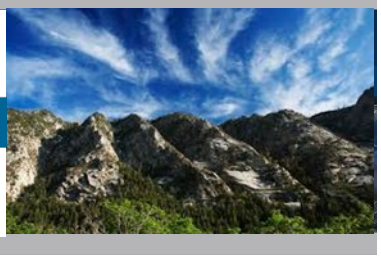
AMENDED PROJECT AREA BUDGET

OLYMPUS HILLS
COMMUNITY REINVESTMENT AREA (CRA)

MILLCREEK COMMUNITY REINVESTMENT AGENCY, UTAH





DECEMBER 11, 2023

[DRAFT VERSION AMENDING NOVEMBER 26, 2018 ADOPTED VERSION]

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

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Section 1: Introduction

The Millcreek Community Reinvestment Agency (the "Agency"), following thorough consideration of the needs and desires of the City of Millcreek (the "City") and its residents, as well as understanding the City's capacity for new development, has carefully crafted the Amended Project Area Plan (the "Amended Plan" or "Amended Project Area Plan") for the Olympus Hills Community Reinvestment Project Area (the "Project Area"). The Amended Plan is the result of a comprehensive evaluation of the types of appropriate land-uses and economic development opportunities for the land encompassed by the Project Area which includes land east of Interstate 215 East along Wasatch Blvd near the freeway interchange.

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

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

Section 2: Description of Community Development Project Area

The Project Area includes land east of Interstate 215 East along Wasatch Blvd near the freeway interchange. The Project Area is comprised of approximately 42 acres of property.

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

Section 3: General Overview of Amended Project Area Budget

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

Base Year Value

The Agency has determined that the base year property tax value for the Project Area will be the total taxable value for the 2017 tax year which is estimated to be **$3,768,320**. Using the tax rates established within the Project Area the property taxes levied equate to $56,412 annually. Accordingly, this amount will continue to flow through to each taxing entity proportional to the amount of their respective tax rates being levied.

Payment Trigger

The Project Area will have a twenty-year (20) duration from the date of the first tax increment received by the Agency. The collection of tax increment will be triggered at the discretion of the Agency prior to March 1 of the tax year in which they intend to begin the collection of increment. The following year in which this increment will be remitted to the Agency will be Year 1, e.g., if requested prior to March 1, 2023, Year 1 of increment will be 2024. The Agency anticipates it will trigger tax increment by March 1, 2026, but in no case will the Agency trigger the first year of tax increment collection after March 1, 2027.

Projected Tax Increment Revenue – Total Generation

Development within the Project Area will commence upon favorable market conditions which will include both horizontal and vertical infrastructure and development. The Agency anticipates that new development will begin in the Project Area in 2020. The contemplated development will generate significant additional property tax revenue as well as incremental sales and use tax above what is currently generated within the Project Area.

Property Tax Increment will begin to be generated in the tax year (ending Dec 1st) following construction completion and Tax Increment will be paid to the Agency in March or April after collection. It is projected that property Tax Increment generation within the Project Area could begin as early as 2025 or as late as 2027. It is currently estimated that during the 20-year life of the Amended Project Area Budget, property Tax Increment could be generated within the Project Area in the approximate amount of $4.56 million or at a net present value (NPV)[1] of $3.21 million. This amount is over and above the $1.13 million of base taxes that the property would generate over 20 years at the $56,412 annual amount it currently generates as shown in Table 4.1 below.

[1] Net Present Value of future cash flows assumes a 4% discount rate. The same 4% discount rate is used in all remaining NPV calculations. This total is prior to accounting for the flow-through of tax increment to the respective taxing entities.

Section 4: Property Tax Increment

Base Year Property Tax Revenue

The taxing entities are currently receiving - and will continue to receive - property tax revenue from the current assessed value of the property within the Project Area ("Base Taxes"). The current assessed value is estimated to be $3,768,320. Based upon the tax rates in the area, the collective taxing entities are receiving $56,412 in property tax annually from this Project Area. This equates to approximately $1,128,235 over the 20-year life of the Project Area.

