

**REDEVELOPMENT AGENCY MEETING AGENDA
LAYTON, UTAH**

PUBLIC NOTICE is hereby given that the Redevelopment Agency (RDA) of Layton, Utah, will hold a public meeting in the Council Conference Room of the City Center Building, 437 North Wasatch Drive, Layton, Utah, commencing at **5:30 PM on April 4, 2024.**

AGENDA ITEMS:

1. Minutes of the Layton City Redevelopment Agency (RDA) Meeting - March 7, 2024
2. Layton East Gate Economic Development Project Plan Area Budget Amendment and Public Hearing – RDA Resolution 24-04
3. 2024 Agreement for the Development of Land between The Redevelopment Agency of Layton City and JL Ventures – RDA Resolution 24-01 – Approximately 3675 North Fairfield Road
4. Agreement for the Development of Land between The Redevelopment Agency of Layton City and Dreamland LLC 2024 – RDA Resolution 24-02 – 3800 North Fairfield Road
5. Approving the Consent and Acknowledgement for the Transfer of Property from Winkel Rock, LLC to Winkel Rock, DE, LLC, Including Certain Obligations As Required in the Participation Agreement By and Between the Redevelopment Agency of Layton City and North Utah Holdings, LLC – RDA Resolution 24-06 – Approximately 137 South Main Street
6. Approving the Consent and Acknowledgement for the Transfer of Property from Winkel Rock, LLC to Winkel Rock DE, LLC, Including Certain Obligations as Required in the Participation Agreement By and Between the Redevelopment Agency of Layton City and F. M. Winkel Family, LLC – RDA Resolution 24-05 – Approximately 127 South Main Street

ADJOURN:

Notice is hereby given that:

- In the event of an absence of a full quorum, agenda items will be continued to the next regularly scheduled meeting.
- This meeting may involve the use of electronic communications for some of the members of this public body. Elected Officials at remote locations may be connected to the meeting electronically.

Date: _____ **By:** _____
Kimberly S Read, City Recorder

This public notice is posted on the Utah Public Notice website www.utah.gov/pmn/, the Layton City website www.laytoncity.org, and at the Layton City Center.

In compliance with the Americans with Disabilities Act, persons in need of special accommodations or services to participate in this meeting shall notify the City at least 24 hours in advance at 801-336-3826 or 801-336-3820.

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MINUTES OF THE MEETING OF THE REDEVELOPMENT AGENCY OF LAYTON CITY

MARCH 7, 2024 – 5:30 P.M.

BOARDMEMBERS AND OFFICERS PRESENT:

**CHAIR JOY PETRO, VICE CHAIR CLINT MORRIS,
EXECUTIVE DIRECTOR ALEX JENSEN,
BOARDMEMBERS ZACH BLOXHAM, BETTINA
SMITH EDMONDSON, AND DAVE THOMAS**

PARTICIPATING ELECTRONICALLY: TYSON ROBERTS

**STAFF PRESENT: CLINT DRAKE, CHAD WILKINSON, STEPHEN
JACKSON, DAVID PRICE, JOELLEN GRANDY,
ISABEL LIMON, ED FRAZIER, AND SECRETARY
KIM READ**

The meeting was held in the Council Conference Room of the Layton City Center.

Chair Petro opened the meeting.

MINUTES:

Boardmember Smith Edmondson moved to approve the minutes of January 18, 2024, as written. Boardmember Bloxham seconded the motion, which passed unanimously.

AGENDA:

**INTERLOCAL AGREEMENT BETWEEN LAYTON CITY REDEVELOPMENT AGENCY AND
DAVIS SCHOOL DISTRICT TO EXTEND THE TAX INCREMENT COLLECTION PERIOD
AND DAVIS SCHOOL DISTRICT PARTICIPATION AT 90% CONTRIBUTION FROM
JANUARY 1, 2026 UNTIL DECEMBER 31, 2035 IN THE EAST GATE ECONOMIC
DEVELOPMENT PROJECT AREA PLAN AND BUDGET – RDA RESOLUTION 24-03**

Chad Wilkinson, Community and Economic Development Director, reminded the Board of approvals which had already taken place regarding the agenda item thus far, and stated there were a lot of steps required to formalize previous actions, and this was one of those. He explained the City was required to enter into an Interlocal Agreement with the School District to memorialize its continued participation in the East Gate Economic Development Area (EDA) of the RDA. He reminded the Council the School District agreed to extend its participation for the entire length of the EDA collection period in 2035 at a rate of 90%. The Davis School Board had already approved its portion of the Agreement and Staff recommended approval.

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Boardmember Smith Edmondson requested clarification of the amount of tax increment the School District would receive.

Alex Jensen, Executive Director, informed the Board, the City had purchased the option property which would need to be annexed into Layton City. Mr. Wilkinson explained an annexation process would take place via the City Council for the option property adjacent to the East Gate Development. He indicated the annexation and rezone would follow the normal process and would come before the City Council within the next few meetings. He also explained Staff had planned for a public hearing to amend the EDA budget; however, due to a noticing error, it would take place during a meeting scheduled for Thursday, April 4, 2024.

A discussion took place regarding the East Gate Economic Development Project Plan (EDPP) Budget and Mr. Wilkinson clarified there was no identified increment cap and the Board would be approving the budget during the meeting on April 4, 2024 in conjunction with the public hearing. He added this action would formalize the School District's agreement for continued participation.

MOTION: Boardmember Bloxham moved to approve the Interlocal Agreement between Layton City Redevelopment Agency and Davis School District to Extend the Tax Increment Collection Period and Davis School District Participation at 90% Contribution from January 1, 2026 until December 31, 2035 in the East Gate Economic Development Project Area Plan and Budget, Resolution 24-03. Boardmember Thomas seconded the motion, which passed unanimously.

Mr. Jensen pointed out once the property has been annexed and rezoned, the ownership would transfer to the RDA for the purpose of development. He mentioned the importance of putting the entitlements in place to ensure consistency and certainty associated with the development and reported the City had received aggressive interest for possible development of the parcel. He expressed appreciation to the RDA Board for its support. Mr. Wilkinson added that adjacent existing property owners had also expressed continued interest for possible development.

The meeting adjourned at 5:38 p.m.

Kimberly S Read, Secretary

**REDEVELOPMENT AGENCY OF LAYTON CITY
AGENDA ITEM COVER SHEET**

Item Number: 2.

Subject:

Layton East Gate Economic Development Project Plan Area Budget Amendment and Public Hearing – RDA Resolution 24-04

Background:

The original East Gate Economic Development Project Area Plan (EDPAP) Budget specifically stated that Davis School District (DSD) would end their participation of 90% tax increment after 15 years in the Project Area (year 2025). The Redevelopment Agency of Layton City (Agency) requested that the collection period for DSD be extended until the end of the EDPAP in 2035 at a rate of 90% contribution. On October 3, 2023, the DSD Board voted unanimously to continue their contribution at 90% participation until the EDPAP expires in 2035 and signed an interlocal agreement to that effect on December 5, 2023 (Exhibit B). This extended collection period substantially increases the EDPAP projected budget and Staff desires to amend the current budget to reflect those changes. In addition, and in accordance with Utah Code § 17C-3-205(2)(b), the Taxing Entity Committee held a hearing on December 6, 2023 and voted unanimously to approve the DSD extended tax increment collection period and increased projected budget (Exhibit C).

Under the proposed amendment the Agency is projecting a grand total of \$54,868,680 in property tax increment revenues over the life of the EDPAP (Exhibit A). This tax increment has been generating since 2011 and will continue until 2035 through new development and overall growth to the valuation of property within the East Gate Economic Development Project Area, to fund a portion of project costs as they develop over time.

The presently approved and adopted EDPAP Budget projects a total of \$26,608,470 in tax increment over that same 25 year period to be paid to the Agency, a difference of \$24,077,763. Because of the significant proposed capital investment in the EDPAP Area, Davis School District's continued participation could result in approximately \$27 million additional tax increment dollars to the Agency, and \$3.4 million in projected tax increment to DSD.

Alternatives:

Alternatives are to: 1) Adopt RDA Resolution 24-04 approving the Amendment to the Layton East Gate Economic Development Project Area Plan Budget as submitted; 2) Adopt RDA Resolution 24-04 with any amendments the Agency deems appropriate; or 3) Not adopt RDA Resolution 24-04 and remand to Staff with directions.

Recommendation:

Staff recommends the Agency adopt RDA Resolution 24-04 Amendment to the Layton East Gate Economic Development Project Area Plan Budget, as submitted.

RDA RESOLUTION 24-04

AMENDMENT TO THE LAYTON EAST GATE ECONOMIC DEVELOPMENT PROJECT AREA PLAN BUDGET

WHEREAS, the Redevelopment Agency of Layton City (Agency) has prepared and adopted, and the City Council has approved through adoption of Resolution 07-04 and Ordinance 07-36, the East Gate Economic Development Project Area Plan (EDPAP) and Budget dated October 18, 2007 and amended July 1, 2010 through Resolution 10-04, providing for the development of certain lands in the EDPAP Area (the "Project Area") and the future uses of such land. The EDPAP and Budget has been filed in the office of both the Recorder of Layton City and the Redevelopment Agency of Layton City; and

WHEREAS, Utah Code §17C-3-109 and Utah Code §17C-3-205(2)(d) allows the Agency to amend the EDPAP Budget by adopting a resolution amending the EDPAP Budget following a public hearing in accordance with Utah Code §17C-3-109(3)(a) and Utah Code §17C-3-205(2)(a), and Taxing Entity Committee (TEC) approval in accordance with Utah Code §17C-3-109(3)(c) and with Utah Code §17C-3-205(2)(c); and

WHEREAS, The Agency obtained the approval of the Davis School District (DSD) Board on October 3, 2023 per Utah Code §17C-3-206(3)(a) to remain a participant in the Project Area, extending their tax increment collection period and contributing 90% of their tax increment to the EDPAP Budget from January 1, 2026 until the EDPAP expires in 2035, which was memorialized in an Interlocal Agreement between the Agency and DSD and approved and adopted by the Agency on March 7, 2024; and

WHEREAS, an objective of the EDPAP is to provide improved public streets and road access to the area to facilitate better traffic circulation, provide improved pedestrian access and pedestrian circulation, and other multi-modal transportation options; and

WHEREAS, another objective of the EDPAP is to remove impediments that may limit opportunity for the redevelopment of underutilized buildings and properties which may include a mix offices, light industrial and manufacturing; and

WHEREAS, projected increment through implementation of the EDPAP has yet to be achieved, however recently proposed development can ensure the EDPAP can exceed original projections, provide family sustaining employment, and provide significant capital investment in Layton.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF LAYTON CITY, UTAH:

1. That the "Amendment to the Layton East Gate Economic Development Project Area Plan Budget" is hereby adopted and approved as attached.
2. The Recitals above are hereby incorporated herein by this reference.

ADOPTED by the Board of Directors of the Redevelopment Agency of Layton City, this **4^h** day of **April, 2024**.

JOY PETRO, Chair

ATTEST:

KIMBERLY S READ, Secretary

APPROVED AS TO FORM:

SUBMITTING DEPARTMENT:

for 

CLINTON R. DRAKE, City Attorney



CHAD WILKINSON, Director
Community and Economic Development

**EXHIBIT "A" SOUTH MAIN/SOUTH FORT LANE REDEVELOPMENT PROJECT AREA
PLAN BUDGET AMENDMENT**

B. Tax Increment and Plan Duration:

The following is an estimate of the total amount of tax increment that will be expended in undertaking economic development and the length of time for which it will be expended.

The Agency has elected to collect 90 percent of the annual tax increment from the Project Area. This includes Property and Personal Property taxes. ~~The Agency will collect 90 % tax increment from the Davis School District and the State~~

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~~School Board for a period of 15 years commencing from the first tax year the Agency accepts tax increment for the entire project area.~~ The Agency will collect 90% tax increment from all tax entities, ~~except the School District and State School Board,~~ in the Project Area for a period of 25 years commencing from the first tax year the Agency accepts tax increment for the entire project area. The City will start receiving tax increment financing from all taxing entity's in the same year.

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EAST GATE ECONOMIC DEVELOPMENT PROJECT AREA BUDGET

ADOPTED DATE: October 18, 2007
 AMENDED DATE: July 1, 2010
 AMENDED DATE: January 18, 2024

LINE ITEM EXPENDITURES

Project Area Improvements: 100% of Tax Increment Received

Project Area Improvements Include:

Infrastructure:

INFRASTRUCTURE EXPENDITURES TO BE PAID BY TAX INCREMENT FINANCING FROM PROJECT AREA:

Expenditures to be paid by Tax Increment for infrastructure Include: The improvements and extension of Fairfield Road as it extends north and then east around the Sun Hills Golf Course; The extension of 1700 East as it extends north and then west as it extends around the Sun Hills Golf Course to connect into the Fairfield Road extension; utilities that will support future development; detention improvements to support development

INFRASTRUCTURE EXPENDITURES TO BE PAID BY PRIVATE PARTIES:

Expenditures to be paid by private parties for infrastructure Include: Greyhawk Commercial Church Street Extension.

INFRASTRUCTURE EXPENDITURES TO BE PAID BY LAYTON CITY:

Expenditures to be paid by Layton City for infrastructure Include: The 2006 Extension of Fairfield Road; Construction of 3500 North from Fairfield Road to the East Gate of Hill Air Force Base.

Land Assemblage:

Tax Increment could be used to purchase parcels of land from property owners in the Economic Development Project Area. Tax Increment will be used for land purchase only when in line with the vision and goals of the Project Area Plan.

Economic Development Incentives:

Tax Increment will be used for economic

Administration:

No more than three (3) percent of Tax Increment received on an annual basis will be used for administration of the Project Area Plan and Budget.

TAXING ENTITIES IN THE PROJECT AREA, TAX RATES AND CONTRIBUTION

GOVERNMENTAL AGENCY	TAX RATE*	ESTIMATED CONTRIBUTION TO EDA	% OF TOTAL
DAVIS SCHOOL DISTRICT	0.00579	\$9,263,939	31%
DAVIS COUNTY	0.002003	\$7,007,275	23%
LAYTON CITY	0.002092	\$7,320,862	24%
MOSQUITO ABATEMENT	0.000086	\$299,605	1%
NORTH DAVIS SEWER DISTRICT	0.000763	\$2,669,416	9%
STATE ASSESSING AND COLLECTION	0.000139	\$486,995	2%
WEBER BASIN WATER CONSERVANCY DIST	0.000178	\$663,688	2%
STATEWIDE SCHOOL RATE	0.001515	\$2,432,074	8%
TOTAL=	0.012566	\$30,143,854	100%

*2006 Certified Tax Rates

The Agency has elected to collect 90 percent of the annual tax increment from the Project Area. This includes Property and Personal Property tax increment. ~~The Agency will collect 90% tax increment from the Davis School District and the State School Board for a period of 15 years commencing from the first tax year the Agency accepts tax increment for the entire Project Area.~~ The Agency will collect 90% tax increment from all tax entities, ~~except the School District and State School Board;~~ in the Project Area for a period of 25 years commencing from the first tax year the Agency accepts tax increment for the entire project area. The Agency has selected 2006 as a base year for Tax Increment Financing calculations.

TIMELINE FOR EXPENDITURES AND TAX INCREMENT FINANCING

2006 BASE VALUE OF TOTAL LAND= \$30,594,080 *

*This amount was received from the Davis County Assessors office for the property value of land in the Project Area.

YEAR ONE:	ESTIMATED TIF RECEIVED ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$186,055 \$288,861	2011
YEAR TWO:	ESTIMATED TIF RECEIVED ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$270,443 \$414,259	2012
YEAR THREE:	ESTIMATED TIF RECEIVED ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$367,489 \$495,812	2013
YEAR FOUR:	ESTIMATED TIF RECEIVED ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$479,094 \$591,616	2014
YEAR FIVE:	ESTIMATED TIF RECEIVED ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$607,434 \$492,352	2015
YEAR SIX:	ESTIMATED TIF RECEIVED ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$755,028 \$472,867	2016
YEAR SEVEN:	ESTIMATED TIF RECEIVED ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$924,764 \$659,895	2017
YEAR EIGHT:	ESTIMATED TIF RECEIVED ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,119,955 \$708,617	2018
YEAR NINE:	ESTIMATED TIF RECEIVED ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,344,427 \$880,566	2019
YEAR TEN:	ESTIMATED TIF RECEIVED ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,602,570 \$1,042,047	2020

YEAR ELEVEN:	ESTIMATED TIF RECEIVED ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,899,435 \$1,133,440	2021
YEAR TWELVE:	ESTIMATED TIF RECEIVED ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$2,240,829 \$1,305,902	2022
YEAR THIRTEEN	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$2,345,524 \$1,518,663	2023
YEAR FOURTEEN	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$2,454,496 \$1,640,117	2024
YEAR FIFTEEN	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$2,567,643 \$1,929,617	2025

YEAR SIXTEEN	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$905,412 \$2,051,072	2026
YEAR SEVENTEEN	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$956,699 \$3,227,810	2027
YEAR EIGHTEEN	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,040,048 \$3,349,264	2028
YEAR NINETEEN	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,065,489 \$4,302,195	2029
YEAR TWENTY	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,123,169 \$4,423,650	2030
YEAR TWENTY-ONE	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,183,148 \$4,545,104	2031
YEAR TWENTY-TWO	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,245,535 \$4,666,558	2032
YEAR TWENTY-THREE	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,310,417 \$4,788,012	2033
YEAR TWENTY-FOUR	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,377,895 \$4,909,466	2034
YEAR TWENTY-FIVE	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,448,072 \$5,030,920	2035

Estimated Grand Total of Tax Increment to be Received:	PRIOR ESTIMATE:	\$30,790,917
	NEW ESTIMATE:	\$54,868,680

**EXHIBIT "B" DAVIS SCHOOL DISTRICT BOARD OF EDUCATION OCTOBER 3, 2023
MEETING MINUTES**

**Board of Education Meeting Minutes – 6:00 p.m.
Administration Building, Farmington, UT
Tuesday, October 3, 2023**

Live-streamed via YouTube

<https://youtube.com/live/AX9wifyV4iU?feature=share>

Board Members Present

President Liz Mumford, Vice President Brigit Gerrard, John Robison, Kristen Hogan, Emily Price, and Julie Powell

Board Members Excused

Derek Lamb

Administration Present

Superintendent Dan Linford, Business Administrator Craig Carter, Asst. Superintendent John Zurbuchen, and Asst. Superintendent Fidel Montero

Administration Excused

Asst. Superintendent Logan Toone

Introductory Items

Welcome and Introductions

Pres. Liz Mumford

Pledge of Allegiance

Mr. Joshua Barrera, Student Board Member

Student Performance

Layton High School Dance Company

Introduction: Ms. Shanda Stenger

Instructor: Ms. Emily Peralez

Music: All Your Light

Short showing of a Modern Contemporary dance piece- "There is no fire like passion, there is no shark like hatred, there is no snare like folly, there is no torrent like greed."

Student Performers

Alena Drakos

Kate Nielson

Lydia Garza

Cambell Newby

Ciara Rocha

Genesis Ugueto

Faith Workman

Annie Hoffman

Avery Vickers

Sam Kimber

Extension for Layton City EDA

Mr. Craig Carter, Business Administrator

Brigit Gerrard made a motion to approve the Extension for the Layton City EDA. Emily Price seconded the motion.

Layton City Representatives Chad Wilkinson and Alex Jensen answered questions from the Board.

President Liz Mumford, Vice President Brigit Gerrard, John Robison, Kristen Hogan, Emily Price, and Julie Powell voted in favor. There was none in opposition. The motion carried.

Additional 1 %one-time Compensation for all Employees moved to Business by Ms. Julie Powell
Mr. Craig Carter, Business Administrator

Outlined how the District is able to offer an additional 1% one-time Compensation for all Employees. Answered questions from the Board. Ms. Powell expressed equitable concerns.

John Robison made a motion to approve the additional 1%one-time Compensation for all Employees. Brigit Gerrard seconded the motion.

Julie Powell made a substitute motion to amend the additional 1%one-time Compensation for all Employees with a Capped amount. Kristen Hogan seconded the motion.

Julie Powell shared her reasons as to the substitute. John Robison shared a different insight with his reasons on the substitute motion.

President Liz Mumford, Vice President Brigit Gerrard, John Robison, Kristen Hogan, and Emily Price voted against the substitute motion to amend the additional 1%one-time Compensation for all Employees with a Capped amount. Julie Powell voted in favor. The amended motion did not carry.

Returning to the original motion made by John Robison to approve the additional 1%one-time Compensation for all Employees. Brigit Gerrard seconded the motion.

President Liz Mumford, Vice President Brigit Gerrard, John Robison, Kristen Hogan, and Emily Price voted in favor. Julie Powell voted in opposition. The motion carried.

Amend the 2023 Superintendent Contract to include the 1%one-time Compensation.

Brigit Gerrard made a motion to approve the 2023 Amendment to the Superintendent Contract to include the 1%one-time Compensation. Emily Price seconded the motion.

President Liz Mumford, Vice President Brigit Gerrard, John Robison, Kristen Hogan, and Emily Price voted in favor. Julie Powell voted in opposition. The motion carried.

Meeting adjourned at 7:35 p.m.

EXHIBIT "C" TAXING ENTITY COMMITTEE DECEMBER 6, 2023 MEETING MINUTES

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MINUTES OF THE MEETING OF THE LAYTON CITY RDA TAXING ENTITY COMMITTEE

DECEMBER 6, 2023 – 1:09 P.M.

COMMITTEE MEMBERS PRESENT:

JOY PETRO, LAYTON CITY MAYOR; BOB STEVENSON, DAVIS COUNTY; SAM URIE, STATE BOARD OF EDUCATION; CRAIG CARTER, DAVIS SCHOOL DISTRICT; LIZ MUMFORD, DAVIS SCHOOL DISTRICT; CURTIS KOCH, DAVIS COUNTY

PARTICIPATING ELECTRONICALLY:

CLINT MORRIS, LAYTON CITY; CALYSTA BRAVO, WEBER BASIN WATER, MOSQUITO ABATEMENT, AND NORTH DAVIS SEWER DISTRICT

LAYTON CITY STAFF PRESENT:

LON CROWELL, CHAD WILKINSON, CLINT DRAKE, ALEX JENSEN, AND KIM READ, SECRETARY

The meeting was held in the Council Conference Room of the Layton City Center.

Mayor Petro opened the meeting and requested everyone introduce themselves.

AGENDA:

APPOINTMENT OF MAYOR JOY PETRO AS COMMITTEE CHAIR

APPOINTMENT OF KIMBERLY S. READ AS COMMITTEE SECRETARY

MOTION: Committee Member Bob Stevenson moved to approve the appointments as presented. Committee Member Liz Mumford seconded the motion, which passed unanimously.

APPROVAL OF MINUTES

MOTION: Committee Member Bob Stevenson moved to approve the minutes from the June 17, 2010 meeting. Committee Member Craig Carter seconded the motion, which passed unanimously.

REVIEW AND CONSENT OF THE AMENDED BUDGET

Lon Crowell, Community and Economic Development Deputy Director, shared a visual illustration identifying the locations of businesses, surrounding boundaries in the area, and shared a brief history regarding the East Gate EDA (Economic Development Area). He pointed out grading of vacant land was a significant issue in this

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area of the City and identified the City's investment, thus far, for that purpose. He also identified the streets and roadways within that particular area of the City.

He stated with Davis School District's commitment to extend its participation in the EDA to 2035, and projected costs associated with grading, the budget had changed. He reviewed and compared the original projection of increment to the new projected annual increment after 2035 with the Committee.

Kurtis Koch, Davis County, arrived at 1:20 PM

Mr. Crowell emphasized the new projected increment would be critical to the success of the Project Area and also emphasized the project will come to fruition and the return on the investment for the entities would be substantially increased by approximately 300%.

He asked if there were any questions.

Chad Wilkinson, Community and Economic Development Director, requested Mr. Crowell identify the reason why this Committee had to be reorganized. Mr. Crowell explained State Code required a meeting in order to amend the budget, in the same manner as the original budget was adopted, which was by the Taxing Entity Committee, consisting of representatives from the necessary entities. He reviewed other requirements which needed to be met to proceed.

Committee Member Bob Stevenson inquired whether the increment would continue to 2035 or if it would discontinue once the dollar amount was reached. Mr. Crowell responded that hadn't been discussed and Committee Member Curtis Koch clarified there was no cap on the increment.

Committee Member Bob Stevenson clarified the City was aware of significant development interests in the EDA and Mr. Crowell responded in the affirmative.

Committee Member Bob Stevenson inquired whether the City was prepared to extend the road without participation from Davis County and Alex Jensen, City Manager, responded the City intended to request participation from Davis County. He indicated discussions had taken place with Wasatch Integrated, as well as others in the area, regarding the road extension and alignment and stated it was intended to provide economic benefit to all in the area. Committee Member Bob Stevenson also inquired whether there were continuing discussions with South Weber City regarding a possible road connection and Mr. Jensen shared an update regarding these discussions. Mr. Crowell shared the map identifying where a future road connection could be made and Mr. Wilkinson responded the Master Plan had always anticipated some connection and stated the

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City had historically worked with adjacent cities specific to access and believed this pattern would continue. The discussion continued regarding possible future road connections.

MOTION: Committee Member Craig Carter moved to accept the amended budget as presented. Committee Member Sam Uri seconded the Motion. The motion passed with the following vote: **Voting AYE – Committee Member Bob Stevenson, Sam Urie, Craig Carter, Liz Mumford, Curtis Koch, Joy Petro, Clint Morris, and Calysta Bravo. Voting NO – None.**

Chair Petro expressed appreciation to the Committee for its support.

Mr. Crowell explained how the minutes would be approved moving forward; the draft minutes would be distributed to members of the Committee and if no corrections were requested within 14 days, would be considered approved and adopted. The Committee expressed agreement with the proposal.

The meeting adjourned at 1:33 p.m.

Kimberly S. Read, Secretary

EXHIBIT "D" PUBLIC NOTICE MAILED TO EACH PROPERTY OWNER IN THE EDA



Community • Prosperity • Choice

Mayor • Joy Petro
City Manager • Alex Jensen
Asst. City Manager • Steve L. Garside

• Community and Economic Development •
Chad A. Wilkinson • Director
Lon Crowell • Deputy Director
Telephone: (801) 336-3760
Fax: (801) 336-3789

PUBLIC HEARING NOTICE

Dear Property Owner,

Pursuant to Utah Code 17C-1-805, 17C-1-806, and 17C-1-809, the Redevelopment Agency of Layton City (Agency) is holding a public hearing on **March 5, 2024, at 5:45 pm in the Layton City Council Chambers** for the purpose of amending the budget for the East Gate Economic Development Project Area Plan and Budget (EDA). All concerned citizens are invited to attend the project area budget hearing, and a copy of the East Gate Economic Development Project Area Plan and Budget and Property Description is available at the offices of Community and Economic Development, 437 North Wasatch Drive, Layton City, Utah 84041.

The EDA was originally approved by the Taxing Entity Committee and adopted by the Agency and Layton City Council in 2007, amended in 2010, and initiated in 2011 *"to grow the local and regional economy by creating jobs and sustaining Hill Air Force Base"* and for the purpose of *"collecting tax increment to be used for the development of land within certain greenfield and greyfield areas of Layton"* in which your property is located. Currently, the EDA collects 90% of all property taxes paid to the taxing entities listed in the charts below. The EDA will expire in 2035 after which 100% of all property taxes will be collected by each taxing entity who agreed to participate. The amount of property tax paid is assessed by value only, does not change, and **THIS ACTION WILL NOT AFFECT YOUR PROPERTY TAXES**, however this notice and this process is required by Utah Code 17C in order to amend our budget. The amended budget request is due to two (2) events: 1) On October 3, 2023 upon request of the Agency, the Davis School District Board voted to continue their participation in the EDA, investing 90% of qualified tax increment into the EDA until the termination of the EDA in 2035, consistent with all other taxing entities as originally adopted; and 2) significant new development (Project) planned within the EDA is projected to bring hundreds of new jobs to Layton and hundreds of millions of dollars in new investment. The significant new investment will increase the projected tax increment to be collected by the Agency who has chosen to amend its budget to reflect the change. Utah Code or the current agreements with each taxing entity do not require an amendment.

Since its adoption, approximately \$144.7 million dollars in private investment has occurred and hundreds of new jobs have been added to the East Gate Project Plan Area. A proposal has been made to add hundreds of additional jobs and hundreds of millions of additional dollars invested into the East Gate Plan Area. Extraordinary development costs caused by the existing topography and limited infrastructure have created the need for tax increment assistance in order to develop the East Gate Business Park as adopted in the Plan.

An explanation of how tax increment works is located on the City's Economic Development website which can be accessed by the QR Code link (right). The participating taxing entities continue to receive all property taxes collected from the total property valuations during the "base year" throughout the term of the EDA. Increase comes directly from new development paid by new property taxes from that new development, or increased property values.



A portion of the property tax revenue resulting from an increase in valuation of property within the project area or proposed project area (*only generated through new construction or reinvestment – added value*) will continue to be paid to the agency for project area development rather than to the taxing entity to which the tax revenue would have otherwise been paid. To date, tax increment has been used to extend and improve Fairfield Road and utilities to reach Janicki Industries, Kihomac and the east gate of Hill Air Force Base, and to assist with extensive grading requirements over and above that which would be considered typical for any other similar development in the region. It has also been used historically as incentive to retain expanding Layton employers and their employees.

Because the School District has agreed to remain a participant, the Redevelopment Agency of Layton City is requesting the EDA total budget (**2011-2035**) be increased from \$30,790,917 over a 25-year period to \$54,868,680 in property tax revenues over that same 25-year period to reflect their continued participation, which will be generated by new development and reinvestment within the EDA to fund a portion of project costs within the EDA as follows (generally):

1. Grading, Soil Retention, Soil Compaction:	35%	or \$19,200,000
2. Road Improvements/Construction:	35%	or \$21,900,000
3. Utilities, other Infrastructure:	10%	or \$5,500,000
4. Electrical Power Improvements:	15%	or \$8,200,000
5. Other Development Requirements:	2%	or \$1,100,000
6. EDA Administration	3%	or \$1,600,000

These property taxes have been and will be taxes levied by the following governmental entities, and, assuming current tax rates, the TOTAL taxes paid to the agency for the entire project area from each taxing entity (2011-2035) will be as follows:

TAXING ENTITY	ORIGINAL BUDGET	NEW PROJECTION
Davis County	\$4,232,579	\$6,199,107
Davis School District	\$17,899,701	\$36,470,587
Layton City	\$5,126,102	\$689,861
Weber Basin Water Conservancy District	\$436,160	\$56,321
Davis County Mosquito Abatement	\$210,729	\$43,185
North Davis Sewer	\$1,869,606	\$256,375
Davis County Service District Area 1	\$0	\$1,320
Davis County Library	\$375,443	\$125,194
State Assessment	\$340,597	\$0

For any questions, please contact Lon Crowell, Deputy Director, Layton City Community and Economic Development Department at lcrowell@laytoncity.org or 801.336.3780; or Chad Wilkinson, Director, Layton City Community and Economic Development Department at cwilkinson@laytoncity.org or 801.336.3780.

A map and of the East Gate Economic Development Project Area may be found on the City's Economic Development Website at the following QR Code link (right).



The property legal description of the East Gate Economic Development Project Area may be found on the City's Economic Development Website at the following QR Code link (right).



EAST GATE
ECONOMIC DEVELOPMENT PROJECT AREA
PLAN & BUDGET



PREPARED BY: LAYTON CITY
OFFICE OF COMMUNITY AND ECONOMIC DEVELOPMENT
ADOPTED DATE: OCTOBER 18, 2007
AMENDED DATE: JULY 1, 2010
AMENDED DATE: APRIL 4, 2024

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PART I. EAST GATE ECONOMIC DEVELOPMENT PROJECT AREA PLAN

INTRODUCTION

The Board of the Redevelopment Agency of Layton City has determined that it is in the best interest of the City to create an Economic Development Project Area on the east side of Hill Air Force Base. This action is being taken to grow the local and regional economy by creating jobs and sustaining Hill Air Force Base. This plan is in compliance with Title 17C, Limited Purpose Local Government Entities - Community Development and Renewal Agencies, of the Utah State Code.

This plan recommends that industrial, open space, business and research uses be developed in the area. The project area shall be known as the East Gate Economic Development Project Area (Project Area).

SECTION 1 - Boundaries of the Economic Development Project Area

A map of the Project Area is attached and incorporated herein by this reference as Exhibit "A".

The Legal Description of the Project Area is attached and incorporated herein by this reference as Exhibit "B".

Certain portions of the Project Area are outside the City's boundary and are unincorporated Davis County. According to the State Code Title 17C, Chapter 1, Section 204 this land may be included in the Project Area. This section of the Code states:

17C-1-204. Urban renewal, economic development, and community development by an adjoining agency -- Requirements.

(1) An agency or community may, by resolution of its board or legislative body, respectively, authorize an agency to conduct urban renewal, economic development, or community development activities in a project area that includes an area within the authorizing agency's boundaries or within the boundaries of the authorizing community if the project area or community is contiguous to the boundaries of the other agency.

(2) If an agency board or community legislative body adopts a resolution under Subsection (1) authorizing another agency to undertake urban renewal, economic development, or community development activities in the authorizing agency's project area or within the boundaries of the authorizing community:

(a) the other agency may act in all respects as if the project area were within its own boundaries;

(b) the board of the other agency has all the rights, powers, and privileges with respect to the project area as if it were within its own boundaries; and

(c) the other agency may be paid tax increment funds to the same extent as if the project area were within its own boundaries.

(3) Each project area plan approved by the other agency for the project

area that is the subject of a resolution under Subsection (1) shall be adopted by ordinance of the legislative body of the community in which the project area is located.

The City will collect Tax Increment from the entire Project Area, including areas that are outside the City limits. A map and legal description of the portion of the Project Area that is outside the City limits are attached and incorporated herein by this reference as Exhibit "C". The resolution from the County authorizing the Agency to include the specified County land in the Project Area is also contained in Exhibit "C". Layton City will be responsible for maintaining all development in unincorporated Davis County.

SECTION 2 - Project Area Characteristics and How They Will be Affected by Economic Development

A. Land Uses in the Project Area

Land uses in the area will be directly consistent with the officially adopted zoning ordinances of Layton City. The following zones exist in the Project Area: (a) Agriculture; (b) Professional Business; (c) Manufacturing; (d) Business/Research Park; and (e) Commercial. There will be no new retail construction permitted in the Project Area, except supportive services for businesses in the Project Area. Smaller retail operations such as restaurants, copy shops, etc. will be allowed in the project area.

The current land uses in the Project area are commercial (12.3%); office (1.4%); agriculture / open space / undeveloped land (86.3%).

Land uses in the Project Area will be affected by future developments. Demolition of existing buildings will be minimal though may be required. Most development will be the construction of new buildings as most of the land in the area is undeveloped. The current uses of existing buildings will largely remain the same with no changes. There will be a large increase in commercial development. All anticipated uses will be consistent with the General Plan of Layton City.

B. Layout of Principal Streets in the Project Area

All principal streets in the Project Area are shown on the Land Use map attached as Exhibit "A". The infrastructure in the Project Area is an integral component of the Plan. Infrastructure will be a catalyst for development as much of the area is not currently accessible. Tax Increment generated from the Project Area will go almost exclusively to infrastructure installation and improvements.

Layton City anticipates that the Project Area could affect the existing infrastructure as follows: (a) one or more of the existing streets will be improved; (b) one or more new streets will be constructed to further development objectives;

(c) intersections may be improved or altered to ensure maximum efficiency for traffic flow and to increase traffic capacity in the Project Area.

C. Population in the Project Area

The Project Area has no residential buildings and though there are small residential zones in the Project Area this plan and the City's General Plan do not allow for any residential uses. Near the Project Area there is a mobile home park and some single-family dwellings. These residences are outside the Project Area and will not be mixed with the proposed development.

The daytime population, workers who work for firms in the Project Area, will be affected by development. Development in the Project Area will bring more workers into the Project Area during the daytime hours.

D. Building Intensities in the Project Area

The building intensities within the boundaries of the Project Area were analyzed. It is expected that the building intensities within the project area will be affected in the following ways:

1. New manufacturing, office, industrial and research buildings will need to be constructed. Some existing buildings will be remodeled or renovated or may be demolished with new manufacturing, office, industrial and research buildings being the focus of development and redevelopment.
2. It is anticipated that the Project Area will transition from lower density commercial and agricultural use to an area of more intense commercial and office uses. This change will increase the daytime population.
3. Infrastructure installation will open up land in the Project Area that had not previously been accessible and developable. This will allow development to occur throughout Project Area.

SECTION 3 - Standards That Will Guide Economic Development

A. Development Objectives

The following objectives will be pursued in order to create a more viable Project Area:

1. Promote and market the Project Area for development or redevelopment that will enhance the economic health of the community through diversification of the City's tax base, create a dynamic Industrial/Business Park that will be a large job base and establish infrastructure that will better accommodate mobility throughout the Project Area.

2. Assist in the expansion, rehabilitation, or construction of buildings if sound long-term economic activity can be increased thereby.
3. Encourage development through the assembly of land into reasonably sized and shaped parcels for expanded economic activity.
4. Provide utilities, streets, curbs, sidewalks, parking areas and landscaping to give the area an improved look and to attract and encourage expanded business activity.
5. Coordinate and improve the public transportation system, including streets and public transit services.

B. Design Objectives

Subject to the development objectives and other provisions of this Plan, owners and developers will be allowed flexibility in the development of land located within the Project Area and will be expected to achieve to the highest quality design and development. Each development proposal will be considered subject to: (1) appropriate elements of the City's General Plan; (2) the planning and zoning code of the City; (3) other applicable building codes and ordinances of the City; (4) a review and recommendation by the City Planning Commission; and (5) a review and recommendation by the Agency to ensure that the development is consistent with this Plan. A review of development proposals may also be made by an advisory design review committee established by the Agency. If the Agency or an advisory design review committee reviews the proposal they will have no more than three weeks to make a review and recommendation concerning the proposal. All reviews will be done before the Planning Commission reviews the proposal.

Each development proposal by an owner or developer will be accompanied by site plans, development data and other appropriate material that clearly describes the extent of the proposed development, including land coverage, setbacks, heights and bulk proposed, off-street parking to be provided, use of public transportation, and any other data determined to be necessary or requested by the City or the Agency.

The general design of specific projects may be developed or approved by the Agency in cooperation with the Planning Commission. The particular elements of the design should be such that the overall development of the Project Area will:

1. Provide an attractive environment.
2. Blend harmoniously with the adjoining areas.

3. Provide for the optimum amount of open space and well-landscaped area in relation to new buildings.
4. Provide surface parking area and structures and structures parking facilities, appropriately designed, screened and landscaped to blend harmoniously with the area.
5. Provide open spaces and pedestrian walks which are oriented to the directions of maximum use and designed to derive benefit from land use relationships and views.
6. Result in the development of land within the Project Area in such a manner that available off-street parking will be maintained to the maximum degree.
7. Comply with the provisions of this plan.

C. Specific Design Objectives

1. Building Design Objectives:

- a. New buildings shall be of design and materials that will be in harmony with the adjoining area and other new developments, and shall be subject to design review and approval by the Agency.
- b. The design of buildings shall take optimum advantage of available views and topography and shall provide, where appropriate, separate levels of access.
- c. Buildings within the Project Area should be designed to be aesthetically pleasing.

2. Open Space Objectives:

- a. Attractively landscaped open spaces shall be provided, which will offer maximum usability to occupants of the building for which they are developed.
- b. Where feasible and appropriate to scale landscaped, paved, and graded pedestrian walks should be provided along the lines of the most intense use, particularly from building entrances to streets, parking areas, and adjacent buildings on the same site.
- c. Materials and design paving, retaining walls, fences, curbs, benches, and other items, should be of good appearance, easily maintained, and indicative of their purpose.

- d. The location and design of pedestrian walks should afford maximum safety and separation from vehicular traffic and should recognize desirable views of new and existing development in the area.

