's Future Laws.* City's Future Laws with respect to development or use of the Property shall not apply except as follows:

A. City's Future Laws that Master Developer agrees in writing to the application thereof to the Property;

B. City's Future Laws which are generally applicable to all properties in the City's jurisdiction and which are required to comply with State and Federal laws and regulations affecting the Property;

C. City's Future Laws that are updates or amendments to existing building, plumbing, mechanical, electrical, dangerous buildings, or similar construction or safety related codes, such as the International Building Code, the APWA Specifications, AAHSTO Standards, the Manual of Uniform Traffic Control Devices or similar standards that are generated by a nationally or statewide recognized construction/safety organization, or by the State or Federal governments and are required to meet legitimate concerns related to public health, safety or welfare;

D. City's Future Laws that are health and environmental standards based on the City's obligations to comply with Federal or State environmental laws;

E. Taxes, or modifications thereto, so long as such taxes are lawfully imposed and charged uniformly by the City to all properties, applications, persons and entities similarly situated;

F. Changes to the amounts of fees (but not changes to the times provided in the City's Current Laws for the imposition or collection of such fees) for the processing of Development Applications that are generally applicable to all development within City's jurisdiction (or a portion of the City as specified in the lawfully adopted fee schedule) and which are lawfully adopted pursuant to State law; or

G. Impact fees or modifications thereto which are lawfully adopted, imposed and collected.

2.2.4 Applications Under City's Future Laws. Without waiving any rights granted or benefits imparted by this Agreement, Master Developer may at any time, choose to submit a Development Application for some or all of the Property under the City's Future Laws in effect at the time of the Development Application. Any Development Application filed for consideration under the City's Future Laws shall be governed by all portions of the City's Future Laws related to the Development Application. The election by Master Developer at any time to submit a Development Application under the City's Future Laws shall not be construed to prevent or limit Master Developer from submitting and relying for other Development Applications on the City's Current Laws.

2.3 Change in Law/Non-Conforming Uses. For the term of this Agreement, City agrees that any City's Future Law shall not apply to the Property where the application would impair or impede development, or eliminate or reclassify a use allowed under City's Current Laws. To the extent any change in law causes a use, structure or parcel to become non-conforming, such non-conforming status shall not impair, impede or prohibit the development of previously approved uses, reconstruction or restoration of developed uses, or the extension of such uses on parcels within the Property. If a City's Future Law applies to any portion of the Property under Section 2.2 above, it shall only apply as may be necessary to meet a legitimate governmental interest and then only to the minimum extent needed to meet such legitimate governmental interest.

2.4 Most Favored Nation. Should any property immediately adjacent to the Property or the Project Area (excluding road rights of way, including interstates) receive a zoning use or development entitlement not included in City's Current Laws, and which use or entitlement could facilitate development within the Project Area, City agrees to cooperate with Master Developer to promptly obtain the same use or entitlements for the Property.

2.5 Term. The initial term of this Agreement shall be forty (40) years beginning on the Effective Date, which term may be extended by written agreement of City, RDA, and Master Developer.

2.6 Development of Property. The development of the Property shall be in accordance with City's Current Laws, City's Future Laws (to the extent that they apply as allowed by this Agreement) and this Agreement. City and RDA agree that Master Developer shall have the full power and exclusive control of the Property. Nothing in this Agreement shall obligate Master Developer (or its successors) to develop the Property or to develop in any particular order or phase and that Master Developer reserves all discretion to determine whether to develop a particular portion or phase of the Property based upon Master Developer's business judgment. The Property may be developed for all uses allowed by City's Current Laws, including, but not limited to, the Intended Uses.

2.7 Design Requirements. City shall not impose design requirements on buildings, improvements and structures located within the Property other than those required by City's Current Laws.

2.8 Open Space Dedications. No further open space dedications shall be required as a condition of Development Application approval; it being acknowledged by the Parties that prior to entering into this Agreement, and as consideration for creating a natural area to the north of the

Property, the Property is located within an area designated by City as suitable for development. So long as there is no residential development within the Property, development within the Property shall not be required to pay open space or park impact fees of any type.

