



Washington City Redevelopment Agency
Meeting Agenda
December 11, 2024

PUBLIC NOTICE is hereby given that the Washington City Redevelopment Agency will hold a Public Electronic Regular Meeting on **Wednesday, December 11, 2024 at 4:00 P.M.** hosted at Washington City Hall located at 111 North 100 East, Washington, Utah. The meeting will be broadcast via Youtube Live linked online at <https://washingtoncity.org/meetings>

1. Approval of the Agenda
2. Consideration to approve a Resolution for a participation agreement for the Washington City Industrial Community Reinvestment Project Area.
3. Adjournment

POSTED this 5th day of December 2024

Tara Pentz, City Recorder

In accordance with the Americans with Disabilities Act, Washington City will make reasonable accommodations to participate in the meeting. Requests for assistance can be made by calling the City Recorder at 435-656-6308 at least 24 hours in advance of the meeting to be held.

WASHINGTON CITY
REDEVELOPMENT AGENCY MEETING
STAFF REVIEW

Agenda Item 2

MEETING DATE:	December 11, 2024
ACTION REQUESTED:	Consideration to approve a Resolution for a participation Agreement for the Washington City Industrial Community Reinvestment Project Area.
APPLICANT:	Freeport West
OWNER:	V & S Railway LLC
APPLICANT LEGAL ADVISOR:	Nathan Fisher
RDA LEGAL ADVISOR:	Adam Long
REVIEWED BY:	Rusty Hughes, Economic Development Director
RECOMMENDATION:	Staff recommends approval of resolution RA R2024-01

Current Action

This resolution would approve a Participation Agreement for the Washington City Industrial Community Reinvestment Project Area between the developer, Freeport West, and the Washington City Redevelopment Agency. The agreement formalizes the terms for the annual distribution of property tax increment funds, consistent with the previously approved budget and project area plan.

Recommendation

Staff recommends approval of resolution **RA R2024-01** approving a Participation Agreement for the Washington City Industrial Community Reinvestment Project Area. Approval of this agreement marks the final step in the CRA process, supporting the project's alignment with the agency's goals and Washington City's interests.

Background

ARA Southwest Logistics Center is an industrial development project located within the Washington City Industrial Project Area. The project has involved several critical resolutions and agreements, as outlined below.

1. **Resolution No. RA R2022-01**

Date: November 9, 2022

Purpose: The RDA passed a resolution designating a survey area and authorizing the preparation of a draft project area plan and budget.

2. **Resolution No. RA R2023-01**

Date: March 22, 2023

Purpose: The RDA adopted the plan for the Washington City Industrial Community Reinvestment Project Area.

3. **Resolution No. RA R2023-02**

Date: March 22, 2023

Purpose: The RDA adopted the budget for the Washington City Industrial Community Reinvestment Project Area.

4. **Resolution No. RA R2023-03**

Date: March 22, 2023

Purpose: A resolution was approved to establish interlocal agreements with all eligible taxing entities participating in Tax Increment Financing (TIF) for the Washington City Industrial CRA. All entities unanimously agreed to participate, marking a strong collaborative effort. Additionally, the project received endorsement from the Utah Taxpayers Association further validating the project's merit and the Agency's proper use of Tax Increment Financing (TIF).

PARTICIPATION AGREEMENT
by and between the
WASHINGTON CITY REDEVELOPMENT AGENCY
and
FREEPORT WEST – WASHINGTON CITY, LLC

The parties hereto, the **WASHINGTON CITY REDEVELOPMENT AGENCY**, a political subdivision of the State of Utah (the “**Agency**”), and **FREEPORT WEST – WASHINGTON CITY, LLC**, a Utah limited liability company (“**Participant**”) (the Agency and Participant may also be individually referred to as “**Party**” and collectively as “**Parties**”), as of the 11th day of December 2024, hereby 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 Project Area Plan (the “**Plan**”) for the Washington City Industrial Community Reinvestment Project Area (the “**Project Area**”) by providing for the construction, development, and operation of a commercial and industrial project with more than 4 million square feet of building space along with associated utility and transportation infrastructure, to be known as the ARA Southwest Logistics Center (the “**Project**”) within the Project Area and to specify the terms and conditions pursuant to which the Agency and Participant will cooperate in bringing about the development and operation of the Project, including funds the Agency will provide to assist in the development and operation of the Project and other areas 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 Washington City (the “**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 Reinvestment Agency Act, 17C *et seq*, Utah Code Annotated as amended (the “**Act**”).

1.3. The Project Area

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

1.4. The Project Area Plan

This Agreement is subject to the provisions of the Plan as adopted on March 22, 2023 by the Agency and the Washington City Council (the “**Council**”) in accordance with the Act. The Plan is attached hereto as **Exhibit A**.

1.5. Development Agreement

The development of the Site is also subject to that certain development agreement between the City and Participant, dated as of January 9, 2024, and as may be amended from time to time (the “**Development Agreement**”). This Agreement is the “separate agreement” contemplated in Section 11 of the Development Agreement.

1.6. Description of the Site

The site of the Project (the “**Site**”) consists of the entirety of the Project Area.

1.7. Parties to the Agreement

1.7.1. The Agency

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

Washington City Redevelopment Agency
111 North 100 East
Washington City, UT 84780
Attn: City Manager
Email: jredd@washingtontcity.org

With a copy to:

Smith Hartvigsen, PLLC
257 East 200 South, Suite 500
Salt Lake City, UT 84111
Attn: Adam Long
Email: along@shutah.law

1.7.2. Participant

Participant is Freeport West – Washington City, LLC, a Utah limited liability company lawfully registered to do business in Utah. Participant’s address for purposes of this Agreement is:

Freeport West – Washington City , LLC
Attn: Bradley Ross
1505 South Redwood Rd
Salt Lake City, UT 84104

Email: bross@freeportwest.com

With a copy to:

Fisher & Hunter, LLC
444 East Tabernacle Suite B-201
St. George, UT 84770
Attn: Nathan Fisher
Email: nathan@fh.legal

1.8. Prohibition against Certain Changes

1.8.1. Acknowledgement by Participant

Participant acknowledges (a) the importance of the development of the Project Area to the general welfare of the community; (b) the public assistance set forth in this Agreement that has been made available by law and by the Agency for the purpose of making the development of the Site within the Project Area possible; (c) that a significant change in the identity of Participant may be considered, for practical purposes, a transfer or disposition of the Project; (d) that the qualifications and identity of Participant are of particular concern to the Agency; and (e) that it is because of such qualifications and identity that the Agency is entering into this Agreement with Participant

1.8.2. Transfers of Property

Prior to the completion of (i) the hardscape improvements to Washington Fields Road (“WFR”) from the north end of the Site to the center line of ARA drive extending from the boundary line of Participant’s property fronting WFR to approximately 16.25 feet from the centerline of WFR (the City has or will construct WFR at a width of 32.5 feet along the center of the road) and (ii) the hardscape improvements to ARA Drive from the intersection of ARA Drive and Washington Fields Road to the west end of the Site extending from the boundary line of Participant’s property fronting ARA Drive to the center of ARA Drive, Participant shall not deed, sell, convey, assign or otherwise alienate the Site or any portion thereof or any interest therein without the prior written approval of the Agency, and that the Agency may withhold its approval if such deed, sale, conveyance, assignment, alienation, lease or sublease would result, in the sole opinion of the Agency, in the economic development goals of the Agency not being met. After the completion of (i) Washington Fields Road from the north end of the Site to ARA drive and (ii) ARA Drive from Washington Fields Road to the west end of the Site, as set forth in this Section 1.8.2, Participant shall be allowed to deed, sell, convey, assign or otherwise alienate the Site or portion thereof without the consent of the Agency. Such transfer of property allowed under this Subsection 1.8.2. shall not automatically be an assignment or transfer of this Agreement. Notwithstanding the foregoing, Participant shall be entitled (without the consent of the Agency)

to deed, sell, convey, assign or otherwise alienate the Site or any portion thereof or any interest therein, in whole or in part, to any majority-owned or controlled subsidiary or affiliate (or sister company that has substantially the same owners) of Participant, that agrees to undertake all obligations of Participant.