3. Parking Design Objectives:

- a. Parking areas shall be designed with careful regard to orderly arrangement, topography, relationship to view, ease of access, and as an integral part of the overall site design.
- b. Multi-story parking is allowed, in accordance with City ordinances and regulations.

4. Landscape Design Objectives:

- a. A coordinated landscaped design over the entire Project Area incorporating landscaped treatment for open space, roads, paths, and parking areas into a continuous and integrated design shall be a primary objective.
- b. Primary landscape treatment shall consist of shrubs, ground cover, and shade trees as appropriate to the character of the Project Area and as determined by the City and the Agency.

5. Project Improvement Design Objectives:

- a. Public rights-of-way. All streets, sidewalks and walkways within public rights-of-way will be designed or approved by the City and be consistent with all design objectives.
- b. Street lighting and signs. Lighting standards and signs of pleasant appearance and modern illumination standards shall be provided as necessary as approved by the City.

D. Techniques to Achieve Project Area Plan Objectives

Possible activities contemplated in carrying out the Plan in the Project Area include the acquisition, clearance, construction, or rehabilitation of properties in the Project Area.

- 1. Acquisition and Clearance: Parcels of real property located in the Project Area may be acquired by purchase at fair market value.
- 2. Construction: New construction may be initiated in order to encourage additional private sector building and investment.

3. Rehabilitation: Properties determined to be in substandard condition by the Agency and not otherwise intended for development may be sufficiently rehabilitated to insure a reasonable remaining economic life.
4. Implementation of Projects: The Agency shall have the right to approve the design and construction documents of all development within the Project Area to ensure that all development within the Project Area is consistent with this Project Area Plan. The City shall notify the Agency of all requests for (1) zoning changes; (2) design approval; (3) site plan approval; and (4) building permits within the Project Area. Projects within the Project Area shall be implemented as approved by the Agency and the City.

SECTION 4 - How the Purposes of State Law Would Be Attained by Economic Development

It is the intent of the Agency, with the assistance and participation of private owners, to encourage and accomplish appropriate development within the Project Area by methods described in this Plan. This includes the installation and improvement of infrastructure in the Project Area. The Agency reserves the right to remove buildings or structures, to construct new buildings, facilities, to purchase land, and to use incentives to maximize appropriate development beneficial to Layton City. By these methods, the private sector should be encouraged to undertake new development or redevelopment which will strengthen the tax base of the community in furtherance of the objectives set forth in this Plan.

SECTION 5 - How the Plan is Consistent with the City's General Plan

This Plan is consistent with and the proposed development conforms to the City's General Plan in the following respects:

A. Zoning Ordinances

The property within the Project Area is currently zoned for Agriculture (A, A-1); Business/Research Park (B-RP); Professional Business (PB); Commercial (CP-1, C-H); and Residential (R-1-8). The proposed development is permitted under the current zoning classifications of the City. If any zoning changes are required, such changes will be submitted to the City for consideration and approval. There is some residential zoning in the Project Area but no residential structures. All residential zoning in the Project Area is in the City's General Plan as being zoned for Business/Research Park.

The City's General Plan envisions the entire project area as being Business/Research Park, Commercial, Agriculture and Manufacturing. The City has pursued this zoning to support the development proposed in this Plan.

B. Building Codes

The construction of all new buildings and improvements and the rehabilitation of any existing buildings or improvements will be done in accordance with the standards set forth in the General Plan of the City and in accordance with the Building Codes adopted by or applicable to the City. All building permits for construction or rehabilitation will be issued by the City in order to assure that new development or redevelopment is consistent with the General Plan of the City.

C. Planning Commission

This Plan is consistent with the General Plan of the City which encourages viable commercial centers and the development of an Industrial/Business Park in the Project Area. The Planning Commission must review this Plan for it to be valid.

SECTION 6 - Description of How the Economic Development Will Create Additional Jobs

A description of how the economic development will create jobs is in the Economic Benefit Analysis which is attached and incorporated herein as Exhibit "D".

SECTION 7 - Description of the Specific Projects That are the Object of the Proposed Economic Development

The Agency believes on the basis of input received by the Agency from owners of real property within the Project Area that a number of development projects may be undertaken by private owners to accomplish the purposes of this Plan. Specific projects will include development that supports the mission of Hill Air Force Base. Infrastructure will need to be installed to facilitate any development. The infrastructure will open all areas of the Project Area for development.

The Agency will use Tax Increment primarily for the construction of infrastructure, *land acquisition and/or write-downs, economic development incentives and administration costs for throughout* the Project Area. The Agency believes that increasing access through the Project Area will make the area more attractive to firms and developers looking to locate to the area.

SECTION 8 - Ways in Which Private Developers Will be Selected to Undertake the Economic Development

A. Selection of Private Developers

The Agency desires owners of real property in the Project Area to undertake development of their property and contemplates that owners will take advantage of the opportunity to develop their property. In the event that owners do not wish to participate in development or redevelopment in compliance with the Plan, the Agency reserves the right pursuant to the provisions of the Act to acquire parcels,

to encourage other owners to acquire other property within the Project Area, or to select non-owner developers by private negotiation, public advertisement, bidding or solicitation of written proposals, and by so doing encourage or accomplish the desired development of the Project Area.

B. Identification of Developers Who Are Currently Involved in the Proposed Development

The Agency has been contacted by or has been in contact with developers and current property owners within the Project Area. Several developers have inquired concerning the Project Area. Grandview Corporate Center, LLC and East Layton, LLC are both landowners in the Project Area. They are not working directly with the Agency but have taken various steps to develop land in the Project Area.

1. Qualified Owners: The Agency shall first permit qualified owners within the Project Area to participate as developers in the development of the Project Area.
2. Other Parties: Regarding all or any portion of the Project Area, if owners in the Project Area do not propose development projects, or do not possess the necessary skill, experience and financial resources, or are not willing or able to appropriately develop all or part of the project Area, the Agency may identify other qualified persons who may be interested in developing all or part of the Project Area. Potential developers may be identified by one or more of the following processes: (1) public solicitation, (2) requests for proposals (RFP), (3) requests for bids (RFB), (4) private negotiation, or (5) some other method of identification approved by the Agency.

SECTION 9 - Reasons for the Selection of the Project Area

For the following reasons the Agency has selected this site for the location of the Project Area:

- The Project Area has specific economic advantages because of its location to Hill Air Force Base. The development proposed in this Plan will provide support to the base.
- With infrastructure installments the Project Area will become a vibrant economic quadrant within the City.
- This location offers easy access to a variety of transportation means.
- The Project Area is one of the last remaining Greenfield sites in all of Davis County. The Agency wants to ensure this project is developed in the most efficient manner possible.

- Northern Davis County is in need of life sustaining jobs, this site will be able to support multiple firms that will be bringing high paying jobs to the community.
- This location offers the flexibility and zoning to house a variety of industries.
- The Project Area is one of the last areas in the City where a successful industrial/business park could be located. Most Greenfield areas in Layton are surrounded by housing. There are houses near the Project Area, but they are limited and there is a natural separation between the proposed development and residential structures. The majority of the Project Area is surrounded by Hill Air Force Base and the Wasatch Integrated Waste Management District's garbage disposal facilities.

SECTION 10 - Description of the Physical, Social and Economic Conditions Existing in the Area

A. Physical Conditions

The Project Area consists of 676 acres including public streets. All of the land in the Project Area is privately or quasi-publicly owned, and there is no public land. The majority of the property is undeveloped and there are no public roads to most of the land.

The southwest portion of the Project Area is the only part of the Project Area that has experienced significant development. This area is zoned M-1, light manufacturing, and most businesses in this area are conforming to the M-1 zoning requirements. This area does have some older buildings that may need to be rehabilitated or demolished.

The Sun Hills Golf Course is located in the middle of the Project Area. The Golf Course does have a clubhouse, which is in good shape. The Golf Course will remain open space unless the owner decides to develop the property.

With the exception of one office building in the southeast corner of the Project Area these mentioned developments are the only developments in the Project Area. The remaining portions of the Project Area are undeveloped.

B. Social Conditions

There are no residential structures in the Project Area. There are some commercial buildings in the Project Area that provide jobs. Jobs in the area are generally mixed in pay. The companies that provide jobs in the Project Area are mostly industrial related. There are some firms that do provide higher paying office jobs.

C. Economic Conditions

The land in the Project is largely underutilized. Though some small pockets of the Project Area have been developed, most of the land is undeveloped. The Project Area's location near the Hill Air Force Base make it ideal for industrial/business related development.

The Project Area has remained undeveloped because the needed infrastructure is costly. With the proper infrastructure in place the area will become economically viable and able to support the developments which this plan proposes.

SECTION 11 - Description of any Tax Incentives Offered to Private Entities for Facilities Located in the Project Area

Subject to the establishment of the Project Area, the following generally describes tax or other incentives which the Agency intends to offer within the Project Area to developers in consideration for constructing and operating the proposed development.

The Agency may use the City's share of any property tax collections and may under certain conditions use capital improvement funds along with tax increment generated from the Project Area to help pay for costs associated with the development of the Project Area. These funds may be used for such items as public infrastructure improvements and installations, Agency requested off-site improvements and upgrades and on-site upgrades, land *acquisition and/or* write downs, *economic development incentives, administration*, desirable Project Area improvements and other items as approved by the Agency. Payment to the developer shall be made through an agreement between the Agency and the City or the Agency and the developer. Except where the Agency issues bonds or otherwise borrows or receives funds, the Agency expects to pay the City or developer for the agreed upon amount. Subject to the provisions of the Act, the Agency may agree to pay for eligible costs and other items from taxes for any period of time the Agency may deem to be appropriate under the circumstances.

SECTION 12 - Analysis of the Anticipated Public Benefit to be Derived from the Economic Development

A description of how the economic development will create jobs is in the Economic Benefit Analysis, which is attached as Exhibit "D".

SECTION 13 - National or State Register of Historic Places

There are no buildings or places in the Project Area that are on or eligible for the National or State register of historic places.

SECTION 14 - Owner Participation

This Plan provides for reasonable opportunities to participate in the development of property in the Project Area by the owners of property in the Project Area. The Agency has previously adopted an Owner Participation Plan, copies of which may be obtained from the office of the Agency upon request.

SECTION 15 - Relocation Plan

This Plan does not include any plans, or participation on the part of the RDA, for the relocation of any residents or businesses. The relocation process will be managed by the private sector.

SECTION 16 - Eminent Domain

The use of eminent domain as part of this plan is limited and will only be used in accordance with Utah State Code Title 17C, Chapter 1, Section 206.

SECTION 17 - Amending Plan and Budget

The Agency may amend or modify this Plan or Budget at any time in accordance with the State Code Title 17C, Chapter 3, Sections 109 and 205.

SECTION 18 - Project Financing

A. Financial Sources

As described in PART II. THE EAST GATE ECONOMIC DEVELOPMENT PROJECT AREA BUDGET, the following sources will be contributing to development in the Project Area.

1. Private Entities:

Private entities will be responsible for financing their respective developments.

2. Layton City:

Where feasible Layton City will appropriate funds to improve and install infrastructure in the Project Area. The City does not have the financial resources to allocate significant financial resources to the area. The City will participate as budgetary constraints allow. The City will contribute resources, aside from tax increment received from the Project Area, to support the development proposed by this Plan.

3. Tax Increment:

This Plan specifically incorporates the provisions of tax increment financing permitted by the State Code Title 17C, Limited Purpose Local Government Entities - Community Development and Renewal Agencies. This money will primarily be used to improve and install infrastructure, *land acquisition and/or write-downs, economic development incentives, administration costs and other improvements* in the Project Area.

The property tax increments shall be set forth in Section 18 B. Briefly stated, the tax increments that will be available under this Plan are determined in the following manner. After this Plan is adopted, the total taxable value of the property within the Project Area is determined using the last taxable values shown on the last equalized assessment roll prior to adoption of the Plan. This provides a base figure. To the extent the taxable values of property within the Project Area increase above this base figure, application of prevailing tax rates to the increased value above the base figure yields "tax increment." These tax increments arise only with respect to property located in the Project Area. Other taxing entities continue to be entitled to receive the tax revenues that result from application on prevailing tax rates to the base figure of the taxable value, so long as the total of taxable values in the Project Area exceed the base figure. The tax increments are made available for financing and assisting with the financing of development within the Project Area. Such financing can be accomplished through the use of tax increment bonds or other borrowing. These bonds or other borrowing are retired using the tax increments generated from increased taxable values within the Project Area. Bond holders and other creditors have no recourse against anything but such tax increments for payment of such bonds or other borrowing to the extent such bonds or other borrowing are based solely on tax increments. In particular, they have no claims against City funds.

The Agency is authorized to issue bonds if appropriate and feasible in an amount sufficient to finance all or any part of the project.

The Agency is authorized to obtain advances, to borrow funds and to create indebtedness in carrying out the plan. The principal, interest on such advances, funds, and indebtedness may be paid from tax increments or any other funds available to the Agency.

B. Tax Increment and Plan Duration

The following is an estimate of the total amount of tax increment that will be expended in undertaking economic development and the length of time for which it will be expended.

The Agency has elected to collect 90 percent of the annual tax increment from the Project Area. This includes Property and Personal Property taxes. The Agency will collect 90% tax increment from all tax entities in the Project Area for a

period of 25 years commencing from the first tax year the Agency accepts tax increment for the entire project area. The City will start receiving tax increment financing from all taxing entities in the same year.

The Agency must commence implementation of this Plan within *five (5)* years after the date the plan is adopted. The Agency has selected 2006 as a base year for tax increment financing calculations. The Agency will review the Plan at least every five years to assess how development is in line with the requirements and timeline of the Plan. The Agency will hold a Taxing Entity Committee meeting annually to insure that all funds are needed for completion of the items in the Budget.

PART II. EAST GATE ECONOMIC DEVELOPMENT PROJECT AREA BUDGET

EAST GATE ECONOMIC DEVELOPMENT PROJECT AREA BUDGET

ADOPTED DATE: October 18, 2007
 AMENDED DATE: July 1, 2010
 AMENDED DATE: January 18, 2024

LINE ITEM EXPENDITURES

Project Area Improvements: 100% of Tax Increment Received

Project Area Improvements Include:

Infrastructure:

INFRASTRUCTURE EXPENDITURES TO BE PAID BY TAX INCREMENT FINANCING FROM PROJECT AREA:

Expenditures to be paid by Tax Increment for Infrastructure Include: The Improvements and extension of Fairfield Road as it extends north and then east around the Sun Hills Golf Course; The extension of 1700 East as it extends north and then west as it extends around the Sun Hills Golf Course to connect into the Fairfield Road extension; utilities that will support future development; detention improvements to support development

INFRASTRUCTURE EXPENDITURES TO BE PAID BY PRIVATE PARTIES:

Expenditures to be paid by private parties for Infrastructure Include: Greyhawk Commercial Church Street Extension.

INFRASTRUCTURE EXPENDITURES TO BE PAID BY LAYTON CITY:

Expenditures to be paid by Layton City for Infrastructure Include: The 2006 Extension of Fairfield Road; Construction of 3500 North from Fairfield Road to the East Gate of Hill Air Force Base.

Land Assemblage:

Tax Increment could be used to purchase parcels of land from property owners in the Economic Development Project Area. Tax Increment will be used for land purchase only when in line with the vision and goals of the Project Area Plan.

Economic Development Incentives:

Tax Increment will be used for economic

Administration:

No more than three (3) percent of Tax Increment received on an annual basis will be used for administration of the Project Area Plan and Budget.

TAXING ENTITIES IN THE PROJECT AREA, TAX RATES AND CONTRIBUTION

GOVERNMENTAL AGENCY	TAX RATE*	ESTIMATED CONTRIBUTION TO EDA	% OF TOTAL
DAVIS SCHOOL DISTRICT	0.00579	\$9,263,939	31%
DAVIS COUNTY	0.002003	\$7,007,275	23%
LAYTON CITY	0.002092	\$7,320,662	24%
MOSQUITO ABATEMENT	0.000086	\$299,605	1%
NORTH DAVIS SEWER DISTRICT	0.000763	\$2,669,416	9%
STATE ASSESSING AND COLLECTION	0.000139	\$486,995	2%
WEBER BASIN WATER CONSERVANCY DIST	0.000178	\$663,688	2%
STATEWIDE SCHOOL RATE	0.001515	\$2,432,074	8%
TOTAL=	0.012566	\$30,143,854	100%

*2006 Certified Tax Rates

The Agency has elected to collect 90 percent of the annual tax increment from the Project Area. This includes Property and Personal Property tax increment. The Agency will collect 90% tax increment from all tax entities in the Project Area for a period of 25 years commencing from the first tax year the Agency accepts tax increment for the entire project area. The Agency has selected 2006 as a base year for Tax Increment Financing calculations.

TIMELINE FOR EXPENDITURES AND TAX INCREMENT FINANCING

2006 BASE VALUE OF TOTAL LAND= \$30,594,080 *

*This amount was received from the Davis County Assessors office for the property value of land in the Project Area.

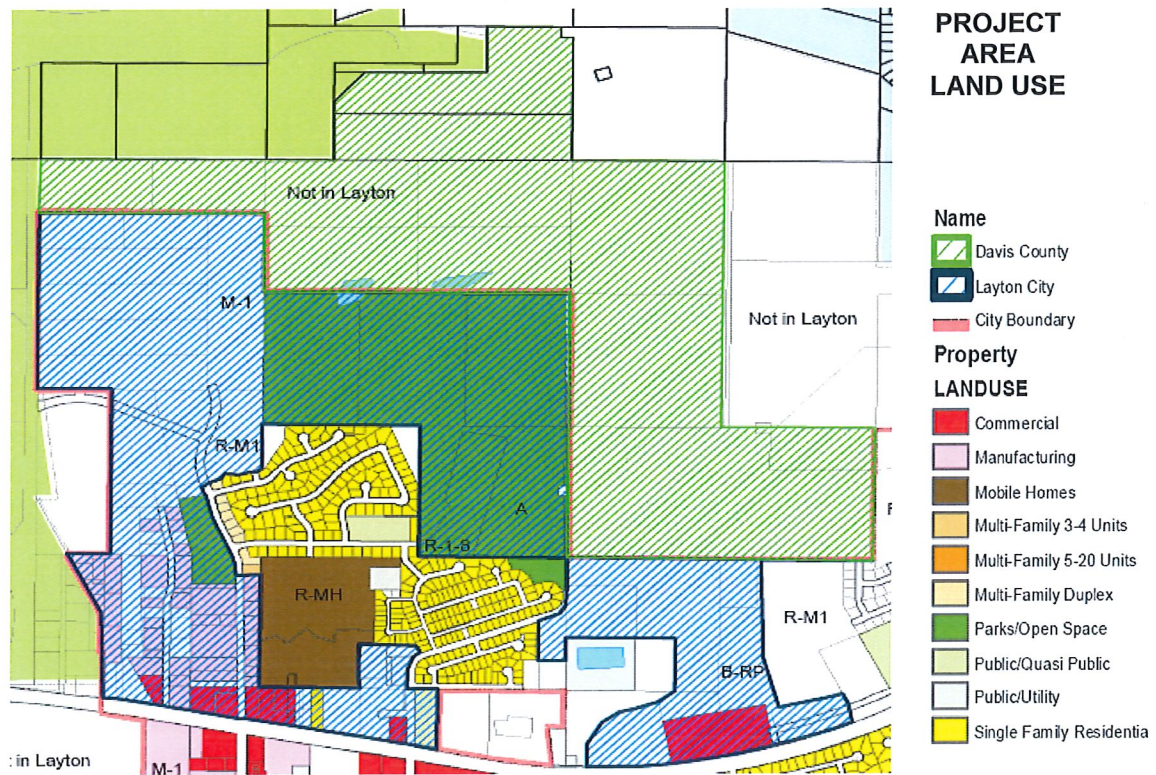
YEAR ONE:	ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$288,861	2011
YEAR TWO:	ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$414,259	2012
YEAR THREE:	ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$495,812	2013
YEAR FOUR:	ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$591,616	2014
YEAR FIVE:	ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$492,352	2015
YEAR SIX:	ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$472,867	2016
YEAR SEVEN:	ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$659,895	2017
YEAR EIGHT:	ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$708,617	2018
YEAR NINE:	ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$880,566	2019
YEAR TEN:	ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,042,047	2020
YEAR ELEVEN:	ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,133,440	2021
YEAR TWELVE:	ACTUAL TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,305,902	2022
YEAR THIRTEEN	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,518,663	2023
YEAR FOURTEEN	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,640,117	2024
YEAR FIFTEEN	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$1,929,617	2025

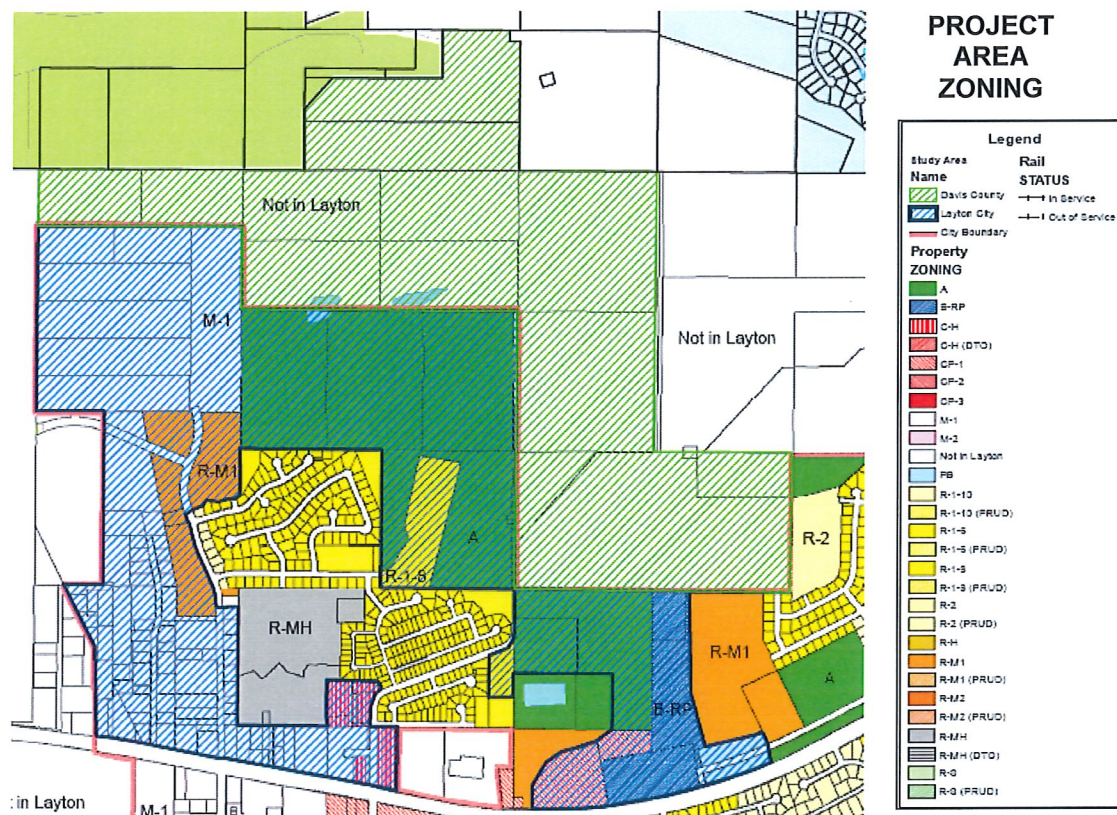
YEAR SIXTEEN	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$2,051,072	2026
YEAR SEVENTEEN	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$3,227,810	2027
YEAR EIGHTEEN	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$3,349,264	2028
YEAR NINETEEN	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$4,302,195	2029
YEAR TWENTY	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$4,423,650	2030
YEAR TWENTY-ONE	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$4,545,104	2031
YEAR TWENTY-TWO	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$4,666,558	2032
YEAR TWENTY-THREE	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$4,788,012	2033
YEAR TWENTY-FOUR	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$4,909,466	2034
YEAR TWENTY-FIVE	ESTIMATED TIF RECEIVED	PROJECTS FUNDED INCLUDE:	\$5,030,920	2035

Estimated Grand Total of Tax Increment to be Received:

\$54,868,680

EXHIBIT A.
Map of the Project Area including Land Uses, Zoning and Principal Street Layout





PROJECT AREA PRINCIPAL STREET LAYOUT

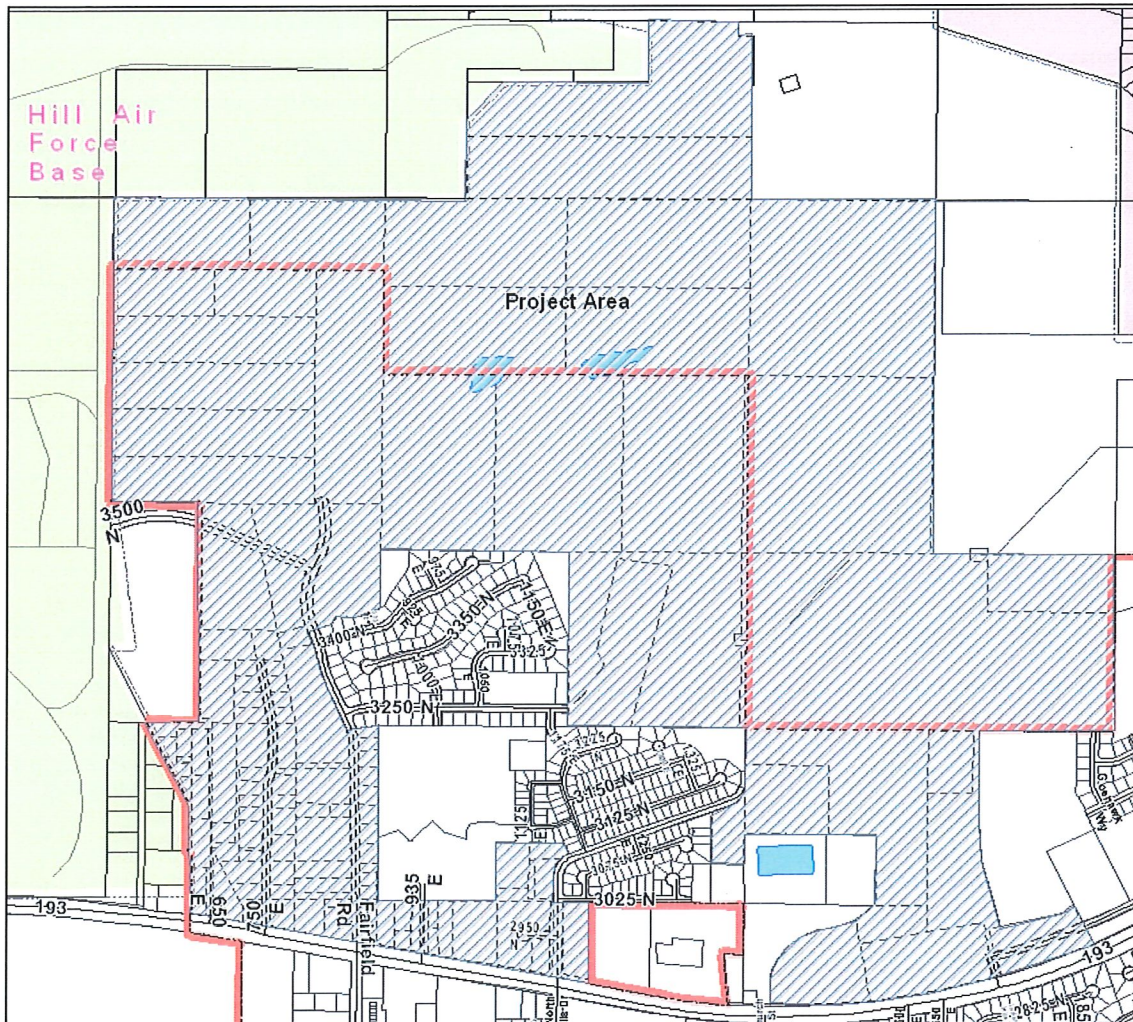


EXHIBIT B.
Legal Description of the Project Area

BEGINNING AT A POINT WHICH IS N 82°10'34" W 274.078 FEET FROM THE SOUTHWEST CORNER OF SECTION 2, TOWNSHIP 4 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, AND RUNNING THENCE S 26°46'49" E 147.313 FEET, THENCE S 11°52'45" E 185.927 FEET, THENCE S 78°55'30" W 2364.885 FEET, N 00°04'04" E 229.227 FEET, THENCE N 55°43'09" E 751.202 FEET, THENCE N 55°03'49" E 179.106 FEET, THENCE N 00°00'00" E 529.871 FEET, THENCE N 89°37'17" W 965.036 FEET, THENCE S 00°05'25" W 231.37 FEET, THENCE N 89°56'13" W 238.173 FEET N 00°16'41" E 392.141 FEET, THENCE N 55°18'54" E 288.449 FEET, THENCE N 00°05'16" E 465.647 FEET, THENCE N 89°37'47" W 1297.955 FEET, THENCE N 00°08'31" E 1310.51 FEET, THENCE N 89°46'40" W 1384.588 FEET, THENCE S 00°44'47" E 436.465 FEET, THENCE S 51°13'58" W 55.375 FEET, THENCE S 84°35'50" W 66.181 FEET, THENCE S 75°25'01" W 103.68 FEET, THENCE N 83°41'14" W 119.325 FEET, THENCE S 33°16'34" W 65.78 FEET, THENCE S 69°22'25" W 108.083 FEET, THENCE S 53°05'00" W 82.324 FEET, THENCE S 20°02'39" E 81.716 FEET, THENCE N 81°12'39" E 11.461 FEET, THENCE S 14°09'03" E 209.538 FEET; THENCE S 24°21'22" E 438.406 FEET, THENCE S 15°54'33" E 98.768 FEET, THENCE S 03°49'05" E 104.029 FEET, THENCE N 86°56'47" E 216.851 FEET, THENCE S 00°06'16" W 1120.811 FEET, THENCE S 89°24'00" E 881.884 FEET, THENCE N 09°12'39" W 101.274 FEET, THENCE N 00°08'23" E 341.274 FEET, THENCE S 88°28'04" E 503.358 FEET, THENCE S 28°49'59" E 76.533 FEET, THENCE S 22°46'31" W 285.345 FEET, THENCE S 01°30'52" W 100.199 FEET, THENCE S 89°46'21" E 263.947 FEET, THENCE S 00°07'01" W 607.153 FEET, THENCE N 79°46'52" W 197.124 FEET, THENCE N 79°39'16" W 1508.307 FEET, THENCE S 88°09'31" W 62.157 FEET, THENCE N 79°37'09" W 1033.734 FEET, THENCE N 83°48'59" W 167.741 FEET, THENCE N 01°23'50" W 842.608 FEET, THENCE N 27°06'10" W 667.248 FEET, THENCE S 89°34'14" E 375.6 FEET, THENCE N 00°08'26" E 1642.56 FEET, THENCE N 90°00'00" W 657.329 FEET, THENCE N 00°01'40" E 2281.95 FEET, THENCE N 89°55'10" E 2576.982 FEET, THENCE N 00°42'17" W 584.217 FEET, THENCE N 43°08'58" E 395.836 FEET, THENCE N 89°51'19" E 1063.987 FEET, THENCE N 00°20'35" W 456.518 FEET, THENCE N 89°39'25" E 659.006 FEET, THENCE S 00°20'35" E 114.129 FEET, THENCE S 88°22'05" E 106.83 FEET, THENCE S 00°26'29" W 1218.654 FEET, THENCE S 89°59'09" E 1348.39 FEET, THENCE S 00°10'49" W 2643.212 FEET, THENCE S 89°45'28" E 1346.493 FEET, THENCE S 00°18'03" W 1329.666 FEET, THENCE N 89°28'34" W 971.978 FEET, THENCE S 01°22'04" E 968.304 FEET, THENCE S 15°47'10" E 520.265 FEET, THENCE N 76°33'52" E 470.486 FEET, THENCE N 52°22'45" E 96.802 FEET TO THE POINT OF BEGINNING.

CONTAINS APPROXIMATELY 675.60 ACRES.

EXHIBIT C.

A Resolution from Davis County Authorizing the Agency to include County Land in the Project Area Under State Code (17C-1-204) Including a Map and Parcels of the Portions of the Project Area that are not in Layton City Boundaries.

RESOLUTION 07-277

A RESOLUTION BY THE DAVIS COUNTY COMMISSION
AUTHORIZING A PORTION OF UNINCORPORATED DAVIS
COUNTY FOR USE BY LAYTON CITY IN AN ECONOMIC
DEVELOPMENT PROJECT AREA.

WHEREAS, the Davis County Commission supports economic development that creates life sustaining jobs throughout Davis County; and

WHEREAS, the Davis County Commission is aware that Layton City is desirous to use a portion of unincorporated Davis County in the East Gate Economic Development Project Area; and

WHEREAS, the East Gate Economic Development Project Area will serve to bring life sustaining jobs to Davis County; and

WHEREAS, the Utah State Code governing Economic Development Project Areas (17C-1-204) allows a community to use contiguous property outside its boundaries if the legislative body of the community in which the land lies gives its approval; and

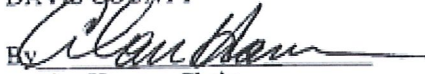
WHEREAS, Layton City will be responsible for all public services to new developments that occur in the East Gate Economic Development Project Area whether the land is in Layton City or unincorporated Davis County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF DAVIS COUNTY AS FOLLOWS:

1. As permitted by 17C-1-204 UCA Davis County does hereby authorize Layton City to include certain portions of unincorporated Davis County in the East Gate Economic Development Project Area.
2. Layton City may act in all respects as if the project area located in the unincorporated area of Davis County were within its own boundaries.
3. Layton City by this Resolution has all the rights, powers, and privileges with respect to the project area located in the unincorporated area of Davis County as if it were within its own boundaries.
4. Layton City may be paid tax increment funds to the same extent as if the project area located within the unincorporated area were within its own boundaries.
5. The unincorporated portions of Davis County that will be included in the East Gate Economic Development Project Area are listed by their Tax Identification Numbers in Exhibit "A", which is attached hereto and incorporated by this reference, and as identified on the map in Exhibit "B", which is attached hereto and incorporated by this reference.

Passed and Adopted by the Commissioners of Davis County this 28th day of ~~July~~, 2007.
August

DAVIS COUNTY

By 

Alan Hansen, Chair
Davis County Commission

ATTEST:



Steve S. Rawlings
Davis County Clerk/Auditor

Approved as to Form:



Office of Davis County Attorney

EXHIBIT A

The following are Tax Identification Numbers for parcels to be included in Layton City's East Gate Economic Development Project Area. This list is exhaustive and there are no parcels that will be divided for inclusion in the Project Area:

090120022
091160012
091160013
091170002
091190001
091190002
130310010
130310011
130310012
130310013
130310008

EXHIBIT B

The following is a map of the East Gate Economic Development Project. This map identifies which portions of the Project Area are outside Layton City boundaries and are in unincorporated Davis County.

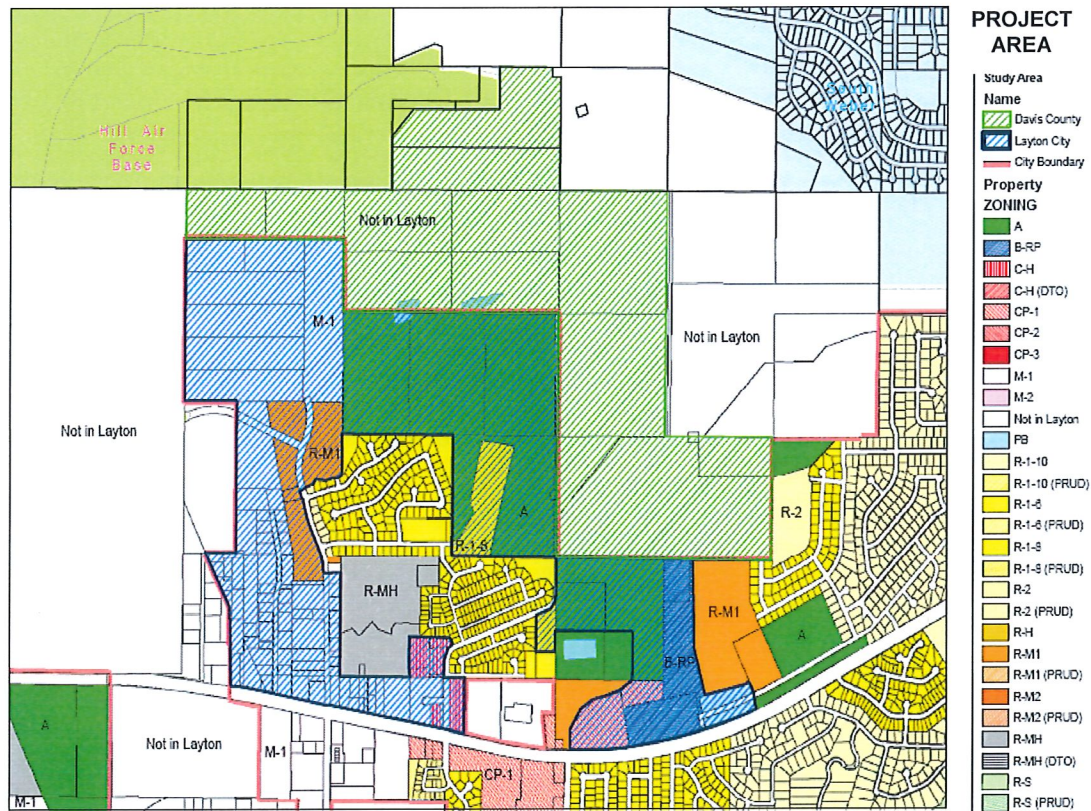


EXHIBIT D.
Economic Benefit Analysis

EAST GATE ECONOMIC DEVELOPMENT **ANALYSIS**



Prepared By:
Layton City
Department of Community and Economic Development

Purpose

The Redevelopment Agency of Layton City (Agency) has identified a 676 acre area immediately east of the Hill Air Force Base and north of Highway 193 as an area having potential for economic growth. The Agency feels that the proximity of the area to the Air Force Base will create economic growth associated with the Base.

In order to establish a mechanism to assist with economic growth and development and to ensure the compatibility of this growth with Layton City's vision and goals, the Agency proposes establishing the East Gate Economic Development Project Area (Project Area).

The Project Area provides an opportunity for the City to direct certain funds and resources to:

1. Encourage renovation and retention of existing businesses
2. Encourage new businesses to locate in this area
3. Provide infrastructure improvements to entice business expansion and relocation
4. Protect existing businesses from encroachment by undesirable developments

For these reasons, the RDA adopted a resolution authorizing the preparation of a project area plan for the 676 acre project area. The Agency has identified infrastructure as the primary investment for tax increment to be received from the Project Area. This plan will consider multiple aspects of the proposed development.

Background

As outlined in Utah State Code, Title 17C-3-103, this study will address the following issues concerning development in the Project Area:

1. The benefit of any financial assistance or other public subsidy proposed to be provided by the agency, including:
 - An evaluation of the reasonableness of the costs of economic development;
 - Efforts the agency or developer has made or will make to maximize private investment;
 - The rationale for use of tax increment, including an analysis of whether the proposed development might reasonably be expected to occur in the foreseeable future solely through private investment;
2. The anticipated public benefit to be derived from the economic development, including:
 - The beneficial influences upon the tax base of the community;
 - The associated business and economic activity likely to be stimulated; and
 - The number of jobs or employment anticipated to be generated or preserved.

Strengths, Weaknesses, Opportunities and Threats

The Agency has identified several key economic opportunities and concerns in and around the Project Area.

1. The local economy is largely a bedroom community with a retail based economy
2. Residential development is consuming most of the undeveloped land in Layton City
3. The Project Area borders the Hill Air Force Base, which is a catalyst for development
4. Industrial and Business developments exist in the Project Area
5. Much of the Project Area is undeveloped and underutilized

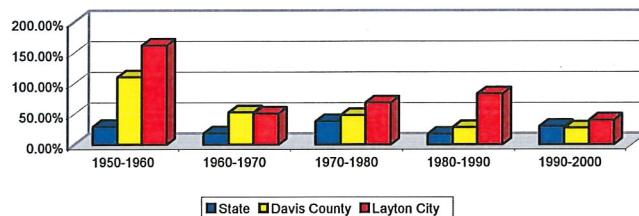
Layton City is largely a retail economy that serves as a bedroom community for commuters traveling to Ogden and Salt Lake. Various studies have shown that 40%-50% of the workforce in Layton commute out of the City to work. This mass exodus of workers has wide spread ramifications.