2.9 Recitals and Exhibits. The above recitals and all exhibits hereto are hereby incorporated by reference into this Agreement.

2.10 Separate Development Agreements. Master Developer may elect to propose and enter into separate agreements with City to govern the construction or development of a particular phase or portion of phase within the Property. City agrees to cooperate with the preparation and execution of any such separate agreement with Master Developer.

ARTICLE III ROADS AND UTILITIES

3.1 Roads.

3.1.1 *Major Roads.* The Property includes proposed or existing state roads and City arterial and collector roads. To the extent such roads will be owned by the State of Utah (“**State**”), the State will be responsible for the acquisition of right of way and development of such roads. Prior to development or acquisition of arterial or collector roads, the City shall provide Master Developer nine (9) months advance notice and an opportunity to consult and comment on any proposed plans to acquire or develop arterial and collector roads. City agrees to cooperate with Master Developer in relocating, modifying or removing planned City arterial and collector roads to the extent a Project Phase necessitates or would be improved by a different road configuration.

3.1.2 *Local Roads.* Subject to Section 3.3, Master Developer shall be responsible for the dedication of right of way and the construction of local roads installed in connection with the development of a Project Phase or portion thereof.

3.1.3 *Heavy Haul Road.* Master Developer may elect to plan, designate and construct, or have constructed, certain roads designed and constructed for heavy loads in connection with the uses contemplated for the Property. If such roads will be public roads, City’s prior approval will be required. The Parties agree in coordinating infrastructure locations to accommodate such roads, which may be public or private roads.

3.1.4 *Road Widths.* City agrees that road right of way and pavement widths for local roads, collector roads, arterial roads and any other public roads shall not exceed the standards applicable to other similar developments within Salt Lake City.

3.1.5 *Drainage Areas.* Master Developer may propose that drainage facilities, including swales, berms and surface facilities for the Project Area, or portion thereof, be located within rights of way, including road rights of way, dedicated to City. City agrees to accept such offers of dedication consistent with City standards; provided that Master Developer provide a commitment to have such areas as may be located outside of the typical road rights of way cross sections maintained by an owners association or other form of property owner group.

3.2 Culinary Water and Sanitary Sewer Improvements. Master Developer shall be responsible for constructing and installing the requisite service and water and sewer distribution lines and similar improvements within the Property necessary for City to provide culinary water and sewer service to a particular Project Phase. Master Developer shall not be required to install transmission, service or distribution lines (or other significant infrastructure improvements) outside of the Property, or lines within the Property providing capacity for areas outside of the Property beyond City's normal project level requirements; *provided, however*, Master Developer acknowledges that certain areas within the Property may not be developable without the construction of infrastructure improvements outside the Property that would not be paid for by City ("**Offsite Improvements**"). All such Offsite Improvements shall qualify for reimbursement under the term Permitted Improvements, or other reimbursement provision as provided for in this Agreement. The foregoing limitation shall not prohibit Master Developer from installing improvements, including Offsite Improvements, subject to City's approval, for the benefit of areas outside of the Property, or areas leading to the Property, where the costs for such development will be paid for or Master Developer may be reimbursed by Project Area Increment, fees from a pioneering agreement(s), and/or the payment of impact fees.

3.3 Storm Water Improvements. Master Developer shall manage storm water flows within the Property according to the Northwest Quadrant Storm Water Drainage Master Plan or other City-approved Northwest Quadrant master plan. City Agrees to coordinate with Master Developer in advance of approving or amending the Northwest Quadrant Storm Water Drainage Master Plan in a way that will affect the Project Area. City agrees to work with Master Developer to approve storm water systems which account for the large amount of time anticipated that will be required to develop the Property, and to allow the usage of existing drainage areas by Master Developer where possible. City agrees to minimize situations where Master Developer is required to design or construct detention or retention facilities to address storm water flows originating from outside the Property without reimbursement from City or other property owners. Master Developer may be required to provide additional drainage capacity in conveyance channels and associated easements to accommodate pass-through drainage from other properties. Notwithstanding the foregoing, the City may require dedications for storm water drainage within the Property. Any dedications for excess capacity required for flows originating outside of the Project Area shall entitle Master Developer to obtain reimbursement, including under the definition of Permitted Improvements, for the value of the associated land dedications or space set aside for pass-through facilities. City agrees to consider design of drainage systems which incorporate filtering or other methods so a project or property may avoid the costs of designing a system with an oil/water separator, including the installation of swales, bio-filters and other systems best suited for the unique drainage conditions in the Project Area.