1.8.3. 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, which approval shall not be unreasonably withheld, delayed, or conditioned taking into consideration the economic development goals of the Agency. Notwithstanding the foregoing, Participant shall be entitled (without the consent of the Agency) to assign this Agreement, in whole or in part, to any majority-owned or controlled subsidiary or affiliate (or sister company that has substantially the same owners) of Participant, that agrees to undertake all obligations of Participant. The assigning Participant will be relieved of all obligations under this Agreement arising from and after the date of such assignment and the Agency shall look solely to the assignee for performance of the obligations under this Agreement from and after the date of such assignment. Except as otherwise provided for herein, the assignment or delegation of this Agreement without the prior written consent of the Agency is a material breach of this Agreement, and relieves the Agency of any obligation to Participant under this Agreement until cured. 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. Notwithstanding anything to the contrary contained in this Agreement, Participant's granting, pledging or otherwise transferring an interest in this Agreement, the Project, or the Site or any portion thereof as collateral or security in connection with a financing transaction shall not constitute an assignment or transfer and shall not otherwise require the consent of the Agency.

1.8.4. Transfer to Tax-Exempt Organization

Notwithstanding anything in this Agreement to the contrary, any attempt by Participant or its successors 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 of this Agreement that entitles the Agency, in its sole discretion, to immediately terminate this Agreement and cease further payments under this Agreement to Participant or its successors or assigns.

1.8.5. Continuing Obligations

Except in connection with an authorized assignment of this Agreement, in whole or in part, pursuant to Subsection 1.8.3, 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 any assignment or transfer 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 Participant and its successors and assigns except in connection with an assignment authorized under Subsection 1.8.3.

1.8.6. Payment of Tax Increment After Transfer

In the event that the Site or any portion thereof is transferred as described in Subsection 1.8.2, or in the event that any portion of this Agreement is assigned or transferred as described in Subsection 1.8.3, the Agency shall pay the entire Participant's Tax Increment Share (as defined in Section 2.2) to the person(s) or entity(ies) that are a party to this Agreement and are Participants for purposes of this Agreement on the last day of the tax year for which Participant's Tax Increment Share is to be paid. Notwithstanding any transfers or assignments, Participant that is to be paid Participant's Tax Increment Share must make a Request for Payment to the Agency as described in Section 2.4.

2. OBLIGATIONS OF THE PARTIES

2.1. Payment of Tax Increment

The Agency agrees that so long as Participant fulfills all of its obligations set forth herein, the Agency will pay to Participant the Participant's Tax Increment Share, as set forth in Section 2.2 below. Tax Increment includes increased taxes paid on taxable property within the Site on real estate, inventory, equipment, and any other property (whether tangible or intangible) that may be based on then-current assessment values. The Agency shall make the contemplated Tax Increment payments to Participant within forty-five (45) days after the date of the Request for Payment.

2.2. Tax Increment

The Plan and payments contemplated in this Agreement will be funded by Tax Increment as that phrase is defined and used in the Act in compliance with the provisions of the Act. **"Participant's Tax Increment Share"** means, beginning on January 1, 2025, and for a period of no more than twenty (20) years, eighty-seven and one-half percent (87.5%) of the Tax Increment generated from the Site that is received by the Agency under the Interlocal Agreements (the **"Interlocal Agreements,"** attached hereto, without exhibits, as **Exhibit B, Exhibit C, Exhibit D, Exhibit E,** and **Exhibit F**). Participant acknowledges that the Interlocal Agreements allow the Agency to receive seventy-five percent (75%) of the Tax Increment generated by development within the Project Area (the **"Agency Share"**) and that (i) the Agency will allocate ten percent

(10%) of the Agency Share toward affordable housing as described in Utah Code § 17C-507(3), and (iii) the Agency will retain two and one-half percent (2.5%) of the Agency Share for use toward Agency administrative and overhead expenses, leaving eighty-seven and one-half percent (87.5%) of the Agency Share to be paid to Participant to reimburse Participant for infrastructure costs and to incentivize the development of the Project. Regardless of the use of the Agency Share by the Agency, Participant's Tax Increment Share shall not be increased.

Participant's Tax Increment Share is expressly subject to and limited to the amounts available after the limitations and reductions described in this Agreement. The Agency must pay to Participant the Participant's Tax Increment Share only to the extent that Tax Increment is actually generated from the Site and actually paid to and received by the Agency. Tax Increment from the Site received by the Agency is the only funding source available or obligated under this Agreement. Participant acknowledges and agrees that the Agency has no funds or revenue to make payments under this Agreement other than the Tax Increment the Agency receives under the Interlocal Agreements.

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

In addition to other provisions in this Agreement, the Agency has no obligation to remit to Participant Participant's Tax Increment Share unless and until all the following conditions precedent, as detailed in the following subsections, are satisfied:

2.3.1. Agency is Entitled to Receive Tax Increment Payments

The Agency is not obligated to pay to Participant Participant's Tax Increment Share unless the Agency is legally entitled to receive the Tax Increment pursuant to the Interlocal Agreements.

2.3.2. Agency has Actually Received Tax Increment Payments

The Agency is not obligated to pay to Participant Participant's Tax Increment Share unless the Agency has actually received the full amount of Participant's Tax Increment Share pursuant to the Interlocal Agreements; provided however, that if the Agency does not receive the full amount of Participant's Tax Increment Share, the Agency is obligated to pay to Participant as much of the Participant's Tax Increment Share that the Agency receives. The Agency shall exercise its best, reasonable efforts to receive all the Tax Increment each year to which the Agency is entitled.

2.3.3. Operation of the Project

The Agency is not obligated to pay to Participant Participant's Tax Increment Share unless Participant has complied with Section 2.14 below. For purposes of this Subsection 2.3.3, Participant shall be deemed to have complied with Section 2.14 notwithstanding temporary

cessation of operations for inspection, maintenance, repair, replacement, and/or events of force majeure.

2.3.4. Payment of Taxes

Participant shall not receive any payment from the Agency for any period unless Participant has timely paid all real property and *ad valorem* taxes as described in Section 2.5. Notwithstanding the foregoing, Participant may at its cost and expense petition to have the assessed valuation of the Site reduced or may initiate proceedings to contest the property taxes; Participant acknowledges that any reduction in assessed value of the Site or Project Area will result in a corresponding reduction in Participant's Tax Increment Share. Regardless of whether Participant files an appeal to contest the taxable value of its real and personal property within the Project Area, Participant shall pay the *ad valorem* taxes based on the assessed value. Upon the final determination of any proceeding or contest, any change to Participant's Tax Increment Share based on a change in value of Participant's property on appeal shall be adjusted as set forth in Section 2.5.

2.3.5. Request for Payment by Participant

The Agency is not obligated to pay to Participant Participant's Tax Increment Share unless Participant has made a Request for Payment pursuant to Section 2.4. The Agency is not obligated to remind Participant its obligation to make such request.

2.4. Request for Participant's Tax Increment Share

Participant may request payment from the Agency for Participant's Tax Increment Share at any time and from time to time, but not more frequently than annually (the "**Request for Payment**"). If the Participant files any protest or appeal of any assessment of real property or *ad valorem* taxes, the Participant shall submit a Request for Payment and include a notification of such protest or appeal. Each Request for Payment shall be in substantially the form attached hereto as **Exhibit G** and shall include, at a minimum, the information listed in **Exhibit G**. In the event that the Agency determines that a Request for Payment is incomplete or otherwise deficient, the Agency shall notify Participant within thirty (30) days of the Agency's receipt of the Request for Payment. The Agency shall not accept any Request for Payment after December 31, 2045. Upon submission of a Request for Payment, the Agency shall pay all of Participant's Tax Increment Share accumulated and received by the Agency since the last Request for Payment. In addition to the information provided in the Request For Payment, from time to time the Agency may submit to Participant a written request for additional information concerning the Project to satisfy the Agency's reporting requirements to the State of Utah, which request shall be reasonable in frequency and scope. The request for additional information shall be limited to information exclusive to Participant and not information that the Agency can discover through reasonable diligence. Moreover, the request for additional information shall not be unduly burdensome upon the Participant.

2.5. Payment of Real Property and *Ad Valorem* Taxes

During the term of this Agreement, to the extent applicable, Participant and any of its successors-in-interest in any portion of the Project Area agree to pay, prior to delinquency, all undisputed real property and other ad valorem taxes and assessments assessed against any property within the Project Area to the extent owned by Participant or any of its successors-in-interest; provided, however, that Participant expressly retains any and all rights to: (a) challenge, object to, or appeal any real property or personal property and other ad valorem taxes and assessments; and (b) petition for the reduction thereof.

