

Draft

UTAH FAIRPARK AREA INVESTMENT AND RESTORATION DISTRICT AREA PLAN

Salt Lake City, Utah

JULY 2024

Overview and Background

The Utah Fairpark Area Investment and Restoration District (“UFAIR District”) was established by Chapter 70, Title 11 Utah Code (“UFAIR Act”) to encourage and facilitate development within the UFAIR District boundary (“UFAIR District Boundary”). The land within the UFAIR District Boundary is both publicly and privately owned. The state-owned land is largely comprised of the Utah State Fairpark and other state properties and office buildings. The privately-owned land is a mix of underutilized and abandoned uses, including the headquarters of a regional power utility.

Recognizing the need to revitalize the area and enhance the state-owned assets within the UFAIR District Boundary, the Utah Legislature adopted the UFAIR Act to:

- (i) Incentivize a major league sports team to play sporting events at a stadium within the UFAIR District;
- (ii) Improve infrastructure within the UFAIR District to benefit the stadium and surrounding existing and future development;
- (iii) Improve, restore, and enhance the public’s access along the Jordan River;
- (iv) In coordination with the State Fair Park Authority, benefit and enhance the Utah State Fair Park land; and
- (v) Facilitate the redevelopment of abandoned and underutilized areas.

The UFAIR District is governed by the Utah Fairpark Area Investment and Restoration District Board (“UFAIR Board”), and the UFAIR Board is responsible for carrying out the purposes of the UFAIR Act. To that end, the UFAIR Board is authorized to adopt this Project Area Plan for the UFAIR District.

LHM DEV E, LLC, a Utah limited liability company (“Qualified Owner”) is the Qualified Owner for purposes of Utah Code § 11-70-101(30), and, as evidenced by its signature below, hereby consents to the following project area plan for the development of 323 acres of public and private land located in Salt Lake City, Utah. This draft area project plan once adopted, constitutes the “UFAIR District Area Plan” or “Project Area Plan” contemplated by Utah Code § 11-70-501.

Requirements

Utah Code § 11-70-501(4)(a) outlines the process to adopt a Project Area Plan as follows:

- A draft Project Area Plan is prepared and presented to the UFAIR Board.
- The UFAIR Board must hold at least one public meeting to consider the draft Project Area Plan.
- At least 10 days before the public meeting the UFAIR Board must:
 - Provide notice of the meeting to each taxing entity;
 - Provide for a class A notice under Section 63G-30-102, within the Project Area (defined below).
- The UFAIR Board, after holding at least one public meeting formally adopts the Project Area Plan.

Pursuant to Utah Code § 11-70-501(5), a Project Area Plan must contain:

- A legal description of the boundary of the Project Area;
- The UFAIR District's purposes and intent with respect to the Project Area; and
- The UFAIR Board's findings and determination that:
 - There is a need to effectuate a public purpose;
 - There is a public benefit to the proposed development project; and,
 - It is economically sound and feasible to adopt and carry out the Project Area Plan.

Location and Legal Description of Project Area

The UFAIR District Boundary is located at approximately 1200 W North Temple, Salt Lake City, Utah and consists of approximately 323 acres ("Project Area"). The Project Area contemplated by this Project Area Plan will be concurrent with the UFAIR District boundary. The UFAIR District Boundary is described on the attached Exhibit A and a map thereof is attached as Exhibit B.

Development Project

The UFAIR District intends to facilitate the development and redevelopment of both state-owned and privately-owned land within the UFAIR District Boundary. The proposed development will include a variety of commercial and residential uses, the infrastructure required to support those uses, and may include a Qualified Stadium, as contemplated by Utah Code § 11-70-502.

Purposes and Intent

The UFAIR Board's purpose and intent in adopting this Project Area Plan is to maximize long-term economic benefits to the UFAIR District, the region, and the State, and to maximize the creation of high-quality jobs and other purposes, policies, and objectives described herein and as outlined in the UFAIR Act. The UFAIR Board concludes that this Project Area Plan fulfills the purposes of the UFAIR District as described in Utah Code § 11-70-201(3)(a).

Findings and Determination

Pursuant to the UFAIR Act, the UFAIR Board makes the following findings and determination:

1. Public Purpose (Utah State Code Ann. § 11-70-501(5)(c)(i))

“there is a need for the proposed development project to effectuate a public purpose”

The UFAIR Board finds that there is an existing need for development and redevelopment within the Project Area and that said development will effectuate the public purpose of providing opportunities for housing, recreation, job creating, and entertainment along with strengthening existing State Fairpark assets. Specifically, a significant portion of the privately-owned land within the Project Area is comprised of underutilized or abandoned development, and these areas create and foster many of the issues commonly associated with underutilized or abandoned development such as drug use and crime. The redevelopment of these areas will effectuate a public purpose by reducing the existing issues in these areas. Likewise, the Jordan River is in dire need of clean up and restoration efforts. Development and redevelopment within the UFAIR District will restore an important segment of the Jordan River thereby improving the public's access to this river and effectuating a public purpose. Finally, development adjacent to the Utah State Fairpark will benefit and support the State Fair Park Authority's purpose and mission. This too effectuates a public purpose. The UFAIR Board concludes that the development of the Project Area consistent with this Project Area Plan will produce both local and statewide benefits.