3.4 City Services. City agrees that it shall make available (subject to application for service, issuance of applicable permits and payment of connection fees and applicable commodity usage rates) culinary water, sanitary sewer, street light, storm water and other municipal services to the Property. Such services shall be provided to the Property at the same levels of services, on the same terms and at rates as approved by the Salt Lake City Council, which rates may not differ materially from those charged to others in Salt Lake City.

3.5 Installation of Public Improvements. Notwithstanding any other provisions of this Agreement, all improvements to be publically dedicated shall be constructed in compliance with

City's Current Laws and this Agreement. For each Project Phase, or portion thereof that is subject to a Development Application, Master Developer may enter into an improvement construction and assurance agreement in a form consistent with State law and City's Current Laws prior to recording the final plat for such phase, *provided, however*, subject to City's Current Laws, Master Developer may elect to install public improvements associated with such phase in coordination with City, and in advance of plat recordation in order to eliminate or reduce the need for providing financial assurances for public improvements within each phase which are completed in advance of dedication.

3.6 City Cooperation. City agrees to cooperate in making available public rights of way and easements for use by utility and service providers to development within the Property. City further agrees to cooperate with Master Developer in efforts to relocate, reconfigure or upgrade canal facilities which cross onto any portion of the Property. Separate agreements under this Section will not require RDA approval.

ARTICLE IV DEVELOPMENT PROCESSES

4.1 Planning Coordination and Approval. City will use reasonable efforts to process any Development Application promptly. Should City's Current Laws allow discretion as to whether a Development Application should be approved by City staff or a public body, City staff shall initially review the Development Application at the staff-level and make a reasonable determination about whether the land use decision can appropriately be made at staff-level. In the event the Development Application is forwarded to a non-staff land use authority, the City will provide notice to the applicant of the reasons for referring the decision to a non-staff land use authority.

4.2 Conditional Use Permits. City agrees that any conditional use permits shall be approved in accordance with State law and City's Current Laws. City agrees further that no land use authority may impose conditions on a conditional use permit which relate to criteria or detrimental impacts not expressly stated in City's Current Laws. No conditional use permit application shall be the subject to more than two public hearings without the express written consent of Master Developer.

4.3 Processing. City shall promptly process Development Applications. In order to ensure that the Development Applications are promptly reviewed and processed, City will use reasonable efforts to designate one or more City Planning Division staff member(s) as principal liaisons/specialists on the Development Applications. These Planning Division staff members will be fully informed on the terms of this Agreement and will facilitate timely review of any Development Applications submitted hereunder.

4.4 Acceptance of Certifications Required for Development Applications. Any Development Application requiring the signature, endorsement, or certification and/or stamping by a person holding a license or professional certification required by the State of Utah in a particular discipline shall be so signed, endorsed, certified or stamped signifying that the contents of the Development Application comply with the applicable regulatory standards of City. Subject to City's review and confirmation, a Development Application with the foregoing signature,

endorsement, certification or stamp shall be deemed to meet the specific standards which are the subject of the opinion or certification. It is not the intent of this Section to preclude the normal process of City's "redlining", commenting on or suggesting alternatives to the proposed designs or specifications in the Development Application.