2.6. Appeals of Property Tax Assessments

Participant may at its cost and expense petition to have the assessed valuation of the Site and/or Project reduced or may initiate proceedings to contest such property taxes, and Participant acknowledges that any reduction in assessed value of the property located in the Project Area will result in a corresponding reduction in the Reimbursement. Regardless of whether Participant files an appeal to contest the value of its real or personal property, Participant shall pay the real and personal property taxes based on the assessed value. Upon the final determination of any such proceeding or contest, Participant shall be paid a refund for any reduction in value or pay all property taxes due, together with interest and penalties properly assessed, if any. In the event the County Assessor, County Board of Equalization, Utah State Tax Commission or any lawful entity authorized by law to determine the personal property or real property taxes against the property within the Site adjusts the assessed or taxable value of such property through an appeal, an audit or similar action, the Reimbursement shall be proportionately increased or decreased, which may result in a refund from Participant to the Agency, or an increased amount of Reimbursement from the Agency to Participant. Any such payment based on the change in personal property or real property taxes must be paid within thirty (30) days after the additional taxes are paid by Participant or refund for overpayment of taxes is received by Participant. Notwithstanding Section 2.1 of this Agreement, the Agency, in its sole discretion, may delay the final payment of the Reimbursement until all deadlines to contest or appeal the assessed value of taxable property within the Site have expired; in the event of such a decision by the Agency, the final Reimbursement payment will be made no later than sixty (30) days after such deadlines have passed.

2.7. No Lapse of Unrequested Tax Increment Share

If Participant fails to make a Request for Payment, or fails to make a complete Request for Payment meeting the requirements set forth in this Agreement, the Agency is not obligated to pay the Reimbursement for that particular year until Participant makes the Request for Payment. The failure to make a Request for Payment, or failure to make a complete Request for Payment meeting the requirements set forth in this Agreement, shall not result in a reduction or elimination of Participant's Tax Increment Share. So long as the Participant is in compliance with Section 2.14

as of April 1, 2045, the Agency shall pay the remaining portion of Participant's Tax Increment Share received and accumulated by the Agency prior to such date. Participant acknowledges and agrees that the Agency shall not be required to pay interest on the Participant's Tax Increment Share during which such funds are held by the Agency.

2.8. Reduction of or Elimination of Tax Increment

The Parties agree that Participant assumes and accepts the risk of possible alteration of federal or state statute, regulation, or adjudication rendering unlawful or impractical the collection, receipt, disbursement, or application of the Reimbursement Funds as contemplated in and by this Agreement. If the provisions of Utah law which govern the payment of the Agency Share are changed or amended so as to reduce or eliminate the amount paid to the Agency under the Budget, the Agency's obligation to pay Participant the Reimbursement, as applicable, will be proportionately reduced or eliminated, but only to the extent necessary to comply with the changes in such law. Participant agrees and acknowledges that it has made such investigations as necessary and assumes all risk as to whether the Project Area, the Plan, and the Budget were properly approved, adopted, and made effective. Notwithstanding any change in law, Participant specifically reserves and does not waive any right it may have to challenge, at Participant's sole cost and expense, the constitutionality of any law change(s) that would reduce or eliminate the payment of the Reimbursement to Participant and nothing herein shall be construed as an estoppel, waiver or consent to reduce or eliminate payment of the Reimbursement to Participant. Participant acknowledges, understands, and agrees that the Agency is under no obligation to challenge the validity, enforceability, or constitutionality of a change in law that reduces or eliminates the payment of the Agency Share or the payment of the Reimbursement to Participant, or to otherwise indemnify or reimburse Participant for its actions to independently do so; provided however, that the Agency agrees to cooperate with Participant's reasonable requests in furtherance of Participant's challenge including taking such additional actions, signing such additional documentation, and providing such additional information as reasonably requested by Participant necessary to further Participant's challenge.

2.9. Declaration of Invalidity

If a court of competent jurisdiction declares that the Agency cannot receive the Tax Increment, invalidates the Project Area, or takes any other action which eliminates or reduces the amount of Tax Increment or incentive paid to the Agency, the Agency's obligation to annually pay Participant Participant's Tax Increment Share in accordance with this Agreement will be proportionately reduced or eliminated. The Agency agrees to cooperate with Participant's reasonable requests in furtherance of Participant's challenge of any action which eliminates or reduces the amount of Tax Increment or incentive paid to the Agency, including taking such additional actions, signing such additional documentation, and providing such additional information as reasonably requested by Participant necessary to further Participant's challenge.

2.10. Dispute over Receipt of Payment of Tax Increment

In the event a dispute arises as to the person or entity entitled to receive Participant's Tax Increment Share under this Agreement due to a claimed assignment or claimed successor in interest to Participant's Tax Increment Share or otherwise, the Agency may withhold payment of Participant's Tax Increment Share 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 Participant's Tax Increment Share any costs or expenses, including reasonable attorneys' fees, incurred by the Agency due to the dispute. However, in the event the Agency initiates litigation, the Agency shall not be entitled to deduct its costs or expenses, including reasonable attorneys' fees, if the Agency is not the prevailing party.

2.11. Nature of Participant's Obligations

To qualify to receive Participant's Tax Increment Share as set forth herein, Participant shall not be in material breach of the terms of this Agreement.

2.12. Funding Responsibility

The Parties understand and agree that the Agency shall not be liable or responsible for providing, obtaining, or guaranteeing any financing for the construction of the Project or other improvements.

2.13. Agency's Encumbrance of Tax Increment

The Agency agrees that it shall not, without the prior written consent of Participant, issue any bonds or other indebtedness that may be secured by Tax Increment which are payable senior to or have priority over any obligation of the Agency to reimburse Participant for amounts due as provided in this Agreement.

2.14. Development and Operation of the Project

Participant shall develop and Operate the Project. For purposes of this Agreement, "Operate," "Operated," "**Operating**," "**Operational**," "Operation," or "**Operations**" of the Project shall mean when the following conditions are satisfied: (1) Participant has commenced soil mitigation for the Site and has spent at least Five Million Dollars (\$5,000,000.00) on such soil mitigation, (2) Participant has constructed and received certificate(s) of occupancy for a combined total interior space of at least One Hundred and Fifty Thousand (150,000) square feet, whether in a single building or multiple, and (3) Participant has not abandoned the Project, as that term is defined below. Subsections (1) and (2) shall not be construed as ongoing annual conditions, but rather once Participant has spent at least Five Million Dollars (\$5,000,000.00) on such soil mitigation and constructed a combined total interior space of at least One Hundred and Fifty thousand (150,000) square feet, whether in a single building or multiple, Subsections (1) and (2)

of this Section 2.14 are fully and finally satisfied for the duration of the Term of this Agreement. For purposes of this Section 2.14, Participant shall be deemed to have continuously Operated the Project if the foregoing standards are substantially met or exceeded, notwithstanding temporary cessation of Operations for inspection, maintenance, repair, replacement, and/or events of *force majeure* or destruction. Abandonment of the Project is defined as Participant ceasing all work, sales, leasing, and maintenance of the Project, without the prior written consent of the Agency.

2.15. Commencement of Operations

Operations of the Project as described in Section 2.14 shall begin no later than January 1, 2026. For purposes of this Section 2.15, the Project shall be deemed Operational if the conditions and standards in Section 2.14 are met. If Participant fails to commence Operations of the Project as required by this Section for any reason other than events of *force majeure*, the Agency shall have the right to terminate this Agreement upon written notice to Participant, subject, however, to any notice and cure periods set forth in Article 5.

2.16. Continuing Operations

Such operations as described in Section 2.14 shall be commenced as described in Section 2.15 and shall continue throughout the term of this Agreement as set forth in Article 4. For purposes of this Section, the Project shall be considered to be in Operation if the Project is Operating as described in Section 2.14 of this Agreement.

2.17. Cessation of Operations

If Participant ceases to Operate the Project for any reason other than events of *force majeure* or destruction (“**Cessation**”), such Cessation shall be a default subject to the provisions of Article 5.

3. OPERATION AND DEVELOPMENT OF THE SITE

3.1. Development of the Project

Participant will at all times be responsible for all development and operation of the Project pursuant to the Plan and this Agreement. Recognizing the level of capital investment by Participant in the development of the Project, the Agency has determined that it is in the best interests of the residents of the City to provide Tax Increment to Participant as an incentive to undertake the development and continued operation of the Project as contemplated in this Agreement and in the Plan.