The freeways through Layton are filled to capacity during rush hour as the transportation means are not sufficient. The Utah Department of Transportation is expanding infrastructure to augment traffic capacity throughout Davis County. The Utah Transit Authority is installing Commuter Rail through Davis County as a mass transportation alternative. In addition to transportation problems, commuter emission outputs also have a negative impact on the environment

The retail economy in Layton does not provide high paying jobs. The average monthly salary for a person working in Layton is \$2,200.¹ The average house in Layton costs \$195,000.² This means that the average person working in Layton cannot afford a house in Layton.

The average home price in Layton is still reasonable compared to Salt Lake area home prices. As a result of reasonable housing prices Layton has become a desirable location to live. Layton is one of the fastest growing areas in the state. The 2000 census listed the Layton population at 58,474 with the current population being 68,017.³

Decennial Population Change



SOURCE: 2000 CENSUS

¹ Source: www.laytoncity.org/public/Depts/ComDev/Downloads/Planning/StatisticsDemographicsInfo.pdf

² Source: <http://money.cnn.com/magazines/moneymag/bplive/2006/snapshots/PL4943660.html>

³ Source: www.laytoncity.org/public/Depts/ComDev/Downloads/Planning/StatisticsDemographicsInfo.pdf

This growth has led to most undeveloped land in the City being developed for residential uses. Currently 77% of the City is residential, 7% is commercial and 16% remains open land.⁴ Since 1990, approximately 700 acres a year have been converted from agriculture land to residential and commercial land in Davis County. Residential land accounts for 96% of the converted land. Layton ranks first in land conversion with nearly 2,300 acres.⁵ According to the Utah State Tax Commission, Davis County has had an 80.6% increase in retail sales since 1990, which is the largest increase among the Wasatch Front counties.

The City is running out of room where viable commercial centers can exist. To help bring higher paying jobs to Layton, City leaders have identified areas of the City that would be naturally attractive and suitable for Economic Development. City leaders have taken specific steps to ensure that land is set aside for economic development that will benefit the City. The City has used zoning to facilitate economic development objectives. The growing population creates a threat to possible economic development activities as undeveloped land is continually developed for residential purposes.

City leaders have taken steps to preserve the area east of Hill Air Force Base to allow for development that would create life sustaining jobs. The City has set aside the area specifically because of its proximity to Hill Air Force Base. The Base is the largest single employer in the state; the Base also provides jobs indirectly through contractors. The City has worked with Base leaders to open an East Gate access point for companies wanting to develop in the area. The City has also built some infrastructure to make the area more accessible.

City leaders selected the Project Area because there are existing industrial structures, zoning and uses. The area has an industrial access point and is naturally separated from residential development. The existing industrial area is in decline but provides a natural entrance to an industrial area. The area already has the framework for the proposed development.

The area was also set aside because it is largely undeveloped. City leaders have prioritized undeveloped land and have focused on making the land more accessible. Currently the land has very few roads and is mostly inaccessible.

Project Area Description

The proposed Project Area is located immediately east of Hill Air Force Base and runs south of the Base and the Wasatch Integrated Waste Management District landfill. The Project Area runs north of Highway 193 and is west of Redshoulder Drive. The area consists of 676 acres and has 103 parcels. Major employers in the area include National Fitness Systems and Layton Storage. The area also includes the Sun Hills golf course.

⁴ Source: "Layton City Atlas" 2005 Edition

⁵ "The Changing Economic Structure and Current Baseline of Davis County and Municipalities." Study Completed by the Bureau of Economic and Business Research at the University of Utah, June 2007.

Tax Base

Potential new and expanded commercial developments which could occur in the Project Area have potential to increase property taxes by 100%. The current value of property in the Project Area is estimated at \$55,080,000. All taxing entities in the Project area tax at a rate totaling .013347, or \$735,152.76. If development increases values by 100% then the taxed amount would be 1,470,305.52. In addition to property tax revenues, development could also provide an increase in sales and franchise tax for the Project Area and surrounding areas.

All taxing entities in the area, including the Davis School District, Davis County and other special taxing districts, would benefit by the increased tax revenues.

Associated Economic Activity

Associated economic activities could take many forms. The most likely associated economic activities are:

1. Businesses retained
2. Businesses dislocated
3. New businesses recruited

Activities could be segmented into those that occur within the Project Area, and those in surrounding areas (the "ripple-effect"). All associated activities will impact Layton City's current and future tax base.

As land and structures are developed, underutilized property will become more efficient which will increase the tax base. It is anticipated that no businesses will be dislocated or closed due to the proposed development.

Redevelopment

The Project Area presently contains approximately 15 acres of developed property that is declining. The majority of the Project Area is greenfield and requires no redevelopment. However, both greenfield areas and areas that are in decline are underutilized and do not utilize all the advantages the area offers. For example, there are no businesses in the area that directly serve Hill Air Force Base.

Businesses Retained or Dislocated

Businesses in the area will be fortified by the proposed development. The investment of both private and public money and increased economic vibrancy will compliment and strengthen existing businesses. No property owners have indicated they will leave as a result of development. It is anticipated that no businesses will be dislocated by the proposed development.

Businesses Remodeled and Expanded

Within the Project Area and the surrounding area it is expected that the influence of development will likely encourage other businesses and property owners to expand, remodel and renovate.

Economic Costs

The cost of municipal service delivery varies widely from community to community and depends on the level of services desired and offered by each community, the size of the community, economies of scale, etc. In contrast, revenues are calculated using set formulas for each revenue source. Therefore, expenditures are much more subjective and difficult to estimate. Expenditures are generally projected using a variety of approaches including cost of service studies, comparative analysis with other communities and interviews with municipal staff. The approach used in this analysis has been to use a combination of personal interviews with Layton City Staff as well as analyzing similar developments in other cities in Utah.

Interviews with City Fire Department Staff indicate that a significant fire fighting cost could arise from the construction of buildings that would house certain hazardous activities. This is a possibility because of the nature of the proposed development. It is impossible to predict what hazardous activities might be undertaken by firms looking to relocate to the area. Similar developments in the Salt Lake area have required more full time firefighters to help service the area. Fire considerations should be taken into account when determining what types of activities will be allowed in the area.

The Agency has taken into account the necessary costs for public utilities installations and servicing in the area. The Agency has also accounted for detention basins for additional use in the area. The Agency has also accounted for road installation throughout the Project Area. The Agency plans to use tax increment financing to pay for these installations.

As mentioned in the Net Benefits section of the Analysis, there will be a return on public money invested in the Project Area.

Net Benefits

Comparative research (case studies) conducted by the American Farmland Trust suggests that the average cost of providing municipal services for commercial property ranges between \$0.26 and \$0.43 for every \$1.00 of revenue generated.⁶ This means the expected net revenue to Layton City could be somewhere between \$0.57 and \$0.74 for every dollar of revenue generated after subtracting the City's costs of providing services.

⁶ Research conducted by the American Farmland Trust for Utah County suggests \$0.26 of expenditures for every dollar generated. The average commercial cost for 18 Midwestern communities as reported by American Farmland Trust was \$0.43 for every dollar generated. The Trust has not completed any studies for Davis County.

The net benefits from the proposed development are substantial. This report assumes that the benefits ignore the present revenue situation and only include the incremental costs and revenues the new developments generate. Even when consideration is made for additional fire fighting costs and additional infrastructure expenses, the benefit from increased tax collections and the development of the Project Area greatly exceed any costs.

It is estimated that 1,000,000 square feet of business/industrial space could be developed in the Project Area. This square footage could house anywhere between 2,000 and 4,000 jobs. The proposed development allows for multiple industries with the number of jobs provided by each firm fluctuating according to business type.

Purpose for the Appropriation and Conformity with Public Purposes

The primary purpose for the Agency to invest public money into the Project Area is to attract new businesses to the area that will provide life sustaining jobs. As addressed previously, the lack of life sustaining jobs and land use issues in Davis County are causing problems that must be addressed. Firms that would be attracted to the Project Area are highly sought for and have extensive transportation needs. Communities recruiting these businesses must give themselves every advantage to be successful.

Currently the Project Area has almost no infrastructure and is mostly inaccessible. The only entrance point is unsuitable for the amount of development the Project Area can support. Businesses naturally avoid areas that will have serious financial commitments required for development. The cost of building roads and installing public utilities is estimated at around \$20,000,000. Most businesses cannot and will not make an investment of this magnitude for non-operating related expenses. The proposed development will not occur "but for" public investment for infrastructure and public utility installation. The infrastructure will also provide multiple points of efficient entrance to the Project Area, which is necessary to maximize the full potential of the land. This analysis recommends that the Agency seek payback arrangement with firms that benefit from the proposed installations. By only using tax increment financing to pay for infrastructure and public utilities the Agency insures the full cost of development will be paid by the private industry.

Need for the Appropriation

A project of this magnitude, with the potential to significantly impact the Layton City and Davis County economy, plus the potential to positively influence tax collections was deemed critical to the economic prosperity of the City. To not proactively address the area's potential for economic development and potentially allow the area to be continually underutilized and not take advantage of the proximity to Hill Air Force Base would be a high risk situation Layton City cannot afford to have. Public investment is necessary to address a potentially critical economic situation.

EXHIBIT E.
Listing of Parcels to be included in the Project Area

09-050-0011	09-013-0130	09-119-0015
09-309-0002	09-013-0103	09-119-0011
09-309-0003	09-013-0102	09-119-0013
09-309-0004	09-013-0006	09-051-0038
09-118-0008	09-013-0127	09-013-0119
09-118-0007	09-013-0128	09-013-0099
09-118-0006	09-013-0146	09-013-0083
09-118-0045	09-013-0145	09-013-0105
09-118-0047	09-013-0141	09-013-0108
09-050-0007	09-013-0132	09-013-0113
09-050-0006	09-013-0140	09-013-0155
09-050-0085	09-013-0144	09-013-0154
09-050-0086	09-013-0131	09-013-0152
09-050-0054	09-013-0143	09-013-0071
09-050-0004	09-013-0162	09-013-0111
09-050-0001	09-013-0133	09-051-0032
09-046-0047	09-273-0009	09-051-0041
09-046-0048	09-273-0004	09-051-0040
09-046-0049	09-273-0002	13-031-0010
09-046-0055	09-273-0003	13-031-0011
09-013-0137	09-273-0007	13-031-0012
09-046-0001	09-013-0053	13-031-0013
09-013-0022	09-273-0008	13-031-0008
09-013-0033	09-273-0001	
09-013-0030	09-013-0134	
09-013-0026	09-013-0063	
09-013-0028	09-013-0159	
09-046-0045	09-013-0160	
09-013-0085	09-012-0029	
09-013-0096	09-012-0030	
09-013-0138	09-012-0026	
09-013-0122	09-012-0027	
09-013-0073	09-013-0151	
09-013-0135	09-012-0023	
09-013-0077	09-012-0022	
09-013-0123	09-116-0012	
09-013-0074	09-116-0013	
09-013-0089	09-117-0002	
09-013-0056	09-119-0001	
09-013-0024	09-119-0002	
09-013-0025	09-006-0037	
09-013-0124	09-006-0038	
09-013-0136	09-006-0052	
09-013-0093	09-119-0016	

**REDEVELOPMENT AGENCY OF LAYTON CITY
AGENDA ITEM COVER SHEET**

Item Number: 3.

Subject:

2024 Agreement for the Development of Land between The Redevelopment Agency of Layton City and JL Ventures – RDA Resolution 24-01 – Approximately 3675 North Fairfield Road

Background:

On December 7, 2021 the Redevelopment Agency of Layton City (Agency) adopted RDA Resolution 21-04 which was fully executed on December 7, 2021, approving a “Agreement for Development of Land between the Redevelopment Agency of Layton City, and JL Ventures, LLC” for the purpose of grading and preparing property and infrastructure for the construction of six buildings on speculation, beginning with a 129,971 square foot (footprint) manufacturing building at 3755 North Fairfield Road (current Agreement). The property is located within the Layton East Gate Economic Development Project Area (EDA) and East Gate Business Park and part of the East Gate Economic Development Project Area Plan and Budget (Development Plan). Property tax increment collected by the Agency through the Development Plan provided the necessary incentive to the Developer to begin development of their property which required over \$8 million in grading alone. The current Agreement provided \$1,704,640 in up-front funding for grading and infrastructure, and at the same time, created a performance based mechanism that provides annual tax increment over time to the Developer once the Agency was reimbursed, in exchange for their agreement to develop six buildings on over 58 acres in the East Gate Business Park equal to approximately 500,000 square feet. The first building shell was completed in 2023 at a cost of approximately \$8.5 million with an unknown number of jobs created within unknown industries. During that construction, the Developer was able to secure a tenant and a new building permit was executed for tenant improvements with an estimated value of \$39 million. The tenant improvements will increase the total square footage to 159,692 square feet by adding an interior mezzanine (second floor) to a portion of the building for office space. The tenant improvements are expected to be completed by December, 2024.

The new tenant is now anxious to occupy additional space and JL Ventures (Developer) is proposing additional buildings to be constructed over the next several years. The tenant has requested to lease the space from the Developer and also requested that the Developer construct the space to meet their future needs. This type of development is not common practice and comes with some risk to the Developer. Usually a Developer will construct space based on their own metrics, then find a tenant that meets their financial constraints. There are also substantial new costs involved with the proposed development, which are defined in the new Agreement, due to the size and number of the proposed buildings, the requirements necessary for the products being developed, and the type of buildings to be constructed. The Developer has been hard at work closing a funding gap of approximately \$46 million for this project to be successful. Due to the risk and the funding gap involved in this project, the Developer has requested that the Agency consider a new Agreement that could help close this funding gap and provide the means necessary to secure the new tenant for the remainder of the site who is a globally recognized Prime Aerospace and Defense Contractor.

The proposed New Agreement directs tax increment incentive through an annual reimbursement to help offset the costs of infrastructure, utilities and grading. The proposed New Agreement provides the tools to accommodate the previous up-front payment of \$1,704,640 (which has already taken place) and annual tax increment reimbursement to the Agency as well as the Developer. The New Agreement is proposing to amend the reimbursement to the Agency from an immediate reimbursement (first 3-4 years) to reimbursement over the life of the EDA (year 2035), which will provide additional early capital for the newly proposed Development. This newly proposed Development required EDA/City Staff to formally request the Davis School District (DSD) consider extending their participation in the EDA until 2035, originally set to expire in 2025, to be consistent with all other participating taxing entities in the EDA. On October 3, 2023, the DSD Board approved this request and signed an Interlocal Agreement which the Agency adopted and approved on March 7, 2024. The extended participation prompted EDA/City Staff to also amend the EDA Budget, which required approval from the Taxing Entity Committee (TEC) in accordance with Utah Code § 17C-3-205 prior to a public hearing and Agency approval. On December 6, 2023, the TEC Committee approved the request to amend the EDA Budget as proposed. These approvals are significant and critical for this project, allowing the Agency the ability to

provide tax increment to the Developer to considerably decrease the funding gap as defined within the New Agreement.

The new development is now proposing just under 1,000,000 square feet of manufacturing and office space and will create 3,000 high paying, high-tech jobs in the Aerospace and Defense industry. The proposed Development will also add approximately \$545 million in new assessed property value to the EDA. According to the Davis County Assessor, the 2022 total property valuation within the EDA was equal to approximately \$175 million. To date, with this project included, the total EDA incentives (public) will equal approximately \$34 million over the 25 year life of the EDA which has created or will create approximately \$662 million in new private investment. In addition, the public investment has attracted several thousand jobs in the industrial, medical, financial, software, aerospace, space exploration, and national defense industries. It is Staff's professional opinion that this project will create additional interest in the EDA and be a catalyst for new development with similar jobs that may fulfill the main objectives of the EDA and the Development Plan by providing family sustaining careers for the residents of Layton for decades.

Alternatives:

Alternatives are to: 1) Adopt RDA Resolution 24-01 approving the 2024 Agreement for the Development of Land between The Redevelopment Agency of Layton City and JL Ventures as submitted; 2) Adopt RDA Resolution 24-01 with any amendments the Agency deems appropriate; or 3) Not adopt RDA Resolution 24-01 and remand to Staff with directions.

Recommendation:

Staff recommends the Agency adopt RDA Resolution 24-01, the 2024 Agreement for the Development of Land between The Redevelopment Agency of Layton City and JL Ventures, as submitted.

RESOLUTION 24-01

A RESOLUTION ADOPTING AND APPROVING A 2024 AGREEMENT FOR DEVELOPMENT OF LAND BETWEEN THE REDEVELOPMENT AGENCY OF LAYTON CITY AND JL VENTURES, LLC

WHEREAS, the Redevelopment Agency of Layton City (Agency) has undertaken a program for the development of greenfield areas in Layton City, and has undertaken a project in those areas known as the "East Gate Economic Development Project Area" located in Layton City, Davis County, Utah (referred to herein as the "Agency"), which area is herein called "the Project Area;" and

WHEREAS, the Agency has prepared and adopted, and the City Council has approved through adoption of Ordinance 07-36, the East Gate Economic Development Project Area Plan and Budget dated October 18, 2007 and amended July 1, 2010 (the "Development Plan"), which is referenced hereto as Exhibit "H", providing for the development of certain lands in the East Gate Economic Development Project Area (Project Area) and the future uses of such land, which Development Plan has been filed in the office of both the Recorder of Layton City and the Redevelopment Agency of Layton City; and

WHEREAS, to enable the City and the Agency to achieve the objectives of the Development Plan, and particularly to make the land in the Project Area available for development by private enterprise for and in accordance with the uses specified in the Development Plan, the Agency desires to enter into this Agreement with JL Ventures, LLC (Developer), which will provide in detail the development of land as it pertains to the Developer's property (Site); and

WHEREAS, the Developer has executed a lease contract with a certain tenant which will both be instrumental in the future development of the Project Area, and furthering the Agency's implementation of the objectives of the Development Plan; and

WHEREAS, the development of this property (Project) for this tenant will be an enabler for significant investment in the City and Project Area through employment, capital investment, and community involvement, and an employer who fully supports the mission of Hill Air Force Base and United States Department of Defense; and

WHEREAS, there are impediments to development of the site such as topography, utilities, power supply, security, and financial risk outside the scope of typical industrial development in the region; and

WHEREAS, the Agency believes that the development of the Site, pursuant to this Agreement and the Development Plan, and the fulfillment generally of this Agreement and the intentions set forth herein, are in the vital and best interests of the City, the Agency, and in the best interest of the health, safety, morals and welfare of City residents, and are in accord with the public purposes and provisions of the applicable State laws and requirements under which said Project has been undertaken and is being assisted; and

WHEREAS, the Agency is willing to assist with tax increment and other incentives in accordance with the provisions of the Development Plan and this Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF LAYTON, UTAH:

1. That the agreement entitled "2024 AGREEMENT FOR THE DEVELOPMENT OF LAND BETWEEN THE REDEVELOPMENT AGENCY OF LAYTON CITY AND JL VENTURES, LLC", which is attached hereto and incorporated herein by this reference, be adopted and approved.

2. That the former agreement entitled "2024 AGREEMENT FOR DEVELOPMENT OF LAND BETWEEN THE REDEVELOPMENT AGENCY OF LAYTON CITY AND JL VENTURES, LLC" executed on December 7, 2021 and recorded on December 13, 2021 with the Davis County Recorder is hereby terminated and replaced by this Agreement.

3. That the Agency Chair be authorized to execute the Agreement and all other referenced documents necessary to implement this Agreement as intended.

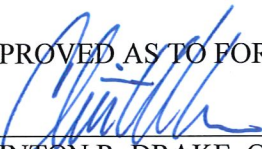
ADOPTED by the Board of Directors of the Redevelopment Agency of Layton City, this **4th** day of April, 2024.

JOY PETRO, Chair

ATTEST:

KIMBERLY S READ, City Recorder

APPROVED AS TO FORM:



CLINTON R. DRAKE, City Attorney



CHAD WILKINSON, Department Director
Community and Economic Development

WHEN RECORDED RETURN TO:
Redevelopment Agency of Layton City
EDA Executive Director
437 North Wasatch Drive
Layton, UT 84041

**2024 AGREEMENT FOR DEVELOPMENT OF LAND BETWEEN
THE REDEVELOPMENT AGENCY OF LAYTON CITY AND JL VENTURES, LLC**

(Approximately 3675 North Fairfield Road, Layton City)

This AGREEMENT FOR THE DEVELOPMENT OF LAND (hereinafter referred to as "Agreement") is made and entered into this 4th day of April, 2024 (the "Effective Date"), between The REDEVELOPMENT AGENCY OF LAYTON CITY, a governmental agency organized under the laws of the State of Utah (hereinafter referred to as "Agency"), and JL VENTURES, LLC, an Alaska limited liability company and East Gate 1, LLC (hereinafter referred to as "Developer"). Agency and Developer collectively referred to as the "Parties" and separately as "Party".

RECITALS

WHEREAS, the Agency has undertaken a program for the development of greenfield areas in Layton City, and has undertaken a project in those areas known as the "East Gate Economic Development Project Area" located in Layton City, Davis County, Utah (referred to herein as the "Development Plan"), which area is herein called "the Project Area;" and

WHEREAS, the Agency has prepared and adopted, and the City Council has approved through adoption of Ordinance 07-36, the East Gate Economic Development Project Area Plan and Budget dated October 18, 2007 and amended July 1, 2010 (the "Development Plan"), which is attached hereto as Exhibit "H", providing for the development of certain lands in the East Gate Economic Development Project Area (Project Area) and the future uses of such land, which Development Plan has been filed in the office of both the Recorder of Layton City and the Redevelopment Agency of Layton City; and

WHEREAS, to enable the City and the Agency to achieve the objectives of the Development Plan, and particularly to make the land in the Project Area available for development by private enterprise for and in accordance with the uses specified in the Development Plan, the Agency desires to enter into this Agreement with the Developer, which will detail the development of land as it pertains to Developer's property; and

WHEREAS, the Developer owns certain land situated in the Project Area, which land (hereinafter called the "Site") is illustrated in Exhibit "A" and legally described in Exhibit "I" hereto, and desires to develop the Site for and in accordance with the uses specified in the Development Plan and as more particularly described in this Agreement; and

WHEREAS, the Developer has obtained a signed lease agreement with a certain Tenant and the Agency believes that this Agreement, and fulfillment of this Agreement and the intentions set forth herein, are in the vital and best interests of the City, the Agency, and the Development Plan; and

WHEREAS, the Agency believes the development of the Site, pursuant to this Agreement and the Development Plan, and the fulfillment generally of this Agreement and the intentions set forth herein, are in the

vital and best interests of the Agency and in the best interest of the health, safety, morals and welfare of City residents, and are in accord with the public purposes and provisions of the applicable State laws and requirements under which said Project has been undertaken and is being assisted; and

WHEREAS, the Agency is willing to assist the Developer with tax increment in accordance with the provisions of the Development Plan and this Agreement.

NOW, THEREFORE, each of the parties hereto, for and in consideration of the premises and agreement of the other party hereto, do covenant and agree that:

ARTICLE I DEFINITIONS

The following terms in this Agreement have the meaning and content set forth in this Article 1:

- 1.1 "Agency" shall mean the Redevelopment Agency of Layton City, a body corporate and politic of the State of Utah. The principal office of Agency is located at 437 North Wasatch Drive, Layton, Utah 84041, phone number (801) 336-3800.
- 1.2 "Agency's Undertakings" shall mean the obligations of the Agency set forth in Article III.
- 1.3 "Developer" shall mean, initially, JL Ventures, LLC, and East Gate 1, LLC, with its principal offices located at P.O. Box 202845, Anchorage, Alaska 99520-2845, phone number (907) 279-8068. Developer may also include additional parties pursuant to the terms of Section 7.1 of this Agreement.
- 1.4 "Developer's Undertakings" shall have the meaning set forth in Article IV.
- 1.5 "Development Plan" shall mean the East Gate Economic Development Project Area Plan and Budget dated October 18, 2007 and amended July 1, 2010.
- 1.6 "Exhibit" shall mean all exhibits referenced herein and attached to this agreement as follows:
 - 1.6.1 "Exhibit A" shall mean **THE SITE**; or all property owned by the Developer within the Project Area to be incorporated into the proposed Development, located at 3675 N FAIRFIELD RD LAYTON, UTAH 84041 and 3755 N FAIRFIELD RD LAYTON, UTAH 84041 and otherwise known as Parcels 094730105 and 094730106 as recorded in the Davis County Utah Recorder's Office on July 2, 2021 containing approximately 55.468 acres within the East Gate Economic Development Area, in Layton City, Utah.
 - 1.6.2 "Exhibit B" shall mean a **NEW GRADING PLAN** submitted by the Developer on March 18, 2024 and produced for the Developer by Great Basin Engineering and Big D Construction.
 - 1.6.3 "Exhibit C.1" shall mean the estimated **COST OF GRADING DESIGN, COMPACTION AND GRADING, AND SOIL RETENTION METHODS ON THE PROPERTY** submitted by the Developer on March 19, 2024 and produced for the Developer by Great Basin Engineering and Big D Construction.

- 1.6.4 “Exhibit C.2” shall mean the estimated **COSTS TO CONSTRUCT AN ENHANCED ROAD CROSS-SECTION** submitted by the Developer on March 19, 2024 and produced for the Developer by Great Basin Engineering and Big D Construction.
- 1.6.5 “Exhibit C.3” shall mean the estimated **COST TO INSTALL A FOURTEEN (14) MEGAWATT TRANSFORMER** (approximate) as submitted by the Developer on March 18, 2024 and based on estimates produced for the Developer by Rocky Mountain Power.
- 1.6.6 “Exhibit C.4” shall mean the estimated **COST TO REROUTE THE EXISTING NATURAL GAS PIPELINE** submitted by the Developer on March 18, 2024 and based on estimates produced for the Developer by Dominion Energy.
- 1.6.7 “Exhibit C.5” shall mean the estimated **COST TO CONSTRUCT A SECURE PROPERTY ENTRANCE AND PERIMETER** submitted by the Developer on March 19, 2024 and based on estimates produced for the Developer by Big D Construction.
- 1.6.8 “Exhibit C.6” shall mean the estimated **COST TO CONSTRUCT BUILDING SECURITY UPGRADES AS REQUIRED BY THE DEPARTMENT OF DEFENSE** submitted by the Developer on March 19, 2024 and based on estimates produced for the Developer by Big D Construction.
- 1.6.9 “Exhibit C.7” shall mean the estimated **INCENTIVE FOR HIRING A CERTAIN NUMBER OF EMPLOYEES AND AVERAGE WAGES** submitted by the Developer on March 18, 2024 and based on estimates produced for the Developer by Big D Construction .
- 1.6.10 “Exhibit C.8” shall mean the estimated **COST OF INCREASED FINANCIAL RISK COSTS** submitted by the Developer on March 18, 2024 and based on estimates produced for the Developer by Big D Construction .
- 1.6.11 “Exhibit D” shall mean the proposed **CONCEPTUAL MASTER SITE PLAN** submitted by the Developer on March 18, 2024 and produced for the Developer by Great Basin Engineering.
- 1.6.12 “Exhibit E” shall mean the **CONSTRUCTION BUILDING SCHEDULE and PROJECTED CAPITAL INVESTMENT** (Construction Schedule) necessary to meet tax increment projections as identified within this Agreement.
- 1.6.13 “Exhibit F” shall mean the **TAX INCREMENT PROJECTIONS** identified in this Agreement.
- 1.6.14 “Exhibit G” shall mean the **DESIGN GUIDELINES AND DESIGN OVERLAY**, a document approved by the Agency and the City in October, 2009, that will specify design guidelines, landscaping, architecture, property improvements, maintenance and plan approval procedure for development in the Project Area.

- 1.6.15 “Exhibit H” shall mean the **EAST GATE ECONOMIC DEVELOPMENT PROJECT AREA PLAN AND BUDGET**, adopted October 18, 2007, amended July 1, 2010.
- 1.6.16 “Exhibit I” shall mean the **LEGAL DESCRIPTION** of the Site, otherwise known as Parcels 094730105 and 094730106 as recorded in the Davis County Utah Recorder’s Office on July 2, 2021 containing approximately 55.468 acres.
- 1.6.17 “Exhibit J” shall mean the **PROMISSORY NOTE** evidencing the amount secured by the Trust Deed.
- 1.6.18 “Exhibit K” shall mean an all-inclusive **TRUST DEED** recorded against the a portion of the Site to secure performance of Developer as further described herein.
- 1.7 “Former Agreement” shall mean the “**AGREEMENT FOR DEVELOPMENT OF LAND BETWEEN THE REDEVELOPMENT AGENCY OF LAYTON CITY, AND JL VENTURES, LLC**” executed on December 7, 2021 and recorded on December 13, 2021.
- 1.8 “Funding Gap” shall mean those itemized costs associated with the New Grading Plan and Tenant which have increased the Developer’s costs associated with the development of this Site as attached to this Agreement as Exhibits C.1 – C.8.
- 1.9 “Participants” shall mean each participating taxing entity that is contributing tax increment to the Agency toward the implementation of the Development Plan.
- 1.10 “Project” shall mean the proposed development as submitted by the Developer at the time this Agreement is executed and attached to this Agreement as Exhibits “C.1 – C.8”.
- 1.11 “Project Area” shall have the meaning set forth in the Recitals hereto.
- 1.12 “Security” shall mean a Trust Deed recorded against the property securing performance measures of Developer as further described in this Agreement and attached as Exhibit “O”.
- 1.13 “Site” shall mean the property owned by the Developer within the Project Area, up to a total of 55.468 acres of property, as described in Exhibit “A” and shall include parcels 094730105 and 094730106.
- 1.14 “Tax Increment” shall mean tax increment received from the East Gate Economic Development Project Area as defined by Utah State Code (17C-3-201) and only collected from real property tax and personal property tax generated by the Site.
- 1.15 “Tenant” for the purposes of this Agreement, shall specifically refer to any of the following Major Prime Defense Contractors or their subsidiaries; Lockheed Martin Corporation, The Boeing Company, Raytheon Technologies Corporation, General Dynamics Corporation, Pfizer Inc., or Northrop Grumman Corporation.
- 1.15.1 “Tenant” may also include any globally recognized Subprime Defense Contractor under contract with the Major Prime Defense Contractor located on the Site, defined above, and for the general purpose of providing a finished product for that Major Prime Defense Contractor on the Site which is associated with an official executed contract through any of the following: Department of the Army, Department of the Navy, Department of the

Air Force, Defense Advanced Research Projects Agency (DARPA), Defense Information Systems Agency (DISA), Defense Counterintelligence and Security Agency (DCSA), U.S. Special Operations Command (USSOCOM), Defense Health Agency (DHA), Office of the Secretary of Defense (OSD), or Missile Defense Agency (MDA), National Aeronautics and Space Administration (NASA), or such other similar Tenant as solely approved by the Agency.

- 1.15.2 “Tenant” may also include other highly technical or advanced science research, development or manufacturing industries supporting the national defense, space, or aeronautics industries including; aerospace science, aerospace technology, astrionics, astrophysics, planetary science, astrobiology, space exploration, or rocket science, whose operations do not negatively affect the operations of the United States Department of Defense at Hill Air Force Base and as solely approved by the Agency.

ARTICLE II CONDITIONS PRECEDENT

2.1 This Agreement shall not take effect until the adoption, approval and execution of this Agreement by the Agency, and Developer. Approval of this Agreement is contingent upon the Developer securing a long term lease agreement with the Tenant prior to its execution. The “Effective Date” of this Agreement shall be the date the Agreement is adopted, approved, and executed by the Agency, and Developer, signed by all parties, and recorded in the Davis County Recorder’s Office, Davis County, Utah.

ARTICLE III AGENCY'S UNDERTAKINGS

3.1 Up-Front Cash Incentive. The Agency shall consider an up-front cash incentive (the “Up-Front Cash Incentive”) paid to the Developer for any infrastructure improvements as defined in Exhibits C.1 – C.4 in this Agreement. The Up-Front Cash Incentive shall be equal to 75% of the Developer’s actual costs installation of these improvements. The Agency’s Up-Front Cash Incentive contribution toward infrastructure improvements as submitted by the Developer and identified in Exhibits C.1 – C.4, shall not exceed **\$1,704,640** dollars (the “Cap”), minus any funds paid by the Agency to the Developer through the Former Agreement for this purpose prior to the date this Agreement is executed, and shall be paid as described in Section 3.1.1 below. The estimated cost of these infrastructure improvements shall be attached as Exhibits “C.1 – C.4” in this Agreement. Developer understands that this agreement supersedes the Former Agreement, and the Cap for Up-Front Cash Incentive shall equal a maximum of all up-front funds paid through this Agreement and the Former Agreement combined.

3.1.1 Up-Front Cash Incentive Payments. Up-Front Cash Incentive payments for infrastructure improvements shall not be provided as a lump sum payment prior to development. The Agency shall pay the Up-Front Cash Incentive payment, which provides for payments equal to the amounts paid by the Developer to its contractor(s), or a total cumulative amount equal to the Cap, whichever is less, once the Agency has received copies of the applicable invoice(s) from the contractor(s) and evidence of payment to their contractor(s) by the Developer. Said payment to the Developer by the Agency shall be made within thirty (30) days of receipt of the applicable invoices and submittal of evidence of payment by the Developer. The Up-Front Cash Incentive is a payment from the Agency to the Developer paid with the Agency’s EDA unencumbered funds which shall be reimbursed to the Agency with annual Tax Increment over time as defined herein, and conditioned upon the Developer completing the terms of this Agreement. The Developer’s commitment to do so shall be evidenced by a promissory note in the form attached as Exhibit “J” (the “Note”) and secured by a Trust Deed attached as Exhibit “K” against the Site in accordance with Article IV, Section 4.10 of this Agreement. In order to collect

on any up-front payments, the Agency will retain a portion of annual Tax Increment collected until closure of the Project Area (2035) in an amount equal to eight and one-half percent (8.5%) as Annual Agency reimbursement for all Up Front Cash Incentives paid to the Developer by the Agency through this Agreement and the Former Agreement. The Annual Agency reimbursement includes an annual Administrative Fee of one-quarter of one percent (0.25%) as described in Article V, Section 5.11 of this Agreement.

3.2 Development of Site Annual Tax Increment Incentive. Agency shall consider additional annual Tax Increment Reimbursement Incentive toward the development of the Site and Funding Gap based entirely on the performance of the Developer. The Agency agrees, that beginning no later than tax year 2022 (paid in 2023) and each year thereafter until closure of the Project Area (2035) for the development of the Project infrastructure on the Site so long as the Developer fulfills its obligations to qualify for tax increment as set forth herein, that the Agency will rebate to the Developer ninety-one and one-half percent (91.5%) of all Tax Increment for the Project Area collected as described herein, generated entirely from additional property taxes created by development on the Site by the Developer and collected by the Agency through Davis County as described herein. The items that qualify for annual Tax Increment reimbursement by the Agency shall be identified by Exhibits C.1 – C.4 as attached to this Agreement, and the Developer shall have the right to disperse annual Tax Increment reimbursement received by the Agency toward any of these items as described herein without restriction. The contemplated Tax Increment rebate shall be made by the Agency within 30 days after the date the Agency receives payment of Tax Increment for the Site from Davis County.

3.3 Building Permit Fee Consideration. To the maximum extent permitted by law, during the term of this Agreement, the City hereby agrees to waive all applicable building permit fees related to development of the Site. This does not include impact fees, water connection fees, water share requirements, or other fees not permitted to be waived.

3.4 Release of the Former Agreement. Upon execution of this Agreement, the Agency shall release the Developer of all obligations and liens associated with the Former Agreement with regard to the Agency with exception to the Trust Deed and Promissory Note as recorded with the Davis County Recorder's Office, Utah, and required by the Former Agreement, however the Developer may secure a different parcel of land or other valuable asset, approved by the Agency, by Trust Deed and Promissory Note in accordance with Article IV, Section 4.10 of this Agreement, in which case the previous Trust Deed and Promissory Note recorded with the Former Agreement shall be released by the Agency.

ARTICLE IV DEVELOPER'S UNDERTAKINGS

4.1 Tenant. The Developer shall commit to construct a campus with multiple buildings and generally in accordance with the Conceptual Master Site Plan attached as Exhibit "D" for the purpose of providing space for the Tenant of which this Agreement is contingent and contingent upon the Tenant being the majority lessee and occupant of the property. If the Developer is unable to secure a long term lease with the Tenant for each building as identified in the Construction Schedule and Projected Capital Investment chart attached as Exhibit "E" in this Agreement, then the Developer fully acknowledges that the amount of eligible tax increment may be significantly reduced from the amount projected in Exhibit "F" of this Agreement, and Section 4.8 of this Agreement may apply.

4.2 Project Buildings and Capital Investment. The Developer has committed to develop the Site, including the installation of all public and private improvements and infrastructure associated with the Project. In addition, the Developer intends to construct light industrial, office, manufacturing, or flex manufacturing

buildings generally identified in the Grading Plan Drawing attached as Exhibit “B” within the timeframes set forth in the “Construction Building Schedule” attached as Exhibit “E”.

4.2.1 Notwithstanding any other provision herein to the contrary, if the Developer determines not to construct or complete any buildings on the Site in addition to Building 2, or otherwise elects to delay the construction or completion of such buildings, then the Developer fully acknowledges that the amount of eligible tax increment may be significantly reduced than that amount projected in Exhibit “F” of this Agreement, and Section 4.8 of this Agreement may apply.

4.3 Grading of Property. The Developer has commenced grading the Site for the purpose of creating multiple building pads for light manufacturing and office facilities or other uses consistent with the M-1 Zone and generally consistent with the Conceptual Site Plan attached as Exhibit “D”. The Developer shall receive Up-Front Cash Incentive for the cost of Grading the Site as defined in accordance with Article III, Section 3.1 of this Agreement. The Developer has recorded a Trust Deed against the property as Security in accordance with Section 4.10 of this Agreement. The Developer shall also receive annual Tax Increment Reimbursement Incentive which may be contributed toward the grading of property as outlined in Article III, Section 3.2 of this Agreement.

4.4 Development of Property. The Developer shall commit to the development of the Site prior to the closure of the Project Area and Development Plan (2035) which shall include at minimum, four (4) buildings, with a minimum of 950,000 square feet of light manufacturing and office space for the exclusive use of the Tenant, a National Defense Prime Contractor. Development of the property shall include all of the public and private improvements, utilities, landscaping and all other improvements on the Site, to be constructed by Developer at Developer’s cost, and in accordance with the City land use ordinances and consistent with the East Gate Business Park Design Guidelines (Exhibit G).

4.5 Water Shares. Prior to the final approval of any development activity and release of any building permit(s), the Developer shall dedicate to the City, any required shares of water, pursuant to the City’s water exaction ordinance. Water shares are collected from Developer for each building at the time a building permit is submitted throughout the development process.

4.6 Development Costs. Developer and Agency understand and agree that the development costs indicated in this Agreement and specifically contained in Exhibits “C.1 – C.8”, are estimates provided by the Developer. Any Tax Increment reimbursement to the Developer by the Agency shall only come from Tax Increment generated by this Project and this Site on an annual basis over the remaining collection period of the Project Area and Development Plan as defined in Section 4.7 below, and Article III, Section 3.2, in this Agreement. Developer agrees to pay the estimated costs and any difference between the estimated cost and the actual costs of construction. Developer acknowledges that the Agency is contributing ninety-one and one-half percent (91.5%) of the tax increment for the Project Area collected by the Agency as distributed by Davis County annually throughout the remaining term of the Development Plan and Project Area without any additional contribution.