4.5 City Denial of a Development Application. If City denies a Development Application then City shall provide a written determination advising the applicant of the reasons for denial including specifying the reasons City believes that the Development Application is not consistent with this Agreement. In the event of a denial, City shall notify Master Developer even if Master Developer is not the applicant. The following provisions shall apply to any such denial:

4.5.1 Meet and Confer regarding Development Application Denials. City and applicant shall, within fifteen (15) days of any denial, discuss possible methods of resolving the issues specified in the denial of a Development Application. These discussions will not stay any appeal deadlines, and any party seeking to appeal should file a formal appeal with the City in order to preserve jurisdiction. The Parties may agree to stay the time for a formal appeal hearing on the denial.

4.5.2 City Denials of Development Applications Based on Denials from Non-City Agencies. If City's denial of a Development Application is based on the denial of the Development Application by a non-City agency, applicant shall appeal any such denial through the appropriate procedures for such a decision and not through the processes specified below.

4.6 Mediation of Development Application Denials.

4.6.1 Issues Subject to Mediation. Issues resulting from the City's denial of a Development Application may, upon the concurrence of both Parties, be mediated.

4.6.2 Mediation Process. If City and applicant mutually agree to mediation, the Parties shall attempt within ten (10) business days to appoint a mutually acceptable mediator with knowledge of the issue in dispute. If the Parties are unable to agree on a single acceptable mediator they shall each, within ten (10) business days, appoint their own representative. These two representatives shall, between them, choose the single mediator. Applicant shall pay the fees of the chosen mediator. The chosen mediator shall within fifteen (15) business days, review the positions of the Parties regarding the mediation issue and promptly attempt to mediate the issue between the Parties. If the Parties are unable to reach agreement, the mediator shall notify the Parties in writing of the resolution that the mediator deems appropriate. The mediator's opinion shall not be binding on the Parties.

ARTICLE V TAX INCREMENT REIMBURSEMENT

5.1 CRA Project Area. RDA has established a Project Area Plan which includes the Property and other property in the vicinity of the Property. The Project Area is intended to produce Tax Increment available for the purposes described in this Agreement and the Project Area Plan, including the Permitted Improvements, economic development within the Project Area Plan and other purposes as set forth in future agreements relating to the development of the Property. Costs incurred by Master Developer in developing, acquiring or installing Permitted Improvements shall

be reimbursable from Project Area Increment as more particularly set forth in this Article. RDA's obligations under this Agreement are special limited obligations payable solely from the Tax Increment collected from the Property and generated from property taxes paid on behalf of the Property. RDA shall not expand or modify the Project Area without the written consent of Master Developer.

5.2 Project Area Tax Reimbursement Policy. Within six (6) months after the Effective Date, RDA agrees to adopt a Tax Increment reimbursement policy ("**TI Policy**") for the Project Area. The TI Policy shall include the following provisions:

5.2.1 *Reimbursement Applications.* RDA staff shall review each application for a new reimbursement agreement and forward the application to the RDA Board of Directors ("Board") within thirty (30) days of receipt. The TI Policy will also establish that the Board will use best efforts to consider the application within sixty (60) days of the Board's receipt of the application from RDA staff and to decide the application as soon as reasonably practicable thereafter.

5.2.2 *Reimbursement Triggers and Duration.* Each application for a new reimbursement agreement shall include an estimate of anticipated total future value, projected construction schedule and recommended future assessed value "trigger" for commencing tax increment collection and disbursement. The project area funds collection period for each individual reimbursement period shall be for a period not less than twenty (20) years dating from the day on which the first payment of project area funds is distributed to an agency under an interlocal agreement.

5.2.3 *Mutual Cooperation.* RDA agrees to lead and cooperate with efforts of the Parties to have other taxing entities enter into interlocal and other agreements allocating such taxing entity(ies)' tax increment to RDA for use in the Project Area as described in this Agreement.

5.2.1 *Increment Allocations.* Unless otherwise agreed by RDA and Master Developer in writing, RDA shall allocate Project Area Increment received by RDA as follows:

A. *Administrative Increment.* Ten percent (10%) of the Project Area Increment received by RDA may be used by RDA for the payment of RDA administrative costs ("**Administrative Increment**"), provided however, that if any portion of the Administrative Increment is not spent by the RDA on administrative costs in a given year, the RDA shall reallocate the Administrative Increment to become Area-Wide Increment to be used in accordance with Subsection C below.