3.2. Responsibility for Development Plans and Permits

Participant must responsibly prepare, or cause to be prepared, all plans and secure all permits for the development of the Project. All plans must be in accordance with all applicable federal, state and local laws and regulations. Before commencing construction of the Project,

Participant must use commercially reasonable efforts to secure or cause to be secured all zoning or land-use approvals and permits required in order to proceed with the construction of the Project.

3.3. Construction and Operation

Participant agrees to use commercially reasonable efforts to construct and thereafter operate the Project on 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, representatives, contractors, attorneys and consultants harmless for any and all claims, liabilities, and damages arising out of any work or activity of Participant and its directors, officers, agents, employees, consultants and contractors except where such claims, liabilities, or damages are due, in whole or in part, to the acts or omissions of the Agency or its directors, officers, agents, employees, representatives, contractors, attorneys and consultants.

3.3.2. Indemnification

Participant agrees to and shall indemnify and hold the Agency and its directors, officers, agents, employees, representatives, attorneys, consultants and contractors harmless from and against all liabilities, losses, damages, 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 or any errors or omissions of the Participant and its directors, officers, agents, employees, representatives, contractors and consultants except for liabilities, losses, damages, costs, or expenses caused by the acts or omissions of the Agency or its directors, officers, agents, employees, consultants and contractors. Likewise, the Agency agrees and shall indemnify and hold Participant and its directors, officers, agents, employees, representatives, attorneys, consultants and contractors harmless from and against all liabilities, losses, damages, 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 or any errors or omissions of the Agency and its directors, officers, agents, employees, representatives, contractors and consultants except for liabilities, losses, damages, costs, or expenses caused by the acts or omissions of Participant or its directors, officers, agents, employees, consultants and contractors.

3.3.3. Discrimination

Participant agrees for itself and its successors and assigns that it will not unlawfully discriminate against any employee or applicant for employment, or any contractor or any bidder on any contract.

3.3.4. Local, State, and Federal Laws

Participant shall construct and operate the Project thereon 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.

3.3.5. City and Other Governmental Agency Permits

Participant shall, at its own expense, use commercially reasonable efforts to secure or cause to be secured, any and all permits which may be required by the City or any other governmental agency affected by the development or operation of the Project.

3.3.6. Rights of Access

Representatives of the Agency shall have the right of reasonable access to the Site for purposes of inspection only as may be reasonably required to verify compliance with this Agreement. Such access shall be allowed with reasonable and prior written notice (but in no event less than 24 hours prior), and without charges or fees, during normal business hours or as otherwise agreed to, subject, however, to the rules, regulations, security protocols and other access limitations for safety and security purposes as required by Participant.

3.3.7. 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 an appropriate hearing (if required), review, or compliance with any other requirement.

3.3.8. City Land Use Authority

Participant acknowledges that nothing in this Agreement shall be deemed to supersede, waive, or replace the City's authority over land use, zoning, and permitting within the City.

3.3.9. Restriction Against Parcel Splitting

If applicable, during the term of this Agreement, Participant shall not, without the prior written approval of the Agency, (a) convey its interest in the Project Area or any portion thereof, if any, in such a way that a parcel of real property would extend outside the Project Area, or (b) construct or install any building or structure within the Project Area in such a way that any portion of the structure would extend outside of the Project Area. Participant understands and acknowledges that these requirements are intended to avoid the splitting of any parcels of real property within the Project Area and to avoid the joining of any parcels of real property inside of

the Project Area with parcel(s) outside of the Project Area in such a way that Washington County could no longer identify the periphery of the Project Area by distinct parcels.

3.3.10. Restriction Against Housing Development

During the term of this Agreement, Participant shall not construct or install any housing development including, but not limited to, housing structures, buildings, or residential units within the Site without the written consent of the Agency, which consent may be withheld at the sole and absolute discretion of the Agency.

3.3.11. Deannexation

Participant agrees that it will not cooperate with any person, group, or municipality in any effort to remove, deannex, disconnect, or disincorporate the Project Area or any portion thereof from the City during the Term of this Agreement. In the event that the Site or a portion thereof is disconnected, deannexed, disincorporated, or otherwise removed from the municipal boundaries of the City, the Agency's obligations to pay the Reimbursement shall immediately cease. Further, Participant shall not seek to nor support any legislation that would (i) restrict or eliminate the City's land use authority over any portion of the Project Area or (ii) allow for any portion of the funds that comprise Agency Share to be paid to any other person or entity, except as provided in this Agreement.

4. EFFECT AND DURATION OF COVENANTS; TERM OF AGREEMENT

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 and the Agency's successors and assigns during the term of this Agreement, which shall terminate upon the final Tax Increment payment as set forth in Article 2 of this Agreement, or December 31, 2045, whichever occurs first.

5. DEFAULTS, REMEDIES AND TERMINATION

5.1. Default

If either the Agency or Participant fails to perform or delays performance of any material term or provision of this Agreement, such conduct not cured within the applicable cure period set forth in this Article 5 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 Party shall give written notice (a “**Default Notice**”) of the Default to the defaulting Party, 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 non-defaulting Party; but the non-defaulting 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 the other 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 sixty (60) days after delivery of the Default Notice with respect thereto, or, where the default is of a nature which cannot be cured within such sixty (60) day period, the defaulting Party fails to commence such cure within sixty (60) 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 sixty (60) days. If the Default is not cured, or commenced to be cured if such default is of a nature which cannot be cured within sixty (60) days, by such Party within sixty (60) days of delivery of the Default Notice, the non-defaulting Party, at its option, may institute an action for specific performance 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. 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 Fifth District Court for the State of Utah located in Washington County, 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. Service 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 its 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, without regard for conflict of laws principles.

5.3.2.4. Waiver of Jury Trial

Each Party hereto hereby irrevocably waives any and all rights it may have to demand that any action, proceeding or counterclaim arising out of or in any way related to this Agreement be tried by jury. This waiver extends to any and all rights to demand a trial by jury arising from any source, including but not limited to the Constitution of the United States, the Constitution of any state, common law or any applicable statute or regulation. Each Party hereby acknowledges that it is knowingly and voluntarily waiving the right to demand trial by jury.

6. GENERAL PROVISIONS

6.1. Authority

Each Party hereby represents and warrants to the other that the following statements are true, complete, and not misleading as regards the representing and warranting party: (a) such Party has full authority to enter into this Agreement and to perform all of its obligations hereunder; (b) those executing this Agreement on behalf of each Party do so with the full authority of the Party each represents; (c) this Agreement constitutes a legal, valid, and binding obligation of each Party, enforceable in accordance with its terms.

6.2. 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 Subsections 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.

6.3. 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.

6.4. Nonliability of Agency Officials and Employees

No director, officer, agent, employee, representative, contractor, attorney 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 its successor, or on any obligations under the terms of this Agreement.

6.5. 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, whether on the part of the Agency's Executive Director or its governing board or on the part of Participant, to the other Party within thirty (30) days of actual knowledge of the commencement of the cause. Time of performance under this Agreement may also be extended in writing by the Agency and Participant by mutual agreement.

6.6. 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, conditioned or delayed.

6.7. Time of the Essence

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

6.8. 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 be construed as creating the relationship of principal and agent, or a partnership, or a joint venture or enterprise between the Parties hereto.

6.9. 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.

6.10. Incorporation of Exhibits

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

6.11. Mediation

In the event a dispute arises between the parties with respect to the terms of this Agreement or the performance of any contractual obligation by one or both of the Parties, the Parties agree to submit the matter to formal and confidential non-binding mediation before any judicial action may be initiated, unless an immediate court order is needed or a statute of limitations period will run before mediation can be reasonably completed. A mediator will be selected by mutual agreement of the Parties. The parties must mediate in good faith to resolve the dispute in a timely manner. Each Party will be responsible for its own costs and one-half of the cost of the mediator. The place of mediation shall be Washington County, Utah.

6.12. Dispute Over Agreement

In the event a dispute arises with respect to this Agreement, the prevailing party shall be entitled to any reasonable costs or expenses, including reasonable attorneys' fees, incurred related to the dispute.

6.13. Headings

Article and Section titles, headings or captions are inserted only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.

6.14. Contra Proferentum

This is an arm's-length Agreement: The Parties have read this Agreement and have executed it voluntarily after having been apprised of all relevant information and the risks involved and having had the opportunity to obtain legal counsel of their choice. Consequently, no provision of this Agreement shall be strictly construed against either Party.

6.15. 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.