4.7 Tax Increment Reimbursement. In order to qualify for Tax Increment reimbursement as described in Article III, Section 3.2 in this Agreement, and in accordance with the Tax Increment Projections attached as “Exhibit F”, Developer agrees that it must complete construction, including tenant improvements, of the before mentioned buildings outlined in the Construction Schedule attached as “Exhibit E”, prior to January 1 of the year property tax is owed. The Developer acknowledges that it shall receive ninety-one and one-half percent (91.5%) of the total Tax Increment collected by the Agency on an annual basis throughout the remaining term of the Project Area (2035). The Agency receives Tax Increment from Davis County each spring

of the following fiscal year property taxes are paid. The Agency shall reimburse the Developer within thirty (30) days following receipt of Tax Increment payment by Davis County.

4.8 Tax Increment Owed by Developer and/or its Successors and Assigns. If the Agency has paid the Developer any Up-Front Cash Incentive in accordance to Article III, Section 3.1 of this Agreement, and if the Agency has not been fully reimbursed either (i) through the receipt of Tax Increment revenues therefor or (ii) by Developer or its successors and assigns, for any reason, including without limitation, because the Developer chooses not to construct or complete any buildings in addition to Building 2, identified as “East Gate #2” on the Conceptual Site Plan (Exhibit D), or to delay the same for any reason, then the Developer (and/or its successors and assigns) shall reimburse the Agency. The Developer shall fully reimburse the Agency all projected tax increment for each structure not completed in accordance with the Estimated Tax Increment by Building attached as Exhibit “F” no later than five (5) years from the date each structure is projected to be completed, or no later than December 31, 2035, whichever comes first. Notwithstanding the foregoing, the Developer is not obligated to pay the Agency any amount above the Up-Front Cash Incentive paid by the Agency, minus any amount the Agency collected through Tax Increment revenue or payments by Developer and/or its successors and assigns following the execution of this Agreement.

4.9 Tax Increment Acknowledgement.

4.9.1 Developer acknowledges through this Agreement, that if the Developer fails to perform in accordance with the proposed Construction Schedule, attached as Exhibit “E” to this Agreement, that the amount of tax increment available may not be equivalent to projected tax increment funding which will reduce the amount of tax increment the Agency may reimburse to the Developer. The Developer acknowledges that full increment cannot be collected as projected (Exhibit “F”) unless each building as projected in the submitted Construction Schedule (Exhibit E) is completed prior to January 1 of the “Completion Date” as identified in Exhibit E of this Agreement, and only if Davis County collects an amount, at minimum, equal to the amount projected. Developer acknowledges through this Agreement that the Developer may not be eligible to receive any tax increment funding above the Up-Front Cash Incentive if the Developer fails to perform in accordance with the proposed Construction Schedule (Exhibit “E”). Developer acknowledges that Tax Increment is generated through increased property tax based on property improvements of which the projected amounts thereof are greatly affected by annual certified tax rates. Certified tax rates, which are regulated by Utah Code and administered through locally elected officials, may change on an annual basis which may also reduce the amount of Tax Increment collected by the Agency and received by Developer. Projected Tax Increment in this Agreement (Exhibit F) is based on 2022 tax rates for each participating taxing entity and 0% appreciation/depreciation of estimated property values (as submitted by Developer) throughout the term of this Agreement.

4.9.2 Tax increment is collected annually and based on property valuations which are assessed each January 1 of the calendar year property tax is to be paid. The Agency receives ninety percent (90%) of the total property taxes collected by Davis County annually for each participating taxing entity which equates to the total sum of Tax Increment received by the Agency for the purposes of this Agreement. Tax Increment is generated through increased property taxes based on new development, redevelopment and new capital investment of property improvements and includes real estate, inventory, equipment, and any other property taxes (whether tangible or intangible) that may be based on then-current assessment values and rebated by Participants during the actual operation of the Development. Tax increment is distributed to the Agency in the spring of the year following the first year tax is collected, and every year after until the Development Plan and Project Area expires (year 2035).

4.10 Security – Trust Deed. In order to continue to receive any Up-Front Cash Incentive from the Agency as defined in Section 3.1 above, the Developer agreed and executed the Note (Exhibit “J”) and recorded the Trust Deed (Exhibit “K”) against the Site prior to payment and in favor of the Agency which shall remain in effect until the full amount of the Up-Front Cash Incentive has been fully reimbursed to the Agency either through Tax Increment collected on an annual basis by the Agency through Davis County, or by the Developer and/or its successors and assigns, as applicable. The Trust Deed and the lien of the Trust Deed shall be automatically subordinate to (i) liens granted in connection with any and all construction financing, and the documents evidencing the same; (ii) the lien to be granted in favor of First National Bank Alaska pursuant to that certain Construction Mortgage in favor of First National Bank Alaska, dated August 3, 2021, and recorded in Book 7822, Page 2490-2496, Davis County, Utah, and any term or other refinancing thereof with First National Bank Alaska; and (iii) so long as the lien of the Trust Deed remains in or otherwise will have a first lien position on a portion of the Site that has a then assessed value equal to or in excess of the balance of the Up-Front Cash Incentive (the “Key Trust Deed Lot”), then the Trust Deed and the lien of the Trust Deed will be subordinate to any and all other liens granted in connection with construction financing, acquisition financing or term loan financing, and the documents evidencing the same, on any other portion of the Site other than the Key Trust Deed Lot, in all cases whether such liens are currently granted (and the applicable documents are recorded) or will be granted after the date hereof (and the applicable documents will be recorded after the Trust Deed is recorded). The Agency agrees to execute any and all agreements reasonably requested by Developer, any purchasers, and any of their respective lenders, to further evidence or effectuate the subordination of the Trust Deed.

4.10.1 Notwithstanding the foregoing, the Agency and the Developer agree that, if any portion of the Site is sold, conveyed or transferred to another party (a “Sale”), with such portion being referred to as the “Sold Site,” then unless the Agency is otherwise fully reimbursed for the balance of all Up-Front Cash Incentive funding paid by the Agency, or the Parties identify a Key Trust Deed Lot to serve as the sole security for the Note (in which case the Key Trust Deed Lot will be the sole security and the Trust Deed will be promptly released on all other portions of the Site), the Trust Deed shall remain an encumbrance on the entire Site, including the Sold Site; provided, however, that the amount of the obligations secured by the Trust Deed with respect to the Sold Site and the remaining portion of the Site excluding the Sold Site, with such portion being referred to as the “Retained Site,” shall be bifurcated and allocated to the Sold Site and the Retained Site, respectively, on a pro rata basis, calculated by dividing the square footage that the Sold Site and the Retained Site individually bear to the aggregate square footage of the Site. In such case, the Agency agrees to amend the Note and release the Trust Deed as an encumbrance against the Sold Site or the Retained Site, as applicable, upon reimbursement of the applicable pro rata obligation outstanding at the time of the Sale, whether through the receipt of Tax Increment revenue or payments by the owner of the Retained Site or the Sold Site, as applicable. The terms of this provision shall apply to additional sales of any portion of the Retained Site.

4.10.2 The Agency agrees to amend the Note and process the release of the Trust Deed along with any and all associated liens or encumbrances applicable to the Site or applicable portion thereof to the Developer and/or its successors and assigns immediately upon the agreement of the Parties as to Key Trust Deed Lot or reimbursement of all Up-Front Cash Incentive paid by the Agency applicable to the Site or applicable portion of the Site, and in the case of reimbursements, so long as the Agency has been given at least ten (10) days prior written notice of the impending receipt of the applicable reimbursement, or if the reimbursement has occurred through the receipt of Tax Increment revenue, then within thirty (30) days after receipt.

4.11 Administrative Fee. The Developer agrees the Agency shall retain one quarter of one percent (0.25%) of the total tax increment received by the Agency on an annual basis and collected by Davis County from this Project for the purpose of reimbursing Agency costs associated with administering this Agreement annually throughout the remaining term of the Development Plan and Project Area (year 2035). This amount

shall be included in the amount retained for Annual Agency reimbursement for all Up-Front Cash Incentives (8.5%) paid to the Developer through this Agreement and the Former Agreement.

4.12 Design Overlay. If Developer builds any buildings on the Site during the term of this Agreement, Developer agrees to build in concept and generally in accordance with the Design Overlay approved by the City and the Agency, which is attached to this Agreement as Exhibit "G".

4.13 Master Plan. The Developer shall prepare and submit to the Agency a Conceptual Master Plan generally reflecting the proposed development of the Site. Once the Conceptual Master Plan is accepted by the Parties, it shall be executed and considered part of this Agreement and attached as Exhibit "D". This Plan may be amended by the Developer to the extent that said amendments are consistent with the objectives of this Agreement and the City's ordinances and regulations.

ARTICLE V GENERAL REQUIREMENTS AND RIGHTS OF CITY

5.1 Issuance of Permits - Developer. Developer shall have the sole responsibility for obtaining all necessary building, grading, and other permits in connection with the development of the Site and shall make application for such permits directly to the Layton City Community and Economic Development Department and other appropriate departments and agencies having authority to issue such permits in connection with the development of the Site. The City shall not unreasonably withhold or delay the issuance of its permits.

5.2 Completion Date. The Developer shall, in good faith, reasonably pursue completion of the development of the Site, according to the terms of this Agreement and in accordance with the "Construction Schedule" attached to this Agreement as Exhibit "E". Each phase or completed portion of the project must independently meet the requirements of this Agreement and the City's ordinances and regulations, such that it will stand alone, if no further work takes place on the project.

5.3 Request for Payment. It is the responsibility of the Developer to officially request, in writing, payment of the annual Tax Increment Incentive by the Agency. With each request for payment, the Developer agrees, when submitting a request for payment, to include all invoices and an updated itemized accounting of total payment by the Agency for each item as outlined in Article III, Section 3.1.1 of this Agreement.

5.4 Access to the Subject Area. For the purpose of assuring compliance with this Agreement, so long as they comply with all safety rules of the Developer and their contractors, representatives of the Agency or the City shall have the right of access to the Site without charges or fees during the period of the development of the Site. The Agency and the City shall indemnify, defend and hold Developer harmless from and against all liability, loss, damage, costs or expenses (including attorneys' fees and court costs) arising from or as a result of the death of a person or any accident, injury, loss or damage caused to any person, property or improvements on the Site arising from the negligence or omissions of the Agency and the City, or its agents or employees, in connection with the Agency and the City's exercise of its rights granted in this paragraph.

ARTICLE VI REMEDIES

6.1 Remedies for Breach. In the event of any default or breach of this Agreement or any of its terms or conditions, the defaulting Party or any permitted successor to such Party shall, upon written notice from the other, proceed immediately to cure or remedy such default or breach, and in any event cure or remedy the breach within thirty (30) days after receipt of such notice. In the event that such default or breach cannot reasonably be cured within said thirty (30) day period, the Party receiving such notice shall, within such thirty (30) day period, take reasonable steps to commence the cure or remedy of such default or breach, and shall continue diligently thereafter to cure or remedy such default or breach in a timely manner. In case such action is not taken or diligently pursued, the aggrieved Party may institute such proceedings as may be necessary or desirable in its opinion to:

6.1.1 Cure or Remedy. Cure or remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the Party in default or breach of its obligations.

6.2 Enforced Delay Beyond Parties' Control. For the purpose of any other provisions of this Agreement, neither the Agency, the City nor Developer, as the case may be, nor any successor in interest, shall be considered in breach or default of its obligations with respect to its construction obligations pursuant to this Agreement, in the event the delay in the performance of such obligations is due to unforeseeable causes beyond its fault or negligence, including, but not restricted to, acts of God or of the public enemy, acts of the government, acts of the other Party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes or unusually severe weather, or delays of contractors or subcontractors due to such causes or defaults of contractors or subcontractors. Unforeseeable causes shall not include the financial inability of the Parties to perform under the terms of this Agreement.

6.3 Extension. Any Party may, in its sole discretion, extend, in writing, the time for the other Party's performance of any term, covenant or condition of this Agreement or permit the curing of any default or breach upon such terms and conditions as may be mutually agreeable to the Parties; provided, however, that any such extension or permissive curing of any particular default shall not operate to eliminate any of any other obligations and shall not constitute a waiver with respect to any other term, covenant or condition of this Agreement nor any other default or breach of this Agreement. The Developer may not request an extension for performance to obtain tax increment reimbursement beyond the term of the Development Plan or Project Area which shall expire in 2035.

6.4 Rights of Developer. In the event of a default by a Party's assignee, a Party may elect, in their discretion, to cure the default of such assignee, provided, Party's cure period shall be extended by thirty (30) days.

ARTICLE VII GENERAL PROVISIONS

7.1 Successors and Assigns of Owners. This Agreement shall be binding upon the Parties, and their successors and assigns. Where the term "Developer" is used in this Agreement, it shall mean and include the successors and assigns of Developer in accordance with this Section, including any third parties who purchase or acquire a sold Site. Nothing herein shall be deemed to restrict or limit the Developer's ability to sell, transfer and/or assign its rights and obligations with respect to the real property comprising the Site, in whole or in part, or its rights and obligations under this Agreement, for which no consent shall be required. Any assignee shall be deemed to have made (as to itself and not as to Developer) any and all representations and covenants made by Developer hereunder, as if the assignee were the original signatory hereto. Developer agrees to notify the Agency in writing of any such assignment, which notice shall identify the assignee(s) and contain a copy of the

document(s) evidencing such assignment. Developer also agrees to notify the assignee(s) in writing of all obligations under this Agreement prior to the sale of any property, and provide the Agency with evidence from the Developer or assignee that this notification has occurred. In the event Parties assign all or part of this Agreement to an assignee in connection with a sale of all or a portion of the Site, the assignee shall agree to become party to and sign this Agreement for their portion of the Site, as an Amendment to this Agreement, and such Amendment shall require the acceptance and approval by the Agency, before the Developer shall be relieved from further obligation under that portion of the Agreement and regarding the corresponding portion of the Site for which the assignment was made.

7.2 Notices. All notices, demands and requests required or permitted to be given under this Agreement (collectively the "Notices") must be in writing and must be delivered personally or by nationally recognized overnight courier or sent by United States certified mail, return receipt requested, postage prepaid and addressed to the Parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally or on the next business day if sent by overnight courier, or three (3) business days after deposit in the mail if mailed. The initial addresses of the Parties shall be:

To Developer: JL Ventures, LLC and East Gate 1, LLC
P.O. Box 202845
813 D Street, Suite 200
Anchorage, Alaska 99520-2845
907-279-8068

The Agency: THE REDEVELOPMENT AGENCY OF LAYTON CITY
437 North Wasatch Drive
Layton, Utah 84041
Attn: Alex R. Jensen, Executive Director
801-336-3800; 801-336-3811 (FAX)

Upon at least ten (10) days' prior written notice to the other Party, either Party shall have the right to change its address to any other address within the United States of America.

If any Notice is transmitted by email, facsimile or similar means, the same shall be deemed served or delivered upon confirmation of transmission thereof, provided a copy of such Notice is deposited in regular mail on the same day of such transmission.

7.3 Third Party Beneficiaries. Any claims of third party benefits under this Agreement are expressly denied, except with respect to Developer's successors and assigns.

7.4 Governing Law. It is mutually understood and agreed that this Agreement shall be governed by the laws of the State of Utah, both as to interpretation and performance. Any action at law, suit in equity, or other judicial proceeding for the enforcement of this Agreement or any provision thereof shall be instituted only in the courts of the State of Utah.

7.5 Integration Clause. This document constitutes the entire agreement between the Parties and may not be amended except in writing, signed by the City, the Agency and the Developer.

7.6 Exhibits Incorporated. All Exhibits to this Agreement, attached hereto, are hereby incorporated into this Agreement by reference as though set forth in full, and as a part hereof, according to this reference.

7.7 Attorneys' Fees. In the event of any action or suit by a Party against the other Party for reason of any breach of any of the covenants, conditions, agreements or provisions on the part of the other Party arising out of this Agreement, the prevailing Party in such action or suit shall be entitled to have and recover from the other Party all costs and expenses incurred therein, including reasonable attorneys' fees.

7.8 Termination. Except as otherwise expressly provided herein, including but not limited to Article VI Remedies, the obligation of the Parties shall terminate upon the satisfaction of the following conditions:

7.8.1 With regard to Developers' Undertakings, performance of Developer of the Developer's Undertakings as set forth herein.

7.8.2 With regard to Agency's Undertakings, performance by Agency of Agency's Undertakings as set forth herein.

7.8.3 Upon Developer's request, the other Party agrees to enter into a written acknowledgment of the termination of this Agreement, or part thereof, so long as such termination (or partial termination) has occurred.

7.9 Recordation. This Agreement shall not be recorded without the prior written consent of the Developer, whose property is affected by the recording and the Agency.

7.10 Non-appropriation Clause. The Agency shall, in good faith, attempt to fund the Agency's commitments under this agreement. However, in the event that sufficient funds are not collected due to an unforeseen reduction in tax increment, or due to the reduction in projected capital investment by Developer, an "event of non-appropriation" shall be deemed to have occurred, as of the date of final adoption by Layton City, of the budget in which such funds were not appropriated. In the event of the occurrence of an event of non-appropriation, the Agency shall give written notice thereof to the Developer and following such written notice, the particular obligation under the contract affected by the non-appropriation shall be deemed terminated.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives effective as of the day and year first above written.

REDEVELOPMENT AGENCY OF LAYTON CITY,

By: _____
JOY PETRO, Chair

ATTEST:

KIMBERLY S READ, Secretary

APPROVED AS TO FORM:

CLINTON R. DRAKE, City Attorney

JL VENTURES, LLC

By: _____
LEONARD B. HYDE
Its: Managing Member

State of Alaska)
) ss.
Third Judicial District)

The forgoing instrument was acknowledged before me this ____ day of _____, 2024 by Leonard B. Hyde, Managing Member of JL Ventures, LLC, an Alaska limited liability company.

NOTARY PUBLIC in and for Alaska
My Commission expires: _____

EAST GATE 1, LLC

By: _____
LEONARD B. HYDE
Its: Managing Member

State of Alaska)
) ss.
Third Judicial District)

The forgoing instrument was acknowledged before me this ____ day of _____, 2024 by Leonard B. Hyde, Managing Member of JL Ventures, LLC, an Alaska limited liability company.

NOTARY PUBLIC in and for Alaska
My Commission expires: _____

EXHIBIT A

THE SITE

3675 N FAIRFIELD RD LAYTON, UTAH 84041 AND 3755 N FAIRFIELD RD LAYTON, UT 84041

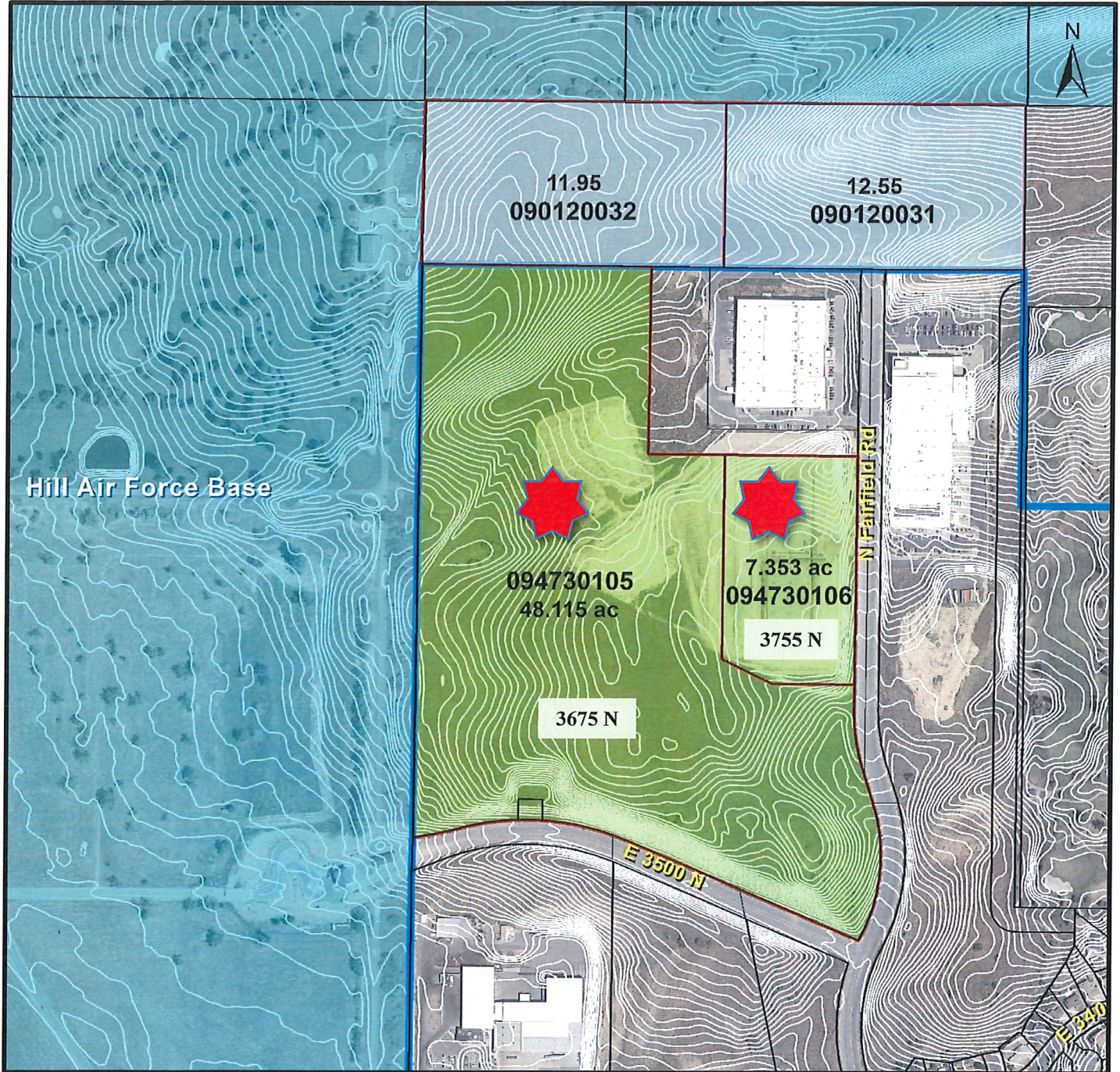


EXHIBIT C.1**COST OF GRADING DESIGN, COMPACTION AND GRADING, AND SOIL RETENTION METHODS ON THE PROPERTY****EAST GATE BUILDINGS 3 & 4****NEW ANTICIPATED COSTS - OPINION OF PROBABLE COST R00**

BUILDING AREA: 400,000 SF (BUILDING 3: 206,750 SF | BUILDING 4: 193,250 SF)

SITE AREA: 1,672,519 SF



3/19/2024

EAST GATE BUILDINGS 3 & 4 - NEW ANTICIPATED COSTS	QUANTITY	UNIT COST	TOTAL
GRADING DESIGN, COMPACTION AND GRADING, AND SOIL RETENTION METHODS	1,672,519 sf	\$ 2.11 / sf	\$ 3,530,431
Civil design	1,672,519 sf	\$ 0.02	\$ 33,450
Mass grading - clear and grub, stockpile topsoil, cut and fill, SWPPP	1,672,519 sf	\$ 1.00	\$ 1,672,519
Export spoils - assumes 2' across property	123,890 cy	\$ 12.00	\$ 1,486,684
Increased building size pad buildup (210,000 sf to 400,000 sf) - using structural fill	14,074 cy	\$ 24.00	\$ 337,778
Soil retention using retaining walls	- sf	Excluded	Not in Current Design

Layton Utah - Mass Grading & Utilities
Development Proforma
4/27/2021

	Amount	\$/PSF
Design + Engineering (Great Basin)	\$25,000	\$0.01
Site Work	\$3,126,905	\$1.29
Site Storm Drain System	\$850,842	\$0.35
Site Sewer System	\$242,089	\$0.10
Site Water System	\$623,750	\$0.26
Site Roadway System	\$1,340,312	\$0.55
Electrical Rough In - Included in Site Work	\$0	\$0.00
Dominion Gas - Main Loop	\$47,472	\$0.02
Testing & Inspections	\$48,000	\$0.02
Water Rights (?)	\$0	\$0.00
Permits & Fees	\$275,000	\$0.11
Dedication Plat/Replat/ROW Dedication	\$20,000	\$0.01
Legal (Easements, Entities, Agreements)	\$25,000	\$0.01
Construction Period Financing	\$368,292	\$0.15
Property Taxes During Construction	\$500	\$0.00
Green Belt Tax Re-Payment	\$419,956	\$0.17
Misc. / Contingency	\$200,000	\$0.08
Development Subtotal	<u>\$7,613,118</u>	\$3.15
Development Fee (4%)	<u>\$304,525</u>	\$0.13
TOTAL PROJECT COST	\$7,917,643	\$3.28

Exclusions/Assumptions:

Assumptions: Private access drives instead of Public ROW's

\$11,448,074

EXHIBIT C.2

COST TO CONSTRUCT AN ENHANCED ROAD CROSS-SECTION

EAST GATE BUILDINGS 3 & 4

NEW ANTICIPATED COSTS - OPINION OF PROBABLE COST R00

BUILDING AREA: 400,000 SF (BUILDING 3: 206,750 SF | BUILDING 4: 193,250 SF)

SITE AREA: 1,672,519 SF



3/19/2024

EAST GATE BUILDINGS 3 & 4 - NEW ANTICIPATED COSTS	QUANTITY	UNIT COST	TOTAL
GRADING DESIGN, COMPACTING AND GRADING, AND SOIL RETENTION METHODS	1,672,519 sf	\$ 2.11 / sf	\$ 3,530,415
Final design	1,672,519 sf	\$ 0.02	\$ 33,451
Initial grading - clear and grub, desktop, manual cut and fill, 50:1 FF	1,672,519 sf	\$ 2.09	\$ 3,476,964
Final grade - a minimum 2' above property	24,890 sf	\$ 22.00	\$ 547,580
Reinforced building site post building (2' x 100' x 2' x 45' x 30' deep) along structural fill	4,074 sf	\$ 24.60	\$ 100,220
ENHANCED ROAD CROSS SECTION	1,672,519 sf	\$ 0.27 / sf	\$ 458,305
Enhanced pavement section at onsite central roadway	91,661 sf	\$ 5.00	\$ 458,305
Potential impacts to Fairfield Road and 3500 North	- sf	Excluded	By Owner (JLP)

\$458,305

EXHIBIT C.3**COST TO INSTALL A FOURTEEN (14) MEGAWATT TRANSFORMER****System Impact Study Report****1.0 Description of Request**

JL Ventures, LLC (Customer) has requested a study to identify system additions required to provide distribution level electrical service to a proposed new load in/near Layton, Utah. The interconnection is located at 3625 N Fairfield Rd. It is estimated that the interconnection will serve 10 meter(s).

Customer's requested incremental and total load in MW, voltage and schedule is shown in Table 1.

	Voltage (kV)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032+
Existing Actual	0	-	-	-	-	-	-	-	-	-	-
Existing Contract	0										
New	.277/.480	0	5	2	7.5	0	0	0	0	0	0
Total	0	0	5	7	14.5	14.5	14.5	14.5	14.5	14.5	14.5

Table 1 – Ten Year Load Schedule

A qualified representative for Customer has verified that the load forecast in Table 1 is the expected diversified peak demand.

2.0 Scope of the Study Report

This study:

- 2.1 Evaluates Rocky Mountain Power's (Company) system and identifies the general additions/modifications required to serve the load shown in Table 1.
- 2.2 Assesses the reliability impact of the new facilities on the interconnected transmission systems to ensure compliance with NERC and WECC Reliability Standards.

This report:

- 2.3 Provides a reasonable least cost solution to serve Customer's load.
- 2.4 Includes un-scoped, estimated costs to complete any required additions. More accurate estimates will be refined in later phases.
- 2.5 Provides a statement about the feasibility of supporting Customer's requested load schedule. Customer shall not assume delivery dates from this report.
- 2.6 Will address facilities which must be in service to meet Customer's requested load.
- 2.7 Will provide, if applicable, information for alternatives to serve Customer's load.

EXHIBIT C.3 (Continued)**COST TO INSTALL A FOURTEEN (14) MEGAWATT TRANSFORMER****System Impact Study Report**Summary of Required Electrical Infrastructure

In-Service Year	Item	Un-Scoped Estimate
2024-2026	Section 7.1	\$1,174,000
2026	Section 7.2	\$377,000
2026	Section 7.3	\$513,000
2026	Section 7.4	\$8,195,000
	Total	\$10,259,000

Customer Cost Estimate Summary

Item		Amount
Total Project Cost		\$10,259,000
Direct Assigned Facilities		\$1,174,000
Customer's share of Network Upgrades	+	\$611,000
Customer's share of Network Upgrades - Civil	+	\$686,000
Total Customer Cost Responsibility	=	\$2,471,000
Estimated Allowance	-	\$1,785,000
Customer's Out-of-pocket Estimate owed to RMP	=	\$686,000
Estimated civil costs (conduits, vaults, etc.)	+	\$854,000*
Estimated right of way costs	+	\$350,000*
Customer's total estimated out-of-pocket costs	=	\$1,890,000*

*NOTE: The civil and right of way estimates in the above table are provided as a courtesy. These costs are 100% the Customer's responsibility to perform and obtain per Public Service Commission Regulation #12 and *are not* eligible to be offset by revenue allowance.

8.0 Conclusions**8.1 Load Service Feasibility****\$10,259,000**

EXHIBIT C.4

COST TO REROUTE THE EXISTING NATURAL GAS PIPELINE

PROJECT PROPOSAL



Project Title: FL 18-3 Relocate 3500' of 4" HP, 3500 N. and
Fairfield Rd., Layton, UT.
WO #: 86463.86

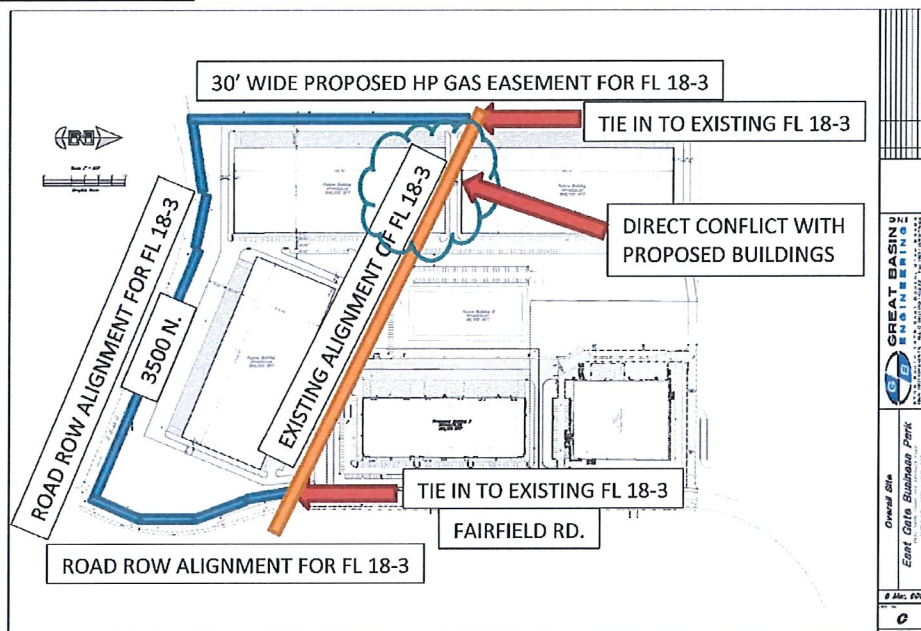
Engineer: Bradley Brown

Review Date: 05/31/2022

Project Scope

Proposal

See sketches below:



- RELOCATE 3,500' OF 4" GR-B, .237WT, FBE-COATED HP STEEL PIPE (FL 18-3), FOLLOWING THE ALIGNMENT SHOWN IN BLUE ABOVE.
- A 30-FOOT WIDE NEW EASEMENT WILL BE REQUIRED ALONG THE WEST PROPERTY LINE.
- THE REMAINDER OF THE RELOCATION ALIGNMENT WILL BE IN 3500 N. AND FAIRFIELD RD. ROW'S OWNER, LAYTON CITY. * SEE LAYTON CITY STD. DWG. #ST-ST-04, ON SHEET 35 OF THIS PROPOSAL FOR APPROVAL NATURAL GAS LINE PLACEMENT IN A LAYTON CITY ROAD RIGHT OF WAY.
- ONCE RELOCATED AND IN-SERVICE, THE EXISTING PORTION OF FL 18-3 SHOWN IN ORANGE WILL BE RETIRED AND REMOVED (APPROXIMATELY 1650' OF 4" WR-STEEL PIPE).
- ONCE THE RETIRED PIPE IS REMOVED, THE ORIGINAL HP GAS EASEMENT ACROSS THE PROPERTY WILL BE RELEASED AND QUIT CLAIMED.

Rev Date: 9/13/2021

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EXHIBIT C.4 (Continued)

COST TO REROUTE THE EXISTING NATURAL GAS PIPELINE

PROJECT PROPOSAL

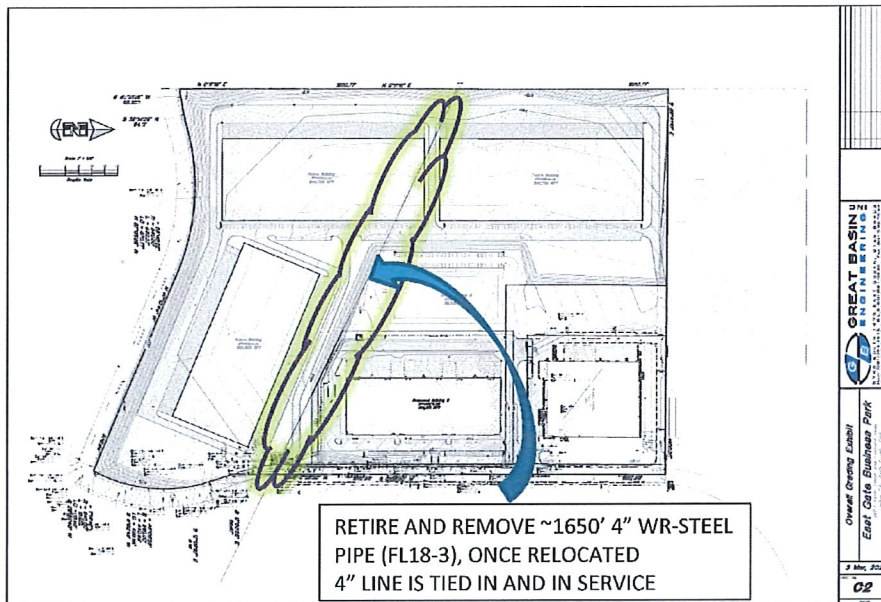


Project Title: FL 18-3 Relocate 3500' of 4" HP, 3500 N. and
Fairfield Rd., Layton, UT.
WO #: 86463.86

Engineer: Bradley Brown

Review Date: 05/31/2022

- THE COSTS OF THE RELOCATION AND THE REMOVAL OF RETIRED PIPE WILL BE BORN 100% BY THE OWNER/DEVELOPER.
- DEU RIGHT OF WAY TO PREPARE THE PIPELINE RELOCATION AND REMOVAL AGREEMENTS.



Rev Date: 9/13/2021

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EXHIBIT C.4 (Continued)

COST TO REROUTE THE EXISTING NATURAL GAS PIPELINE

PROJECT PROPOSAL



Project Title: FL 18-3 Relocate 3500' of 4" HP, 3500 N. and
Fairfield Rd., Layton, UT.
WO #: 86463.86

Engineer: Bradley Brown

Review Date: 05/31/2022

- Construction Contract in Place – 10/18/2022
- Obtain Ogden City Right of Way Permit – 10/18/2022
- Construction Begins – 10/25/2022
- Construction Ends – 12/15/2022

Critical Dates

- None

Budget

- Estimated cost of project: \$1,136,948.
- Projections for how budget will be spent through the year:
 - Q2 2022: \$10,000
 - Q3 2022: \$375,000
 - Q4 2022: \$375,000
 - Q1 2023: \$376,948

Risk

- Layton City's approval of the relocation alignment in 3500 N. and Fairfield Road.
 - Mitigate by working with Layton City to determine the best alignment for the relocated HP gas line that will meet both DEU's and Layton City's Design Standards.
- Getting temporary work space from property owner and Hill AirForce Base for holding regulator station LY0009.
 - Mitigate by having our Right of Way Agent obtain these prior to starting construction.

Stakeholders

- Project team members:
 - Program Manager (FL Relocations) – Bradley Brown
 - Project Manager & Project Engineer – Bradley Brown
 - Surveyor – Garrett Newhart
 - Design Drafter – to be assigned
 - Right of Way Agent – Paul Swan
 - Project Coordinator – to be assigned
 - Project HP Inspector – to be assigned
 - External stakeholder – Layton City
 - External stakeholder – JL Properties (current property owner)
 - External stakeholder – GCP (future property owner)

Rev Date: 9/13/2021

Page 30 of 35

EXHIBIT C.7**INCENTIVE FOR HIRING A CERTAIN NUMBER OF EMPLOYEES WITH ABOVE AVERAGE WAGES**

The average wage paid in Davis County in 2023 is approximately \$39,218 per person. The average wage paid to employees of the tenant and for comparable companies in the region in 2023 is approximately \$80,975. It is anticipated that this employer will provide approximately 3,000 new jobs with average wage that exceeds the Davis County per capita income by over 200% and average wage by over 43%; an incentive is anticipated by the employer.

	Building SF	Office SF	Employees	NG Clearfield Wage	Davis County Average Wage	Variance
Building 2	130,000	60,000	400	\$80,975	\$39,218	\$41,757
Building 3	200,000	45,000	500	\$80,975	\$39,218	\$41,757
Building 4	175,000	40,000	400	\$80,975	\$39,218	\$41,757
Building 5	100,000	100,000	700	\$80,975	\$39,218	\$41,757
Building 6	112,000	30,000	300	\$80,975	\$39,218	\$41,757
Building 7	150,000	40,000	350	\$80,975	\$39,218	\$41,757
Building 8	100,000	30,000	350	\$80,975	\$39,218	\$41,757
	967,000	345,000	3000			

EXHIBIT C.8

ADDITIONAL LENDING COSTS FOR INCREASED FINANCIAL RISKS

With the growth of the East Gate development, we are facing increased financial risks that are hard to quantify looking forward. The added risks come from a combination of our tenants signing shorter than typical triple-net facilities, additional brokerage fees from more costly developments, development risk from excessive costs sunk into design of projects prior to executed leases, as well as potential financing risks lost from volatility in capital markets making capital budgeting a moving target.