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

Entity	Total	NPV at 4%
Salt Lake County	$152,617	103,706
Salt Lake County Library	42,130	28,628
Granite School District	589,516	400,586
Millcreek City	151,637	103,040
South Salt Lake Valley Mosquito Abatement District	1,130	768
Mt. Olympus Improvement District	21,027	14,288
Central Utah Water Conservancy District	30,147	20,485
Unified Fire Service Area	140,031	95,153
Total Revenue	**$1,128,235**	**$766,654**

Property Tax Increment Shared with RDA

It is anticipated that Salt Lake County will not participate in the Amended Project Area Budget, but all other taxing entities will participate. Specifically, Granite School District will participate at 75% for a 15-year period, Millcreek City for 90% for a 20-year period, and other taxing entities at a 65% for a 20-year period, as depicted below in Table 4.2. The City, County and the State will ***not*** contribute any portion of their incremental sales tax to implement the Amended Project Area Plan. Table 4.2 shows the amount of Tax Increment shared with the Agency assuming the participation levels discussed above.

TABLE 4.2: SOURCES OF TAX INCREMENT FUNDS

Entity	Percentage	Length	Total	NPV at 6.5%
Salt Lake County	0%	-	$ -	$ -
Salt Lake County Library	0%	-	-	-
Granite School District	75%	15 Years	2,634,976	1,592,975
Millcreek City	90%	20 Years	987,986	524,129
South Salt Lake Valley Mosquito Abatement District	65%	20 Years	4,420	2,345
Mt. Olympus Improvement District	65%	20 Years	92,324	48,978
Central Utah Water Conservancy District	0%	-	-	-
Unified Fire Service Area	65%	20 Years	649,214	344,409
Total Sources of Tax Increment Funds			**$4,368,919**	**$2,512,836**

Uses of Tax Increment

The Agency will use 5% of the tax increment to administer the CRA. Most of the remaining tax increment collected by the Agency will be used for redevelopment activities in the Project Area (85%). Including: offsetting certain on-site public infrastructure costs, land assemblage, development incentives, Agency requested improvements and upgrades, desirable Project Area improvements, and other redevelopment activities as approved by the Agency. The remaining 10% will go towards affordable housing, as required by the Act.

TABLE 4.3: USES OF TAX INCREMENT

Uses	Total	NPV at 6.5%
Redevelopment Activities	$3,713,581	$2,135,910
CRA Housing Requirement	436,892	251,284
Project Area Administration	218,446	125,642
Total Uses of Tax Increment Funds	**$4,368,919**	**$2,512,836**

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

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

As described above, the collective taxing entities are currently receiving approximately $56,412 in property taxes annually from this Project Area. At the end of 20 years an additional $458,398 in property taxes annually is anticipated, totaling approximately $514,812 in property taxes annually for the area. "But for" the assistance provided by the Agency through tax increment revenues, this greater than 700 percent increase in property taxes generated for the taxing entities would not be possible.

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

Entity	Annual Base Year Property Taxes	Annual Property Tax Increment at Conclusion of Project	Total Annual Property Taxes
Salt Lake County	$7,631	$58,016	$65,647
Salt Lake County Library	2,106	15,349	17,455
Granite School District	29,476	250,950	280,426
Millcreek City	7,582	57,777	65,359
South Salt Lake Valley Mosquito Abatement District	57	358	415
Mt. Olympus Improvement District	1,051	7,476	8,527
Central Utah Water Conservancy District	1,507	15,906	17,413
Unified Fire Service Area	7,002	52,568	59,570
Total Revenue	**$56,412**	**$458,398**	**$514,812**

Section 5: Cost/Benefit Analysis

Additional Revenues

Other Tax Revenues

The development within the Project Area will also generate sales taxes for the City and County.