6.16. Confidentiality

The Parties acknowledge and agree that this Agreement shall become a public record under Utah law, and that discussion regarding this Agreement shall take place before the Agency board in open session. Participant acknowledges all of the information provided to the Agency in connection with this Agreement is potentially subject to disclosure under the Utah Governmental Records Access and Management Act, § 63-2-101 et seq. ("GRAMA").

7. DUPLICATION, INTEGRATION, WAIVERS, AND AMENDMENTS

7.1. Duplicate Originals; Electronic Signatures

This Agreement may be executed in duplicate originals, each of which shall be deemed an original. Electronic pdf signatures shall be considered original signatures and scanned versions of this executed Agreement shall be deemed original counterparts of this Agreement.

7.2. Integration

This Agreement (including its exhibits) constitutes the entire understanding and agreement of the Parties. 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 first written above.

[Remainder of page intentionally left blank; signature pages follow]

**WASHINGTON CITY REDEVELOPMENT
AGENCY**

By: _____
_____, Chair

Attest:

_____, Secretary

STATE OF UTAH)
 §
COUNTY OF WASHINGTON)

In the County of Washington, State of Utah, on this ____ day of _____, 202_, before me, the undersigned notary, personally appeared _____ and _____, the Chair and the Secretary, respectively, of the Washington City Redevelopment Agency, who are personally known to me or who proved to me their identities through documentary evidence to be the persons who signed the preceding document in my presence and who swore or affirmed to me that their signatures are voluntary and on behalf of the Washington City Redevelopment Agency by authority of a Resolution of its Governing Board.

Notary signature and seal

**Freeport West – Washington City, LLC, a Utah
limited liability company**

By: _____

Name:

Title:

STATE OF _____)

: ss.

COUNTY OF _____)

On this _____ day of _____, 2024, personally appeared before me _____, who, being by me duly sworn, did say that he/she is the _____ of Freeport West – Washington City, LLC, a Utah limited liability company and that the foregoing instrument was signed by him/her on behalf of said limited liability company, by authority, and said limited liability company executed the same.

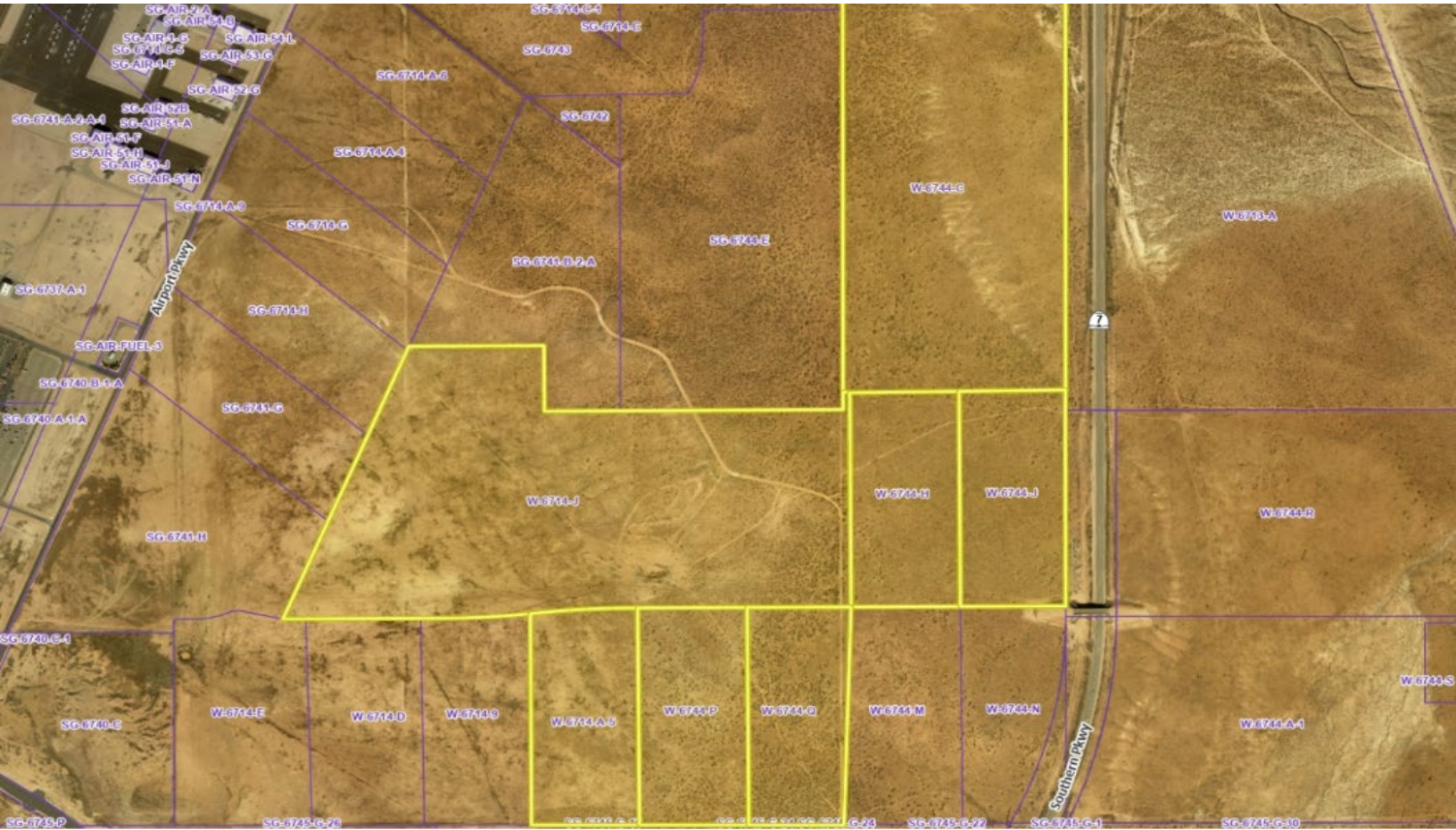
Notary Public

My Commission Expires:

Exhibit A

to Participation Agreement

Project Area Plan



Washington City Redevelopment Agency



Washington City
Where Dixie Began

Industrial Community Reinvestment Area Project Area Plan Adopted March 22, 2023



ZIONS PUBLIC FINANCE, INC.

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BACKGROUND AND OVERVIEW

The Redevelopment Agency of Washington City (the “Agency”), following thorough consideration of the needs and desires of Washington City (the “City”) and its residents, as well as the need of and capacity for new development, has prepared this Community Reinvestment Project Area Plan (the “Plan”) for the Washington City Industrial Community Reinvestment Project Area (the “Project Area”) described in more detail below.

In accordance with the terms of this Plan, the Agency will encourage, promote, and provide for the development of a world-class industrial park and supporting commercial space within the Project Area. The Project Area covers **276.52 acres** of undeveloped land.

It is anticipated that the project will generate economic activity throughout the entire region through the creation of full-time employment for ongoing high-paying jobs, temporary construction jobs, the generation of additional tax revenues, and diversification through new business opportunities. However, this is a large property with significant infrastructure needs including site stabilization, road construction, sewer, water, telecom, gas and electrical.

The Agency has determined that the area meets the criteria for creation of a CRA. This Plan will govern development within the Project Area, including the capture and use of tax increment. The purpose of this Plan clearly sets forth the aims and objectives of this development, its scope, available incentives, and the mechanism for funding such incentives, and the value of the Plan to the residents, businesses and property owners, and taxing entities in this area.

This document is prepared in good faith as a current, reasonable estimate of the economic impact of this Project. Fundamental economic and other circumstances may influence the actual impact. With these assumptions, the information contained within this report represents the reasonable expectations of the Project.

The ordering of sections of this Project Area Plan document is consistent with the presentation of requirements and other criteria for CRA development as set forth in Utah Code § 17C-5-105.

1. RECITALS OF PREREQUISITES FOR ADOPTING A COMMUNITY DEVELOPMENT PROJECT AREA PLAN

- a) Pursuant to the provisions of §17C-5-103 of the Act, the governing body of the Washington City Redevelopment Agency adopted a resolution on the **March 22, 2023** designating a survey area in which reinvestment Project Areas can be created; and
- b) Pursuant to the provisions of §17C-5-104(1)(a) and (b) of the Act, Washington City has a planning commission and general plan as required by law; and

- c) Pursuant to the provisions of §17C-5-104(3) of the Act, the Agency will conduct one or more public hearings for the purpose of informing the public about the Project Area and allowing public input as to whether the draft Project Area Plan should be revised, approved, or rejected.
- d) Pursuant to the provisions of §17C-5-104(3)(b) and (d) of the Act, the Agency made a draft Project Area Plan available to the public at the Agency's offices during normal business hours, provided notice of the Plan hearing, allowed public comment on the Project Area Plan, and will hold a public hearing on the draft Plan on **March 22, 2023**.