Taking these risks into consideration, and based on the size and cost of the individual buildings, we've estimated potential annual risk costs below:

	2025	2026	2027	2028	Total
Excess Financing Costs	\$100,000	\$250,000	\$100,000	\$100,000	\$550,000
Holding Fees	\$0	\$100,000	\$100,000	\$100,000	\$300,000
Risk Premium (reduced lease terms)	\$250,781	\$829,791	\$764,145	\$553,194	\$2,397,910
					\$3,247,910

EXHIBIT D

CONCEPTUAL MASTER SITE PLAN

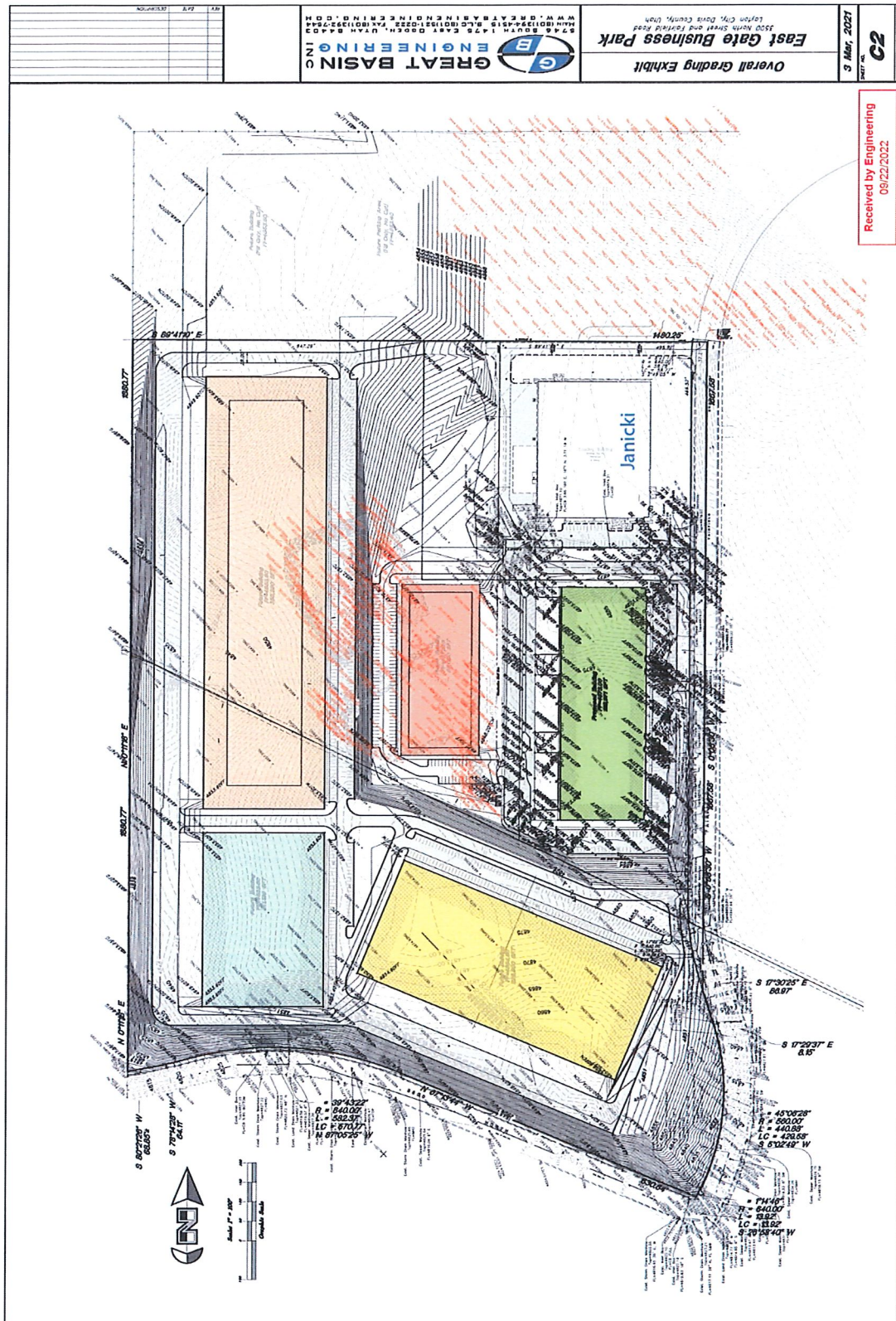


EXHIBIT E**CONSTRUCTION BUILDING SCHEDULE AND PROJECTED CAPITAL INVESTMENT**

Building	Status	Square Feet	Year Started	Year Completed	Shell	Tenant Improvement	Personal Property	Land	Total Development Value
Building 2	Under Construction	130,000	2022	2024	\$17,000,000	\$51,000,000	\$5,000,000	\$5,000,000	\$78,000,000
Building 3	In Design	200,000	2024	2026	\$30,000,000	\$55,000,000	\$10,000,000	\$18,000,000	\$113,000,000
Building 4	In Design	175,000	2024	2026	\$26,250,000	\$48,000,000	\$10,000,000	\$15,000,000	\$99,250,000
Building 5	Pre-planning	100,000	2025	2027	\$35,000,000	\$7,500,000	\$5,000,000	\$3,500,000	\$51,000,000
Building 6	Pre-planning	112,000	2025	2027	\$16,800,000	\$30,720,000	\$5,000,000	\$9,600,000	\$62,120,000
Building 7	Pre-planning	150,000	2026	2028	\$22,500,000	\$41,250,000	\$7,500,000	\$13,500,000	\$84,750,000
Building 8	Pre-planning	100,000	2026	2028	\$15,000,000	\$27,500,000	\$5,000,000	\$9,000,000	\$56,500,000
967,000									\$544,620,000

EXHIBIT F

TAX INCREMENT PROJECTIONS

TIF Collection Year		2023		2024		2025		2026		2027		2028		2029	
Fiscal Collection Year		2024		2025		2026		2027		2028		2029		2030	
BASE VALUATION		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	
Existing Land		\$63,211		\$63,211		\$63,211		\$63,211		\$63,211		\$63,211		\$63,211	
Building 2 + Land				\$78,000,000		\$78,000,000		\$78,000,000		\$78,000,000		\$78,000,000		\$78,000,000	
Building 3 + Land								\$113,000,000		\$113,000,000		\$113,000,000		\$113,000,000	
Building 4 + Land								\$99,250,000		\$99,250,000		\$99,250,000		\$99,250,000	
Building 5 + Land												\$51,000,000		\$51,000,000	
Building 6 + Land												\$62,120,000		\$62,120,000	
Building 6 + Land															
Total CAPX		\$63,211		\$78,063,211		\$78,063,211		\$290,313,211		\$290,313,211		\$403,433,211		\$403,433,211	
90% Projected Increment		\$550		\$88,312		\$730,709		\$730,709		\$2,786,389		\$3,875,039		\$3,875,039	

2029		2030		2031		2032		2033		2034		2035		2036	
2030		2031		2032		2033		2034		2035		2036		2037	
\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	
\$63,211		\$63,211		\$63,211		\$63,211		\$63,211		\$63,211		\$63,211		\$63,211	
\$78,000,000		\$78,000,000		\$78,000,000		\$78,000,000		\$78,000,000		\$78,000,000		\$78,000,000		\$78,000,000	
\$113,000,000		\$113,000,000		\$113,000,000		\$113,000,000		\$113,000,000		\$113,000,000		\$113,000,000		\$113,000,000	
\$99,250,000		\$99,250,000		\$99,250,000		\$99,250,000		\$99,250,000		\$99,250,000		\$99,250,000		\$99,250,000	
\$51,000,000		\$51,000,000		\$51,000,000		\$51,000,000		\$51,000,000		\$51,000,000		\$51,000,000		\$51,000,000	
\$62,120,000		\$62,120,000		\$62,120,000		\$62,120,000		\$62,120,000		\$62,120,000		\$62,120,000		\$62,120,000	
\$84,750,000		\$84,750,000		\$84,750,000		\$84,750,000		\$84,750,000		\$84,750,000		\$84,750,000		\$84,750,000	
\$56,500,000		\$56,500,000		\$56,500,000		\$56,500,000		\$56,500,000		\$56,500,000		\$56,500,000		\$56,500,000	
\$544,683,211		\$544,683,211		\$544,683,211		\$544,683,211		\$544,683,211		\$544,683,211		\$544,683,211		\$544,683,211	
\$5,234,546		\$5,234,546		\$5,234,546		\$5,234,546		\$5,234,546		\$5,234,546		\$5,234,546		\$5,234,546	
\$44,853,532															

EXHIBIT G

DESIGN GUIDELINES AND DESIGN OVERLAY

The Design Guidelines and Design Overlay is included by reference as a condition of and part of this Agreement, and shall mean the East Gate Business Park Design Guidelines Book created by contract between the Agency and IBI Group and accepted by the Agency and City of Layton in October 2009, of which a copy may be obtained from the City Recorder or the City Community and Economic Development Department.

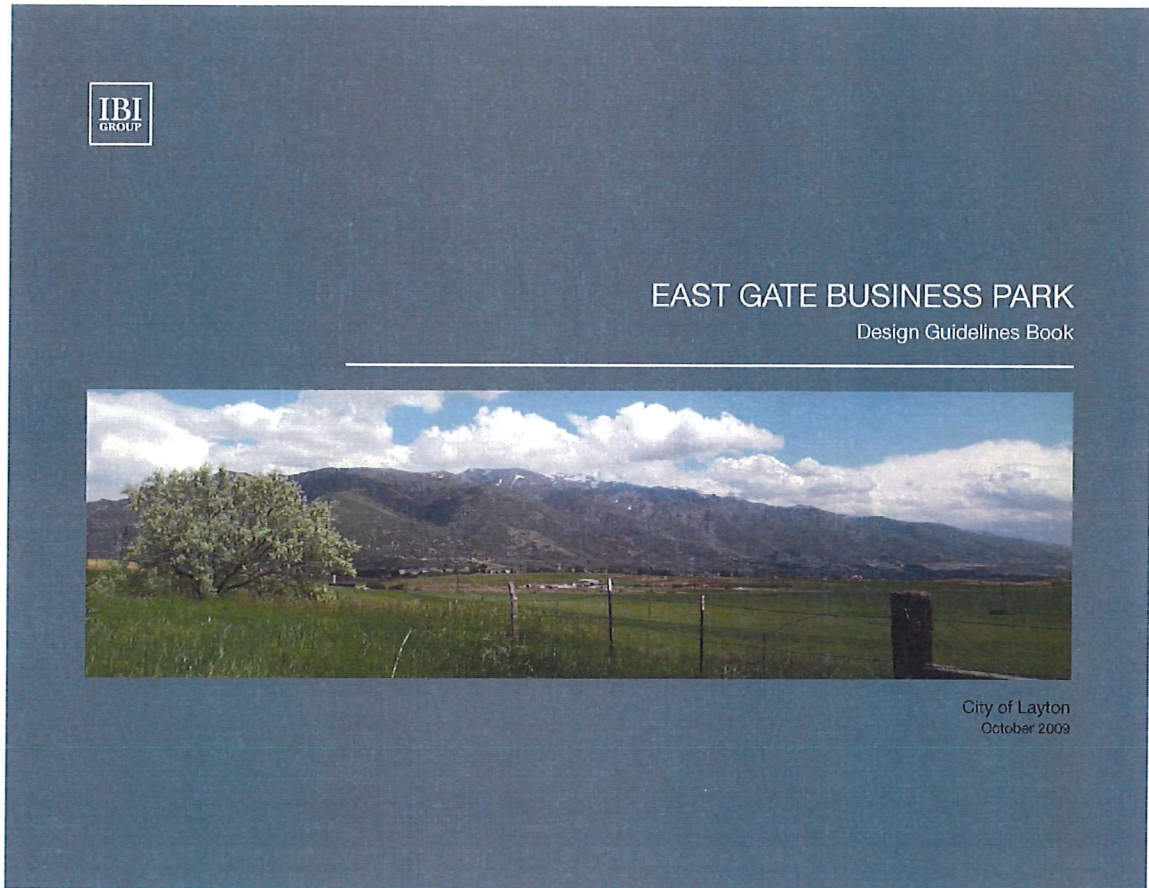


EXHIBIT H

EAST GATE ECONOMIC DEVELOPMENT PROJECT AREA PLAN AND BUDGET

The East Gate Economic Development Project Area Plan and Budget, or Development Plan, is included by reference as a condition of and part of this Agreement, and shall mean the East Gate Economic Development Project Area Plan and Budget, adopted by the City and Agency, dated October 18, 2007 and amended July 1, 2010, and also of which a copy may be obtained from the City Recorder or the City Community and Economic Development Department.

EAST GATE ECONOMIC DEVELOPMENT PROJECT AREA PLAN & BUDGET



PREPARED BY: LAYTON CITY
OFFICE OF COMMUNITY AND ECONOMIC DEVELOPMENT
ADOPTED DATE: OCTOBER 18, 2007
AMENDED DATE: JULY 1, 2010

EXHIBIT I

LEGAL DESCRIPTION

Parcel 094730105

ALL OF LOT 105, EAST GATE BUSINESS PARK SUBDIVISION 2ND AMENDMENT. CONT. 48.11500 ACRES.

Parcel 094730106

ALL OF LOT 106, EAST GATE BUSINESS PARK SUBDIVISION 2ND AMENDMENT. CONT. 7.35300 ACRES.

Lot 106, East Gate Business Park Subdivision – 2nd Amendment as recorded in the office of the Davis County Recorder, State of Utah, on February 7, 2023, as Entry No. 3516777, in Book 8188 at Page 169. All of the property being a part of the East Half of Section 4, T4N, R1W, S.L.B. & M, U.S. Survey.

EAST GATE BUSINESS PARK SUBDIVISION 2ND AMENDMENT

Lots 105, 106

AMD LT 103 EAST GATE BUS PK 1ST AMDT; PT E 1/2 4 4N – 1W

Out of 09-452-0105, 0106, 0107

New # 9-473 +

File # 6604

4 4

BOUNDARY DESCRIPTION

All of 103, East Gate Business Park Subdivision 1st Amendment, according to the official plat thereof in the office of Davis County Recorder, also being a part of the East Half for Section 4, Township 4 North, Range 1 West, Salt Lake Base & Meridian, Layton City, Davis County, Utah:

Beginning at a point 336.21 feet North 0°08'30" East along the Section Line and 470.87 feet West from the East Quarter corner of said Section 4; and running thence three (3) courses along the Westerly right of way line of Fairfield Road as follows: South 17°29'37" East 8.15 feet; Southwesterly along the arc of a 560.00 foot radius curve to the right a distance of 440.88 feet (Central angle equals 45°06'28" and Long Chord bears South 5°02'49" West 429.58 feet) to a point of reverse-curvature and Southwesterly along the arc of a 640.00 foot radius curve to the left a distance 13.92 feet (Central angle equals 1°14'46" and Long Chord bears South 26°58'40" West 13.92 feet) to the Northerly right of way line of 3500 North Street; thence along said Northerly right of way line four (4) courses as follows: North 67°13'44" West 830.84 feet; Northwesterly along the arc of a 840.00 foot radius curve to the left a distance of 582.37 feet (Central angle equals 39°43'23" and Long Chord bears North 87°05'25" West 570.78 feet); South 78°14'28" West 64.11 feet; South 80°21'26" West 68.87 feet more or less to an existing fence line and the one sixty fourth line of said Section 4; thence along said one sixty fourth line North 0°11'16" East 1880.77 feet; thence South 89°41'10" East 752.26; thence South 0°18'49" West 614.18 feet; thence South 89°51'17" East 689.82 feet to the West Right of Way line of Fairfield Road; thence along said Fairfield Road the following three (3) Courses (1) South 0°08'29" West 837.20 feet to a point on an arc; (2) Southeasterly 190.33 feet along the arc of an 640.00 foot radius curve to the left (Central Angle equals 17°02'21" Long Chord bears South 8°59'52" East 189.63 feet); South 17°30'25" East 119.61 feet to the point of beginning.

Rotate bearings 0°20'56" clockwise to equal NAD83 bearings.

Contains 55.467 Acres

EXHIBIT J

PROMISSORY NOTE

The Promissory Note is included by reference as a condition of and part of this Agreement, and shall mean the Promissory Note dated November 2021 executed by Leonard Hyde on December 1, 2021 in Anchorage, Alaska as part of the Trust Deed, also executed by Leonard Hyde on December 1, 2021 in Anchorage, Alaska after which both documents were recorded in the Davis County Recorder's Office, Utah, on December 13, 2021, included with the "FORMER AGREEMENT" as required by that Former Agreement and executed by the Agency on December 7, 2021.

MAKER:

JL VENTURES LLC, an Alaska limited liability company

By:  Leonard Hyde

Its: Managing Member

The undersigned hereby accept(s) the foregoing All-inclusive Promissory Note and agree(s) to perform each and all of the terms thereof on the part of the Holder to be performed.

Executed as of the date and place first above written.

HOLDER

HOLDER

HOLDER

HOLDER

EXHIBIT K

TRUST DEED

The Trust Deed is included by reference as a condition of and part of this Agreement, and shall mean the Trust Deed dated November 2021 executed by Leonard Hyde on December 1, 2021 in Anchorage, Alaska as part of the Promissory Note, also executed by Leonard Hyde on December 1, 2021 in Anchorage, Alaska after which both documents were recorded in the Davis County Recorder's Office, Utah, on December 13, 2021, included with the "FORMER AGREEMENT" as required by that Former Agreement and executed by the Agency on December 7, 2021.

WHEN RECORDED, RETURN TO:
REDEVELOPMENT AGENCY OF LAYTON CITY
EDA EXECUTIVE DIRECTOR
437 NORTH WASATCH DRIVE
LAYTON, UTAH 84041

RETURNED

DEC 13 2021

131
E 3442292 B 7904 P 1830-1960
RICHARD T. MAUGHAN
DAVIS COUNTY, UTAH RECORDER
12/13/2021 02:53 PM
FEE \$0.00 Pgs: 131
DEP RT REC'D FOR LAYTON CITY CORP

All-Inclusive Trust Deed

09-452-0103

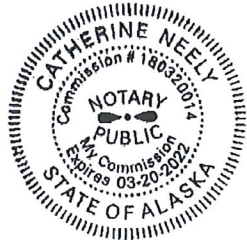
THIS ALL-INCLUSIVE TRUST DEED made this 4th day of November, 2021, between JL VENTURES, LLC, AN ALASKA LIMITED LIABILITY COMPANY, as TRUSTOR, whose address is 813 D Street, Suite 200, (P.O. Box 202845) Anchorage, Alaska, and LAYTON CITY REDEVELOPMENT AGENCY located at 437 North Wasatch Drive, Layton, Utah, as TRUSTEE*, and as BENEFICIARY,

WITNESSETH: That Trustor CONVEYS AND WARRANTS TO TRUSTEE IN TRUST, WITH POWER OF SALE, the following described property situated in DAVIS COUNTY, State of Utah:

ALL OF LOT 103, EAST GATE BUSINESS PARK SUBDIVISION 1ST AMENDMENT. CONT. 55.46500 ACRES.

20. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at the address hereinbefore set forth.

Signature of Trustor



(If Trustor an Individual)

STATE OF ~~UTAH~~ Alaska

SS.

COUNTY OF Anchorage

On the 1 day of December, 2021 personally appeared before me L. Hyde, the signer(s) of the above instrument, who duly acknowledged to me that they executed the same.

My Commission Expires:

3-20-2022

Catherine Neely
NOTARY PUBLIC

Residing at:

(If Trustor a Corporation)

STATE OF UTAH

SS.

COUNTY OF _____

On the _____ day of _____, 20____, personally appeared before me _____, who being by me duly sworn, says that he is the _____ of the corporation that executed the above and foregoing instrument and that said instrument was signed in behalf of said corporation by authority of its by-laws (or by authority of a resolution of its board of directors) and said _____ acknowledged to me that said corporation executed the same.

NOTARY PUBLIC

My Commission Expires:

**REDEVELOPMENT AGENCY OF LAYTON CITY
AGENDA ITEM COVER SHEET**

Item Number: 4.

Subject:

Agreement for the Development of Land between The Redevelopment Agency of Layton City and Dreamland LLC 2024 – RDA Resolution 24-02 – 3800 North Fairfield Road

Background:

On June 4, 2015 the Redevelopment Agency of Layton City (Agency) adopted RDA Resolution 15-02 which was fully executed on June 12, 2015, approving a “Participation Agreement” between KIHOMAC (a subsidiary of Dreamland, LLC) and the Agency that provided tax increment incentive to KIHOMAC for the construction of a 120,000 square foot (footprint) manufacturing building in the Layton East Gate Business Park (former Agreement). This tax incentive collected through the East Gate Economic Development Project Area Plan (Development Plan) provided the means to keep KIHOMAC in Layton, who at the time, had a need to expand their operations from a previous location at 334 Marshall Way, Layton. The former Agreement directs 100% of the tax increment collected by the Agency to KIHOMAC (equal to 90% of the total property taxes paid to each participating taxing entity) in exchange for their agreement to invest in its new building and the City and remain in Layton. The building was completed in 2016 and the total valuation of the real and personal property has grown steadily at an average of approximately 8% each year ever since. The number of jobs for this location has also doubled, approximately. KIHOMAC has the need to expand again for several reasons, including expanding their operations and workforce development.

KIHOMAC is proposing a new 50,000 square foot facility located just south of the existing facility. The new building will provide space to develop multiple products which do not require a secure facility, provide additional storage capacity, and create 30 additional jobs. The facility will also include internal “start-up” space for innovating new products and creating solutions to existing products, and space to develop an in-house apprenticeship program to attract new talent, currently not attainable through other methods. In addition, this apprenticeship space will be offered to other employers in the aerospace and defense industry through a separate agreement between that employer and KIHOMAC. Due to recent growth in this region, there is presently high demand and a critical need to find new talent and create other avenues to develop additional workforce pipelines for our aerospace and defense employers. KIHOMAC has agreed to construct, maintain and operate this space. The estimated cost to construct the new building is approximately \$8.6 million. Due to significant costs associated with grading this particular site, similar to others in the EDA but not typical with other similar properties in the region, and other costs associated with the potentially shared apprenticeship space, the new Agreement proposes to provide an up-front incentive of \$400,000 which will be paid once the building is completed. Starting in the year 2026, the Agency will retain \$40,000 per year until 2035 when the Economic Development Area closes and Agency has been fully repaid for the up-front incentive. The current annual tax increment incentive paid for the first building will continue as it currently exists. The annual tax increment created by the second building will be paid to KIHOMAC consistent with the former Agreement as the former Agreement specifically references the property in whole.

Alternatives:

Alternatives are to: 1) Adopt RDA Resolution 24-02 approving the Agreement for the Development of Land between The Redevelopment Agency of Layton City and Dreamland LLC 2024 as submitted; 2) Adopt RDA Resolution 24-02 with any amendments the Agency deems appropriate; or 3) Not adopt RDA Resolution 24-02 and remand to Staff with directions.

Recommendation:

Staff recommends the Agency adopt RDA Resolution 24-02 an Agreement for the Development of Land between The Redevelopment Agency of Layton City and Dreamland LLC 2024, as submitted.

RDA RESOLUTION 24-02

AGREEMENT FOR DEVELOPMENT OF LAND BETWEEN THE REDEVELOPMENT AGENCY OF LAYTON CITY AND DREAMLAND, LLC

WHEREAS, the Redevelopment Agency of Layton City (Agency) has undertaken a program for the development of greenfield and greyfield areas in Layton City, and has undertaken a project in those areas known as the “East Gate Economic Development Project Area” located in Layton City, Davis County, Utah, which area is herein called the “Project Area;” and

WHEREAS, the Agency has prepared and adopted, and the City Council has approved through adoption of Ordinance 07-36, the East Gate Economic Development Project Area Plan and Budget dated October 18, 2007 and amended July 1, 2010 and March 7, 2024 (the “Development Plan”), which is attached hereto by reference as Exhibit “G”, providing for the development of certain lands in the Project Area and the future uses of such land, which Development Plan has been filed in the office of both the Recorder of Layton City and the Redevelopment Agency of Layton City; and

WHEREAS, to enable the Agency to achieve the objectives of the Development Plan, and particularly to make the land in the Project Area available for development by private enterprise for and in accordance with the uses specified in the Development Plan, the Agency desires to enter into this Agreement with Dreamland, LLC (Developer), which will detail the development of land as it pertains to Developer’s property (Site); and

WHEREAS, the Developer owns certain land situated in the Project Area, which land (hereinafter called the “Site”) is illustrated in Exhibit “A” and legally described in Exhibit “I” hereto, and desires to develop the Site for and in accordance with the uses specified in the Development Plan and as more particularly described in this Agreement; and

WHEREAS, the Developer has multiple contracts and the need to fill those contracts, and the need to employ and train multiple new employees, and provide career paths for many who may not otherwise have a similar opportunity, and fulfillment of this Agreement and the intentions set forth herein, are in the vital and best interests of the Agency and the Development Plan; and

WHEREAS, the Agency believes that the development of the Site, pursuant to this Agreement and the Development Plan, and the fulfillment generally of this Agreement and the intentions set forth herein, are in the vital and best interests of the Agency and in the best interest of the health, safety, morals and welfare of City residents, and are in accord with the public purposes and provisions of the applicable State laws and requirements under which said Project has been undertaken and is being assisted; and

WHEREAS, the Agency is willing to assist the Developer with tax increment and other incentives in accordance with the provisions of the Development Plan and this Agreement; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF LAYTON CITY, UTAH:

1. That the agreement entitled “AGREEMENT FOR DEVELOPMENT OF LAND BETWEEN THE REDEVELOPMENT AGENCY OF LAYTON CITY AND DREAMLAND LLC” is hereby adopted and approved.
2. That the RDA Chair be authorized to execute the Agreement.

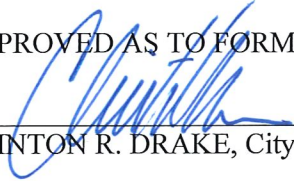
ADOPTED by the Board of Directors of the Redevelopment Agency of Layton City, this **4th** day of **April, 2024**.

JOY PETRO, Chair

ATTEST:

KIMBERLY S READ, Secretary

APPROVED AS TO FORM:



CLINTON R. DRAKE, City Attorney



CHAD WILKINSON, Director
Community and Economic Development

WHEN RECORDED RETURN TO:
Redevelopment Agency of Layton City
EDA Executive Director
437 North Wasatch Drive
Layton, UT 84041

**AGREEMENT FOR THE DEVELOPMENT OF LAND BETWEEN
THE REDEVELOPMENT AGENCY OF LAYTON CITY AND DREAMLAND LLC**

(Approximately 3800 N Fairfield Road, Layton City)

This AGREEMENT FOR THE DEVELOPMENT OF LAND (hereinafter referred to as "Agreement") is made and entered into this **4th day of April, 2024** (the "Effective Date"), between The REDEVELOPMENT AGENCY OF LAYTON CITY, a governmental agency organized under the laws of the State of Utah (hereinafter referred to as "Agency") and DREAMLAND, LLC C/O KIHOMAC HOLDING, INC. (hereinafter referred to as "Developer"). The Agency and Developer collectively referred to as the "Parties" and separately as "Party."

RECITALS

WHEREAS, the Agency has undertaken a program for the development of greenfield and greyfield areas in Layton City, and has undertaken a project in those areas known as the "East Gate Economic Development Project Area" located in Layton City, Davis County, Utah, which area is herein called the "Project Area;" and

WHEREAS, the Agency has prepared and adopted, and the City Council has approved through adoption of Ordinance 07-36, the East Gate Economic Development Project Area Plan and Budget dated October 18, 2007 and amended July 1, 2010 and March 7, 2024 (the "Development Plan"), which is attached hereto by reference as Exhibit "G", providing for the development of certain lands in the Project Area and the future uses of such land, which Development Plan has been filed in the office of both the Recorder of Layton City and the Redevelopment Agency of Layton City; and

WHEREAS, the Developer owns certain land situated in the Project Area, which land (hereinafter called the "Site") is illustrated in Exhibit "A" and legally described in Exhibit "I" hereto, and desires to develop the Site for and in accordance with the uses specified in the Development Plan and as more particularly described in this Agreement; and

WHEREAS, the Developer has multiple contracts and the need to fill those contracts, and the need to employ and train multiple new employees, and provide career paths for many who may not otherwise have a similar opportunity, and fulfillment of this Agreement and the intentions set forth herein, are in the vital and best interests of the Agency and the Development Plan; and

WHEREAS, to enable the Agency to achieve the objectives of the Development Plan, and particularly to make the land in the Project Area feasible for development by private enterprise for and in accordance with the uses specified in the Development Plan, and to assist in furthering education and highly technical training opportunities and to increase the local employment pipeline for the composite and aeronautics industry, the Agency desires to enter into this Agreement with the Developer, which will detail the development of land as it pertains to Developer's property; and

WHEREAS, the Agency believes that the development of the Site, pursuant to this Agreement and the Development Plan, and the fulfillment generally of this Agreement and the intentions set forth herein, are in the vital and best interests of the Agency and in the best interest of the health, safety, morals and welfare of City residents, and are in accord with the public purposes and provisions of the applicable State laws and requirements under which said Project has been undertaken and is being assisted; and

WHEREAS, the Agency is willing to assist the Developer with tax increment in accordance with the provisions of the Development Plan and this Agreement; and

NOW, THEREFORE, each of the parties hereto, for and in consideration of the premises and agreement of the other party hereto, do covenant and agree that:

ARTICLE I DEFINITIONS

The following terms in this Agreement have the meaning and content set forth in this Article 1:

1.1 “Agency” shall mean the Redevelopment Agency of Layton City, a body corporate and politic of the State of Utah. The principal office of Agency is located at 437 North Wasatch Drive, Layton, Utah 84041, phone number (801) 336-3800.

1.2 “Agency's Undertakings” shall mean the obligations of the Agency set forth in Article III.

1.3 “Current Agreement” shall mean the Participation Agreement by and between The Redevelopment Agency of Layton City and KIHOMAC, dated June 4, 2015 and executed on June 12, 2015.

1.4 “Developer” shall mean Dreamland, LLC, a Utah Limited Liability Company, in care of Kihomac Holding, Inc., a Virginia Company, with its principal offices located at 12030 Sunrise Valley Dr., Ste 320, Reston, VA 20191-3447.

1.5 “Developer's Undertakings” shall have the meaning set forth in Article IV.

1.6 “Development Plan” shall mean the East Gate Economic Development Project Area Plan and Budget dated October 18, 2007 and amended July 1, 2010 and March 7, 2024.

1.7 “Exhibit” shall mean all exhibits referenced herein and attached to this agreement as follows:

1.7.1 “Exhibit A” shall mean **THE SITE**; or all property owned by the Developer within the Project Area to be incorporated into the proposed Development, located at 3800 N FAIRFIELD ROAD, LAYTON, UTAH 84040 and otherwise known as Parcel No. 09-012-0040 as recorded in the Davis County Utah Recorder's Office on June 5, 2015 and re-conveyed on November 23, 2021, containing approximately 23.547 acres within the East Gate Economic Development Area, in Layton City, Utah.

1.7.2 “Exhibit B” shall mean the **PRELIMINARY SITE PLAN** as submitted by the Developer on February 12, 2024 and produced for the Developer by Ensign Engineering and Land Surveying.

1.7.3 “Exhibit C” shall mean a **PRELIMINARY GRADING PLAN** submitted by the Developer on February 12, 2024 and produced for the Developer by Ensign Engineering and Land Surveying.

1.7.4 “Exhibit D” shall mean the **PROJECTED CONSTRUCTION BUILDING SCHEDULE AND ESTIMATED CAPITAL INVESTMENT** (Construction Schedule) necessary to meet tax increment projections as identified within this Agreement.

1.7.5 “Exhibit E” shall mean the **TAX INCREMENT AND PAYBACK PROJECTION SCHEDULE** identified in this Agreement.

1.7.6 “Exhibits F” shall mean the **ESTIMATED COST OF GRADING DESIGN, COMPACTION AND GRADING, AND SOIL RETENTION METHODS ON THE PROPERTY** submitted by the Developer on February 15, 2024 and produced for the Developer by Great Basin Engineering Inc.

1.7.7 “Exhibit G” shall mean the **EAST GATE ECONOMIC DEVELOPMENT PROJECT AREA PLAN AND BUDGET**, adopted October 18, 2007, amended July 1, 2010.

1.7.8 “Exhibit H” shall mean the **DESIGN GUIDELINES AND DESIGN OVERLAY**, a document approved by the Agency and the City in October, 2009, that will specify design guidelines, landscaping, architecture, property improvements, maintenance and plan approval procedure for development in the Project Area.

1.7.9 “Exhibit I” shall mean the **LEGAL DESCRIPTION** of the Site, otherwise known as Parcel 090510032 as recorded in the Davis County Utah Recorder’s Office on October 5, 2005 and corrected on July 14, 2017.

1.7.10 “Exhibit J” shall mean the proposed **TRAINING AND INTERNAL APPRENTICESHIP PROGRAM** as proposed by the Developer to be operational within a portion of the proposed building on the Site over a 5 year period.

1.8 “Funding Gap” shall mean those costs associated with construction and equipment dedicated for grading as referenced and attached to this Agreement as Exhibit “F”, and the Training Center, and Start-Up Space, and the purposes as referenced, outlined, and attached to this Agreement as Exhibit “J”.

1.9 “Owner” (see “Developer”) shall mean “Developer” otherwise known as or Dreamland, LLC, a Utah Limited Liability Company, in care of Kihomac Holding, Inc., a Virginia Company, with its principal offices located at 12030 Sunrise Valley Dr., Ste 320, Reston, VA 20191-3447, who currently owns the Site and has contributed or will contribute a portion of the Site to the Project.

1.10 “Participants” shall mean each participating taxing entity that is contributing tax increment to the Agency toward the implementation of the Development Plan.

1.11 “Project” shall mean the proposed development or Building 2, consisting of a 50,000 square foot manufacturing/industrial building to be used for non-classified manufacturing operations, entrepreneur/start-up space, and industry shared training or apprenticeship space, as submitted by the Developer at the time this Agreement is executed and attached to this Agreement as “Exhibit B” and “Exhibit C.”

1.12 “Project Area” shall have the meaning set forth in the Recitals hereto.

1.13 “Tax Increment” shall mean tax increment received from the East Gate Economic Development Project Area as defined by Utah State Code (17C-3-201) and only collected from real property and personal property generated by the Site.

ARTICLE II CONDITIONS PRECEDENT

2.1 This Agreement shall not take effect until the adoption, approval and execution of this Agreement by the Agency and Developer. The "Effective Date" of this Agreement shall be the date the Agreement is adopted, approved, and executed by the Agency, and Developer, signed by all parties, and recorded in the Davis County Recorder's Office, Davis County, Utah. Once executed, this Agreement shall supersede the Current Agreement.

ARTICLE III AGENCY'S UNDERTAKINGS

3.1 Development of Site Annual Reimbursement Incentive. The Agency shall consider an annual Tax Increment Reimbursement Incentive (ARI) toward the Project contingent upon the performance of the Developer. The Agency agrees, for the development of the Project, so long as the Developer fulfills its obligations set forth herein, that the Agency will rebate to the Developer one-hundred percent (100.0%) of all eligible Tax Increment collected from the Site (90% of the total annual tax increment collected by Davis County Treasurer), consistent with the Current Agreement until the Development Plan expires (year 2035), as described herein, with the exception of the ARI Reimbursement to the Agency in accordance with Section 3.3 of this Agreement. Tax Increment paid to the Developer by the Agency shall be generated entirely from property taxes created by development of the Site by the Developer and collected by the Agency through Davis County as described herein. The contemplated Tax Increment rebate shall be made by the Agency to the Developer within thirty (30) days after the date the Agency receives payment of Tax Increment for the Site from Davis County.

3.2 Up-Front Incentive Reimbursement (UFIR). The Agency shall consider an up-front incentive in the amount of \$400,000, separate from the ARI, paid to the Developer for the construction of a new 50,000 square foot manufacturing/industrial building (the Project) in which space will be provided for the purpose of non-classified general operations, and for training, implementing an in-house apprenticeship program, and providing space for start-up and other innovation. A portion of the space shall be used to find, train, and retain employees which are not found using other methods, and for other employers in the aerospace and composite industry, including Janicki Industries, who wish to enter a separate agreement with the Developer for use of the space. The building as a whole will also provide additional production space for the Developer to produce products currently under contract which do not require national security regulation or scrutiny. The items that qualify for the UFIR by the Agency shall be identified by Exhibit "F" as attached to this Agreement, and the Developer shall have the right to disperse annual Tax Increment reimbursement received by the Agency toward these items without restriction.

3.3 Agency Annual UFIR Payback. In return for the UFIR, the Agency shall retain \$40,000 a year of tax increment collected from the Site annually, defined as the "Agency Annual UFIR Payback", starting in the year 2026 (tax increment collected in 2025) and ending when the Development Plan expires (tax increment collected in 2035 and paid to the Agency in 2036), consistent with the Payback Projection Schedule attached as "Exhibit E" in this Agreement, until the Agency has been fully reimbursed for any UFIR payments made by the Agency for this purpose. If the Developer does not perform, the Agency Annual UFIR Payback of \$40,000 per year starting in the year 2026 (2025 taxes owed and paid) shall be taken from the Developer's ARI as defined in Section 3.1. The Agency shall not be entitled to any interest or other fees related to this UFIR. The Agency shall be reimbursed for all up-front payments by 2035 (paid in 2036) as illustrated in "Exhibit E." The Agency shall provide the up-front payment to the Developer within thirty (30) days after the Developer has provided a copy of any official invoice(s) submitted to Developer by their building contractor and the Developer has paid for their building permit.

ARTICLE IV DEVELOPER'S UNDERTAKINGS

4.1 Grading of Property. The Developer shall commit to grading of the site for the purpose of required drainage and other improvements, creating additional parking, creating additional vehicular and public safety emergency access, retaining walls, and/or constructing a new building pad for the Project consistent with the M-1 Zone and the East Gate Design Guidelines, and generally consistent with the Preliminary Site Plan attached as Exhibit "B." The Developer shall continue to receive 100% of the eligible annual ARI which may be contributed toward the Project as outlined herein.

4.2 Development of Property. The Developer shall commit to the further development of the Site and construction of the Project as defined herein and generally in accordance with the "Site Plan" attached as Exhibit "B." The estimated capital investment the Developer agrees to invest toward the Project shall be, at minimum, \$8,600,000 as submitted by the Developer (Exhibit "D"). Development of the property shall include grading, soil retention, all of the public and private improvements, utilities, landscaping, and all other improvements required to operate their business on the Site, and by the City in accordance with the City land use ordinances and consistent with the East Gate Business Park Design Guidelines (Exhibit "H").

4.3 Industry Access. The Developer shall provide opportunity for access to the Project training and apprenticeship space to other employers of the Developer's choosing in the Aerospace, Defense and Composite industries, if said employers reimburse the Developer in accordance with the Developer's own fee schedule, and agree to share resources for the training and mentoring programs, and if said employers sign a separate agreement for said access between said employer and the Developer.

4.4 Water Shares. Prior to the final approval of any development activity and release of any building permit(s), the Developer shall dedicate to the City any required shares of water, pursuant to the City's water exaction ordinance. Water shares are collected from Developer for each building at the time a building permit is submitted throughout the development process.

4.5 Development Costs. Developer and Agency understand and agree that the development costs indicated in this Agreement and specifically contained in Exhibit "F" are estimates provided by the Developer. Any Tax Increment reimbursement to the Developer by the Agency shall only come from Tax Increment generated by this Site on an annual basis over the remaining collection period of the Project Area and Development Plan as defined in Sections 3.1, 4.6, and 4.7 herein. Developer agrees to pay the estimated costs and any difference between the estimated cost and the actual costs of construction.

4.6 Tax Increment Reimbursement. In order to qualify for ARI as described in Section 3.1 in this Agreement consistent with the Tax Increment Projections attached as "Exhibit E," Developer agrees that it must complete construction, including tenant improvements, of the Project as outlined in the Construction Schedule attached as "Exhibit D," prior to January 1 of the first year property tax is owed. The Developer acknowledges that, in exchange for the completion of said construction, it shall receive one-hundred percent (100.0%) of the total eligible ARI generated by the Site, consistent with the Current Agreement, with exception to the Agency Annual UFIR Payback in accordance with Section 3.3 and Section 4.10 of this Agreement. The ARI shall be generated from the Site only through property taxes paid for the Site by the Developer to Davis County based on annual property valuations by the County Assessor, and market conditions, and collected by the Agency. The Agency receives Tax Increment from Davis County in the spring of the year following the each calendar year tax is collected until the year 2035, and the ARI shall be paid on an annual basis throughout the remaining term of the Development Plan (2035).

4.7 Tax Increment Acknowledgement.

4.7.1 Developer acknowledges through this Agreement, that if the Developer fails to perform in accordance with the proposed Construction Schedule (Exhibit “D”), that the amount of tax increment available may not be equivalent to projected tax increment funding (Exhibit “E”), which may reduce the amount of tax increment the Agency may reimburse to the Developer. The Developer acknowledges that full increment may not be collected as projected (Exhibit “E”) unless the Project (Exhibit “D”) is completed according to the Layton City Community and Economic Development Department prior to December 31, 2025 as illustrated in Exhibit “E” of this Agreement, and only if Davis County collects an amount, at minimum, equal to the amount projected. Developer acknowledges that Tax Increment is generated through increased property values and increased taxes based on new property improvements of which the projected amounts thereof are greatly affected by annual certified tax rates. Certified tax rates, which are regulated by Utah Code and administered through locally elected officials, may change on an annual basis which may also reduce the amount of Tax Increment collected by the Agency and received by Developer. The Projected Tax Increment in this Agreement (Exhibit “E”) is based on 2023 certified tax rates for each participating taxing entity and 0% appreciation/depreciation of the estimated property valuation (as recorded by Davis County) and the real property valuation of new Capital Investment (as submitted by Developer) throughout the term of this Agreement.

