



**Tremonton City Corporation
Redevelopment Agency Meeting
September 17, 2024**

**Meeting to be held immediately following Tremonton City Council Meeting
which is scheduled at 7:00 p.m.**

**102 South Tremont Street
Tremonton, Utah**

AGENDA

1. Approval of agenda
2. Approval of minutes – July 16, 2024
3. New Business
 - a. Discussion and possible action of adopting Resolution No. RDA 24-12 approving the Tax Increment Participation Agreement with SF Auto T1, LLC, regarding tax increment funding in the Autoliv Solar Community Reinvestment Project Area #1
4. Adjournment

Persons with disabilities needing special assistance to participate in this meeting should contact Cynthia Nelson no later than 48 hours before the meeting.

Anchor location for Electronic Meeting by Telephone Device. With the adoption of Ordinance No. 13-04, the Board may participate per Electronic Meeting Rules. Those eligible to request participation by electronic means should contact Cynthia Nelson, City Recorder, no later than 48 hours before the meeting to make arrangements.

Notice was posted September 13, 2024 a date not less than 24 hours prior to the date and time of the meeting and remained so posted until after the said meeting. A copy of the agenda was delivered to the Leader (Newspaper) on September 13, 2024.

Cynthia Nelson, City Recorder

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TREMONTON CITY CORPORATION REDEVELOPMENT AGENCY JULY 16, 2024

Board Members Present:

Lyle Holmgren, Chairman
Wes Estep, Board Member
Jeff Hoedt, Board Member
Bret Rohde, Board Member
Lyle Vance, Board Member
Blair Westergard, Board Member
Bill Cobabe, Executive Director
Linsey Nessen, Executive Secretary

Chairman Holmgren called the Tremonton Redevelopment Agency Meeting to order at 8:06 p.m. The meeting was held in the City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Those in attendance were Chairman Holmgren, Board Members Estep, Hoedt, Rohde, Vance, and Westergard, Executive Director Cobabe, and Executive Secretary Nessen. Also in attendance was Main Street Manager Sara Mohrman.

1. Approval of agenda:

Motion by Board Member Estep to approve the July 16, 2024 agenda. Motion seconded by Board Member Rohde. Vote: Board Member Estep - aye, Board Member Hoedt - aye, Board Member Rohde - aye, Board Member Vance – aye, Board Member Westergard - aye. Motion approved.

2. Approval of minutes – June 18, 2024

Motion by Board Member Westergard to approve the minutes of June 18, 2024. Motion seconded by Board Member Hoedt. Vote: Board Member Estep - aye, Board Member Hoedt - aye, Board Member Rohde - aye, Board Member Vance – aye, Board Member Westergard - aye. Motion approved.

3. New Business

a. Discussion and consideration of approving Resolution No RDA 24-10 committing funds to supplement impact fees for Accessory Dwelling Units (ADUs) and Moderate Income Housing

Executive Director Cobabe said this came up as part of the resolution adopted to meet requirements of the moderate-income housing reporting. One strategy was to make RDA funds available to reduce the costs associated with accessory dwelling units. This is a way to help those who are interested in developing ADUs on their property, by waiving impact fees. We do need to get this adopted before August 1 as part of our reporting. We can bring back a revised one before we get too far into the weeds of implementation. This is the last piece of the puzzle so we can

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get all our strategies adopted. As part of our modern income housing strategies, we are electing to eliminate those fees for ADUs. They still need a permit and will have to meet all standards.

Motion by Board Member Rohde to approve the resolution. Motion seconded by Board Member Westergard. Roll Call Vote: Board Member Estep - aye, Board Member Hoedt - aye, Board Member Rohde - aye, Board Member Vance – aye, Board Member Westergard - aye. Motion approved.

- b. Discussion and consideration of approving Resolution No. RDA 24-11 adopting the Tremonton City Agency Report for the Tremont Center Community Development Project Area for the 2023 Tax Increment Year

Executive Director Cobabe said we are doing okay with our RDA. We are working to pay back some of the responsibilities and obligations we took on. Our revenues have not tracked along where we had expected them to so we are a little short, but we are still meeting the obligations. The goals we have for the use of these funds long-term are going to be in place. We are going to burying the canal and add other utilities to that area. Board Member Vance said the City did not pay one penny toward this. The developer had to pay for the improvements and we are simply paying him back with tax increment. Once he is paid, Tremonton gets the rest, which we anticipate to be about \$2 million to use downtown.