2. DEFINITIONS

As used in this Community Reinvestment Project Area Plan:

1. The term "**Act**" shall mean and include the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act in Title 17C, Chapters 1 through 5, Utah Code Annotated 1953, as amended, or such other amendments as shall from time to time be enacted or any successor or replacement law or act.
2. The term "**Agency**" shall mean the Washington City Redevelopment Agency, a separate body corporate and politic created by the City pursuant to the Act.
3. The term "**Base Taxable Value**" shall mean the base taxable value of the property within the Project Area from which tax increment will be collected, as shown upon the assessment roll last equalized before the date the Project Area Plan is adopted by the City legislative body; OR as provided within an interlocal agreement created under §17C-5-204 of the Act.
4. The term "**City**" shall mean Washington City, Utah.
5. The term "**Community**" shall mean Washington City, Utah.
6. The term "**Community Development**" shall mean development activities within the community, including the encouragement, promotion, or provision of development.
7. The term "**Developer**" shall mean the entities investing in the development in the area.
8. The term "**Effective Date**" shall have the same meaning as established under §17C-5-110 of the Act.
9. The term "**Legislative Body**" shall mean the City Council of Washington City which is the legislative body of the Community.
10. The term "**Plan Hearing**" means the public hearing on the draft Project Area Plan required under Subsection 17C-5-104(e) of the Act.

11. The term "**Project Area**" shall mean the geographic area described in the Project Area Plan or draft Project Area Plan where the community development set forth in this Project Area Plan or draft Project Area Plan takes place or is proposed to take place (Appendices A & B).
12. The term "**Project Area Budget**" shall mean the multi-year projection of annual or cumulative revenues, other expenses and other fiscal matters pertaining to the Project Area prepared in accordance with Part 3 of §17C-5 of the Act.
13. The term "**Project Area Plan**" or "**Plan**" shall mean the written plan that, after its Effective Date and adopted pursuant to the provisions of the Act, guides and controls the community development activities within the Project Area.
14. The terms "**Tax**," "**Taxes**," "**Property tax**" or "**Property taxes**" includes all levies on an ad valorem basis upon real property, personal property, or other property, tangible or intangible.
15. The term "**Taxing entity**" shall mean any public entity that levies a tax on property within the Project Area.
16. The term "**Tax increment**" shall mean the difference between the amount of property tax revenues generated each tax year by all taxing entities from the area designated in the Project Area Plan as the area from which tax increment is to be collected, using the current assessed value of the property and the amount of property tax revenues that would be generated from that same area using the base taxable value of the property.

3. PROJECT AREA BOUNDARIES AND MAP [17C-5-105(1)]

The area identified for study (see map in Appendix A and legal description in Appendix B) consists of 276.52 total acres. The area encompasses parcels identified by numbers:

Parcels
W-J714-J
W-6744-Q
W-6744-P
W-6744-H
W-6744-J
W-6744-C
W-6714-A-5

The project is located adjacent to Highway 7 (Southern Parkway), the St. George Airport and Washington City, UT.

4. GENERAL STATEMENT OF EXISTING LAND USES, LAYOUT OF PRINCIPAL STREETS, POPULATION DENSITIES, BUILDING INTENSITIES AND HOW THEY WILL BE AFFECTED BY THE PROJECT AREA DEVELOPMENT [17C-5-105(2)]

A. EXISTING LAND USES IN THE PROJECT AREA

The entire project area is currently listed as farmland on the County Assessor's database.

Land uses will be affected as currently vacant or underutilized land is developed in accordance with this Plan. This will change existing vacant land to industrial/commercial uses.

B. LAYOUT OF PRINCIPAL STREETS IN THE PROJECT AREA

Highway 7 (Southern Parkway) runs adjacent to this Plan. There are no roads currently in the Project area. Roads will be built to provide access to development. The layout of existing principal streets is not expected to change due to this Plan.

C. POPULATION DENSITIES IN THE PROJECT AREA

There is currently no development within the Project Area and no residential development is anticipated.

D. BUILDING INTENSITIES IN THE PROJECT AREA

There are currently no buildings within the Project Area. The Plan anticipates that between 4.3 million and 5 million square feet of industrial space will be built on the site for an average floor area density (FAR) of 36 - 42 percent.¹

5. STANDARDS THAT WILL GUIDE THE PROJECT AREA DEVELOPMENT [17C-5-105(3)]

The general standards that will guide the economic development are as follows:

A. GENERAL DESIGN OBJECTIVES

Development within the Project Area will be held to quality design and construction standards, suitable for commercial, industrial, and business park development and will be subject to: (1) appropriate elements of the City's General Plan; (2) applicable City building codes and ordinances; (3) Planning Commission review and recommendation; (4) the City's land use development codes and standards; and 5) development agreements that include design guidelines.

Owners and developers will be allowed flexibility in the development of land located within the Project Area and are expected to obtain quality design and development. Development contemplated in the area shall be of a design and shall use materials that are in harmony with adjoining areas and subject to design review and approval by the City. For more significant developments, it is contemplated that these design objectives may be addressed in development agreements with prospective developers.

¹ Calculated as follows: 5,000,000 / (276.52 acres x 43,560 sf per acre); 4,300,000 / (276.52*43,560)

The general standards that will guide development are those found in the Washington City General Plan. Coordinated and attractive landscaping shall also be provided as appropriate for the character of the Project Area. Materials and design paving, retaining walls, fences, curbs, benches, and other items should be addressed in the design.

All development will be based on subdivision/site plans, development data, and other appropriate submittals and materials clearly describing the development, including land coverage, setbacks, heights, and any other data dictated by the City's land use code, and applicable City practice or procedure.

Parking areas will be designed with careful regard to orderly arrangement, topography, relationship to view, ease of access, and as an integral part of the overall area function.

The general principles guiding development within the Project Area are as follows:

1. Encourage and assist economic development with the creation of a well-planned industrial/business park development that will increase job opportunities in the local area.
2. Provide for the strengthening of the tax base and economic health of the entire community and the State of Utah.
3. Implement the tax increment financing provisions of the Act which are incorporated herein by reference and made a part of this Plan.
4. Encourage economic use of and new construction or redevelopment upon the real property located within the Project Area.
5. Promote and market the Project Area for economic development that would enhance the economic base of the City through diversification.
6. Provide for compatible relationships among land uses and quality standards for development, such that the area functions as a unified and viable center of economic activity for the City.
7. Remove any impediments to land disposition and development through assembly of land into reasonably sized and shaped parcels served by adequate public utilities, streets, and other infrastructure improvements.
8. Achieve an environment that reflects an appropriate level of concern for architectural, landscape and design principles, developed through encouragement, guidance, appropriate controls, and financial and professional assistance to owner participants and developers.
9. Provide for construction of public streets, utilities, curbs and sidewalks, other public rights-of-way, streetlights, landscaped areas, public parking, water utilities, sewer utilities, storm drainage, open space, and other public improvements.

10. Provide public streets and road access to the area to facilitate better traffic circulation and reduce traffic hazards by assisting in the street alignments.

6. HOW THE PROJECT AREA DEVELOPMENT WILL FURTHER THE PURPOSES OF THE ACT [17C-5-105(4)]

It is the intent of the Agency, with the assistance and participation of private owners, to facilitate and promote the development of an industrial/business park and other supporting commercial activities that are a key part of the Washington City General Plan and that will result in the creation of jobs in the Project Area. Further, the development within the Project Area will strengthen the tax base of the community, which will also serve to accomplish economic development objectives and create a well-planned employment center.

The purposes of the Act will be achieved by the following:

A. ESTABLISHMENT OF NEW BUSINESS AND INCREASED TAX BASE

The proposed Project envisions industrial/business park development, with possibly some supporting commercial development, that will benefit the State and local taxing entities through increased job creation, increased property tax base, increased income taxes paid (both corporate and individual), increased local sales taxes as purchases are made in the local area, and increased energy usage (and the accompanying municipal energy “franchise” tax). Multiplier (indirect and induced) impacts will result from the job creation and expenditures for construction and supplies.

B. PUBLIC INFRASTRUCTURE IMPROVEMENTS

The construction of the public infrastructure improvements as provided by this Plan will support the development contemplated herein and will encourage future development in surrounding areas. Infrastructure is an important element of economic development and areas that lack good infrastructure are not able to be competitive in attracting good-quality businesses to locate in their community.