4.7.2 Tax increment is collected annually and based on property valuations which are assessed each January 1 of the calendar year property tax is to be paid. The Agency receives ninety percent (90%) of the total property taxes collected by Davis County annually for each participating taxing entity which equates to the total sum of Tax Increment received by the Agency for the purposes of this Agreement. Tax Increment is generated through increased property taxes based on new development, redevelopment, and new capital investment of property improvements by the Developer which may include real estate, inventory, equipment, and any other property taxes (whether tangible or intangible) that may be based on then current assessment values and rebated by Participants during the actual operation of the Development. Total available increment is only obtained once the building is completed and prior to January 1 of the year taxes for the completed building is owed.

4.8 Design Overlay. If Developer builds the Project on the Site during the term of this Agreement, Developer agrees to build in concept and generally in accordance with the Design Overlay as approved by the City and attached to this Agreement as Exhibit “H.”

4.9 Payback and Development Plan. The Developer shall construct the Project on the Site generally in accordance with Exhibit “B” of this Agreement. Any UFIR payment shall be contingent upon a complete set of building plans submitted by the Developer to the City for a building permit, those plans being approved by the City, and issuance of those plans following payment of the building permit by the Developer.

4.10 Projected Payback Schedule. Starting in the year 2026 (tax year 2025), a portion of the tax increment shall be retained by the Agency until the Agency is fully reimbursed for any up-front payments in accordance with Article III, Section 3.3. The Agency Annual UFIR Payback equal to \$40,000 per year retained by the Agency shall be collected by the Agency prior to the ARI payment to the Developer. The Agency shall be reimbursed for all up-front payments by tax year 2035 (paid in 2036) as illustrated in “Exhibit E” of this Agreement. For taxes collected from the Site by the Agency in 2035, any remaining amount still owed to the Agency equal to the difference collected and the difference paid through the Agency Annual UFIR Payback, shall be retained by the Agency prior to the final ARI payment to the Developer.

ARTICLE V GENERAL REQUIREMENTS AND RIGHTS OF CITY

5.1 Issuance of Permits - Developer. Developer shall have the sole responsibility to pay for and obtain all necessary building, grading, and other permits in connection with the development of the Site and shall make application for such permits directly to the Layton City Community and Economic Development Department and other appropriate departments and agencies having authority to issue such permits in connection with the development of the Site. The City shall not unreasonably withhold or delay the issuance of its permits.

5.2 Completion Date. The Developer shall, in good faith, reasonably pursue completion of the Project on the Site no later than December 31, 2025, according to the terms of this Agreement and in accordance with the "Construction Schedule" attached to this Agreement as Exhibit "D." Failure to complete the Project by December 31, 2025 may result in a reduced ARI payment after the Agency has retained its annual UFIR payback payment.

5.3 Request for Payment. It is the responsibility of the Developer to officially request, in writing, payment of the annual Tax Increment Incentive by the Agency. Developer shall only be required to submit said request to the Agency one (1) time and is not required to submit annual requests thereafter.

5.4 Access to the Subject Area. For the purpose of assuring compliance with this Agreement, so long as they comply with all safety rules of the Developer and their contractors, representatives of the Agency or the City shall have the right of access to the Site without charges or fees during the period of the development of the Site. The Agency and the City shall indemnify, defend and hold Developer harmless from and against all liability, loss, damage, costs or expenses (including attorneys' fees and court costs) arising from or as a result of the death of a person or any accident, injury, loss or damage caused to any person, property or improvements on the Site arising from the negligence or omissions of the Agency and the City, or its agents or employees, in connection with the Agency and the City's exercise of its rights granted in this paragraph.

ARTICLE VI REMEDIES

6.1 Remedies for Breach. In the event of any default or breach of this Agreement or any of its terms or conditions, the defaulting Party or any permitted successor to such Party shall, upon written notice from the other, proceed immediately to cure or remedy such default or breach, and in any event cure or remedy the breach within thirty (30) days after receipt of such notice. In the event that such default or breach cannot reasonably be cured within said thirty (30) day period, the Party receiving such notice shall, within such thirty (30) day period, take reasonable steps to commence the cure or remedy of such default or breach, and shall continue diligently thereafter to cure or remedy such default or breach in a timely manner. In case such action is not taken or diligently pursued, the aggrieved Party may institute such proceedings as may be necessary or desirable in its opinion to:

6.1.1 Cure or Remedy. Cure or remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the Party in default or breach of its obligations.

6.2 Enforced Delay Beyond Parties' Control. For the purpose of any other provisions of this Agreement, neither the Agency nor Developer, as the case may be, nor any successor in interest, shall be considered in breach or default of its obligations with respect to its construction obligations pursuant to this Agreement, in the event the delay in the performance of such obligations is due to unforeseeable causes beyond its fault or negligence, including, but not restricted to, acts of God or of the public enemy, acts of the government, acts of the other Party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes or unusually severe weather, or delays of contractors or subcontractors due to such causes or defaults of contractors or

subcontractors. Unforeseeable causes shall not include the financial inability of the Parties to perform under the terms of this Agreement.

6.3 Extension. Any Party may extend, in writing, the time for the other Party's performance of any term, covenant or condition of this Agreement or permit the curing of any default or breach upon such terms and conditions as may be mutually agreeable to the Parties; provided, however, that any such extension or permissive curing of any particular default shall not operate to eliminate any other obligations and shall not constitute a waiver with respect to any other term, covenant or condition of this Agreement, nor any other default or breach of this Agreement. The Developer may not request an extension for performance to obtain tax increment reimbursement beyond the term of the Development Plan or Project Area which shall expire in tax year 2035.

6.4 Rights of Developer. In the event of a default by a Party's assignee, a Party may elect, in their discretion, to cure the default of such assignee, provided, Party's cure period shall be extended by thirty (30) days.

ARTICLE VII GENERAL PROVISIONS

7.1 Successors and Assigns of Developers. This Agreement shall supersede the Current Agreement and be binding upon the Parties, and their successors and assigns. Where the term "Developer" is used in this Agreement, it shall mean and include the successors and assigns of Developer in accordance with this Section, including any third parties who purchase or acquire a sold site. Nothing herein shall be deemed to restrict or limit the Developer's ability to sell, transfer and/or assign its rights and obligations with respect to the real property comprising the Site, in whole or in part, or its rights and obligations under this Agreement, for which no consent shall be required. Any assignee shall be deemed to have made (as to itself and not as to Developer) any and all representations and covenants made by Developer hereunder, as if the assignee were the original signatory hereto. Developer agrees to notify the Agency in writing of any such assignment, which notice shall identify the assignee(s) and contain a copy of the document(s) evidencing such assignment. Developer also agrees to notify the assignee(s) in writing of all obligations under this Agreement prior to the sale of any property, and provide the Agency with evidence from the Developer or assignee that this notification has occurred. In the event the Parties assign all or part of this Agreement to an assignee in connection with a sale of all or a portion of the Site, the assignee shall agree to become party to and sign this Agreement for their portion of the Site, as an Amendment to this Agreement, and such Amendment shall require the acceptance and approval by the Agency, before the Developer shall be relieved from further obligation under that portion of the Agreement and regarding the corresponding portion of the Site for which the assignment was made.

7.2 Notices. All notices, demands and requests required or permitted to be given under this Agreement (collectively the "Notices") must be in writing and must be delivered personally or by nationally recognized overnight courier or sent by United States certified mail, return receipt requested, postage prepaid and addressed to the Parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally or on the next business day if sent by overnight courier, or three (3) business days after deposit in the mail if mailed. The initial addresses of the Parties shall be:

To Developer:	DREAMLAND, LLC C/O KIHOMAC HOLDING, INC. 12030 Sunrise Valley Dr., Ste 320 Reston, VA 20191-3447 Attn: Ki Ho Kang, Managing Member 703-960-5450
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The Agency: THE REDEVELOPMENT AGENCY OF LAYTON CITY
437 North Wasatch Drive
Layton, Utah 84041
Attn: Alex R. Jensen, Executive Director
801-336-3800; 801-336-3811 (FAX)

Upon at least ten (10) days' prior written notice to the other Party, either Party shall have the right to change its address to any other address within the United States of America.

If any Notice is transmitted by email, facsimile or similar means, the same shall be deemed served or delivered upon confirmation of transmission thereof, provided a copy of such Notice is deposited in regular mail on the same day of such transmission.

7.3 Third Party Beneficiaries. Any claims of third party benefits under this Agreement are expressly denied, except with respect to Developer's successors and assigns.

7.4 Governing Law. It is mutually understood and agreed that this Agreement shall be governed by the laws of the State of Utah, both as to interpretation and performance. Any action at law, suit in equity, or other judicial proceeding for the enforcement of this Agreement or any provision thereof shall be instituted only in the courts of the State of Utah.

7.5 Integration Clause. This document constitutes the entire agreement between the Parties and may not be amended except in writing, signed by the Agency and the Developer.

7.6 Exhibits Incorporated. All Exhibits to this Agreement, attached hereto, are hereby incorporated into this Agreement by reference as though set forth in full, and as a part hereof, according to this reference.

7.7 Attorneys' Fees. In the event of any action or suit by a Party against the other Party for reason of any breach of any of the covenants, conditions, agreements or provisions on the part of the other Party arising out of this Agreement, the prevailing Party in such action or suit shall be entitled to have and recover from the other Party all costs and expenses incurred therein, including reasonable attorneys' fees.

7.8 Termination. Except as otherwise expressly provided herein, the obligation of the Parties shall terminate upon the satisfaction of the following conditions:

7.8.1 With regard to Developers' Undertakings, performance of Developer of the Developers' Undertakings as set forth herein.

7.8.2 With regard to Agency's Undertakings, performance by Agency of Agency's Undertakings as set forth herein.

7.8.3 Upon Developer's request, the Agency agrees to enter into a written acknowledgment of the termination of this Agreement, or part thereof, so long as such termination (or partial termination) has occurred and the Agency has been fully reimbursed by the Developer for any outstanding Annual UFIR Payback remaining.

7.9 Recordation. Once executed by all parties this Agreement shall be recorded in the Davis County, Utah, Records Office (Room 106), 61 South Main, Farmington, Utah 84025, and execution of this Agreement by the Developer shall be considered prior consent for this purpose.

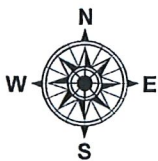
7.10 Non-appropriation Clause. The Agency shall, in good faith, attempt to fund the Agency's commitments under this agreement. However, in the event that sufficient funds are not collected due to an unforeseen reduction in tax increment, or due to the reduction in projected capital investment by Developer, an "event of non-appropriation" shall be deemed to have occurred, as of the date of final adoption by Layton City, of the budget in which such funds were not appropriated. In the event of the occurrence of an event of non-appropriation, the Agency shall give written notice thereof to the Developer and following such written notice, the particular obligation under the contract affected by the non-appropriation shall be deemed terminated.

[signatures follow on next page]

EXHIBIT A

THE SITE

3800 N FAIRFIELD ROAD, LAYTON, UTAH 84040



January 17, 2024

EXHIBIT B

PRELIMINARY SITE PLAN

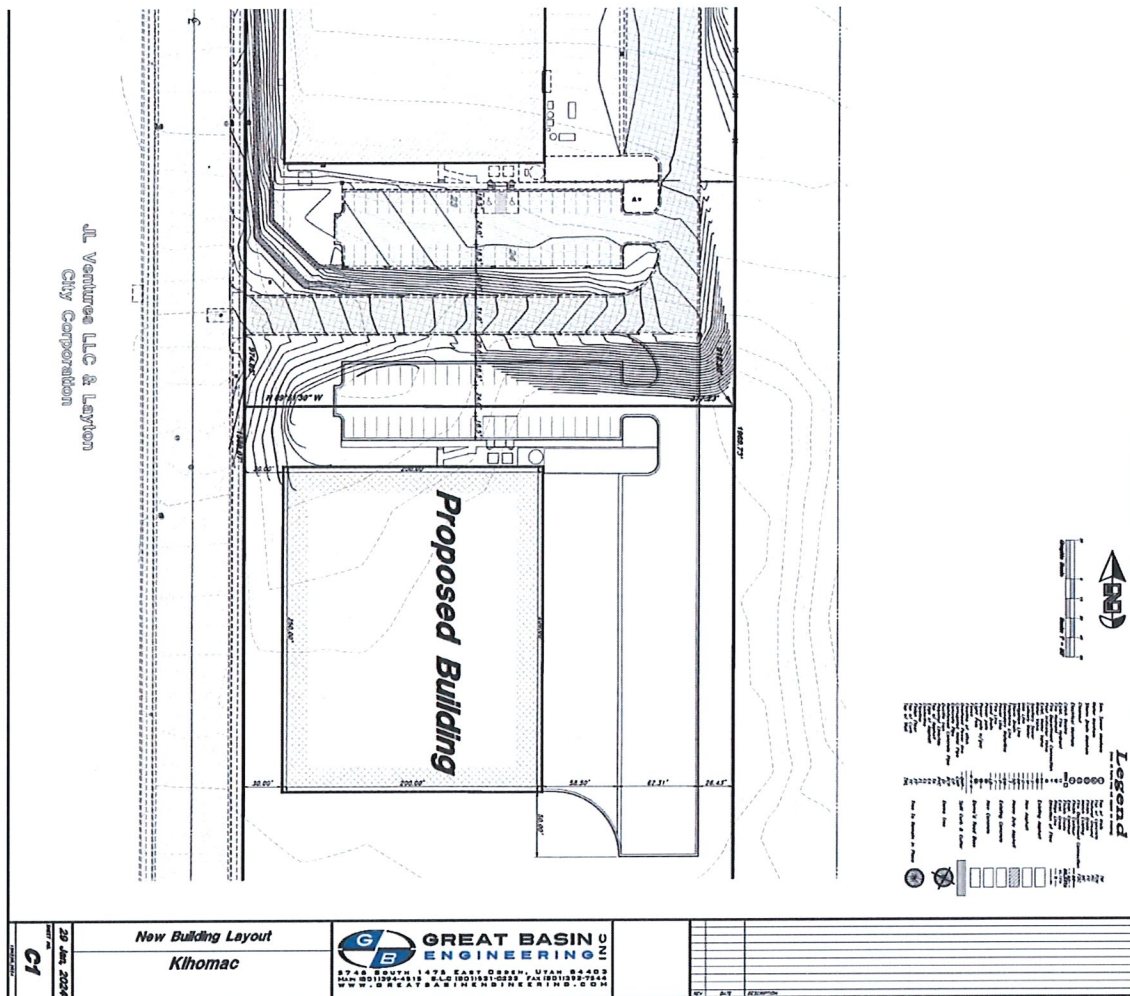


EXHIBIT D

PROJECTED CONSTRUCTION SCHEDULE AND ESTIMATED CAPITAL INVESTMENT

DESIGN, SITEWORK, PERMITTING BEGINS	UPON APPROVAL - MARCH 2024
CONSTRUCTION BEGINS	AUGUST 2024
COMPLETED CONSTRUCTION	18 MONTHS



2/13/2024

KIHOMAC - INITIAL CONCEPTUAL ROM BUDGET

R&D CONSTRUCTION

SUMMARY

01000	GENERAL CONDITIONS	\$	388,300.00
02000	SITE WORK	\$	1,557,919.60
03000	BUILDING CONCRETE	\$	1,102,500.00
04000	MASONRY	\$	20,500.00
05000	STEEL	\$	2,012,500.00
06000	WOODS & PLASTICS	\$	95,000.00
07000	THERMAL & MOISTURE PROTECTION	\$	495,450.00
08000	DOORS & WINDOWS	\$	311,500.00
09000	FINISHES	\$	386,500.00
10000	SPECIALTIES	\$	10,350.00
11000	EQUIPMENT	\$	750.00
12000	FURNISHINGS	\$	-
13000	SPECIAL CONSTRUCTION	\$	-
14000	CONVEYANCE SYSTEMS	\$	-
15000	MECHANICAL	\$	682,500.00
16000	ELECTRICAL	\$	411,500.00
SUBTOTAL DIRECT COSTS		\$	7,475,269.60
1.03% INSURANCE & SAFETY		\$	76,995.28
0% BUILDER'S RISK INSURANCE		\$	-
4% PERFORMANCE & PAYMENT BOND		\$	261,634.44
0.95% SDI / SUBCONTRACTOR BONDING		\$	71,015.06
0% OTHER - PRE-CONSTRUCTION		\$	22,000.00
5.00% CONTINGENCY - BUDGET		\$	373,763.48
4.50% PROFIT & OVERHEAD		\$	355,811.15
GRAND TOTAL		\$	8,636,489.00

EXHIBIT E

TAX INCREMENT AND PAYBACK PROJECTION SCHEDULE

	2023	2024	2025	2026	2027	2028
Previous Projected Income	\$135,399	\$135,399	\$204,486	\$76,565	\$76,565	\$76,565
New Projected Income with DSD Participation	\$135,399	\$135,399	\$204,486	\$204,486	\$204,486	\$204,486
Up Front Agency Payback				\$40,000	\$40,000	\$40,000

2029	2030	2031	2032	2033	2034	2035	TOTAL
\$76,565	\$76,565	\$76,565	\$76,565	\$76,565	\$76,565	\$76,565	\$1,240,934
\$204,486	\$204,486	\$204,486	\$204,486	\$204,486	\$204,486	\$204,486	\$2,520,140
						DIFFERENCE	\$1,279,206
\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$400,000
						NET	\$2,120,140
						DIFFERENCE FROM PREVIOUS	\$879,206

EXHIBIT F

ESTIMATED COST OF GRADING DESIGN, COMPACTION AND GRADING, RETAINING AND SOIL RETENTION METHODS ON THE PROPERTY



R&D CONSTRUCTION

Prepared: 2/13/2024

KIHOMAC - INITIAL CONCEPTUAL ROM BUDGET BREAKDOWN

	Qty	Unit	Unit \$	Total \$
02000 SITE WORK				
Survey				
Survey & Site Layout	1	ls	7,500.00	7,500.00
Survey - restake	1	ls	1,500.00	1,500.00
Sub-total Survey				9,000.00
SWPPP				
Erosion Control	1	ls	4,500.00	4,500.00
Sub-total SWPPP				4,500.00
Demolition				
Demo of existing	1	ls	4,500.00	4,500.00
Sub-total Demolition				4,500.00
Earthwork				
Mobilization	1	ls	3,500.00	3,500.00
Vapor Barrier @ S.O.G.	50,000	sf	0.78	39,000.00
Slab Gravel	50,000	sf	1.55	77,500.00
Mass Cut/ Fill	137,864	sf	2.40	330,873.60
Bldg Excavation and Backfilling	50,000	sf	2.15	107,500.00
Side Wall Retainage	43,200	sf	1.85	79,920.00
Misc Site Work	1	ls	75,000.00	75,000.00
Subtotal Earthwork				713,293.60
Utilities				
Culinary and Fire Line Water Utilities	1	ls	75,000.00	75,000.00
Sanitary Sewer	1	ls	55,000.00	55,000.00
Storm Drainage	1	ls	80,000.00	80,000.00
Storm Tech Underground Storage	1	LS	135,000.00	135,000.00
Sub-total Utilities				345,000.00
A.C. Paving, Striping, Signage				
HD Asphalt Paving	35,000	sf	3.35	117,250.00
LD Paving	-	sf	-	-
Striping, Signage, Wheel Stops & Traffic Control	1	ls	5,500.00	5,500.00
Sub-total A.C. Paving, Striping, Signage				122,750.00
Site Concrete				
C & G	1,340	lf	32.00	42,880.00
Valley Gutter	285	lf	40.00	11,400.00
Sidewalks	4,896	sf	6.00	29,376.00
HD Concrete Paving 6" deep	15,340	sf	8.00	122,720.00
Misc. Labor	1	ls	30,000.00	30,000.00
Subtotal Site Concrete				236,376.00
Landscape & Irrigation				
Landscaping	1	sf	75,000.00	75,000.00
Subtotal Site Utilities				75,000.00

PAGE 2 OF 5

ESTIMATED TOTAL: \$1,510,420

EXHIBIT G

EAST GATE ECONOMIC DEVELOPMENT PROJECT AREA PLAN AND BUDGET

The East Gate Economic Development Project Area Plan and Budget, or Development Plan, is included by reference as a condition of and part of this Agreement, and shall mean the East Gate Economic Development Project Area Plan and Budget, adopted by the City and Agency, dated October 18, 2007 and amended July 1, 2010, and also of which a copy may be obtained from the City Recorder or the City Community and Economic Development Department.

EAST GATE
ECONOMIC DEVELOPMENT PROJECT AREA
PLAN & BUDGET



PREPARED BY: LAYTON CITY
OFFICE OF COMMUNITY AND ECONOMIC DEVELOPMENT
ADOPTED DATE: OCTOBER 18, 2007
AMENDED DATE: JULY 1, 2010
AMENDED DATE: MARCH 7, 2024

EXHIBIT H

DESIGN OVERLAY

The Design Overlay is included by reference as a condition of and part of this Agreement, and shall mean the East Gate Business Park Design Guidelines Book created by contract between the Agency and IBI Group and accepted by the Agency and City of Layton in October 2009, of which a copy may be obtained from the City Recorder or the City Community and Economic Development Department.

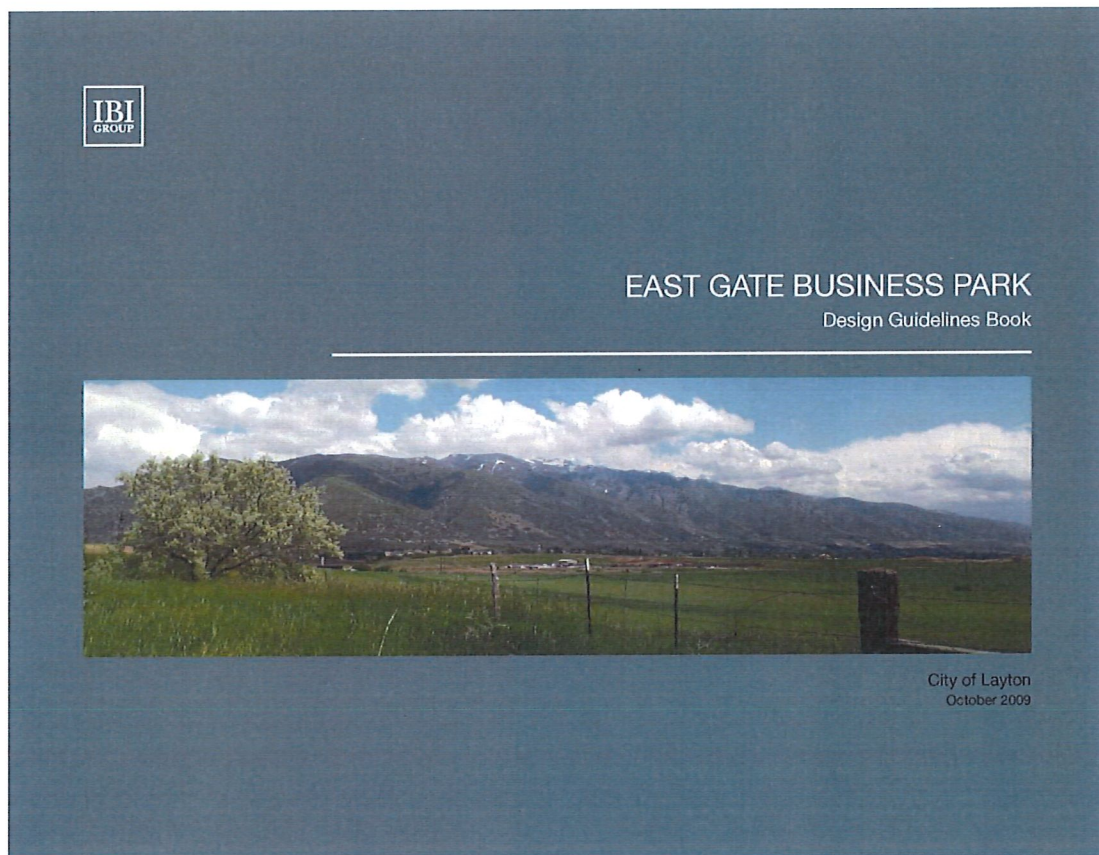


EXHIBIT I

LEGAL DESCRIPTION

Land Serial Number 09-012-0040

A PART OF THE E 1/2 OF SEC 4-T4N-R1W & THE SW 1/4 OF SEC 3-T4N-R1W, SLB&M, FR THE E 1/4 COR OF SD SEC 4; TH S 89°46'40" E 195.75 FT ALG THE N LINE OF THE SW 1/4 OF SD SEC 3 & S 0°08'30" W 80 FT TO THE POB; RUN TH S 0°08'30" W 41.98 FT; TH 4 COURSES ALG THE NW'LY BNDRY OF EASTRIDGE ESTATES NO 2 AS FOLLOWS: S 26°21'35" W 63.75 FT; S 32°51'00" W 186.80 FT; S 31°12'00" W 55.71 FT; S 18°10'46" W 32.65 FT TO THE NW COR OF SD EASTRIDGE ESTATES NO 2; TH N 42°10'00" W 10.03 FT; TH S 52°01'56" W 87.01 FT; TH S'LY ALG THE ARC OF A 194.85 FT RAD CURVE TO THE RIGHT 10.15 FT (LC S 28°01'25" E 10.15 FT); TH 5 COURSES ALG THE N'LY BNDRY OF EASTRIDGE ESTATES NO 1 AS FOLLOWS: S 77°40'45" W 62.81 FT; S 75°30'00" W 105.48 FT; N 82°57'00" W 115.82 FT; S 33°30'00" W 71.61 FT; & S 71°00'00" W 107.37 FT; TH 6 COURSES ALG THE E'LY BNDRY OF AN 80 FT R/W STR AS FOLLOWS: N ALG THE ARC OF A 560 FT RAD CURVE TO THE RIGHT 468.70 FT (LC 455.13 FT N 3°37'26" E); NW'LY ALG THE ARC OF A 640 FT RAD CURVE TO THE LEFT 486.86 FT (LC 475.20 FT N 5°48'30" E); N 17°31'02" W 144.79 FT TO A PT OF A CURVE; NW'LY ALG SD CURVE TO THE RIGHT 166.32 FT WITH A RAD OF 560.00 FT & THROUGH A CENTRAL ANGLE OF 17°01'03" (LC 165.71 FT N 9°00'31" W); N 0°08'03" E 1389.07 FT TO A PT ON A CURVE; N ALG SD CURVE TO THE RIGHT 64.96 FT WITH A RAD OF 560.00 FT & THROUGH A CENTRAL ANGLE OF 6°39'13" (LC 64.92 FT N 3°28'16" E); TH S 89°41'10" E 453.47 FT; TH S 0°08'30" W 39.60 FT; TH SW ALG THE ARC OF AN 80 FT RAD CURVE TO THE LEFT 125.86 FT (LC 113.28 FT S 45°04'15" W); TH S 0°08'30" W 1969.73 FT; TH SE ALG THE ARC OF AN 80 FT RAD CURVE TO THE LEFT 125.66 FT (LC 113.14 FT S 45°00'00" E); TH S 89°46'40" E 195.75 FT TO THE POB. CONT. 23.547 ACRES

EXHIBIT J

TRAINING AND INTERNAL APPRENTICESHIP PROGRAM



KIHOMAC Info for Layton CDBG - 2023

Background: KIHOMAC has recently had a large expansion into commercial fiberglass and composite work. This has created the need for our new program called "KIHOMAC Commercial". This work is being completed in Layton, Utah. This workload has created the demand for 30+ new employees over the next 3 years. Historically low unemployment and large employer demand in northern Utah, this has created a need for a facility where we can hire and train these new employees in Layton UT.

How the grant will be used: This grant will be used to start the construction of a 60,000+ sf building just south the KIHOMAC building in Layton UT. A portion of this building will be used to train the basics of fiberglass layup, processing, preparation, paint preparation, use of our machines in composites, and cleanup. This program will give potential employees a basic understanding of fiberglass layup and qualify them to work on several commercial fiberglass type projects. This program will be unique in the fact that this will be a company paid apprentice program. This will allow lower income people an immediate track to great career with zero out of pocket cost.

Cost: We estimate that this will be a \$8M+ facility. This grant will greatly help KIHOMAC to get this building and training program started and advanced. This will lead to hiring of 30+ new employees over the next few years. KIHOMAC will be covering over 95% of the cost of this program.

Industry collaboration / How will Janicki be included in this: We are in collaborate with Janicki Industries on this training program to ensure they have input, provide instruction, training opportunities, and receive a portion of newly trained employees to meet their needs. We have been coordinating with Marshall Hagen.

Income requirement: After conducting a market analysis we believe that at least 65% of the people in the program will have an annual income of less than 80% of the County's average household income per HUD data.

Grant progress reporting and tracking: KIHOMAC will submit a biannual report to Layton City on the new employees hired and running total from the date of grant award. This will be reported for 3 years from award date.

Estimated capital required to construct a new training facility to train and assist low-to-moderate-income employees and aspiring entrepreneurs: KIHOMAC will be investing \$8M+ into this new facility.

Anticipated equipment needed: Equipment needed for this training facility will be moved from the current KIHOMAC building and purchased new. This includes sanding booths, paint booths, resin injection machines, safety equipment, several benches, tools, air compressors, vacuum systems, and quality control tools/machines.

EXHIBIT J (Continued)

TRAINING AND INTERNAL APPRENTICESHIP PROGRAM



Description of the various types of training opportunities that will be provided (AND who will train, how and when, and earning plan details:

KIHOMAC - CDBG Training Outline

Two-week Composites Training Course

Training will be conducted by: KIHOMAC Director of Composites, Senior Composite Technicians, KIHOMAC Safety Manager, KIHOMAC Training Manager, and numerous OJT experiences with technicians.

Objectives:

- Production & Chemical Safety (OSHA, GHS, & SDS)
- Work Ethics
- Processes
 - Work Travelers
 - Work instructions
 - Blueprint Reading
 - Measuring
 - Tools/Tool Control & FOD
 - Tooling (Molds) care and prep
 - Composite Materials
 - Layup
 - Bagging
 - Curing
 - Demold
 - Trimming
 - Final Prep
 - Infusion machine; Operation & Safety
 - Infusion Process
- Procedures
 - Company Policies, Procedures and Practices.

Instructor Prep at 6:00 am for 1 hour or 6:30 and 3:30 for 30 min. each.

Day	Time	Training Objectives/ Plan
1	7:00	Safety: OSHA Requirements. Shop Safety & Tool Usage and Care • <i>LMS</i> Onboarding Pathway training • <i>LMS</i> OSHA Compliance • <i>LMS</i> EAP
	10:30	Break
	11:00	Work Ethics.

EXHIBIT J (Continued)

TRAINING AND INTERNAL APPRENTICESHIP PROGRAM



		• What our expectations are: on time, not calling off, not abusing break time, active learning etc. • Needs to understand that apprentice start at \$16/hr. with annual pay raises. Understanding Travelers & Work Instructions 11:30 • Stress the importance of following them; Read, do, buy off. <i>LMS</i> – Blueprint reading. 12:00 ➤ <i>LAB</i>; Blueprint reading and Practice. Lunch 12:30 Basic Measuring/ Precision Measuring - tools, usage & care 1:00 ➤ <i>LAB</i>; Measuring Practice – following blueprint. Break 2:15 Introduction to Production Tools <i>LMS</i>- FOD/Tool control 2:30 • Understanding FOD ➤ <i>LAB</i>; Project Tools, Usage & Practice Home 3:30 <i>Labs</i>- Blueprint reading Measuring Practice Tool Usage
2	7:00 Introduction to Tooling/ Molds- <i>LMS</i> – Mold Preparation Tooling Prep and care practice – Chemical Safety & GHS <i>LMS</i>- K10.8 8:00 ➤ <i>LAB</i>- Mold Prep (<i>Prep mold for upcoming project</i>) 9:00 Composite materials and processes – <i>LMS</i>- Material Identification 9:30 Break 9:45 ➤ <i>LAB</i> - Open molding (no bag)– Fiber layering and resin mixing practice in-person instruction. (Use previously prepared mold) ○ Dry fiber types ○ Cutting and Kitting <i>LMS</i>- K8.1.4 ○ What are Consumables? ○ Introduction to Resins <i>LMS</i>- Resin Mixing	

EXHIBIT J (Continued)

TRAINING AND INTERNAL APPRENTICESHIP PROGRAM



		o Layup procedures – Fiber orientation
		Lunch
		Bagging
	12:00	• Types of bags • Understanding pressures • Following procedures • Finding leaks
		Break
	2:15	➤ LAB- Prepare for full process layup- Full Process. (Follow Training W1) - o Prep mold - o Measuring/Cutting/kitting material. (Including bag)
	2:30	- o Layout/Layup - o Resin mixing/application - o Bagging
		Home
		<u>Labs-</u>
		Materials Practice
	3:30	Open Molding – layering practice
		Full Process
3	7:00	➤ LAB- Finish Layup
	8:00	Understanding Curing & Demolding
		• Potential Damage • Damage Control – Procedures for repair (intro)
		Break
	9:15	Introduction into Infusion - LMS- Infusion processes & chemical safety
	9:30	➤ LAB- Watch infusion process on shop floor
	10:30	Understanding Trimming & Finishing prep.
	11:30	• Trim lines & best practices • Prepping for paint LMS- Painting K8.1.4 • Pre-paint sanding • Taping off areas • Hole Plugs

EXHIBIT J (Continued)

TRAINING AND INTERNAL APPRENTICESHIP PROGRAM



		Lunch Understanding the Infusion Machine- use, care & cleaning 12:30 Break 1:00 ➤ LAB- Watch trimming & repair practices on shop floor. 1:30 Home 1:45 3:30 <u>Labs-</u> Finish layup Watch Infusion Process Infusion Machine Watch trimming and repair.
4	7:00 7:30 9:15 12:30 1:00 1:30	Review of Infusion Process Work Instructions ➤ LAB- Full Infusion process as team • Large mold Prep • Material Prep Break • Consumable layers • Bagging • Compression Checks • Machine readiness Lunch Demolding Damage Prevention Trimming Preparation • Tools • Trimlines • Safety • Common issues • Best practices Break ➤ LAB- Cutting and trimming practice. Home

EXHIBIT J (Continued)

TRAINING AND INTERNAL APPRENTICESHIP PROGRAM



	2:15	
	2:30	<u>Labs-</u>
	3:30	Full Infusion Process
		Cutting & Trimming practice
5	7:00 - 3:00	As required; RDO <u>or</u> Pair with current employee Home

Week 2

Day	Time	Training Objectives/ Plan
1	7:00	Recap of the previous week. - Review the process. - Answer questions and concerns
	7:30	Understanding Repairs - PPE ➤ LAB- Repair Practices - Demolding, trimming, repair, and paint prep.
	9:00	Break
	9:15	Pairing with employee in production.
	12:00	Lunch
	12:30	Infusion Process - Recap ➤ LAB- Team up and follow WI for Infusion - Prepare layup to infuse the next day.
	2:15	Break
	2:30	➤ Continue Team LAB
	3:30	Home
		<u>Labs-</u>
		Repair Practices
		Team Infusion

EXHIBIT J (Continued)

TRAINING AND INTERNAL APPRENTICESHIP PROGRAM



2	7:00	➤ LAB - Finish Infusion
	9:00	Break
		Review; Demolding, trimming, repair, and paint prep.
	12:00	Lunch
	12:30	➤ LAB- Repair Parts made last Thursday.
		• Review issues with previous team lab
		Break
	2:00	➤ Continue LAB
	2:15	Home
	3:30	
3		<u>Labs-</u>
		Finishing Resin Infusion
		Demolding, trimming, repair, and paint prep.
	7:00	➤ LAB- TEAM Resin Infusion
	9:00	Break
	12:00	Lunch
	12:30	Review; Demolding, trimming, repair, and paint prep.
	1:00	➤ LAB – Demold, trim, repair, and paint prep.
	2:15	Break
	2:30	Identify/assess individual needs for learning.
4		• Knowledge Assessment
	3:00	*Learners work with employees on the production floor while working with individuals that need extra help.
		Home
	3:30	
		<u>Labs-</u>
		TEAM Resin Infusion
		Demolding, trimming, repair, and paint prep.
	7:00	Each employee is to be paired with an experienced production employee.
	9:15	Break

EXHIBIT J (Continued)

TRAINING AND INTERNAL APPRENTICESHIP PROGRAM



	12:30	Lunch
	2:00	Break
	3:00	Full time employee expectations • Company policies, procedures, and best practices
	3:30	Home
5	7:00 - 3:00	As required; RDO <u>or</u> Pair with current employee Home

How will you reach/attract potential low-to-moderate-income prospective employees: KIHOMAC's Acquisition Team has access to and utilizes a broad spectrum of sourcing vehicles, including but not limited to LinkedIn, Indeed, Clearance Jobs, Dice, and all Utah state boards. These tools allow us to establish and maintain a talent pipeline across a wide variety of candidate pools and target qualifying ranges. We will be constantly coordinating with Utah Department of workforce service to help find these employees.

**REDEVELOPMENT AGENCY OF LAYTON CITY
AGENDA ITEM COVER SHEET**

Item Number: 5.

Subject:

Approving the Consent and Acknowledgement for the Transfer of Property from Winkel Rock, LLC to Winkel Rock, DE, LLC, Including Certain Obligations As Required in the Participation Agreement By and Between the Redevelopment Agency of Layton City and North Utah Holdings, LLC – RDA Resolution 24-06 – Approximately 137 South Main Street

Background:

Resolution 24-06 is a request for Redevelopment Agency (“Agency”) consideration to approve a transfer of property ownership from Winkel Rock, LLC, to Winkel Rock, DE, LLC, for the purpose of developing the property.

Winkel Rock, DE, LLC (Developer), the development arm representing Rockworth Companies and Winkel Rock, LLC (Owner), is ready to develop Phase I of the proposed development. As necessary and part of the development process, Winkel Rock, DE, LLC requires authority to sign on behalf of and encumber the property title.

The existing Agreement known as Participation Agreement By and Between the Redevelopment Agency of Layton City, And North Utah Holdings, LLC, executed on June 6, 2016, requires Agency approval to transfer ownership in accordance with Section 1.7.1 and 1.7.2 of the Participation Agreement. The Participation Agreement has certain obligations which are the responsibility of the Owner to complete, however, the remaining obligations are all attached to the development of Phase I as proposed. The approval of this request will allow for the implementation of those obligations and the development to be completed. The Agreement is very specific and only applies to the following parcels of property:

Parcel A: 11-061-0157, containing 0.61 acres, or 36,571 square feet

Parcel B: 11-061-0158, containing 0.46 acres, or 20,037 square feet

Parcel C: 11-061-0029, containing 0.36 acres, or 15,681 square feet

For this purpose, both the Owner and the Developer are requesting the Agency to consider allowing the property to be transferred from Winkel Rock, LLC, to Winkel Rock, DE, LLC.

Alternatives:

Alternatives are to: 1) Adopt Resolution 24-06 approving the Consent and Acknowledgement for the Transfer of Property from Winkel Rock, LLC, to Winkel Rock DE, LLC including certain obligations as required in the Participation Agreement by and Between the Redevelopment Agency of Layton City and North Utah Holdings, LLC; 2) Adopt Resolution 24-06 with any amendments the Agency deems appropriate; or 3) Not adopt Resolution 24-06 and remand to Staff with directions.

Recommendation:

Staff recommends the Agency adopt Resolution 24-06 as submitted, approving the Consent and Acknowledgement for the Transfer of Property from Winkel Rock, LLC to Winkel Rock, DE, LLC, including certain obligations as required in the Participation Agreement by and Between the Redevelopment Agency of Layton City and North Utah Holdings, LLC, and authorize the Chair to sign the resolution on behalf of the Agency.