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

TABLE 5.1 TOTAL REVENUES

Entity	Property Tax	Sales Tax	Total Revenues
Salt Lake County (Including Library)	$1,393,924	$4,700,520	$6,094,444
Granite School District	4,768,052	-	4,768,052
Millcreek City	1,097,762	9,401,039	10,498,801
South Salt Lake Valley Mosquito Abatement District	6,800	-	6,800
Mt. Olympus Improvement District	302,206	-	302,206
Central Utah Water Conservancy District	142,037	-	142,037
Unified Fire Service Area	998,790	-	998,790
Total Revenues	**$8,709,571**	**$14,101,559**	**$22,811,130**

Additional Costs

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

TABLE 5.2 TOTAL EXPENDITURES

Entity	CRA Budget	General Government	Public Works	Public Safety	Total Expenditures
Salt Lake County (Including Library)	$ -	$39,158	$ -	$ -	$39,158
Granite School District	2,634,976	384,500	-	-	3,019,476
Millcreek City	987,986	190,836	224,965	405,414	1,809,201
South Salt Lake Valley Mosquito Abatement District	4,420	542	-	-	4,962
Mt. Olympus Improvement District	92,324	25,715	-	-	118,039
Central Utah Water Conservancy District	-	15,966	-	-	15,966
Unified Fire Service Area	649,214	64,275	-	-	713,489
Total Expenditures	**$4,386,919**	**$720,992**	**$224,965**	**$405,414**	**$5,720,291**

The total net benefit to the taxing entities of participating in the Project Area is **$17,090,839**, with the City's net benefit being **$8,689,600**.