Motion by Board Member Vance to approve the resolution. Motion seconded by Board Members Hoedt and Rohde. Roll Call Vote: Board Member Estep - aye, Board Member Hoedt - aye, Board Member Rohde - aye, Board Member Vance – aye, Board Member Westergard - aye. Motion approved.

Executive Director Cobabe asked if they would prefer a different format for the report. The Council agreed they would like a more user-friendly format to help them take in the information. Executive Director Cobabe said the information is important to get in front of you, but the way it is packaged is what I want to work on. It should start with an executive summary that tells you what you are about to read and then it could get you into the finer details.

4. Adjournment

Motion by Board Member Rohde to adjourn the meeting. Motion seconded by Board Member Estep. Vote: Board Member Estep - aye, Board Member Hoedt - aye, Board Member Rohde - aye, Board Member Vance – aye, Board Member Westergard - aye. Motion approved.

The meeting adjourned at 8:25 p.m.

The undersigned duly acting and appointed Executive Secretary for Tremonton City Corporation Redevelopment Agency hereby certifies that the foregoing is a true and correct copy of the

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minutes for the RDA Meeting held on the above referenced date. Minutes were prepared by Jessica Tanner.

Dated this _____ day of _____, 2024.

Linsey Nessen, Executive Secretary

RESOLUTION RDA NO. 24-12

A RESOLUTION OF THE GOVERNING BOARD OF THE TREMONTON CITY REDEVELOPMENT AGENCY AUTHORIZING THE EXECUTION OF A TAX INCREMENT PARTICIPATION AGREEMENT WITH SF AUTO T1, LLC, REGARDING TAX INCREMENT FUNDING IN THE AUTOLIV SOLAR COMMUNITY REINVESTMENT PROJECT AREA #1.

WHEREAS the Tremonton City Redevelopment Agency (the “Agency”) has been created to transact the business and exercise all of the powers provided for by Title 17C of the Utah Code Annotated, “Limited Purpose Local Government Entities — Community Reinvestment Agency Act” (the “Act”);

WHEREAS, the Agency, in furtherance of the purposes of the Act, designated the Autoliv Solar Community Reinvestment Project Area #1 (the “**Project Area**”), and the Agency adopted a Community Reinvestment Project Area Plan (the “**Project Area Plan**”) and Community Reinvestment Project Area Budget (the “**Project Area Budget**”) for that Project Area; and

WHEREAS, the Agency desires to enter into a Tax Increment Participation Agreement with SF Auto T1, LLC (“Operator”), substantially in the form attached hereto as **Exhibit A**, providing for the payment of personal property tax increment funds from the Project Area to the Operator.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE TREMONTON CITY REDEVELOPMENT AGENCY:

1. The Agreement in substantially the form attached hereto as **Exhibit A** is hereby approved, and the Chair of the Board is authorized and directed to execute the same for and on behalf of the Agency. The Chair is authorized to approve any minor modifications, amendments, or revisions to the Agreement as may be in the Agency’s best interest and in harmony with the overall intent and purpose of the Agreement, and the Chair’s signature upon the final Agreement will constitute the Agency’s acceptance of all such minor modifications, amendments, or revisions.

2. This resolution takes effect upon adoption.

THIS RESOLUTION IS APPROVED AND ADOPTED this 17th day of September, 2024.

TREMONTON REDEVELOPMENT
AGENCY

Lyle Holmgren, Chairman

ATTEST:

Cynthia Nelson, Executive Secretary

Exhibit A

Form of Agreement

TAX INCREMENT PARTICIPATION AGREEMENT

This Tax Increment Participation Agreement (this “Agreement”) is entered into effective as of September 17, 2024, between **SF Auto T1, LLC**, a Utah limited liability company (the “Company”) and the **Tremonton City Redevelopment**, a Utah political subdivision (the “Agency”) as follows:

A. The Company holds a leasehold interest in, and operates solar power arrays on (the “Project”), the real property known as Box Elder County County parcel number 06-061-0012 and more particularly described as (the “Property”): North half of the Southwest quarter of Section 34, Township 12 North, Range 3 West, Salt Lake Base and Meridian. *Less and excepting* the West 2 rods thereof for road.