RDA RESOLUTION 24-06

A RESOLUTION APPROVING THE CONSENT AND ACKNOWLEDGEMENT FOR TRANSFER OF PROPERTY FROM WINKEL ROCK, LLC, TO WINKEL ROCK, DE, LLC INCLUDING CERTAIN OBLIGATIONS AS REQUIRED IN THE PARTICIPATION AGREEMENT BY AND BETWEEN THE REDEVELOPMENT AGENCY OF LAYTON CITY AND NORTH UTAH HOLDINGS, LLC

WHEREAS, the Redevelopment Agency of Layton City (hereinafter called the "Agency") has prepared and adopted, and Layton City through its Council (hereinafter called "the City") and the adoption of Ordinance 04-44, has approved, the South Main/South Fort Lane Redevelopment Project Area Plan and Budget dated June 17, 2004 (hereinafter called the "Development Plan"), providing for the development of certain lands within the Development Plan boundary (hereinafter called the "RDA Plan Area") and the future uses of such land, which Development Plan has been filed in the office of the City Recorder of the City and the Agency; and

WHEREAS, to enable the City and the Agency to achieve the objectives of the Development Plan, and particularly to make the land in the RDA Plan Area viable for development by private enterprise, and influence additional development and investment in accordance with the uses specified in the Development Plan, the Agency desires to approve this Consent and Acknowledgment with North Utah Holdings, LLC (hereinafter called "the Owner"), for the purpose of development of land as it pertains to the Developer owned certain land ("Site"); and

WHEREAS, the Site situated in the RDA Plan Area, which land is located at 127 S, 137 S, and 143 S Main Street Layton, Utah 84041 and otherwise known as Parcels 11-061-0157, 11-061-0158, and 11-061-0029 as recorded in the Davis County Utah Recorder's Office, containing approximately 1.43 acres, and the Developer desires to Transfer ownership of the Site for and in accordance with the uses specified in the Development Plan and as more particularly described in this Consent and Acknowledgement; and

WHEREAS, the Owner entered into a Participation Agreement with the Agency, known as the Participation Agreement by and between The Redevelopment Agency of Layton City, and North Utah Holdings, LLC, executed on June 6, 2016 (hereinafter called the "Agreement"), which requires the Owner to request Agency's prior consent to "deed, sell, convey, assign or otherwise alienate or lease the Site or any portion thereof or interest therein without the prior written approval of the Agency"; and

WHEREAS, Participant and Agency are parties to the certain Consent and Acknowledgement, recorded on May 24, 2003 as Entry No. 3529942, Book 8262, Pages 476-483 of the Official Records of the Davis County Recorder's Office (the "Prior Consent"), wherein Agency consented to conveying the Site to Winkel Rock, LLC, a Utah limited liability company ("Winkel Rock"). Consistent with the Prior Consent, Winkel Rock currently owns the Site; and

WHEREAS, Winkel Rock DE, LLC, a Delaware limited liability company ("Developer"), a successor in interest to Winkel Rock, contemplates developing the Phase 1 Subdivision, including the Site, and other adjacent real property as a multifamily, retail, commercial, and hospitality development (the "Mixed-Use Project"). Developer and/or its predecessors in interest have obtained the necessary land use approvals and permits necessary for the development of the Phase 1 Subdivision of the Mixed-Use Project, which includes the development of the multifamily, retail, and commercial components; and

WHEREAS, this Consent and Acknowledgment will allow the Developer to complete, and obligate the Developer to meet, all of the remaining responsibilities of the Owner as outlined in the Participation Agreement.

WHEREAS, the City and the Agency believe that the development of the Site, pursuant to this Consent and Acknowledgment ("Consent") and the Agreement, and Development Plan, and the fulfillment generally of this Consent and the intentions set forth herein, are in the vital and best interests of the City,

the Agency and in the best interest of the health, safety, morals, and welfare of City residents; and are in accord with the public purposes and provisions of the applicable State laws and requirements under which said Project has been undertaken.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF LAYTON, UTAH:

1. That the agreement entitled "CONSENT AND ACKNOWLEDGEMENT BETWEEN THE REDEVELOPMENT AGENCY OF LAYTON CITY AND NORTH UTAH HOLDINGS, LLC" which is attached hereto and incorporated herein by this reference, be adopted and approved.

2. That the Agency Chair be authorized to execute the Agreement.

3. This Resolution shall become effective immediately upon adoption by the Agency.

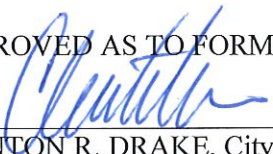
PASSED AND ADOPTED by the City Council of Layton, Utah, this **4th day of April, 2024**.

JOY PETRO, Mayor

ATTEST:

KIMBERLY S READ, City Recorder

APPROVED AS TO FORM:



CLINTON R. DRAKE, City Attorney



CHAD WILKINSON, Department Director
Community and Economic Development

**Exhibit A - CONSENT AND ACKNOWLEDGEMENT FOR TRANSFER OF
PROPERTY FROM WINKEL ROCK, LLC TO WINKEL ROCK DE, LLC**

WHEN RECORDED, RETURN TO:

North Utah Holdings, LLC
3651 North 100 East, Suite 125
Provo, UT 84604
Attn: McKay Winkel

Tax Parcel ID No. 15-144-0001, 15-144-0002, 14-144-0003

**CONSENT AND ACKNOWLEDGMENT
[Participation Agreement]**

This CONSENT AND ACKNOWLEDGMENT (“**Consent**”), dated effective as of _____, 2024 (the “**Effective Date**”), is made by and between NORTH UTAH HOLDINGS, LLC, a Utah limited liability company (“**Participant**”) and the REDEVELOPMENT AGENCY OF LAYTON CITY, a political subdivision of the State of Utah (the “**RDA**”).

RECITALS

A. Participant and RDA are parties to that certain Participation Agreement, with an effective date of June 6, 2016 (the “**Participation Agreement**”). The Participation Agreement sets forth certain payment obligations by the RDA (the “**RDA Payment**”) to Participant, which RDA Payment has been completed as to the “Tax Increment” portion but not as to reimbursement for certain environmental remediation costs in accordance with Section 2.4.2 of the Participation Agreement. The Participation Agreement also sets forth certain development obligations to be completed by Participant (the “**Obligations**”) for the “**Site**” (as defined in the Participation Agreement), which was previously referred to as Tax Parcel ID: #11-061-0157, 11-061-0158, and 11-061-0029 and is now portions of Lots 1, 2 and/or 3 of the Layton Station Phase 1 Subdivision, recorded on October 26, 2023, as Record No. 3548782, in Book 8367 at Page 478 (the “**Phase 1 Subdivision**”), as more particularly described on **Exhibit A** attached hereto and incorporated herein.

B. In connection with the Participation Agreement and the RDA Payment, Participant entered into one or more promissory notes in the aggregate amount of the Tax Increment (\$820,000.00) in favor of the RDA (the “**Note**”, and, together with the Participation Agreement, the “**RDA Documents**”), which Note is unsecured and not secured by the Site.

C. Participant and RDA are parties to that certain Consent and Acknowledgement, recorded on May 24, 2023 as Entry No. 3529942, Book 8262, Pages 476-483 of the Official Records of the Davis County Recorder’s Office (the “**Prior Consent**”), wherein RDA consented to conveying the Site to Winkel Rock, LLC, a Utah limited liability company (“**Winkel Rock JV**”). Consistent with the Prior Consent, Winkel Rock JV currently owns the Site.

D. Winkel Rock DE, LLC, a Delaware limited liability company (“**Developer**”), a successor in interest to Winkel Rock JV, contemplates developing the Phase 1 Subdivision, including the Site, and other adjacent real property as a multifamily, retail, commercial, and hospitality development (the “**Mixed-Use Project**”). Developer and/or its predecessors in interest have obtained the necessary land use approvals and permits necessary for the development of the Phase 1 Subdivision of the Mixed-Use Project, which includes the development of the multifamily, retail, and commercial components.

E. Participant, by and through its member(s) and/or manager(s) or other affiliate(s), has a membership interest in Winkel Rock JV and previously contributed the Site to Winkel Rock JV. Winkel Rock JV intends to contribute, deed, and otherwise convey the Phase 1 Subdivision, including the Site, to Developer, for the completion and development of the Phase 1 Subdivision of the Mixed-Use Project.

F. In accordance with Section 1.7.1 of the Participation Agreement, RDA's prior written consent is required for deeding, selling, conveying, assigning, or otherwise alienating or leasing the Site.

G. RDA is entering into this Consent for the limited purpose of (i) consenting to the further conveyance of the Site from Winkel Rock JV to Developer; and (ii) agreeing to the scope of the outstanding Obligations as of the Effective Date.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Participant and RDA agree as follows:

1. **Consent.** In accordance with Section 1.7.1 of the Participation Agreement, the RDA hereby provides its express consent to the contribution, deed, and/or conveyance of the Site by Winkel Rock JV to Developer.

2. **Outstanding Obligations.** The RDA and Participant hereby agree and acknowledge that the following table sets forth the only remaining obligations under the Participation Agreement (the "Obligations") and the status for the same:

Section	Obligation	Status
2.4	Participant agrees to sign a Promissory Note (the Note) for the full amount of the Tax Increment paid to Participant.	Completed by Participant.
2.4.1	Participant shall deed or dedicate by plat to Layton city, at no cost, a public right-of-way access connected to an intersection with Main Street. Participant shall proceed with obtaining subdivision approval (if necessary) and complete the process in good faith and in a reasonable period of time.	Completed by Winkel Rock JV, as set forth on the Phase 1 Subdivision.
2.4.2	Participant agrees that the existing building(s) shall be demolished, and all debris removed from the Site.	Completed by Participant.
2.4.2	Participant and RDA agree to remediate additional environmental contaminations, if any, as determined in the conclusions of the Limited Subsurface Investigations dated June 2, 2015 and June 5, 2015 conducted by EarthTouch Inc. for the Site.	Completed by Participant.
2.4.3	Participant agrees that development of the Main Street frontage of the Site shall be compliant with MU-TOD zoning regulations and include, at minimum, office/retail uses on the main floor level of the Main Street frontage. (the "Construction Zoning Compliance Obligation")	Outstanding – the Construction Zoning Compliance Obligation will be completed by Developer in its development of the Phase 1 Subdivision.
2.4.4	Participant agrees to not erect, or cause to be erected, any billboards advertising off-site business on the entire development site.	Addressed below as described in Section 3.d.
3.1; 3.3	Participant will at all-times be responsible for all development of the Site pursuant to the "Plan" (as defined in the Participation Agreement). Participant agrees to improve and develop the Site according to the terms of the	Outstanding – the Development Obligation will be completed by Developer in its development of Phase 1 Subdivision.

	Participation Agreement (the “ Development Obligation ”).	
3.2	Participant shall be responsible for the preparation of all plans and securing all permits for the development of the Site.	Completed by Developer and/or its predecessors in interest.

Participant shall use good faith and reasonable efforts to ensure that the foregoing Obligations shall be completed by Developer. As set forth in the Participation Agreement, upon completion of the foregoing Obligations, the RDA shall issue a “Certificate of Completion” and thereafter terminate and release the Note. The parties agree that upon issuance of a certificate of occupancy for the last building on Phase 1 Subdivision, a Certificate of Completion shall be issued by the RDA and, upon the issuance of the Certificate of Completion, the Obligations (and any and all other terms, conditions, and obligations under the Participation Agreement) shall be considered discharged and completed, the RDA Documents shall be deemed terminated, and neither Participant, Winkel Rock JV, nor Developer (or any successor owner of the Site) shall have any obligations under the RDA Documents.

3. **RDA Representations and Warranties.** The RDA hereby represents and warrants to Participant and Developer (and shall be estopped from asserting any matter to the contrary as against Participant and Developer (or any successor owner of the Site) as follows:

a. True, correct and complete copies of the RDA Documents, including all amendments, modifications, supplements, and assignments related thereto, are attached hereto as **Exhibit B**. Except as reflected in **Exhibit B**, the RDA Documents have not been amended, modified, supplemented or assigned in any other respect.

b. To the knowledge of the RDA, there exists no default by Participant under the RDA Documents, nor any state of facts which with the passage of time or the giving of notice would constitute a default under the RDA Documents on the part of Participant. There exists no default by the RDA under the RDA Documents, nor any state of facts which with the passage of time or the giving of notice or both would constitute a default on the part of the RDA.

c. The Tax Increment has been fully funded and Participant has invested the Tax Increment into the Site in compliance with the RDA Documents. There are no other Tax Increments or other tax incentives available to Participant or applicable to the Site.

d. For the avoidance of doubt, (i) other than the Developer (with respect to the Construction Zoning Compliance Obligation and the Development Obligation and the negative covenant set forth in Section 2.4.4 (Billboards/Signage) of the Participation Agreement) and the Participant, no other party, person or entity is obligated (or shall be obligated) under the Participation Agreement unless expressly assigned or otherwise transferred (and no foreclosure, deed-in-lieu or similar transaction or subsequent sale will be deemed to violate the terms of the Participation Agreement or to result in any liability or obligation on the party thereby acquiring title to the Site or on the Site itself), and (ii) other than the Participant, no other party, person or entity is obligated under the Note. Other than the negative covenant set forth in Section 2.4.4 (Billboards/Signage) of the Participation Agreement, there are no other terms, conditions, provisions, or covenants under the RDA Documents that shall be binding on any successors in interest to the Site other than Participant and Developer upon completion of all the terms of the Participation Agreement, Construction Zoning Compliance Obligation, and the Development Obligation.

4. **Miscellaneous.**

a. **Governing Law.** This Consent shall be governed by and construed in accordance with the internal laws of the State of Utah without giving effect to any choice or conflict of law provision or rule.

b. **Successors and Assigns.** This Consent shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

c. **Counterparts.** This Consent may be executed in counterparts, each of which will be deemed an original, but which together constitute one and the same instrument. Delivery of executed signature pages by facsimile or email transmission shall be effective.

[Signature and Acknowledgment Pages Follow]

DEVELOPER:

Winkel Rock DE, LLC,
a Delaware limited liability company

By: **Winkel Rock, LLC,**
a Utah limited liability company
Its: Manager

By: **Rockworth Companies, LLC,**
a Utah limited liability company
Its: Manager

Print Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF _____)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2024, by _____, the _____ of Rockworth Companies, LLC, a Utah limited liability company, the Manager of Winkel Rock, LLC, a Utah limited liability company, the Manager of Winkel Rock DE, LLC, a Delaware limited liability company.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

[Signatures and Acknowledgments Continue on Following Page]

RDA:

REDEVELOPMENT AGENCY OF LAYTON CITY,
a political subdivision of the State of Utah

By _____
Name _____
Its: Board Chair

Attest:

By: _____
Secretary

ACKNOWLEDGMENT

STATE OF _____)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____,
2024, by _____, as the chair of the governing board of the REDEVELOPMENT
AGENCY OF LAYTON CITY, a political subdivision of the State of Utah.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

Exhibit A

Legal Description

The Phase 1 Subdivision located in Layton City, Davis County, Utah is more particularly described as follows:

LOTS 1-3, ACCORDING TO THE LAYTON STATION PHASE 1
SUBDIVISION, AS RECORDED OCTOBER 26, 2023, AS RECORD
NO. 3548782, IN BOOK 8367 AT PAGE 478, IN THE OFFICE OF THE
DAVIS COUNTY RECORDER.

(For reference purposes only, Tax Parcel Nos. 15-144-0001,
15-144-0002, 14-144-0003)

Exhibit B

RDA Documents

[The RDA Documents immediately follow this cover page.]

Participation Agreement

By and Between

The Redevelopment Agency of Layton City,

And

North Utah Holdings, LLC

Participation Agreement

The parties hereto, the Redevelopment Agency of Layton City, a political subdivision of the State of Utah (the “**Agency**”) and North Utah Holdings, LLC, a Utah Limited Liability Company (“**Participant**”)—(the Agency and Participant may also be collectively referred to as “**Parties**”), agree as follows:

1. SUBJECT OF AGREEMENT

1.1 Purpose of the Agreement

The purpose of this Participation Agreement (the “**Agreement**”) is to carry out in part the Plan for the South Main / South Fort Lane Redevelopment Project Area (the “**Plan**”¹ and Project Area Budget “**Budget**” are attached hereto as **Exhibit A**), by providing public right-of-way access, assembling the land under one property owner, and removing barriers to the future mixed-use development of the property within the South Main / South Fort Lane Project Area (the “**Project Area**”). Also, to specify the terms and conditions pursuant to which the Agency and Participant will cooperate in purchasing land, establishing right-of-way, and future development guidelines, including funds the Agency will provide to assist in acquiring property, which will benefit the Project Area.

1.2 Agreement in the Best Interests of the City and Residents

This Agreement is in the vital and best interests of Layton City, and the health, safety and welfare of its residents, and in accord with public purposes. This Agreement is carried out pursuant to the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act, Title 17C, Utah Code Annotated as amended (the “**Act**”).

1.3 The Project Area

The Project Area is located within the boundaries of Layton City. The exact boundaries of the Project Area are specifically and legally described in the Plan.

1.4 The Project Area Plan and Budget

This Agreement is subject to the provisions of the Plan, as revised, amended and adopted on December 3, 2009, by the Agency and the Layton City Council (the “**Council**”) in accordance with Section 17C-3-106 of the Act.

¹ The Plan was originally adopted by the Layton City Council by Ordinance 04-44 on June 17, 2004. A copy of that Ordinance is attached as **Exhibit B**.

1.5 Description of the Site

The site of the property (the “**Site**”) within the Project Area shall consist of three parcels property, totaling approximately 1.43 acres. The Site is shown in detail on the Site Map, attached hereto as **Exhibit C**, and described in the description(s), attached hereto as **Exhibit D**.

1.6 Parties to the Agreement

1.6.1 The Agency

The Agency is a public body, corporate and political, exercising governmental functions and powers, and organized and existing under the Community Development and Renewal Agencies Act. The address of the Agency for purposes of this Agreement is:

The Redevelopment Agency of Layton City
Attn: RDA Executive Director
437 Wasatch Drive
Layton, Utah 84041

1.6.2 The Participant

Participant is North Utah Holdings, LLC, a Utah Limited Liability Company (LLC), lawfully registered to do business in Utah. Participant’s address for purposes of this Agreement is:

North Utah Holdings, LLC
Attn: McKay Winkel, Managing Member
3651 North 100 East, No. 125
Provo, UT 84604

1.7 Prohibition against Certain Changes

1.7.1 Transfers of Property Prohibited

Participant represents and agrees for itself and any successor(s) in interest that, during the term of this Agreement, it shall not deed, sell, convey, assign or otherwise alienate or lease the Site or any portion thereof or interest therein without the prior written approval of the Agency, and that the Agency may withhold its approval if such deed, sale, conveyance, assignment or alienation or lease would result in the objectives of the Agreement not being met. Notwithstanding the foregoing, Participant shall be entitled (without the consent of any party) to transfer any interest in the real estate to any wholly-owned subsidiary (or sister company that has substantially the same owners) of Participant, who agrees to continue to occupy and/or operate the business in substantially the same form and to undertake all obligations and restrictions of the

transferring Participant(s). Any such undertaking shall be in writing and properly executed. No subsequent transfer can occur without the written approval of the Agency.

1.7.2 Assignment or Transfer of Agreement

For the reasons cited above, Participant represents and agrees for itself and its successors and assigns that during the term of this Agreement Participant will not assign or transfer or attempt to assign or transfer all or any part of this Agreement, or any rights herein or obligations hereunder, without the prior written consent of the Agency. The assignment or delegation of this Agreement without the prior written consent of the Agency is a material breach and default, under this Agreement, and relieves the Agency of any obligation to Participant under this Agreement. As a condition of the Agency approving an assignment of this Agreement by Participant the Agency may, among other things, require the proposed assignee to execute an acknowledgement of its acceptance to perform all duties and obligations of Participant under this Agreement.

1.7.3 Transfer to Tax-Exempt Organization

Notwithstanding anything in this Agreement to the contrary, any attempt by Participant or their successor in interest to transfer any of the real or personal property within the Site to a tax-exempt organization or otherwise to exempt any of the real or personal property within the Project Area from *ad valorem* property taxation without the prior written consent of the Agency constitutes a material breach and default under this Agreement and will entitle the Agency, in its sole discretion, to terminate this Agreement.

1.7.4 Continuing Obligations

In the absence of a specific written agreement by the Agency, no assignment or transfer of this Agreement, in whole or in part, or approval of this Agreement by the Agency, relieves Participant from any obligation under this Agreement. All of the terms, covenants, and conditions of this Agreement are and will remain binding upon and inure to the benefit of Participant and their successors and assigns.

1.8 Term of the Agreement

Unless terminated sooner, by a breach or default as provided herein, this Agreement shall terminate, upon the issuance of a "Certificate of Completion," by the Agency upon completion of the obligations of the parties within the time periods set forth herein, under the terms of this Agreement.

2. OBLIGATIONS OF THE PARTIES

2.1 Provision of Tax Increment

The Agency agrees to provide an amount not to exceed eight hundred twenty thousand dollars (\$820,000.00) solely from Tax Increment generated by the Project Area for the purpose of writing down the cost of the Site. RDA funds will be deposited in Escrow prior to closing for the purchase of the Site by Participant.

The Participant shall submit a letter to the RDA requesting release of Tax Increment for the purchase of the following Parcel ID's: #110610158, #110610157, and #110610029. The letter shall include a fully executed Real Estate Purchase Contract, Title Company, closing instructions, and estimated time frame for closing. Prior to closing, the RDA shall receive a copy of the HUD-1 Settlement Statement and proof of Title Insurance.

The amount of release of Tax Increment funds shall be:

Parcel ID #110610158, located at 127 South Main Street, also known as Kings First Stop Auto, in the amount of four hundred twenty thousand dollars (\$420,000.00).

Parcel ID #110610157, located at 137 South Main Street, and #110610029, located at 143 South Main Street, with both parcels also known as Tom Randall Distributing, in the amount of four hundred thousand dollars (\$400,000.00).

2.2 Tax Increment

The Project Area Plan and payments contemplated in this Agreement will be funded by Tax Increment as budgeted by the RDA in compliance with the provisions of the Act.

For purposes of this Agreement:

(a) "**Tax Increment**" means the Taxes levied each year on land, real property improvements, personal property and other taxable property within the Project Site in excess of the Base Tax Amount (as defined below) for that same property; as defined in the Act;

(b) "**Taxes**" means all levies on an *ad valorem* basis upon land, real property improvements, personal property, or any other property;

(c) "**Base Tax Amount**" for the Site will be calculated by multiplying the combined 2004 tax rate of all taxing entities that levy taxes on property within the Project Area by the base year taxable value which is equal to the taxable value of the Project Site as determined by the Davis County Assessor based upon the assessment roll last equalized before November 1, 2004.

2.3 Conditions Precedent to Payment of Participant's Tax Increment Share

2.3.1 Dispute over Receipt of Payment of Tax Increment

In the event a dispute arises as to the person or entity entitled to receipt of Tax Increment under this Agreement due to a claimed assignment or claimed successor in interest to the Tax Increment or otherwise, the Agency may withhold payment of Tax Increment until the dispute is resolved either by agreement or by a court of competent jurisdiction. The Agency shall be entitled to deduct from its payment of Tax Increment any costs or expenses, including reasonable attorney's fees, incurred by the Agency due to the dispute.

2.4 Nature of Participant's Obligations

To qualify to receive the Tax Increment funding set forth herein, Participant shall fulfill all of the obligations in this Agreement. Failure to fulfill any obligation shall be considered a material breach and termination of the Agreement. Participant agrees to sign, concurrent with this agreement, a Promissory Note (the Note) for the full amount of Tax Increment paid to Participant by the Agency. The Agency will not require that the Note be secured with a deed of trust. The Agency shall hold that Note until such time as all of Participant's responsibilities under this Agreement, are fully executed or until such time as a breach or default occurs under the terms of this Agreement. Upon completion of Participant's responsibilities, Participant shall request and the Agency shall issue a "Certificate of Completion" and the Note shall thereafter, be null and void. Upon a breach or default under the terms of this Agreement, the Agency shall, at its option and without waiving any rights under this Agreement, call the Note due, independent of the terms of this Agreement and proceed to collect on the Note.

2.4.1 Provision of a Public Right-Of-Way Access

As part of the subdivision process, Participant shall deed or dedicate by plat, to Layton City, at no cost, a public right-of-way access connected to an intersection with Main Street to provide public access to the interior of the Site. The specific location and size of such public right-of-way shall be determined with the approval of a road dedication plat, or Commercial Subdivision or other division or dedication of the road, specifically approved as provided in the Layton Municipal Code, Title 18, Land Use Development. The conceptual orientation of the public right-of-way is illustrated in **Exhibit E**. Participant shall proceed with obtaining subdivision approval (if necessary) and complete the process in good faith and in a reasonable period of time, but no longer than five (5) years after Participant's acquisition of the last property within the Site.

2.4.2 Demolition and Environmental Remediation

The Environmental Remediation of the Tom Randall Distributing Layton Bulk Plant at 137 South Main Street, Layton, Utah shall be performed under the Leaking Underground

Storage Tank Petroleum Cleanup Project Facility ID # 3000154, Release Site KYZ and shall not be the responsibly of Participant or the Agency.

Participant agrees when each parcel within the Site is acquired, the existing buildings shall be demolished and all debris removed from the Site within one (1) year of acquisition of all parcels referenced in this Agreement. Participant and Agency agree to remediate additional environmental contaminations, if any, as determined in the conclusions of the Limited Subsurface Investigations dated June 2, 2015 and June 5, 2015 conducted by EarthTouch Inc for the Site and in a manner consistent with the all Federal, State, and Local requirements. If there is any contamination on the King parcel not covered by the Leaking Underground Storage Tank Petroleum Cleanup Project Facility ID # 3000154, Release Site KYZ then the Agency shall bear up to the first fifty thousand dollars (\$50,000.00) of the costs of environmental remediation. Participant and Agency shall each be responsible for 50% of any additional remediation costs on the King parcel beyond the costs covered by the UDEQ Cleanup Project and the Agency's subsequent \$50,000.00. In no case shall the demolition and remediation of the site exceed one (1) year from acquisition of all parcels referenced in this Agreement. Participant shall not be responsible for any delays cause by the DEQ remediation which shall be an act of force majeure.

2.4.3 Street Frontage Land Use

Participant agrees, for itself and any successors in interest, that the development of the Main Street frontage of the Site shall be compliant with the MU-TOD zoning regulations and shall include, at a minimum, office/retail uses on the main floor level of the Main Street frontage. All residential dwelling units, if any, must be located above the main floor level or not on the Main Street Frontage. Office, retail and residential uses shall be the sole uses of all floors of the buildings unless otherwise approved by the Agency.

2.4.4 Billboards/Signage

Participant agrees to not erect, or cause to be erected, any billboards advertising off-site businesses on the entire development site, which shall include any associated property south of Gentile Street, east of Main Street, north of Layton Parkway, and west of I-15. All signage for on-site businesses shall comply with applicable City codes as may be modified by any development agreement.

2.5 Funding Responsibility

The Parties understand and agree that funding for the construction upon the Site and related improvements comes entirely from either Participant's internal capital or from financing obtained by Participant. The Agency shall not be liable or responsible for providing, obtaining, or guaranteeing such financing.

2.6 Use of Tax Increment Funds

Participant agrees to use the funding received from Agency solely for buying down of the purchase price of the property within the Site and direct costs associated with acquisition. The Agency shall have the opportunity to review all documents relating to the acquisition of the property within the Site, prior to making payment on behalf of Participant. Participant shall demonstrate to the Agency, through proper documentation, that the Tax Increment was used to purchase property within the Site or make the payment jointly to property owner and Participant.

3. OPERATION AND DEVELOPMENT OF THE SITE

3.1 Development of the Site

Participant will at all times be responsible for all development of the Site pursuant to the Plan and this Agreement. In light of the level of capital investment by the Participant in the development of the Site, the Agency has determined that it is in best interests of the residents of Layton City to provide Tax Increment, upon the terms and conditions set forth in this Agreement, to Participant as an incentive to undertake the development of the Site as contemplated in this Agreement and in the Project Area Plan.

3.2 Responsibility for Development Plans and Permits

Participant shall be responsible for the preparation of all plans and securing all permits for the development of the Site. All plans must be in accordance with all applicable federal, state and local laws and regulations. Before commencing development, Participant must secure or cause to be secured, at its own expense, all zoning or land use approvals and permits required in order to proceed with the development of the Site.

3.3 Site Improvements and Future Development

Participant agrees to improve and develop the Site according to the terms of this Agreement. During the term of this Agreement, Participant and the Agency hereby agree as follows:

3.3.1 Hold Harmless Agreement

Participant agrees to defend and hold the Agency and its directors, officers, agents, employees and consultants harmless for any and all claims, liability and damages arising out of any work or activity of Participant, their agents, or their contractors or employees.

3.3.2 Hazardous, Toxic, and/or Contaminating Materials

Participant agrees to defend and hold the Agency its directors, officers, agents, employees and consultants, harmless from any and all claims, liability, costs, fines, penalties, charges and/or claims of any kind whatsoever relating to the existence and removal of hazardous,

toxic and/or contaminating materials, except where such claims, liability, costs, fines, penalties, charges and/or claims are due to the actions of the Agency or where such claims existed (regardless of whether asserted) prior to the effective date of this Agreement.

3.3.3 Indemnification

Participant agrees to and shall indemnify and hold the Agency and its directors, officers, agents, employees and consultants harmless from and against all liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person, or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person, directly or indirectly caused by any acts done thereon or any errors or omissions of Participant or their agents, servants, employees, or contractors except for willful misconduct or negligent acts or omissions of the Agency or its directors, officers, agents, employees and constants. Likewise, the Agency agrees and shall indemnify and hold Participant and their directors, officers, agents, employees and consultants harmless from and against all liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person, or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person, directly or indirectly caused by any acts done thereon or any errors or omissions of Agency or its agents, servants, employees, or contractors except for willful misconduct or negligent acts or omissions of Participant or their directors, officers, agents, employees and consultants.

3.3.4 Discrimination

Participant agrees for itself and their successors and assigns that they will not unlawfully discriminate against any employee or applicants for employment, or any contractor or any bidder on any contract.

3.3.5 Local, State, and Federal Laws

Participant shall develop the Site in conformity with all applicable laws; provided, however, that nothing herein shall limit the right of Participant to properly challenge any such law or the applicability of such law. Development of the Site shall also be subject to review and approval of the Agency.

3.3.6 County and Other Governmental Agency Permits

Participant shall, at its own expense, secure or cause to be secured, any and all permits that may be required by Davis County or any other governmental agency affected by the development or operation of the Site.

3.3.7 Rights of Access

Representatives of the Agency shall have the right of reasonable access to the Site and any and all improvements thereon for purposes of inspection, with reasonable and prior notice, and without charges or fees, at normal hours. Such representatives of the Agency and other visitors to the site shall observe any reasonable rules adopted by Participant for purposes of maintaining safety and security on the site, including requirements that such representatives or visitors be escorted by the General Manager or other designated agent of Participant at all times. Such representatives of the Agency shall be those who are so identified in writing by the Agency. The Agency agrees to and shall indemnify and hold Participant harmless from and against all liability, loss, damage, costs, or expenses arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever caused to any person or the property of any person which shall occur as a result of or arising from the Agency's entry upon or activities on the Site, except that this indemnity shall not apply to proportional negligence or willful misconduct of Participant.

3.3.8 Responsibility of the Agency

The Agency shall not have any obligation under this Agreement other than those specifically provided for herein. Nothing herein shall be construed as requiring the Agency to pre-approve or prejudge any matter, or as otherwise binding the Agency's discretion or judgment on any issue prior to appropriate hearing (if required), review, or compliance with any other requirement. Participant shall not have any obligation under this Agreement other than those specifically provided for herein.

4. EFFECT AND DURATION OF COVENANTS

The covenants, including but not limited to conformance with federal, local, and state laws, established in this Agreement shall, without regard to technical classification and designation, be binding on Participant and any successors in interest to the Site for the benefit and in favor of the Agency, its successors and assigns during the Term of this Agreement.

5. DEFAULTS, REMEDIES AND TERMINATION

5.1 Default

If either the Agency or Participant fail to perform or delays performance of any material term or provision of this Agreement, such conduct constitutes a default of this Agreement ("Default"). The party in default must immediately commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy within the periods provided in Section 5.3 hereof.

5.2 Notice

If a Default under this Agreement occurs, the non-defaulting shall give written notice (a “**Default Notice**”) of the Default to the party in Default, specifying the nature of the Default. Failure or delay in giving such notice shall not constitute a waiver of any Default, nor shall it change the time of Default, nor shall it operate as a waiver of any rights or remedies of the injured party; but the injured party shall have no right to exercise any remedy hereunder without delivering the Default Notice as provided herein. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

5.3 Cure Period

The non-defaulting party shall have no right to exercise a right or remedy hereunder unless the subject Default continues uncured for a period of thirty (30) days after delivery of the Default Notice with respect thereto, or, where the default is of a nature which cannot be cured within such thirty (30) day period, the defaulting party fails to commence such cure within thirty (30) days and to diligently proceed to complete the same. A Default which can be cured by the payment of money is understood and agreed to be among the types of defaults which can be cured within thirty (30) days. If the Default is not cured, or commenced to be cured if such default is of a nature which cannot be cured within thirty (30) days, by such party within thirty (30) days of delivery of the Default Notice, such failure to cure shall be an Event of Default, and the non-defaulting party, at its option, may institute an action for specific performances of the terms of this Agreement or pursue such other rights and remedies as it may have.

5.3.1 Rights and Remedies

Upon the occurrence of a Default (following the expiration of the applicable cure period provided herein or by law), the non-defaulting party shall have all rights and remedies against the defaulting party as may be available at law or in equity to cure, correct or remedy any Default, to terminate this Agreement, to obtain specific performance, to recover damages for any default, or to obtain any other remedy consistent with the purposes of this Agreement, including the filing of the Note as a Trust Deed. Such rights and remedies are cumulative, and the exercise of one or more of such rights or remedies shall not preclude the exercise, at the same or different times, of any other rights or remedies for the same Default or any other Default by the defaulting party.

5.3.2 Legal Actions

5.3.2.1 Venue

All legal actions between the Parties, arising under this Agreement, shall be conducted exclusively in the Second District Court for the State of Utah located in Layton, Utah, unless they involve a case with federal jurisdiction, in which case they shall be conducted exclusively in the Federal District Court for the District of Utah.

5.3.2.2 Services of Process

Service of process on the Agency shall be made by personal service upon the Chairman or Executive Director of the Agency or in such other manner as may be provided by law.

Service of process on Participant shall be by personal service upon their Registered Agent, or in such other manner as may be provided by law, whether made within or without the State of Utah.

5.3.2.3 Applicable Law

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

6. GENERAL PROVISIONS

6.1 Notices, Demands, and Communications Between the Parties

Formal notices, demands, and communications between the Agency and Participant shall be sufficiently given if personally delivered or if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Agency and Participant, as designated in Sections 1.6.1 and 1.6.2 hereof. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by formal notice hereunder. Delivery of notice shall be complete upon mailing or making physical delivery of the writing containing the notice.

6.2 Severability

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

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

6.3 Nonliability of Agency Officials and Employees

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

6.4 Enforced Delay; Extension of Time and Performance

In addition to the specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of a public enemy, terrorist activity, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, delays of any contractor, subcontractor or suppliers, acts of the other party, or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of actual knowledge of the commencement of the cause on the part of Agency's Executive Director or its governing board or on the part of Participant. Time of performance under this Agreement may also be extended in writing by the Agency and Participant by mutual agreement.

6.5 Approvals

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

6.6 Time of the Essence

Time shall be of the essence in the performance of this Agreement.

6.7 Interpretation

The parties hereto agree that they intend by this Agreement to create only the contractual relationship established herein, and that no provision hereof, or act of either party hereunder, shall ever be construed as creating the relationship of principal and agent, or a partnership, or a joint venture or enterprise between the parties hereto.

6.8 No Third-Party Beneficiaries

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

6.9 Incorporation of Exhibits

All Exhibits attached hereto are incorporated into this Agreement as if fully set forth herein.

7. DUPLICATION, INTEGRATION, WAIVERS, AND AMENDMENTS

7.1 Duplicate Originals

This Agreement shall be executed in two duplicate originals, each of which shall be deemed an original. This Agreement (including its Exhibits) constitutes the entire understanding and agreement of the parties.

7.2 Integration

When executed by the parties, this Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the Site.

7.3 Waivers and Amendments

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

8. DATE OF AGREEMENT

The effective date of this Agreement shall be the date it is signed by the Agency.

Attest:


Thieda Wellman, Agency Secretary

State of Utah)
 : SS
County of Davis)

THE REDEVELOPMENT AGENCY OF LAYTON CITY

 6/2/16
Robert J Stevenson, Agency Chair Date

APPROVED AS TO FORM:

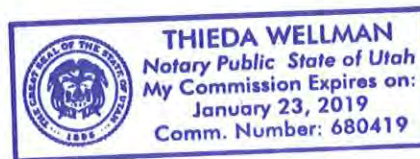
APPROVED AS TO FORM:



GARY R. CRANE, City Attorney

On this 2nd day of JUNE, 2016, before me, the undersigned Notary Public, personally appeared ROBERT J STEVENSON, who affirmed that he is the CHAIR, and acknowledged to me that he is authorized to, and did in fact execute the foregoing Participation Agreement. Witness my hand and official seal.


Notary Public



North Utah Holdings, LLC, a Utah Limited Liability Company


F. McKay Winkel, Managing Member 6-6-16,
Date

State of Utah)
 Utah : SS
County of Davis)

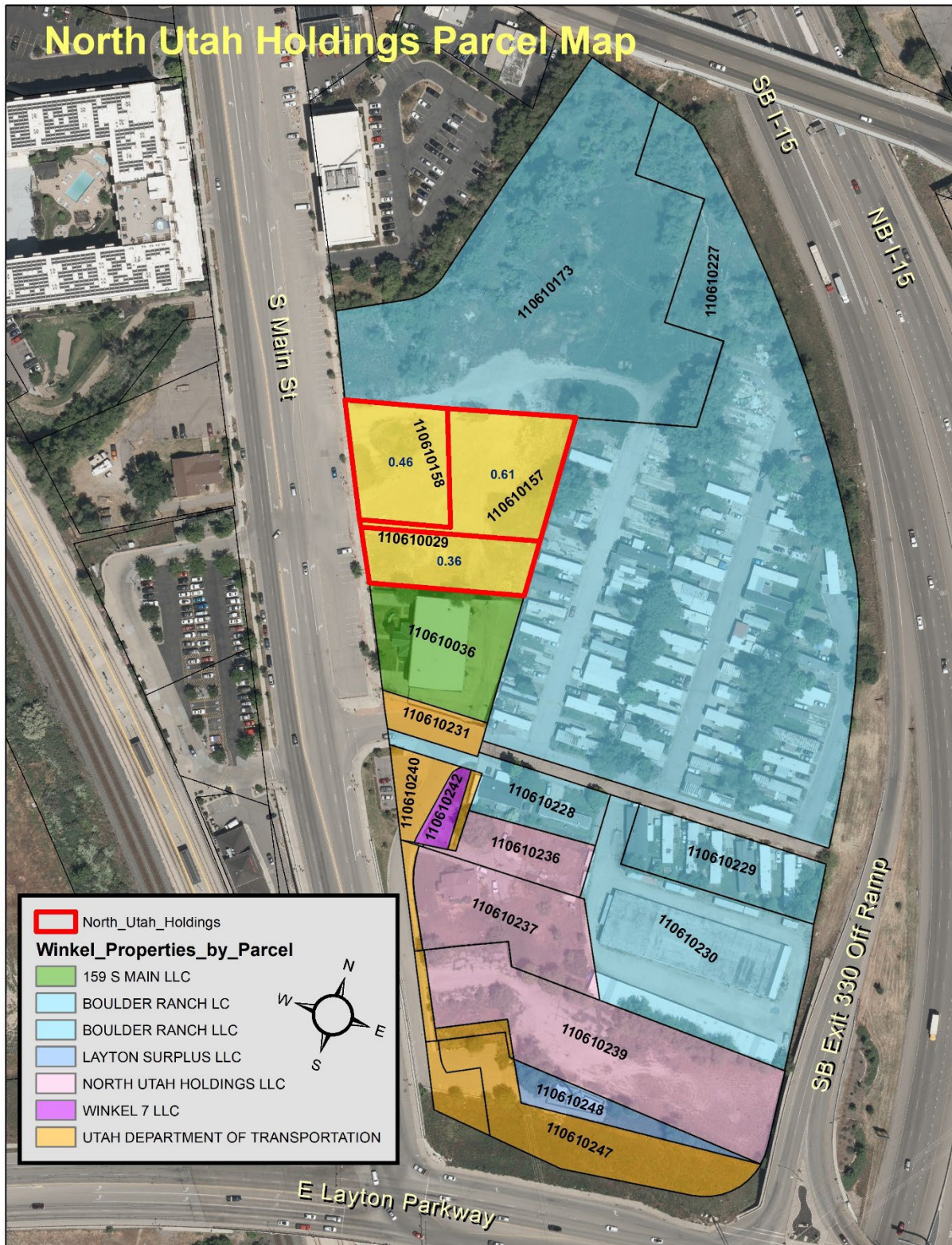
On this 6th day of June, 2016, before me, the undersigned Notary Public, personally appeared F. MCKAY WINKEL, who affirmed that he is the MANAGING MEMBER of NORTH UTAH HOLDINGS, LLC, a Utah Limited Liability Company, and acknowledged to me that he is authorized to, and did in fact execute the foregoing Participation Agreement. Witness my hand and official seal.