B. *Developer's Tax Increment.* Seventy percent (70%) of the Project Area Increment, plus any potential reallocated Affordable Housing Increment, shall be available for reimbursement of Developer's Reimbursable Expenses.

C. *Area-Wide Increment.* Ten percent (10%) of the Project Area Increment shall be available for Project Area-wide improvements, including improvements located outside of Project Area but which directly benefit or specifically enhance the Project Area in a way that is measurable and not hypothetical or remote.

D. Affordable Housing Increment. Ten percent (10%) of the Project Area Increment shall be used for affordable housing uses as required by State law, *provided, however*, should the state amend Title 17C of the Utah Code to remove the mandatory ten percent (10%) affordable housing requirement applicable to projects such as the Project Area then such increment may be reallocated in RDA's discretion and pursuant to Utah Code 17C.

5.2.2 Assignable. This Agreement or future reimbursement agreements as to any portion of the Project Area may be assigned, in whole or in part, by Master Developer to successors, including Sub-developers, in writing, and subject to RDA's written approval, which approval shall not be unreasonably withheld, delayed, or conditioned. RDA will be bound by the same terms to the assignees.

5.2.3 Separate Reimbursement Agreements. Separate reimbursement agreements shall be approved by the RDA Board of Directors in accordance with this Agreement and will not require City approval.

ARTICLE VI IMPACT FEE REIMBURSEMENT

6.1 Reimbursements/ Impact Fee Plans. City will, within six (6) months of the Effective Date, create a process by which it will commit to reimburse Master Developer from applicable and available impact fees for Master Developer's Reimbursable System Improvement Expenses, which are not paid for by Project Area Increment or a pioneering or other reimbursement agreement. Nothing in the foregoing process shall preclude expenses from being reimbursed from more than one revenue source so long as Master Developer is only reimbursed once for Permitted Improvements or Reimbursable System Improvement Expenses. Master Developer acknowledges that there are currently no City impact fee facilities plans for System Improvements in the Northwest Quadrant that are water, sewer, storm water, or street lighting improvements. City agrees to consult with Master Developer in advance of amending or enacting any impact fee facilities plan(s) which includes improvements to be located within or directly servicing the Project Area.

6.2 Reimbursement Process. City's impact fee reimbursement process for the System Improvements will include the requirement that, should Master Developer elect to construct any System Improvement, Master Developer shall coordinate such construction with City. The impact fee reimbursement process will also require Master Developer to provide City with estimates for the costs of all System Improvements as they are received, which City may include in updating its impact fee facilities plan. The impact fee reimbursement process will include a requirement that Master Developer provide monthly reports to City of all costs incurred by Master Developer in constructing System Improvements and in calculating Reimbursable System Improvement Expenses, and a requirement that City provide Master Developer with reports on impact fees collected upon reasonable request and without requiring Master Developer to file a records request. The impact fee reimbursement process will only be for impact fees collected for roads, police, and fire under City Code 18.98, *et seq.*, and will not include impact fees collected by the City's Public Utilities Department.

6.3 No Moratorium or Waiver. City shall include the obligations set forth in this Agreement into any subsequently amended or adopted impact fee facilities plan. Should City reduce any impact fees from the amounts set on the date of this Agreement, then City shall deposit a sum equal to the amount of such reduction into each fund for each class or grouping of impact fees at the time of payment to Master Developer hereunder; it being the Parties' intent that the effective amount of the impact fees not be reduced while obligations are outstanding to Master Developer under this Agreement

ARTICLE VII PIONEERING AGREEMENTS AND OTHER METHODS FOR REIMBURSING INFRASTRUCTURE COSTS

7.1 Bonds and Assessment Area. The Parties agree to evaluate and, where feasible, explore the creation of assessment areas and consider the appropriateness of issuing bonds to the extent such actions will facilitate development of the Property in accordance with this Agreement and the Project Area Plan.