B. The Property is located within the boundaries of a community reinvestment project area created by the Agency and Tremonton City and known as the Autoliv Solar Community Reinvestment Project Area #1 (the “Project Area”).

C. The Agency has adopted the Autoliv Solar Community Reinvestment Project Area #1 Plan (the “Plan”) and the Autoliv Solar Community Reinvestment Project Area #1 Budget (the “Budget”), pursuant to which the Agency has entered into Interlocal Cooperation Agreements (“ILAs”) with, respectively, Tremonton City and the Box Elder County School District (the “Taxing Entities”), under which ILAs the Agency will collect personal property tax increment from the Project Area.

D. The Company has presented to the Agency and its consultants sufficient information, including development plans and alternatives, financial statements, and other information, showing justification for the Agency’s participation, via personal property tax increment payments, in the development of the Project as described below.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants, conditions, and considerations as more fully set forth below, the parties hereby agree as follows:

1. Tax Increment Definition.

a. *Definitions.* This Agreement refers to “tax increment” which is a term defined by Utah Code Ann. § 17C-1-102. The term tax increment has the same meaning as defined by that statute (as amended, replaced or superseded from time to time). The parties acknowledge that tax increment generally refers to the additional *ad valorem* tax revenues generated by the increase in value of taxable real and personal property from the base year of the Project Area. The term “Personal Property Tax Increment” is defined in the ILAs to mean, and for purposes of this Agreement means, “tax increment generated from personal property assessments within the Project Area once designated by the Agency.”

- b. *Agency's Share.* As of the Effective Date, the Agency has entered into the ILAs specified in the recitals above. Each of those ILAs provides that the Agency may receive 100% of Personal Property Tax Increment from the Project Area for a 25-year collection period. The parties acknowledge that as of the Effective Date, the Agency has not yet entered into Interlocal Agreement any other taxing entities other than the two Taxing Entities specified in the recitals above; however, the Agency may pursue ILAs with one or more taxing entities such as Box Elder County (each a "Future ILA"). If and when the Agency enters into a Future ILA, such Future ILA will immediately and automatically be included within the definition of "ILAs" under this Agreement (and the respective taxing entity party(ies) to such ILA(s) will be a part of the definition of "Taxing Entities" for purposes of this Agreement). The Agency makes no guarantees that any Future ILAs will be achieved and the Agency reserves absolute discretion as to whether or not to enter into any Future ILAs. The Company acknowledges that each of the remaining taxing entities has independent discretion to approve or not approve a Future ILA.
- c. *Rebates.* The parties acknowledge that each of the ILAs include language that requires the Agency to rebate annually to the respective Taxing Entity an amount equal to 60% of that Taxing Entity's portion of the Personal Property Tax Increment received by the Agency (as defined in the ILAs) (the "Rebate Obligations").

2. Financing.

a. *Reimbursement/Annual Payments.* The Company is solely responsible for all the costs of development, construction, maintenance, ownership, repair, etc., of the Project. The Agency will, however, participate in the financing of the Project on a post-performance basis as follows: The Agency will pay to the Company annually, beginning with a payment for the first year in which the Agency receives any Personal Property Tax Increment from the Project Area pursuant to the ILAs, and ending with (at the latest) a final payment for the final year of the remaining Personal Property Tax Increment collection period under the ILAs, an amount equal to 100% of the Personal Property Tax Increment received and retained by the Agency, after paying the Rebate Obligations, from the Box Elder County Treasurer pursuant to the ILAs. The Company agrees to calculate for the Agency the Rebate Amounts for each of the Taxing Entities, as well as the amount payable to the Company each year.