Notary Public

EXHIBIT "A"

Exhibit C – PARCEL MAP OF NORTH UTAH HOLDINGS, LLC PROPERTIES



**REDEVELOPMENT AGENCY OF LAYTON CITY
AGENDA ITEM COVER SHEET**

Item Number: 6.

Subject:

Approving the Consent and Acknowledgement for the Transfer of Property from Winkel Rock, LLC to Winkel Rock DE, LLC, Including Certain Obligations as Required in the Participation Agreement By and Between the Redevelopment Agency of Layton City and F. M. Winkel Family, LLC – RDA Resolution 24-05 – Approximately 127 South Main Street

Background:

Resolution 24-05 is a request for Redevelopment Agency (Agency) consideration to approve a transfer of property ownership from Winkel Rock LLC, to Winkel Rock DE, LLC, for the purpose of developing the property.

Winkel Rock, DE, LLC (Developer), the development arm representing Rockworth Companies and F.M. Winkel, LLC (Owner), is developing Phase I of the proposed development. As part of the development process, Winkel Rock, DE, LLC requires authority to sign on behalf of and encumber the property title.

The existing Agreement known as Participation Agreement By and Between the Redevelopment Agency of Layton City, And F. M. Winkel Family, LLC, executed on April 2, 2018, requires Agency approval to transfer ownership. The Participation Agreement has certain obligations which are the responsibility of the Owner to complete, however, the remaining obligations are all attached to the development of Phase I as proposed. The approval of this request will allow for the implementation of those obligations and the development to be completed. The Agreement is very specific and only applies to the following parcels of property:

Parcel A: 11-061-0036, containing 0.7 acres, or 30,492 square feet

For this purpose, both the Owner and the Developer are requesting the Agency to consider allowing the property to be transferred from Winkel Rock LLC, to Winkel Rock, DE, LLC.

Alternatives:

Alternatives are to: 1) Adopt Resolution 24-05 approving the Consent and Acknowledgement for the Transfer of Property from Winkel Rock, LLC, to Winkel Rock DE, LLC, including certain obligations as required in the Participation Agreement by and Between the Redevelopment Agency of Layton City and F. M. Winkel Family, LLC; 2) Adopt Resolution 24-05 with any amendments the Agency deems appropriate; or 3) Not adopt Resolution 24-05 and remand to Staff with directions.

Recommendation:

Staff recommends the Agency adopt Resolution 24-05 as submitted, approving the Consent and Acknowledgement for Transfer of Property from Winkel Rock, LLC, to Winkel Rock DE, LLC, including certain obligations as required in the Participation Agreement by and Between the Redevelopment Agency of Layton City and F. M. Winkel Family, LLC, and authorize the Chair to sign the resolution on behalf of the Agency.

RDA RESOLUTION 24-05

A RESOLUTION APPROVING THE CONSENT AND ACKNOWLEDGEMENT FOR TRANSFER OF PROPERTY FROM WINKEL ROCK, LLC, TO WINKEL ROCK DE, LLC, INCLUDING CERTAIN OBLIGATIONS AS REQUIRED IN THE PARTICIPATION AGREEMENT BY AND BETWEEN THE REDEVELOPMENT AGENCY OF LAYTON CITY AND F. M. WINKEL FAMILY, LLC

WHEREAS, the Redevelopment Agency of Layton City (hereinafter called the "Agency") has prepared and adopted, and Layton City through its Council (hereinafter called "the City") and the adoption of Ordinance 04-44, has approved, the South Main/South Fort Lane Redevelopment Project Area Plan and Budget dated June 17, 2004 (hereinafter called the "Development Plan"), providing for the development of certain lands within the Development Plan boundary (hereinafter called the "RDA Plan Area") and the future uses of such land, which Development Plan has been filed in the office of the City Recorder of the City and the Agency; and

WHEREAS, to enable the City and the Agency to achieve the objectives of the Development Plan, and particularly to make the land in the RDA Plan Area viable for development by private enterprise, and influence additional development and investment in accordance with the uses specified in the Development Plan, the Agency desires to approve this Consent and Acknowledgment with North Utah Holdings, LLC (hereinafter called "the Owner"), for the purpose of development of land as it pertains to the Developer owned certain land ("Site"); and

WHEREAS, the Site situated in the RDA Plan Area, which land is located at 127 S, 137 S, and 143 S Main Street Layton, Utah 84041 and otherwise known as Parcel 11-061-0036 as recorded in the Davis County Utah Recorder's Office, containing approximately 0.7 acres, and the Developer desires to Transfer ownership of the Site for and in accordance with the uses specified in the Development Plan and as more particularly described in this Consent and Acknowledgement; and

WHEREAS, the Owner entered into a Participation Agreement with the Agency, known as the Participation Agreement by and between The Redevelopment Agency of Layton City, and F. M. Winkel Family, LLC, executed on January 4, 2018 (hereinafter called the "Agreement"), which requires the Owner to request Agency's prior consent to "deed, sell, convey, assign or otherwise alienate or lease the Site or any portion thereof or interest therein without the prior written approval of the Agency"; and

WHEREAS, Participant and Agency are parties to that certain Consent and Acknowledgement, recorded on May 24, 2023 as Entry No. 359943, Book 8262, Pages 484-489 of the Official Records of the Davis County Recorder's Office (the "Prior Consent"), wherein RDA consented to conveying the Site to Winkel Rock, LLC, a Utah limited liability company ("Winkel Rock"). Consistent with the Prior Consent, Winkel Rock currently owns the Site; and

WHEREAS, Winkel Rock DE, LLC, a Delaware limited liability company ("Developer"), a successor in interest to Winkel Rock, contemplates developing the Phase 1 Subdivision, including the Site, and other adjacent real property as a multifamily, retail, commercial, office, and hospitality development (the "Mixed-Use Project"). Developer and/or its predecessors in interest have obtained the necessary land use approvals and permits necessary for the development of the Phase 1 Subdivision into the Mixed-Use Project, which includes the development of the multifamily, retail, and commercial components.

WHEREAS, this Consent and Acknowledgment will allow the Developer to complete, and obligate the Developer to meet, all of the remaining responsibilities of the Owner as outlined in the Participation Agreement.

WHEREAS, the City and the Agency believe that the development of the Site, pursuant to this Consent and Acknowledgment ("Consent") and the Agreement, and Development Plan, and the fulfillment generally of this Consent and the intentions set forth herein, are in the vital and best interests of the City,

the Agency and in the best interest of the health, safety, morals, and welfare of City residents; and are in accord with the public purposes and provisions of the applicable State laws and requirements under which said Project has been undertaken.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF LAYTON, UTAH:

1. That the agreement entitled "CONSENT AND ACKNOWLEDGEMENT BETWEEN THE REDEVELOPMENT AGENCY OF LAYTON CITY AND F. M. WINKEL FAMILY, LLC" which is attached hereto and incorporated herein by this reference, be adopted and approved.

2. That the Agency Chair be authorized to execute the Agreement.

3. This Resolution shall become effective immediately upon adoption by the Agency.

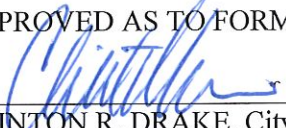
PASSED AND ADOPTED by the City Council of Layton, Utah, this **4th day of April, 2024**.

JOY PETRO, Mayor

ATTEST:

KIMBERLY S READ, City Recorder

APPROVED AS TO FORM:



CLINTON R. DRAKE, City Attorney



CHAD WILKINSON, Department Director
Community and Economic Development

**Exhibit A - CONSENT AND ACKNOWLEDGEMENT FOR
TRANSFER OF PROPERTY FROM WINKEL ROCK, LLC, TO
WINKEL ROCK DE, LLC**

WHEN RECORDED, RETURN TO:

F.M. Winkel Family, LLC
3651 North 100 East, Suite 125
Provo, UT 84604
Attn: McKay Winkel

Tax Parcel ID No. 15-144-0001, 15-144-0002, 14-144-0003

**CONSENT AND ACKNOWLEDGMENT
[Participation Agreement]**

This CONSENT AND ACKNOWLEDGMENT (“**Consent**”), dated effective as of _____, 2024 (the “**Effective Date**”), is made by and between F.M. WINKEL FAMILY, LLC, a Utah limited liability company (“**Participant**”) and the REDEVELOPMENT AGENCY OF LAYTON CITY, a political subdivision of the State of Utah (the “**RDA**”).

RECITALS

A. Participant and RDA are parties to that certain Participation Agreement, dated January 4, 2018 (the “**Participation Agreement**”). The Participation Agreement sets forth a payment obligation by the RDA (the “**RDA Payment**”) to Participant, which RDA Payment obligation has been completed by RDA, and also sets forth certain development obligations to be completed by Participant (the “**Obligations**”) for the “**Site**” (as defined in the Participation Agreement), which was previously referred to as Tax Parcel ID # 11-061-0036 and is now a portion of Lot 3 of the Layton Station Phase 1 Subdivision, recorded on October 26, 2023, as Record No. 3548782, in Book 8367 at Page 478 (the “**Phase 1 Subdivision**”), as more particularly described on **Exhibit A** attached hereto and incorporated herein.

B. In connection with the Participation Agreement and the RDA Payment, Participant entered into one or more promissory notes in the aggregate amount of the Tax Increment (\$425,000.00) in favor of the RDA (the “**Note**”, and, together with the Participation Agreement, the “**RDA Documents**”), which Note is unsecured and not secured by the Site.

C. Participant and RDA are parties to that certain Consent and Acknowledgement, recorded on May 24, 2023 as Entry No. 3529943, Book 8262, Pages 484-489 of the Official Records of the Davis County Recorder’s Office (the “**Prior Consent**”), wherein RDA consented to conveying the Site to Winkel Rock, LLC, a Utah limited liability company (“**Winkel Rock JV**”). Consistent with the Prior Consent, Winkel Rock JV currently owns the Site.

D. Winkel Rock DE, LLC, a Delaware limited liability company (“**Developer**”), a successor in interest to Winkel Rock JV, contemplates developing the Phase 1 Subdivision, including the Site, and other adjacent real property as a multifamily, retail, commercial, office, and hospitality development (the “**Mixed-Use Project**”). Developer and/or its predecessors in interest have obtained the necessary land use approvals and permits necessary for the development of the Phase 1 Subdivision into the Mixed-Use Project, which includes the development of the multifamily, retail, and commercial components.

E. Participant, by and through its member(s) and/or manager(s) or other affiliate(s), has a membership interest in Winkel Rock JV and previously contributed the Site to Winkel Rock JV. Winkel

Rock JV intends to contribute, deed, and otherwise convey the Phase 1 Subdivision, including the Site, to Developer, for the completion and development of the Phase 1 Subdivision into the Mixed-Use Project.

F. In accordance with Section 1.7.1 of the Participation Agreement, RDA's prior written consent is required for deeding, selling, conveying, assigning, or otherwise alienating or leasing the Site.

G. RDA is entering into this Consent for the limited purpose of (i) consenting to the further conveyance of the Site from Winkel Rock JV to Developer; and (ii) agreeing to the scope of the outstanding Obligations as of the Effective Date.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Participant and RDA agree as follows:

1. **Consent.** In accordance with Section 1.7.1 of the Participation Agreement, the RDA hereby provides its express consent to the contribution, deed, and/or conveyance of the Site by Winkel Rock JV to Developer.

2. **Outstanding Obligations.** The RDA and Participant hereby agree and acknowledge that the following table sets forth the only remaining obligations under the Participation Agreement (the "**Obligations**") and the status for the same:

Section	Obligation	Status
2.4	Participant agrees to sign a Promissory Note (the Note) for the full amount of the Tax Increment paid to Participant.	Completed by Participant.
2.4.1	Participant agrees that the existing building(s) shall be demolished, and all debris removed from the Site.	Completed by Participant.
2.4.2	Participant agrees that development of the Main Street frontage of the Site shall be compliant with MU-TOD zoning regulations and include, at minimum, office/retail uses on the main floor level of the Main Street frontage. (the " Construction Zoning Compliance Obligation ")	Outstanding – the Construction Zoning Compliance Obligation will be completed by Developer in its development of the Phase 1 Subdivision.
2.4.3	Participant agrees to not erect, or cause to be erected, any billboards advertising off-site business on the entire development site.	Addressed below as described in Section 3.d.
3.1; 3.3	Participant will at all-times be responsible for all development of the Site pursuant to the "Plan" (as defined in the Participation Agreement). Participant agrees to improve and develop the Site according to the terms of the Participation Agreement (the " Development Obligation ").	Outstanding – the Development Obligation will be completed by Developer in its development of Phase 1 Subdivision.
3.2	Participant shall be responsible for the preparation of all plans and securing all permits for the development of the Site.	Completed by Developer.

Participant shall use good faith and reasonable efforts to ensure that the foregoing Obligations shall be completed by Developer. As set forth in the Participation Agreement, upon completion of the foregoing Obligations, the RDA shall issue a "Certificate of Completion" and thereafter terminate and release the Note. The parties agree that upon issuance of a certificate of occupancy for the last building on Phase 1 Subdivision, a Certificate of Completion shall be issued by the RDA and, upon the issuance of the Certificate of Completion, the Obligations (and any and all other terms, conditions, and obligations under the Participation Agreement) shall be considered discharged and completed, the RDA Documents shall be

deemed terminated, and neither Participant, Winkel Rock JV, nor Developer (or any successor owner of the Site) shall have any obligations under the RDA Documents.

3. **RDA Representations and Warranties.** The RDA hereby represents and warrants to Participant and Developer (and shall be estopped from asserting any matter to the contrary as against Participant and Developer (or any successor owner of the Site) as follows:

a. True, correct and complete copies of the RDA Documents, including all amendments, modifications, supplements, and assignments related thereto, are attached hereto as **Exhibit B**. Except as reflected in **Exhibit B**, the RDA Documents have not been amended, modified, supplemented or assigned in any other respect.

b. To the knowledge of the RDA, there exists no default by Participant under the RDA Documents, nor any state of facts which with the passage of time or the giving of notice would constitute a default under the RDA Documents on the part of Participant. There exists no default by the RDA under the RDA Documents, nor any state of facts which with the passage of time or the giving of notice or both would constitute a default on the part of the RDA.

c. The Tax Increment has been fully funded and Participant has invested the Tax Increment into the Site in compliance with the RDA Documents. There are no other Tax Increments or other tax incentives available to Participant or applicable to the Site.

d. For the avoidance of doubt, (i) other than the Developer (with respect to the Construction Zoning Compliance Obligation and the Development Obligation and the negative covenant set forth in Section 2.4.3 (Billboards/Signage) of the Participation Agreement) and the Participant, no other party, person or entity is obligated (or shall be obligated) under the Participation Agreement unless expressly assigned or otherwise transferred (and no foreclosure, deed-in-lieu or similar transaction or subsequent sale will be deemed to violate the terms of the Participation Agreement or to result in any liability or obligation on the party thereby acquiring title to the Site or on the Site itself), and (ii) other than the Participant, no other party, person or entity is obligated under the Note. Other than the negative covenant set forth in Section 2.4.3 (Billboards/Signage) of the Participation Agreement, there are no other terms, conditions, provisions, or covenants under the RDA Documents that shall be binding on any successors in interest to the Site other than Participant and Developer upon completion of all the terms of the Participation Agreement, Construction Zoning Compliance Obligation, and the Development Obligation.

4. **Miscellaneous.**

a. **Governing Law.** This Consent shall be governed by and construed in accordance with the internal laws of the State of Utah without giving effect to any choice or conflict of law provision or rule.

b. **Successors and Assigns.** This Consent shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

c. **Counterparts.** This Consent may be executed in counterparts, each of which will be deemed an original, but which together constitute one and the same instrument. Delivery of executed signature pages by facsimile or email transmission shall be effective.

[Signatures and Acknowledgments Follow]

DEVELOPER:

Winkel Rock DE, LLC,
a Delaware limited liability company

By: **Winkel Rock, LLC,**
a Utah limited liability company
Its: Manager

By: **Rockworth Companies, LLC,**
a Utah limited liability company
Its: Manager

Print Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF _____)
: ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2024, by _____, the _____ of Rockworth Companies, LLC, a Utah limited liability company, the Manager of Winkel Rock, LLC, a Utah limited liability company, the Manager of Winkel Rock DE, LLC, a Delaware limited liability company.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

[Signatures and Acknowledgments Continue on Following Page]

Exhibit A

Legal Description

The Phase 1 Subdivision located in Layton City, Davis County, Utah is more particularly described as follows:

LOTS 1-3, ACCORDING TO THE LAYTON STATION PHASE 1
SUBDIVISION, AS RECORDED OCTOBER 26, 2023, AS RECORD
NO. 3548782, IN BOOK 8367 AT PAGE 478, IN THE OFFICE OF THE
DAVIS COUNTY RECORDER.

(For reference purposes only, Tax Parcel Nos. 15-144-0001,
15-144-0002, 14-144-0003)

EXHIBIT B

RDA Documents

[The RDA Documents immediately follow this cover page.]

Participation Agreement

By and Between

The Redevelopment Agency of Layton City,

And

F.M. Winkel Family, LLC

January 4, 2018

Participation Agreement

The parties hereto, the Redevelopment Agency of Layton City, a political subdivision of the State of Utah (the “**Agency**”) and F.M. Winkel Family, LLC, a Utah Limited Liability Company (“**Participant**”)—(the Agency and Participant may also be collectively referred to as “**Parties**”), agree as follows:

1. SUBJECT OF AGREEMENT

1.1 Purpose of the Agreement

The purpose of this Participation Agreement (the “**Agreement**”) is to carry out in part the Plan for the South Main / South Fort Lane Redevelopment Project Area (the “**Plan**”¹ and Project Area Budget “**Budget**” are attached hereto as **Exhibit A**), by assembling the land under one property owner, and removing barriers to the future mixed-use development of the property within the South Main / South Fort Lane Project Area (the “**Project Area**”). Also, to specify the terms and conditions pursuant to which the Agency and Participant will cooperate in purchasing land and future development guidelines, including funds the Agency will provide to assist in acquiring property, which will benefit the Project Area.

1.2 Agreement in the Best Interests of the City and Residents

This Agreement is in the vital and best interests of Layton City, and the health, safety and welfare of its residents, and in accord with public purposes. This Agreement is carried out pursuant to the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act, Title 17C, Utah Code Annotated as amended (the “**Act**”).

1.3 The Project Area

The Project Area is located within the boundaries of Layton City. The exact boundaries of the Project Area are specifically and legally described in the Plan.

1.4 The Project Area Plan and Budget

This Agreement is subject to the provisions of the Plan, as revised, amended and adopted on December 3, 2009, by the Agency and the Layton City Council (the “**Council**”) in accordance with Section 17C-3-106 of the Act.

¹ The Plan was originally adopted by the Layton City Council by Ordinance 04-44 on June 17, 2004. A copy of that Ordinance is attached as **Exhibit B**.

1.5 Description of the Site

The site of the property (the “Site”) within the Project Area shall consist of one parcel of property, totaling approximately 0.70 acres. The Site is shown in detail on the Site Map, attached hereto as **Exhibit C**, and described in the description(s), attached hereto as **Exhibit D**.

1.6 Parties to the Agreement

1.6.1 The Agency

The Agency is a public body, corporate and political, exercising governmental functions and powers, and organized and existing under the Community Development and Renewal Agencies Act. The address of the Agency for purposes of this Agreement is:

The Redevelopment Agency of Layton City
Attn: RDA Executive Director
437 Wasatch Drive
Layton, Utah 84041

1.6.2 The Participant

Participant is F.M. Winkel Family, LLC, a Utah Limited Liability Company (LLC), lawfully registered to do business in Utah. Participant’s address for purposes of this Agreement is:

F.M. Winkel Family, LLC
Attn: McKay Winkel, Managing Member
3651 North 100 East, No. 125
Provo, UT 84604

1.7 Prohibition against Certain Changes

1.7.1 Transfers of Property Prohibited

Participant represents and agrees for itself and any successor(s) in interest that, during the term of this Agreement, it shall not deed, sell, convey, assign or otherwise alienate or lease the Site or any portion thereof or interest therein without the prior written approval of the Agency, and that the Agency may withhold its approval if such deed, sale, conveyance, assignment or alienation or lease would result in the objectives of the Agreement not being met. Notwithstanding the foregoing, Participant shall be entitled (without the consent of any party) to (a) transfer any interest in the real estate to any wholly-owned subsidiary (or sister company that has substantially the same owners) of Participant, who agrees to continue to occupy and/or operate the business in substantially the same form and to undertake all obligations and restrictions of the

transferring Participant(s) and/or (b) transfer a portion of the interest to Rockworth Companies or an affiliated entity. Any such undertaking shall be in writing and properly executed. No subsequent transfer can occur without the written approval of the Agency.

1.7.2 Assignment or Transfer of Agreement

For the reasons cited above, Participant represents and agrees for itself and its successors and assigns that during the term of this Agreement Participant will not assign or transfer or attempt to assign or transfer all or any part of this Agreement, or any rights herein or obligations hereunder, without the prior written consent of the Agency. The assignment or delegation of this Agreement without the prior written consent of the Agency is a material breach and default, under this Agreement, and relieves the Agency of any obligation to Participant under this Agreement. As a condition of the Agency approving an assignment of this Agreement by Participant the Agency may, among other things, require the proposed assignee to execute an acknowledgement of its acceptance to perform all duties and obligations of Participant under this Agreement.

1.7.3 Transfer to Tax-Exempt Organization

Notwithstanding anything in this Agreement to the contrary, any attempt by Participant or their successor in interest to transfer any of the real or personal property within the Site to a tax-exempt organization or otherwise to exempt any of the real or personal property within the Project Area from *ad valorem* property taxation without the prior written consent of the Agency constitutes a material breach and default under this Agreement and will entitle the Agency, in its sole discretion, to terminate this Agreement.

1.7.4 Continuing Obligations

In the absence of a specific written agreement by the Agency, no assignment or transfer of this Agreement, in whole or in part, or approval of this Agreement by the Agency, relieves Participant from any obligation under this Agreement. All of the terms, covenants, and conditions of this Agreement are and will remain binding upon and inure to the benefit of Participant and their successors and assigns.

1.8 Term of the Agreement

Unless terminated sooner, by a breach or default as provided herein, this Agreement shall terminate, upon the issuance of a "Certificate of Completion," by the Agency upon completion of the obligations of the parties within the time periods set forth herein, under the terms of this Agreement.

2. OBLIGATIONS OF THE PARTIES

2.1 Provision of Tax Increment

The Agency agrees to provide an amount not to exceed four hundred twenty five thousand dollars (\$425,000.00) solely from Tax Increment generated by the Project Area for the purpose of writing down the cost of the Site. RDA funds will be deposited in Escrow prior to closing for the purchase of the Site by Participant.

The Participant shall submit a letter to the RDA requesting release of Tax Increment for the purchase of the following Parcel ID: #11-061-0036. The letter shall include a fully executed Real Estate Purchase Contract, Title Company, closing instructions, and estimated time frame for closing. Prior to closing, the RDA shall receive a copy of the HUD-1 Settlement Statement and proof of Title Insurance.

The amount of release of Tax Increment funds shall be:

Parcel ID #11-061-0036, located at 159 South Main Street, also known as Bill's Comfort Systems, in the amount of four hundred twenty five thousand dollars (\$425,000.00).

2.2 Tax Increment

The Project Area Plan and payments contemplated in this Agreement will be funded by Tax Increment as budgeted by the RDA in compliance with the provisions of the Act.

For purposes of this Agreement:

(a) "**Tax Increment**" means the Taxes levied each year on land, real property improvements, personal property and other taxable property within the Project Site in excess of the Base Tax Amount (as defined below) for that same property; as defined in the Act;

(b) "**Taxes**" means all levies on an *ad valorem* basis upon land, real property improvements, personal property, or any other property;

(c) "**Base Tax Amount**" for the Site will be calculated by multiplying the combined 2004 tax rate of all taxing entities that levy taxes on property within the Project Area by the base year taxable value which is equal to the taxable value of the Project Site as determined by the Davis County Assessor based upon the assessment roll last equalized before November 1, 2004.

2.3 Conditions Precedent to Payment of Participant's Tax Increment Share

2.3.1 Dispute over Receipt of Payment of Tax Increment

In the event a dispute arises as to the person or entity entitled to receipt of Tax Increment under this Agreement due to a claimed assignment or claimed successor in interest to the Tax Increment or otherwise, the Agency may withhold payment of Tax Increment until the dispute is resolved either by agreement or by a court of competent jurisdiction. The Agency shall be entitled to deduct from its payment of Tax Increment any costs or expenses, including reasonable attorney's fees, incurred by the Agency due to the dispute.

2.4 Nature of Participant's Obligations

To qualify to receive the Tax Increment funding set forth herein, Participant shall fulfill all of the obligations in this Agreement. Failure to fulfill any obligation shall be considered a material breach and termination of the Agreement. Participant agrees to sign, concurrent with this agreement, a Promissory Note (the Note) for the full amount of Tax Increment paid to Participant by the Agency. The Agency will not require that the Note be secured with a deed of trust. The Agency shall hold that Note until such time as all of Participant's responsibilities under this Agreement, are fully executed or until such time as a breach or default occurs under the terms of this Agreement. Upon completion of Participant's responsibilities, Participant shall request and the Agency shall issue a "Certificate of Completion" and the Note shall thereafter, be null and void. Upon a breach or default under the terms of this Agreement, the Agency shall, at its option and without waiving any rights under this Agreement, call the Note due, independent of the terms of this Agreement and proceed to collect on the Note.

2.4.1 Building Use and Demolition

Participant agrees that when the Site parcel is acquired by the Participant, the existing building(s) shall be demolished and all debris removed from the Site within five (5) years of acquisition of Parcel ID #110610157, located at 137 South Main Street, and Parcel ID #110610029, located at 143 South Main Street, with both parcels also known as Tom Randall Distributing, but in no case longer than seven (7) years from the date of this Agreement regardless of the acquisition of the parcels associated with Tom Randall Distributing. Participant agrees that any non-conforming right for the use of building(s) on the Site, or uses not consistent with the Mixed-Use/Transit Oriented Development (MU-TOD) zoning district, shall expire upon the vacation of Bill's Comfort Systems.

2.4.2 Street Frontage Land Use

Participant agrees, for itself and any successors in interest, that the development of the Main Street frontage of the Site shall be compliant with the MU-TOD zoning regulations and shall include, at a minimum, office/retail uses on the main floor level of the Main Street frontage. All residential dwelling units, if any, must be located above the main floor level or not on the Main Street Frontage. Office, retail and residential uses shall be the sole uses of all floors of the buildings

unless otherwise approved by the Agency.

2.4.3 Billboards/Signage

Participant agrees to not erect, or cause to be erected, any billboards advertising off-site businesses on the entire development site, which shall include any associated property south of Gentile Street, east of Main Street, north of Layton Parkway, and west of I-15. All signage for on-site businesses shall comply with applicable City codes as may be modified by any development agreement.

2.5 Funding Responsibility

The Parties understand and agree that funding for the construction upon the Site and related improvements comes entirely from either Participant's internal capital or from financing obtained by Participant. The Agency shall not be liable or responsible for providing, obtaining, or guaranteeing such financing.

2.6 Use of Tax Increment Funds

Participant agrees to use the funding received from Agency solely for buying down of the purchase price of the property within the Site and direct costs associated with acquisition. The Agency shall have the opportunity to review all documents relating to the acquisition of the property within the Site, prior to making payment on behalf of Participant. Participant shall demonstrate to the Agency, through proper documentation, that the Tax Increment was used to purchase property within the Site or make the payment jointly to property owner and Participant.

3. OPERATION AND DEVELOPMENT OF THE SITE

3.1 Development of the Site

Participant will at all times be responsible for all development of the Site pursuant to the Plan and this Agreement. In light of the level of capital investment by the Participant in the development of the Site, the Agency has determined that it is in best interests of the residents of Layton City to provide Tax Increment, upon the terms and conditions set forth in this Agreement, to Participant as an incentive to undertake the development of the Site as contemplated in this Agreement and in the Project Area Plan.

3.2 Responsibility for Development Plans and Permits

Participant shall be responsible for the preparation of all plans and securing all permits for the development of the Site. All plans must be in accordance with all applicable federal, state and local laws and regulations. Before commencing development, Participant must secure or cause to be secured, at its own expense, all zoning or land use approvals and permits required in order to proceed with the development of the Site.

3.3 Site Improvements and Future Development

Participant agrees to improve and develop the Site according to the terms of this Agreement. During the term of this Agreement, Participant and the Agency hereby agree as follows:

3.3.1 Hold Harmless Agreement

Participant agrees to defend and hold the Agency and its directors, officers, agents, employees and consultants harmless for any and all claims, liability and damages arising out of any work or activity of Participant, their agents, or their contractors or employees.

3.3.2 Hazardous, Toxic, and/or Contaminating Materials

Participant agrees to defend and hold the Agency its directors, officers, agents, employees and consultants, harmless from any and all claims, liability, costs, fines, penalties, charges and/or claims of any kind whatsoever relating to the existence and removal of hazardous, toxic and/or contaminating materials, except where such claims, liability, costs, fines, penalties, charges and/or claims are due to the actions of the Agency or where such claims existed (regardless of whether asserted) prior to the effective date of this Agreement.

3.3.3 Indemnification

Participant agrees to and shall indemnify and hold the Agency and its directors, officers, agents, employees and consultants harmless from and against all liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person, or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person, directly or indirectly caused by any acts done thereon or any errors or omissions of Participant or their agents, servants, employees, or contractors except for willful misconduct or negligent acts or omissions of the Agency or its directors, officers, agents, employees and constants. Likewise, the Agency agrees and shall indemnify and hold Participant and their directors, officers, agents, employees and consultants harmless from and against all liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person, or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person, directly or indirectly caused by any acts done thereon or any errors or omissions of Agency or its agents, servants, employees, or contractors except for willful misconduct or negligent acts or omissions of Participant or their directors, officers, agents, employees and consultants.

3.3.4 Discrimination

Participant agrees for itself and their successors and assigns that they will not unlawfully discriminate against any employee or applicants for employment, or any contractor or any bidder on any contract.

3.3.5 Local, State, and Federal Laws

Participant shall develop the Site in conformity with all applicable laws; provided, however, that nothing herein shall limit the right of Participant to properly challenge any such law or the applicability of such law. Development of the Site shall also be subject to review and approval of the Agency.

3.3.6 County and Other Governmental Agency Permits

Participant shall, at its own expense, secure or cause to be secured, any and all permits that may be required by Davis County or any other governmental agency affected by the development or operation of the Site.

3.3.7 Rights of Access

Representatives of the Agency shall have the right of reasonable access to the Site and any and all improvements thereon for purposes of inspection, with reasonable and prior notice, and without charges or fees, at normal hours. Such representatives of the Agency and other visitors to the site shall observe any reasonable rules adopted by Participant for purposes of maintaining safety and security on the site, including requirements that such representatives or visitors be escorted by the General Manager or other designated agent of Participant at all times. Such representatives of the Agency shall be those who are so identified in writing by the Agency. The Agency agrees to and shall indemnify and hold Participant harmless from and against all liability, loss, damage, costs, or expenses arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever caused to any person or the property of any person which shall occur as a result of or arising from the Agency's entry upon or activities on the Site, except that this indemnity shall not apply to proportional negligence or willful misconduct of Participant.

3.3.8 Responsibility of the Agency

The Agency shall not have any obligation under this Agreement other than those specifically provided for herein. Nothing herein shall be construed as requiring the Agency to pre-approve or prejudge any matter, or as otherwise binding the Agency's discretion or judgment on any issue prior to appropriate hearing (if required), review, or compliance with any other requirement. Participant shall not have any obligation under this Agreement other than those specifically provided for herein.

4. EFFECT AND DURATION OF COVENANTS

The covenants, including but not limited to conformance with federal, local, and state laws, established in this Agreement shall, without regard to technical classification and designation, be

binding on Participant and any successors in interest to the Site for the benefit and in favor of the Agency, its successors and assigns during the Term of this Agreement.

5. DEFAULTS, REMEDIES AND TERMINATION

5.1 Default

If either the Agency or Participant fail to perform or delays performance of any material term or provision of this Agreement, such conduct constitutes a default of this Agreement (“**Default**”). The party in default must immediately commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy within the periods provided in Section 5.3 hereof.

5.2 Notice

If a Default under this Agreement occurs, the non-defaulting shall give written notice (a “**Default Notice**”) of the Default to the party in Default, specifying the nature of the Default. Failure or delay in giving such notice shall not constitute a waiver of any Default, nor shall it change the time of Default, nor shall it operate as a waiver of any rights or remedies of the injured party; but the injured party shall have no right to exercise any remedy hereunder without delivering the Default Notice as provided herein. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

5.3 Cure Period

The non-defaulting party shall have no right to exercise a right or remedy hereunder unless the subject Default continues uncured for a period of thirty (30) days after delivery of the Default Notice with respect thereto, or, where the default is of a nature which cannot be cured within such thirty (30) day period, the defaulting party fails to commence such cure within thirty (30) days and to diligently proceed to complete the same. A Default which can be cured by the payment of money is understood and agreed to be among the types of defaults which can be cured within thirty (30) days. If the Default is not cured, or commenced to be cured if such default is of a nature which cannot be cured within thirty (30) days, by such party within thirty (30) days of delivery of the Default Notice, such failure to cure shall be an Event of Default, and the non-defaulting party, at its option, may institute an action for specific performances of the terms of this Agreement or pursue such other rights and remedies as it may have.

5.3.1 Rights and Remedies

Upon the occurrence of a Default (following the expiration of the applicable cure period provided herein or by law), the non-defaulting party shall have all rights and remedies against the defaulting party as may be available at law or in equity to cure, correct or remedy any

Default, to terminate this Agreement, to obtain specific performance, to recover damages for any default, or to obtain any other remedy consistent with the purposes of this Agreement, including the filing of the Note as a Trust Deed. Such rights and remedies are cumulative, and the exercise of one or more of such rights or remedies shall not preclude the exercise, at the same or different times, of any other rights or remedies for the same Default or any other Default by the defaulting party.

5.3.2 Legal Actions

5.3.2.1 Venue

All legal actions between the Parties, arising under this Agreement, shall be conducted exclusively in the Second District Court for the State of Utah located in Layton, Utah, unless they involve a case with federal jurisdiction, in which case they shall be conducted exclusively in the Federal District Court for the District of Utah.

5.3.2.2 Services of Process

Service of process on the Agency shall be made by personal service upon the Chairman or Executive Director of the Agency or in such other manner as may be provided by law.

Service of process on Participant shall be by personal service upon their Registered Agent, or in such other manner as may be provided by law, whether made within or without the State of Utah.

5.3.2.3 Applicable Law

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

6. GENERAL PROVISIONS

6.1 Notices, Demands, and Communications Between the Parties

Formal notices, demands, and communications between the Agency and Participant shall be sufficiently given if personally delivered or if dispatched by registered or certified mail, postage prepaid, return receipt requested, to the principal offices of the Agency and Participant, as designated in Sections 1.6.1 and 1.6.2 hereof. Such written notices, demands and communications may be sent in the same manner to such other addresses as either party may from time to time designate by formal notice hereunder. Delivery of notice shall be complete upon mailing or making physical delivery of the writing containing the notice.

6.2 Severability

In the event that any condition, covenant or other provision herein contained is held to be invalid or void by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect any other covenant or condition herein contained unless such severance shall have a material effect on the terms of this Agreement. If such condition, covenant or other provision shall be deemed invalid due to its scope, all other provisions shall be deemed valid to the extent of the scope or breadth permitted by law.

6.3 Nonliability of Agency Officials and Employees

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

6.4 Enforced Delay; Extension of Time and Performance

In addition to the specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of a public enemy, terrorist activity, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, delays of any contractor, subcontractor or suppliers, acts of the other party, or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) days of actual knowledge of the commencement of the cause on the part of Agency's Executive Director or its governing board or on the part of Participant. Time of performance under this Agreement may also be extended in writing by the Agency and Participant by mutual agreement.

6.5 Approvals

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

6.6 Time of the Essence

Time shall be of the essence in the performance of this Agreement.

6.7 Interpretation

The parties hereto agree that they intend by this Agreement to create only the contractual relationship established herein, and that no provision hereof, or act of either party hereunder, shall ever be construed as creating the relationship of principal and agent, or a partnership, or a joint venture or enterprise between the parties hereto.

6.8 No Third-Party Beneficiaries

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

6.9 Incorporation of Exhibits

All Exhibits attached hereto are incorporated into this Agreement as if fully set forth herein.

7. DUPLICATION, INTEGRATION, WAIVERS, AND AMENDMENTS

7.1 Duplicate Originals

This Agreement shall be executed in two duplicate originals, each of which shall be deemed an original. This Agreement (including its Exhibits) constitutes the entire understanding and agreement of the parties.

7.2 Integration

When executed by the parties, this Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the Site.

7.3 Waivers and Amendments

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

8. DATE OF AGREEMENT

The effective date of this Agreement shall be the date it is signed by the Agency.



THE REDEVELOPMENT AGENCY OF LAYTON CITY



Robert J Stevenson, Agency Chair

April 2, 2018

Date

Attest:



Kimberly S Read, Agency Secretary

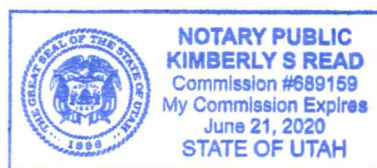
APPROVED AS TO FORM:


GARY R. CRANE, City Attorney

State of Utah)
 : SS

County of Davis)

On this 2nd day of April, 2018, before me, the undersigned Notary Public, personally appeared ROBERT J STEVENSON, who affirmed that he is the CHAIR, and acknowledged to me that he is authorized to, and did in fact execute the foregoing Participation Agreement. Witness my hand and official seal.




Notary Public

F.M. Winkel Family, LLC, a Utah Limited Liability Company

[Signature]

F. McKay Winkel, Managing Member

McKay H Winkel, Managing member

3/22/18

Date

State of Utah)
Utah : SS
County of ~~Davis~~)

On this *22nd* day of *March*, *2018*, before me, the undersigned Notary Public, personally appeared *McKay H.* F. MCKAY WINKEL, who affirmed that he is the MANAGING MEMBER of F.M. Winkel Family, LLC, a Utah Limited Liability Company, and acknowledged to me that he is authorized to, and did in fact execute the foregoing Participation Agreement. Witness my hand and official seal.



[Signature]
Notary Public