2. Public Benefit (Utah State Code Ann. § 11-70-501(5)(c)(ii))

“there is a public benefit to the proposed development project”

The UFAIR Board finds that the proposed development will yield significant public benefits. Specifically, the proposed development will establish and support a world-class recreation, entertainment, and civic gathering complex that will necessitate significant infrastructure enhancements, which will include restoration activities along the Jordan River, new and improved utility improvements and parking structures that will spur broader development that will benefit the broader community. The contemplated world-class development and associated improvements provide a clear public benefit.

The proposed development will also generate new employment opportunities and additional sales and property tax in the area. The majority of the Project Area does not currently generate property/privilege taxes and generates very little sales tax. The proposed development will significantly

increase property/privilege and sales tax revenues generated from the proposed development. The revitalization of this area will shine a spotlight and provide public benefit by creating jobs, delivering mixed-income housing inventory, bringing civic and community gathering areas, and infusing potential future investment in a community that has been historically redlined, separated from other neighborhoods with the construction of I-15, and underserved.

As noted above, the underutilized and undeveloped area within the Project Area fosters many issues that impact the public and surrounding communities. These issues will be mitigated through the proposed development because such development will revitalize the area and drive out problems fostered by the currently underdeveloped area. Further, the development will bring additional public resources to and aid in addressing long-standing safety issues. For the foregoing reasons, the UFAIR Board finds that the proposed development will provide a significant public benefit.

3. Economic Soundness and Feasibility (Utah State Code Ann. § 11-70-501(5)(c)(iii)

“it is economically sound and feasible to adopt and carry out the project area plan”

Based on the following details, the UFAIR Board finds that the development project will be economically sound and feasible. The proposed development plan will include strategic investments funded through Enhanced Property Tax Revenue (as defined in Utah Code § 11-70-101(6) and Fairpark District Funds (as defined in Utah Code 11-70-101(13), aimed at accelerating growth and ensuring housing, office, and recreational nodes. The summary below outlines the revenue sources for development within the Project Area. As infrastructure and other development occurs, the UFAIR Board will be able to approve project budgets, authorize the use of funds and evaluate progress towards the goals defined in this plan and the Act. The UFAIR Board concludes that, based on the revenue streams summarized below and authorized by the UFAIR Act, it is economically sound and feasible to adopt and carry out this Project Area Plan.

a. Overview of Enhanced Property Tax Revenue

- i. The Enhanced Property Tax Revenue represents the increase in property tax revenues generated above the current property tax from privately-owned land within the Project Area.
- ii. From January 1, 2025, until a parcel is transitioned by the UFAIR Board, the UFAIR District is entitled to receive 90% of Enhanced Property Tax Revenue.
- iii. After a parcel is transitioned by the UFAIR Board, the UFAIR District is entitled to receive 100% of Enhanced Property Tax Revenue for a period of 35 years.

b. Overview of Fairpark District Funds

The UFAIR District may receive additional funds that it can utilize for development as directed by the UFAIR Board. These funds include municipal energy sales and use taxes, telecommunications license tax, privilege tax on state-owned land, accommodations tax,

transient room tax, resort community tax, additional resort community tax, and a portion of a state-wide motor vehicle rental tax.

c. Utilization of Enhanced Property Tax Revenue and Fairpark District Funds

- i. The UFAIR District may use Enhanced Property Tax Revenue for development both inside and outside the UFAIR District Boundary if approved by the UFAIR Board and to the extent authorized by the UFAIR Act.
- ii. The UFAIR District may use Fairpark District Funds for all purposes permitted by Utah Code § 11-70-207.
- iii. Subject to Utah Code § 11-70-207(2), the UFAIR District may use Enhanced Property Tax Revenue and Fairpark District Funds to pay the principal and interest on bonds issued by the UFAIR District, or other districts authorized by the UFAIR Board, which bonds may be used to facilitate the proposed development.

d. Financial Governance and Accountability

As required by Utah Code § 11-70-506, the UFAIR Board will prepare and adopt one or more budgets prior to the expenditure of Enhanced Property Tax Revenue, as particular infrastructure and other plans are developed and readied for consideration and possible approach.

e. Qualified Owner Private Investment

In addition to all funds that the UFAIR District may contribute to the Project Area, the UFAIR Board finds that the Qualified Owner intends to make a significant private investment within the Project Area, and that such investment will contribute towards accomplishing the purpose of the UFAIR Act.

Qualified Stadium

Pursuant to Utah Code § 11-70-502(1), the Qualified Owner may develop and construct a qualified stadium within the Project Area, provided that the Qualified Owner and the UFAIR District enter into the agreement contemplated by Utah Code § 11-70-502(2). The terms of the Qualified Stadium agreement will be negotiated by the Qualified Owner and UFAIR District, but, at a minimum must satisfy the requirements of Utah Code § 11-70-502(3).

EXHIBIT “A”

DESCRIPTION OF PROJECT AREA

The Project Area boundaries are coextensive with those of the UFAIR District and are described in the Shapefile available at https://le.utah.gov/~2024/documents/HB0562_shapefile.zip and may be publicly accessible at https://www.google.com/maps/d/edit?mid=140hCtPp_tbgfo4lm2PFBCipH5bJmFTs.

EXHIBIT "B"

MAP OF PROJECT AREA