Exhibit A: Project Area Map

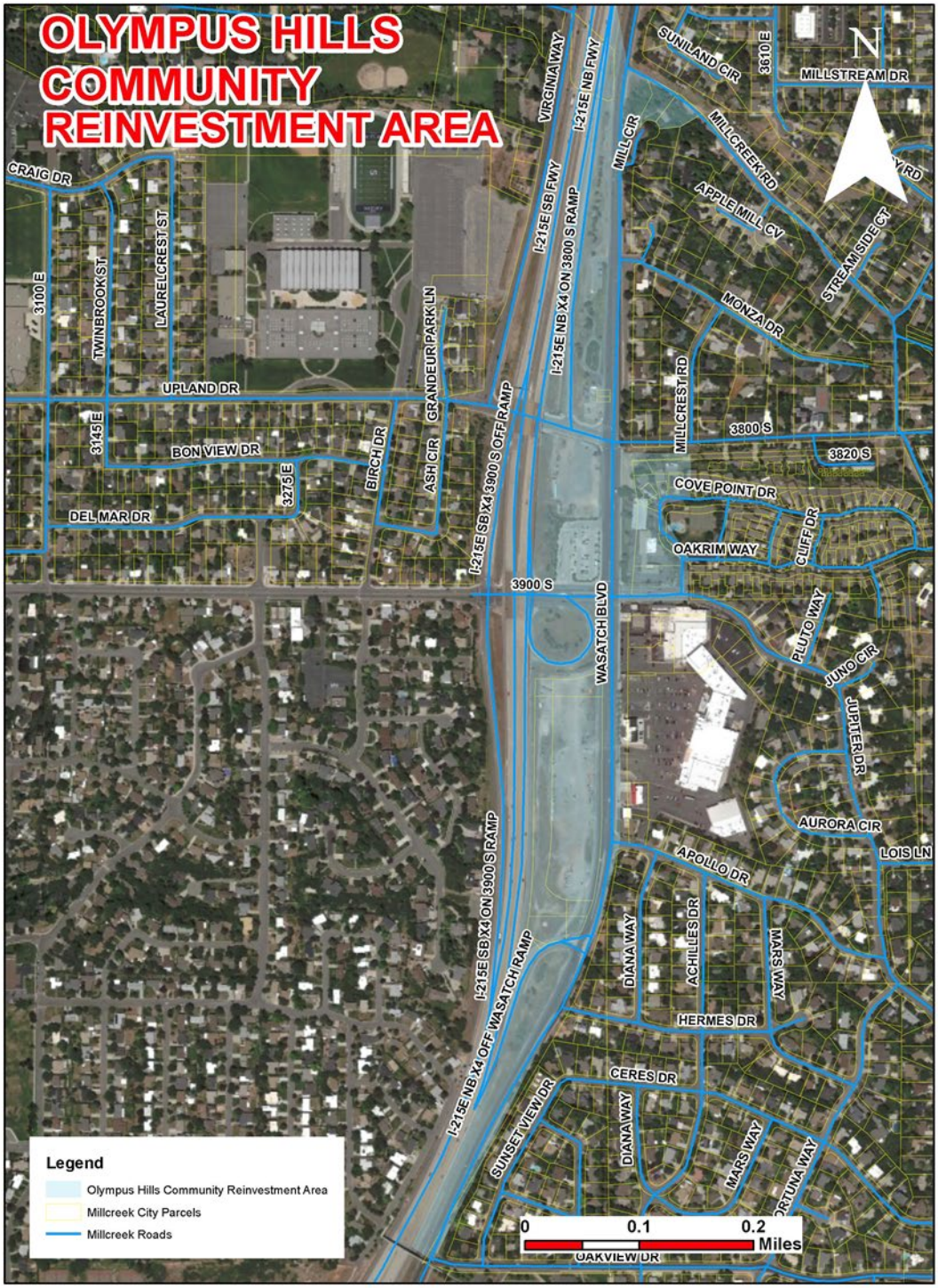


Exhibit B: Multi-Year Budget

Millcreek Community Reinvestment Agency

Olympus Hills CRA

Tax Increment and Amended Project Area Budget Analysis

Amended - December 11, 2023

ASSUMPTIONS:	
Discount Rate	6.500%

INCREMENTAL TAX ANALYSIS:	Payment Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045		
	Tax Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	TOTALS	NPV
Cumulative Taxable Value	Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20		
Porsche Development																							
Dealership		-	19,763,918	19,763,918	19,763,918	19,763,918	19,763,918	19,763,918	19,763,918	19,763,918	19,763,918	19,763,918	19,763,918	19,763,918	19,763,918	19,763,918	19,763,918	19,763,918	19,763,918	19,763,918	19,763,918		
Adjacent Project (Class A Office - 40,000 SF)		-	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000		
Residential		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Assessed Value:		**-**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**		
Value of Current Property		1,264,300	1,264,300	1,264,300	1,264,300	1,264,300	1,264,300	1,264,300	1,264,300	1,264,300	1,264,300	1,264,300	1,264,300	1,264,300	1,264,300	1,264,300	1,264,300	1,264,300	1,264,300	1,264,300	1,264,300		
Less Base Year Value		(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)	(1,264,300)		
TOTAL INCREMENTAL VALUE:		**-**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**	**39,763,918**		
TAX RATE & INCREMENT ANALYSIS:	2022 Rates																						
Salt Lake County	0.001459	-	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	1,102,296	584,770
Salt Lake County Library	0.000386	-	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	291,629	154,710
Granite School District	0.006311	-	250,950	250,950	250,950	250,950	250,950	250,950	250,950	250,950	250,950	250,950	250,950	250,950	250,950	250,950	250,950	250,950	250,950	250,950	250,950	4,768,052	2,529,461
Millcreek City	0.001453	-	57,777	57,777	57,777	57,777	57,777	57,777	57,777	57,777	57,777	57,777	57,777	57,777	57,777	57,777	57,777	57,777	57,777	57,777	57,777	1,097,762	582,365
South Salt Lake Valley Mosquito Abatement District	0.000009	-	358	358	358	358	358	358	358	358	358	358	358	358	358	358	358	358	358	358	358	6,800	3,607
Mt. Olympus Improvement District	0.000188	-	7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	7,476	142,037	75,351
Central Utah Water Conservancy District	0.000400	-	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	302,206	160,321
Unified Fire Service Area	0.001322	-	52,568	52,568	52,568	52,568	52,568	52,568	52,568	52,568	52,568	52,568	52,568	52,568	52,568	52,568	52,568	52,568	52,568	52,568	52,568	998,790	529,860
Totals:	0.011528	-	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	8,709,570	4,620,446
TOTAL INCREMENTAL REVENUE IN PROJECT AREA:		-	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	458,398	**8,709,570**	**4,620,446**
PROJECT AREA BUDGET		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045		
Sources of Funds:		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	TOTALS	NPV
Property Tax Participation Rate for Budget																							
Salt Lake County		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Salt Lake County Library		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Granite School District		75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	0%	0%	0%	0%	0%		
Millcreek City		90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%		
South Salt Lake Valley Mosquito Abatement District		65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%		
Mt. Olympus Improvement District		65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%		
Central Utah Water Conservancy District		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Unified Fire Service Area		65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%		