7.2 Pioneering Agreements. City and Master Developer shall enter into pioneering agreements for any infrastructure, including System Improvements or Permitted Improvements, where Master Developer and City have mutually determined that a pioneering agreement will facilitate the reimbursement for costs incurred in developing and improving the Property as set forth in such pioneering agreements. Such pioneering agreements shall include provisions requiring others connecting to infrastructure built with excess capacity to pay for their share of such capacity, including construction, and other reasonable costs and expenses incurred in developing the excess capacity. City and Master Developer will include a definition in the pioneering agreements clarifying that "excess capacity" is limited to the cost of upsizing infrastructure. Nothing in a pioneering agreement shall preclude expenses from being reimbursed from more than one revenue source so long as Master Developer is only reimbursed once for Permitted Improvements or Reimbursable System Improvement Expenses.

ARTICLE VIII ANNEXATION AND SUB PROJECTS

8.1 Additional Property. If Master Developer acquires properties immediately adjacent to the Property, Master Developer may elect to include such later acquired properties in this Agreement, subject to City's and RDA's approval, which approval shall not be unreasonably withheld, delayed, or conditioned. Such later acquired properties must be located within the Project Area to be included in this Agreement, which inclusion must comply with Section 5.1 above.

8.2 Sub-developer Agreements. The Parties hereto, or some of them, may enter into separate agreements with Sub-developers or others obtaining rights from Master Developer, provided however that nothing in any separate agreement may conflict with the entitlements and benefits obtained by Master Developer in this Agreement without the express written consent of Master Developer, or, as applicable, City and/or RDA.

ARTICLE IX
ASSIGNMENT AND TRANSFER

9.1 Assignment and Transfer of Development. If Master Developer assigns, transfers, or otherwise conveys the entire Property or any portion thereof to a subsequent owner, and intends to transfer any of the rights and obligations under this Agreement in connection with such transfer, Master Developer shall execute and deliver a “**Transfer Acknowledgment**” in the form attached hereto as **Exhibit B** for the purpose of notifying City of the transfer. Upon delivery of a fully executed Transfer Acknowledgment, the obligations of Master Developer shall automatically be assigned and assumed to the identified assignee and Master Developer shall be released from the obligations that are assumed by the identified assignee.

9.2 Transfer Deeds. Master Developer may make transfers, with or without transferring the rights under this Agreement under Section 9.1 above, in anticipation or furtherance of future land use approvals and development of the Property or a particular portion therein. In accordance with Utah Code § 10-9a-103(57)(c)(v), Master Developer may convey portions of the Project by metes and bounds prior to recordation of a plat of subdivision for such portion and City agrees to execute an acknowledgment on such deeds of conveyance (each a “**Transfer Deed**”) for the purposes of acknowledging only City’s consent to the conveyance by metes and bounds of the real property that is the subject of the applicable Transfer Deed. Master Developer expressly acknowledges that City’s execution of a Transfer Deed shall not in any way be deemed a waiver of the requirement that the property transferred pursuant to such Transfer Deed shall be subject to the approval process set forth in this Agreement or City’s Current Laws.

9.3 Reservation of Reimbursement Rights. Notwithstanding any provision in City’s Current Laws to the contrary, Master Developer reserves unto itself the right to all payments and reimbursements for items constructed within the Property or by Master Developer even if Master Developer sells any portion of the Property to a third-party. Any assignment of the right to receive payments and reimbursements under this Agreement must be in writing, signed by Master Developer, and approved by RDA, and must include specific details regarding the right or amount of reimbursement transferred to a third party. In the event of a transfer of any reimbursement or payment right under this Agreement, both assignor and assignee must provide written notice to RDA and City in accordance with this Agreement. Notwithstanding the foregoing, Master Developer shall not be entitled to retain reimbursements or payments under this Agreement that exceed the actual costs incurred by Master Developer.