C. JOB CREATION

The project area includes the potential for new businesses and related jobs. It is anticipated that new jobs will be encouraged at income levels above the area median income indicator.

7. THE PLAN IS CONSISTENT WITH AND WILL CONFORM TO THE COMMUNITY’S GENERAL PLAN [17C-5-105(5)]

This Plan is consistent with the City’s General Plan that was approved in January 2017. The Plan states that “planning and maintaining a healthy economy is a top priority for Washington City” (p. 48). The Plan specifically relates quality economic growth to the creation of quality jobs and a strong tax base that helps to keep residential property taxes low. The Plan lists 11 economic development priorities. Of these priorities, #9 directly relates to this project as it states, “Provide increased quantity and quality of business/industrial areas” (p 49).

8. IF APPLICABLE, HOW PROJECT AREA DEVELOPMENT WILL ELIMINATE OR REDUCE A DEVELOPMENT IMPEDIMENT IN THE COMMUNITY REINVESTMENT PROJECT AREA [17C-5-105(6)]

Freeport West is estimated to invest over \$387 million in warehouse/industrial spec space into the area over the next 14 years. The current available inventory of warehouse/industrial in Washington County is less than 1%. Within the past 8 years, lack of warehouse/industrial space and more recently, lack of skilled labor have been the two largest impediments to expansion and recruiting of businesses and capital investment to southern Utah.

Freeport West's product reduces risk for companies seeking to relocate or expand in the Washington County market. Offering a wide range of uses, Freeport West's space also allows for flexibility in an environment of fluctuating labor supply. With a small team and 50 years in the business, Freeport has built relationships with companies within the state's target industries that are a good match for the Washington County area. A proven company with a project of this scale who is ready and willing to invest in southern Utah as we head into a recession is truly a tide that lifts all ships.

Freeport West has been well vetted and is fully capable of delivering this project to Washington County. However, they also have significant land holdings in other states including Nevada, Arizona and California. This project is competitive and could go elsewhere if there is not sufficient support to offset the significant infrastructure costs that come with such a large capital investment into the area.

Washington City is therefore creating a community reinvestment area to utilize tax increment financing toward the infrastructure cost for this project. Freeport West will spend approximately \$16 million on public infrastructure alone and another \$23.4 million on horizontal site costs. In addition to Freeport West's investment, Washington City has committed approximately \$7 million to extend Washington Fields road from Warner Valley, south to the St. George municipal boundary. These investments in land preparation, road access, utilities, and soils mitigation total over \$46 million in investment in the area before a single vertical structure is built.

Freeport West's development of the Washington City Industrial Park will be the first private business investment project near the St. George Airport since its relocation in 2008.

9. DESCRIPTION OF ANY SPECIFIC PROJECT OR PROJECTS THAT ARE THE OBJECT OF THE PROPOSED PROJECT AREA DEVELOPMENT [17C-5-105(7)]

The Plan anticipates the construction of 4.3 million to 5 million square feet of light manufacturing, industrial, business park and commercial space on the site. There are no specific tenants at present.

10. HOW PARTICIPANTS WILL BE SELECTED WITHIN THE PROJECT AREA [17C-5-105(8)]

The project area includes only land currently owned or under contract for purchase by Freeport West. Due to the location of this development and the infrastructure required to bring it to fruition, many other adjacent land owners will directly benefit including landowners in both Washington City and St. George City. Washington City therefore does not anticipate additional participants within the project area aside from Freeport West who is bearing the highest risk and making the largest investment in the area.

11. REASONS FOR THE SELECTION OF THE PROJECT AREA [17C-5-105(9)]

The Project Area was selected by the Agency as that area within the City having an immediate opportunity to strengthen the community through development of vacant properties, create jobs, capitalize on the rapid growth occurring in Washington County, and maximize the site's strategic proximity to Highway 7 (Southern Parkway) and the St. George Airport.

12. DESCRIPTION OF THE PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS EXISTING IN THE PROJECT AREA [17C-5-105(10)]

A. PHYSICAL CONDITIONS

The proposed Project Area consists of approximately 276.52 acres, as shown on the Project Area maps in Appendix A. The Project Area is undeveloped and lacks essential infrastructure and utilities.

B. SOCIAL CONDITIONS

There is no existing development within the area. Therefore, no unusual social conditions were found to exist. The Project Area Plan will increase the number of workers traveling to the Project Area. It is anticipated, therefore, that the proposed Project Area will grow the community's economy, quality of life, and reputation.

C. ECONOMIC CONDITIONS

There is currently no development within the Project Area and no economic activity. The Project Area is currently exempt with zero taxable value.

13. FINANCIAL ASSISTANCE TO PARTICIPANTS WITHIN THE PROJECT AREA [17C-5-105(11)]

The Agency intends to negotiate and enter into one or more inter-local agreements with some or all the taxing entities to secure receipt of a portion of the property tax increment generated within the Project Area that would otherwise be paid to those taxing entities. Collectively, those tax revenues may be used for the reasons already outlined. Subject to the provisions of the Act, the Agency may agree to pay for

eligible development costs and other items from such tax revenues for any period of time the Agency and the taxing entities may deem appropriate under the circumstances.

The Agency believes that the creation of the Project Area and the provision of the incentives described in this Plan will enable industrial and supporting commercial development as described above. Actual development is dependent on many factors, including the overall economic climate; however, the Agency hopes to encourage and accelerate such development within the Project Area.

14. ANALYSIS OR DESCRIPTION OF THE ANTICIPATED PUBLIC BENEFIT RESULTING FROM PROJECT AREA DEVELOPMENT [17C-5-105(12)]

A. BENEFICIAL INFLUENCES UPON THE TAX BASE OF THE COMMUNITY

The property tax base of the taxing entities should increase by approximately \$387 million after 15 years of development from the various investments in real property (land and buildings) alone. In addition, the personal property tax base of the taxing entities will be increased but will vary depending on the type of equipment located in the Project Area as well as individual depreciation schedules.

In addition to tax revenues, the project will generate other revenues including sales tax, municipal energy taxes, Class B/C Road Funds, business license fees, charges for services, and one-time fees such as building permits and impact fees.

B. ASSOCIATED BUSINESS AND ECONOMIC ACTIVITY LIKELY TO BE STIMULATED

Other business and economic activity likely to be stimulated includes business, employee, and construction expenditures. There are significant opportunities for increased economic development and tax generating development that can occur within the immediate sphere of influence of the Project Area that otherwise may not occur in a timely basis or at the same level of increased development and private investment.

1. JOB CREATION

The project area includes the potential for new premiere businesses and top-quality jobs. It is anticipated that new jobs will be encouraged at income levels significantly above the area median income indicator.

It is anticipated that the business owners and employees of the Project Area facilities will directly or indirectly purchase local goods and services related to their operations from local or regional suppliers. These supply chain purchases are expected to increase employment opportunities in the related businesses of office equipment, furniture and furnishings, office supplies, computer equipment, communication, security, transportation and delivery services, maintenance, repair and janitorial services, packaging supplies, office and printing services.

Employees will make many of their purchases near their workplace, assuming that goods and services are available. These will most likely include purchases for: lunchtime eating, gasoline and convenience store, personal services such as dry cleaning and haircuts, and auto repair. In addition, there may be limited purchases for gifts, hobbies, etc., if such goods are available.

The following summarizes the benefits to the community:

- Provide an increase in direct purchases in the community.
- Complement existing businesses and industries located within the City and larger region by adding new employees who may live and shop and pay taxes in the City, County and the region.
- Provide an increase in indirect and induced (“multiplier”) impacts for business purchases, including purchases by employees and their households.
 - The types of expenditures by employees in the area will likely include convenience shopping for personal and household goods, lunches at area restaurants, convenience purchases and personal services (haircuts, banking, dry cleaning, etc.). The employees will not make all of their convenience or personal services purchases near their workplace, and each employee's purchasing patterns will be different. However, it is reasonable to assume that a percentage of these annual purchases will occur within close proximity to the workplace (assuming the services are available).