b. *Taxes - Condition Precedent.* Notwithstanding anything in this Agreement to the contrary, all obligations of the Agency to pay any tax increment to the Company are conditional on the Company paying all personal property taxes assessed on or generated from the Property to the appropriate taxing authorities. The Company reserves all, and does not waive or relinquish any, rights available at law or in equity to appeal or contest any taxes or assessments on the Property.

c. *No Existing Encumbrance and No Further Encumbrance.* The Agency has not encumbered or pledged the Personal Property Tax Increment. The Agency agrees that the Agency shall not, without the prior written consent of the Company, which may be withheld in the Company's sole discretion, issue any bonds and other indebtedness that are

secured by Personal Property Tax Increment unless such obligations are subordinate to the rights of Company under this Agreement.

d. *Preservation of Interlocal Agreements.* The Agency agrees that the Agency shall not, without the prior written consent of the Company, cause, permit or consent to any modifications or amendments to any of the ILAs in a manner that reduces the amount of Personal Property Tax Increment to be paid to the Agency, on either an annual or cumulative basis, from the Project Area.

e. *Timing.* Subject to subsections 2.a and 2.b *above*, the Agency will make the first annual payment of Personal Property Tax Increment within thirty days after the Agency receives from the Box Elder County Treasurer any personal property taxes generated by the Project, and the Agency will continue making the annual payments each successive year within the same thirty-day period for so long as the Agency is entitled to collect Personal Property Tax Increment from the Project Area pursuant to the ILAs (as may be extended, if at all, from time to time).

3. **Agreement Term/Breach/Termination.** This Agreement will remain in effect until the Agency has made all payments required under Section 2. Upon making the final payment required under Section 2, this Agreement will immediately and automatically terminate. Upon the material breach of this Agreement by either party, the non-breaching party may provide notice to the breaching party. If the breach involves a failure to pay a monetary amount, the breaching party shall have 21 days to cure the breach, and if the breach is not timely cured, the non-breaching party may then terminate this Agreement by providing final notice to the breaching party. If the breach involves any matter other than a failure to pay a monetary amount, the breaching party shall have 60 days to cure the breach, and if the breach is not timely cured, the non-breaching party may then terminate this Agreement by providing final notice to the breaching party.

4. **Successors and Assigns.** This Agreement shall be binding upon the parties and their respective successors and assigns. Neither party may assign its rights or obligations under this Agreement without the advance written consent of the other party, each in their sole discretion. Any assignment made without the consent of the other party is void.

5. **Amendments.** Except as otherwise provided herein, this Agreement may be modified or amended by, and only by, a written instrument duly authorized and executed by the Company and the Agency.

6. **Governing Law and Interpretation.** This Agreement shall be governed by the laws of the State of Utah, and any action pertaining hereto shall be brought in the applicable state or federal court having jurisdiction in Box Elder County, Utah.

7. **Integrated Agreement.** The above recitals, and all attached exhibits and schedules, are incorporated and made an integral part of this Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter addressed. There are no other contracts or agreements, written or verbal, between the parties relating in any way to the subject matter of this Agreement. No party is relying on any verbal or written statements of the other than those expressly set forth in this Agreement.

8. **Further Assurances.** The parties shall cooperate, take such additional actions, sign such additional documentation, and provide such additional information as reasonably necessary to accomplish the objectives set forth in this Agreement.

9. **Third-Party Beneficiaries.** This Agreement is intended solely for the benefit of the Agency and the Company and there are no intended third party beneficiaries.

10. **No Legal Relationships.** The parties disclaim any partnership, joint venture, fiduciary, agency or employment status or relationship between them. No party has the authority to make any representation or warranty or incur any obligation or liability on behalf of the other party, nor shall they make any representation to any third party inconsistent with this paragraph.

[End of Terms – Signature Page Follows]

THIS TAX INCREMENT PARTICIPATION AGREEMENT IS EXECUTED effective as of the day and year first above written, by:

COMPANY: **SF Auto T1, LLC**

By: _____
Name:
Title:

AGENCY: **Tremonton City Redevelopment Agency**

By: _____
Lyle Holmgren, Chairman

Attest:

Cynthia Nelson, Executive Secretary