ARTICLE X
DISPUTE RESOLUTION

10.1 Default. Except as otherwise expressed herein, in the event of a failure by any Party to comply with the commitments set forth herein, within thirty (30) days of written notice of such failure from the other Party, the non-defaulting Party shall have the right to pursue any or all of the following remedies, which right shall be cumulative:

10.1.1 To cure such default or enjoin such violation and otherwise enforce the requirements contained in this Agreement; and

10.1.2 To enforce all rights and remedies available at law and in equity including, but not limited to, injunctive relief, and/or damages.

ARTICLE XI GENERAL MATTERS

11.1 Amendments. Any alteration or change to this Agreement shall be made in a writing executed by Master Developer and City, after approval by City's appropriate executive or legislative bodies. A provision of this Agreement relating to RDA may be amended with the written consent of RDA but RDA need not be a Party to an amendment that does not alter the reimbursement obligations of RDA hereunder. Master Developer need not obtain the written consent of a subsequent owner of a portion of the Property in order to amend this Agreement.

11.2 Exclusion from Moratoria. The Property shall be excluded from any moratorium adopted pursuant to Utah Code § 10-9a-504 unless such a moratorium is found on the record by the City Council to be necessary to avoid jeopardizing a compelling, countervailing public interest.

11.3 No Waiver. Nothing in this Agreement shall be construed as waiving Master Developer's rights under the United States and Utah constitutions, and the land use and development laws of the state of Utah.

11.4 Captions and Construction. This Agreement shall be construed according to its fair and plain meaning and as if prepared by all Parties hereto and shall be interpreted in accordance with Utah law. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates. Furthermore, this Agreement shall be construed so as to effectuate the public purposes, objectives and benefits set forth herein. As used in this Agreement, the words "include" and "including" shall mean "including, but not limited to" and shall not be interpreted to limit the generality of the terms preceding such word. To the extent a general provision of City's Current Laws or Future Laws, or any other law, conflicts with a specific provision of this Agreement or an interpretation necessary to give effect to the Agreement, then this Agreement shall control.

11.5 Laws and Forum. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns, and shall be construed in accordance with Utah law. Any action brought in connection with this Agreement shall be brought in a court of competent jurisdiction located in Salt Lake County, Utah.

11.6 No Third Party Rights. Unless otherwise specifically provided herein, the obligations of the Parties set forth in this Agreement shall not create any rights in or obligations to any other persons or third parties.

11.7 Force Majeure. Any prevention, delay or stoppage of the performance of any obligation under this Agreement which is due to strikes; labor disputes; inability to obtain labor, materials, equipment or reasonable substitutes therefor; acts of nature; governmental restrictions, regulations or controls; judicial orders; enemy or hostile government actions; wars; civil commotions; fires, floods, earthquakes or other casualties or other causes beyond the reasonable control of the Party obligated to perform hereunder shall excuse performance of the obligation by

that Party for a period equal to the duration of that prevention, delay or stoppage. Any Party seeking relief under the provisions of this section must have notified the other Party in writing of a force majeure event within thirty (30) days following occurrence of the claimed force majeure event.

11.8 Notices. All notices shall be in writing and shall be deemed to have been sufficiently given or served when presented personally, or delivered by a reputable overnight courier that keeps receipts of delivery (such as UPS or Federal Express), or when deposited in the United States mail, by registered or certified mail, addressed as follows:

City: Salt Lake City
451 South State Street
Salt Lake City, UT 84111
Attention: City Recorder

With a copy to: Salt Lake City
Office of the City Attorney
451 South State Street
Salt Lake City, UT 84111
Attention: City Attorney

RDA: Salt Lake City Redevelopment Agency
451 South State Street
Salt Lake City, UT 84111
Attention: Chief Administrative Officer

With a copy to: Salt Lake City
Office of the City Attorney
451 South State Street
Salt Lake City, UT 84111
Attention: Chief Counsel, RDA

Master Developer: NWQ, LLC
166 East 14000 South, Suite 210
Draper, UT 84080
Attn: Lance Bullen

With a copy to: Snell and Wilmer L.L.P.
15 West South Temple, Suite 1200
Salt Lake City, UT 84101
Attn: Wade R. Budge

Such addresses may be changed by notice to the other Party given in the same manner as above provided. Any notice given hereunder shall be deemed given as of the date delivered or mailed.