Property Tax Increment for Budget																							
Salt Lake County		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Salt Lake County Library		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Granite School District		-	188,213	188,213	188,213	188,213	188,213	188,213	188,213	188,213	188,213	188,213	188,213	188,213	188,213	188,213	-	-	-	-	-	**2,634,976**	**1,592,975**
Millcreek City		-	51,999	51,999	51,999	51,999	51,999	51,999	51,999	51,999	51,999	51,999	51,999	51,999	51,999	51,999	51,999	51,999	51,999	51,999	51,999	**987,986**	**524,129**
South Salt Lake Valley Mosquito Abatement District		-	233	233	233	233	233	233	233	233	233	233	233	233	233	233	233	233	233	233	233	**4,420**	**2,345**
Mt. Olympus Improvement District		-	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	4,859	**92,324**	**48,978**
Central Utah Water Conservancy District		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	**-**
Unified Fire Service Area		-	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,169	34,169	**649,214**	**344,409**
Total Property Tax Increment for Budget:		**-**	**279,473**	**279,473**	**279,473**	**279,473**	**279,473**	**279,473**	**279,473**	**279,473**	**279,473**	**279,473**	**279,473**	**279,473**	**279,473**	**279,473**	**91,260**	**91,260**	**91,260**	**91,260**	**91,260**	**4,368,919**	**2,512,836**
Uses of Tax Increment Funds:		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	**TOTALS**	**NPV**
Redevelopment Activities (Infrastructure, Relocation,	85.0%	-	237,552	237,552	237,552	237,552	237,552	237,552	237,552	237,552	237,552	237,552	237,552	237,552	237,552	237,552	77,571	77,571	77,571	77,571	77,571	**3,713,581**	**2,135,910**
CRA Housing Requirement	10.0%	-	27,947	27,947	27,947	27,947	27,947	27,947	27,947	27,947	27,947	27,947	27,947	27,947	27,947	27,947	9,126	9,126	9,126	9,126	9,126	**436,892**	**251,284**
RDA Administration	5.0%	-	13,974	13,974	13,974	13,974	13,974	13,974	13,974	13,974	13,974	13,974	13,974	13,974	13,974	13,974	4,563	4,563	4,563	4,563	4,563	**218,446**	**125,642**
Total Uses		-	279,473	279,473	279,473	279,473	279,473	279,473	279,473	279,473	279,473	279,473	279,473	279,473	279,473	279,473	91,260	91,260	91,260	91,260	91,260	**4,368,919**	**2,512,836**
REMAINING TAX REVENUES FOR TAXING ENTITIES		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	**TOTALS**	**NPV**
Salt Lake County		-	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	58,016	**1,102,296**	**584,770**
Davis County Library		-	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	15,349	**291,629**	**154,710**
Granite School District		-	62,738	62,738	62,738	62,738	62,738	62,738	62,738	62,738	62,738	62,738	62,738	62,738	62,738	62,738	250,950	250,950	250,950	250,950	250,950	**2,133,076**	**936,486**
Millcreek City		-	5,778	5,778	5,778	5,778	5,778	5,778	5,778	5,778	5,778	5,778	5,778	5,778	5,778	5,778	5,778	5,778	5,778	5,778	5,778	**109,776**	**58,237**
South Salt Lake Valley Mosquito Abatement District		-	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	**2,380**	**1,263**
Mt. Olympus Improvement District		-	2,616	2,616	2,616	2,616	2,616	2,616	2,616	2,616	2,616	2,616	2,616	2,616	2,616	2,616	2,616	2,616	2,616	2,616	2,616	**49,713**	**26,373**
Central Utah Water Conservancy District		-	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	15,906	**302,206**	**160,321**
Unified Fire Service Area		-	18,399	18,399	18,399	18,399	18,399	18,399	18,399	18,399	18,399	18,399	18,399	18,399	18,399	18,399	18,399	18,399	18,399	18,399	18,399	**349,577**	**185,451**
Total		-	178,926	178,926	178,926	178,926	178,926	178,926	178,926	178,926	178,926	178,926	178,926	178,926	178,926	178,926	367,138	367,138	367,138	367,138	367,138	**4,340,651**	**2,107,610**