11.9 Entire Agreement. This Agreement, together with documents and all regulatory approvals given by City for the Property, contain and constitute the entire agreement of the Parties with respect to the subject matter hereof and supersede any prior promises, representations, warranties, inducements or understandings between the Parties which are not contained in such agreements, regulatory approvals and related conditions. It is expressly agreed by the Parties that this Agreement and additional planned agreements between Master Developer and City, or between Master Developer and RDA, as contemplated and referred to elsewhere in this Agreement, are intended to and shall govern and facilitate the development of the Property.

11.10 Termination. If not timely rescinded in accordance with Section 2.2.1. above, this Agreement shall terminate upon the first of the following to occur: (i) mutual written agreement of the Parties, (ii) Buildout, or (iii) forty (40) years after the Effective Date, unless extended by in writing by City, RDA, and Master Developer, whichever occurs first.

11.11 Further Action. The Parties hereby agree to execute and deliver such additional documents and to take all further actions as may become necessary or desirable to fully carry out the provisions and intent of this Agreement.

11.12 Agreement Runs with the Land. This Agreement shall be recorded against the Property as described in the Exhibit A. The agreements contained herein shall be deemed to run with the land and shall be binding on and shall inure to the benefit of all successors in ownership of the Property. Successors in title are on record notice of the provisions of this Agreement. Notwithstanding the foregoing, each successor in interest shall accede only to the benefits and burdens of this Agreement pursuant to an assignment by Master Developer which pertain to that specific portion of the Property to which such successor holds fee title or leasehold estate, and shall not be deemed to be the "Master Developer" or a third party beneficiary of any of the rights, interests, or benefits relating to other portions of the Property. The provisions, responsibilities and benefits relating or appertaining to a specific portion of the Property may be assigned to such portion of the Property, or owner thereof, by specific written instrument executed by Master Developer and approved by City and RDA, which approval shall not be unreasonably withheld, delayed, or conditioned.

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

11.14 Representation Regarding Ethics. Master Developer represents and warrants that it has not: (1) provided an illegal gift or payoff to a City officer or employee or former City officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

IN WITNESS WHEREOF, the Parties have executed this Development Agreement on January ___, 2018.

CITY:

SALT LAKE CITY CORPORATION, a Utah municipal corporation

ATTEST:

Jacqueline M. Biskupski, Mayor

Cindi Mansell, City Recorder

Approved as to form:
Salt Lake City Attorney's Office

E. Russell Vetter

ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this ____ day of January, 2018, before the undersigned notary public in and for the said state, personally appeared Jacqueline M. Biskupski, known or identified to me to be the Mayor of Salt Lake City, who executed the foregoing instrument on behalf of said City and acknowledged to me that said City executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

RDA:

REDEVELOPMENT AGENCY OF SALT LAKE CITY, a public entity:

Jacqueline M. Biskupski, Executive Director

Approved as to form:
Salt Lake City Attorney's Office

Katherine N. Lewis

ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this ____ day of January, 2018, before the undersigned notary public in and for the said state, personally appeared Jacqueline M. Biskupski, known or identified to me to be the Executive Director of the Redevelopment Agency of Salt Lake City, and who executed the foregoing instrument on behalf of said Redevelopment Agency of Salt Lake City and acknowledged to me that said Redevelopment Agency of Salt Lake City executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

MASTER DEVELOPER:

NWQ, LLC, a Utah limited liability company:

By: _____
Its: _____

ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this ____ day of _____, 20__, before the undersigned notary public in and for the said state, personally appeared _____, known or identified to me to be the _____ of **NWQ, LLC**, a Utah limited liability company, and the person who executed the foregoing instrument and acknowledged to me that said company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Notary Public for Utah
Residing at: _____
My Commission Expires: _____

EXHIBIT A
[Legal Description of the Property]

DRAFT

EXHIBIT B

[Form of Transfer Acknowledgment]

DRAFT