2. CONSTRUCTION JOBS AND EXPENDITURES

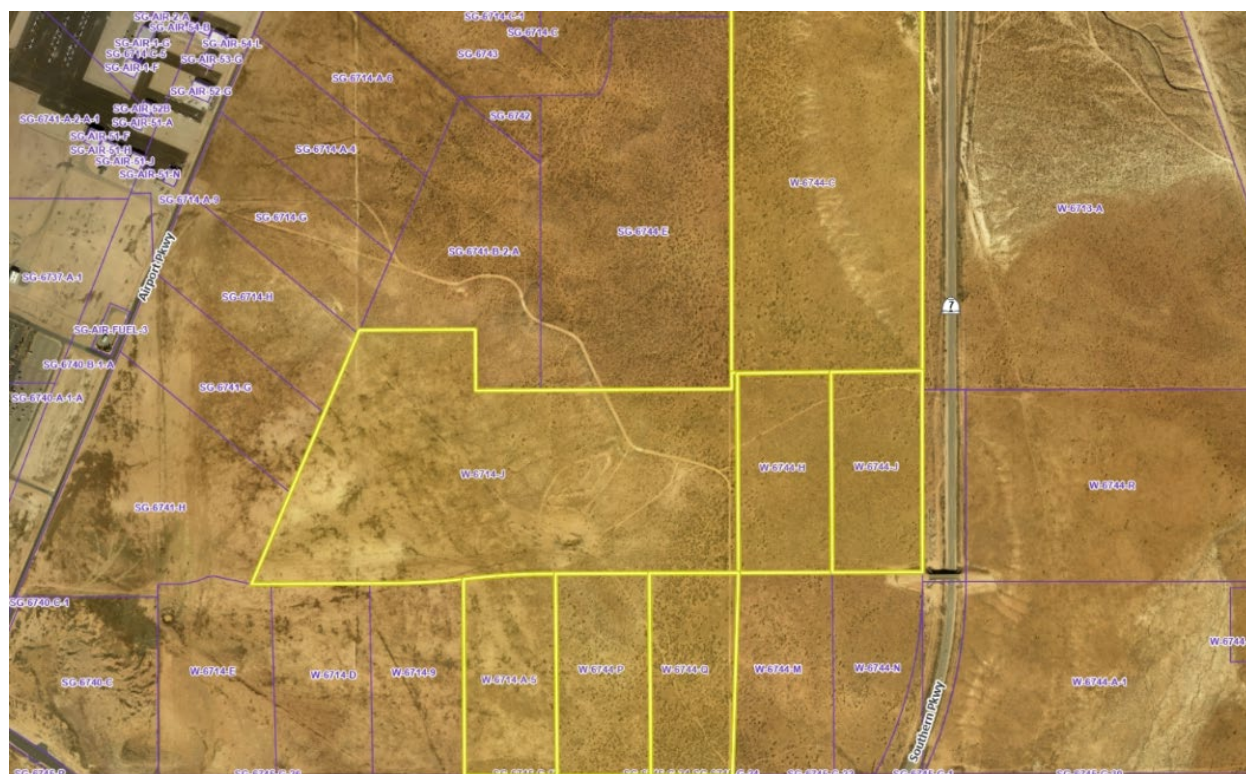
Economic activity associated with the development will include construction activity. Construction costs for labor and materials will likely be notable. This will create a moderate number of construction jobs. Construction supplies are also anticipated to create significant sales tax revenues for the State, County and City.

C. ADOPTION OF THE PLAN IS NECESSARY AND APPROPRIATE TO UNDERTAKE THE PROJECT AREA PLAN

Adoption of the Plan is necessary and appropriate to undertake the Project Area Plan because: 1) The Plan conforms with and furthers the City’s General Plan; and 2) private investment will increase the tax base by approximately \$387 million over 15 years which will provide increased tax revenues to all taxing entities.

15. IF APPLICABLE, STATES THAT THE AGENCY SHALL COMPLY WITH SECTION 9-8-404 AS REQUIRED UNDER SECTION 17C-5-106 [17C-5-105(13)]

Not applicable. There are no historic properties within the Project Area.



APPENDIX B: LEGAL DESCRIPTION

W-6714-A-5

Legal S: 23 T: 43S R: 15W BEG S COR COMN SEC 23 & 24 T43S R15W TH S89°55'49" W 542.17 FT ALG SEC/L; TH N0°0'53" W 1345.87 FT TO PT CUR LFT; TH ALG ARC CUR 38.97 FT RAD 5000 FT DELTA ANG 0°26'48", N05°48'21" W BEARING TO RAD PT TO PT RVSE CUR RGT; TH ALG ARC CUR 548.53 FT RAD 5000 FT DELTA ANG 06°17'08", S06°15'08" E BEARING TO RAD PT; TH S89°58' E 50.06 FT; TH S0°01'38" E 1378.94 FT TO S LN SEC 24; TH S89°57'23" W 94.41 FT ALG SEC/L TO POB.

W-6744-P

Legal S: 24 T: 43S R: 15W BEG N89°57'23" E 94.41 FT ALG SEC/L FM SW COR SEC 24 T43S R15W TH N0°01'38" W 1378.94 FT; TH S89°58' E 633.96 FT; TH S0°01'58" E 1377.12 FT; TH S89°57'23" W 631.27 FT ALG SEC/L TO POB.

W-6744-Q

Legal S: 24 T: 43S R: 15W BEG N89°57'23" E 725.67 FT ALG SEC/L FM SW COR SEC 24 T43S R15W TH N0°01'38" W 1378.12 FT; TH S89°58' E 630.37 FT; TH S0°01'49" E 1377.25 FT; TH S89°57'23" W 633.14 FT ALG SEC/L TO POB.

W-6714-J

Legal S: 23 T: 43S R: 15W BEG AT 1/4 COR COMN SEC 23 & 24 T43S R15W; TH N89°55'25" E 1319.09 FT ALG C/S/L; TH N0°01'49" W 110.50 FT ALG 1/16 LN; TH N89°30' E 40 FT; TH S0°01'49" E 1374.16 FT; TH N89°58' W 1314.40 FT TO PT CURV LFT; TH ALG ARC CUR 548.83 FT RAD 5000 FT DELTA ANG 06°17'08"; S0°02' W BEARS RAD OF CUR RGT; TH ALG ARC CUR 543.96 FT RAD 5000 FT DELTA ANG 06°14'; N06°15'08" W BEARS TO RAD PT; TH S89°58'51" W 961.58 FT; TH N23°29'08" E 1897.51 FT; TH N90° E 800 FT; TH S0°01'47" E 419.47 FT TO C/S/L SEC 23; TH S89°57'54" E 450.12 FT ALG C/S/L TO POB.

W-6744-H

Legal S: 24 T: 43S R: 15W BEG PT N0°01'53" W 1375.53 FT ALG C/S/L & N89°58' W 631.58 FT FM S1/4 COR SEC 24 T43S R15W TH N89°58' W 647.69 FT; TH N0°01'

W-6744-J

Legal S: 24 T: 43S R: 15W BEG PT N0°01'53" W 1375.53 FT ALG C/S/L FM S1/4 COR SEC 24 T43S R15W TH N89°30' W 631.58 FT; TH N0°02' W 1376.39 FT; TH N89°30' E 631.63 FT TO C/S/L; TH S0°02'37" E 116.45 FT ALG C/S/L TO CTR 1/4 COR; TH S0°01'53" E 1265.81 FT ALG C/S/L TO POB.

W-6744-C

Legal S: 24 T: 43S R: 15W BEGINNING AT THE NORTH QUARTER CORNER OF SECTION 24, TOWNSHIP 43 SOUTH, RANGE 15 WEST, SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE SOUTH 01°09'29" WEST 2528.95 FEET ALONG THE CENTER SECTION LINE; THENCE NORTH 89°18'46" WEST, 1319.20 FEET TO THE WEST LINE OF THE EAST ONE-HALF OF THE NORTHWEST QUARTER (E1/2 NW1/4) OF SECTION 24; THENCE NORTH 01°10'29" EAST, 2540.23 FEET ALONG SAID WEST LINE TO THE NORTHWEST CORNER OF THE EAST ONE-HALF OF THE NORTHWEST QUARTER (E1/2 NW1/4) SAID SECTION 24; THENCE SOUTH 88°49'22" EAST, 1318.41 FEET ALONG THE SECTION LINE TO THE POINT OF BEGINNING.

Exhibit B

to Participation Agreement

City Interlocal Agreement

**INTERLOCAL AGREEMENT by and between the WASHINGTON
CITY REDEVELOPMENT AGENCY and
WASHINGTON CITY for the WASHINGTON CITY INDUSTRIAL
COMMUNITY REINVESTMENT PROJECT AREA**

THIS INTERLOCAL AGREEMENT is entered into as of the 22nd day of March 2023, by and between the **WASHINGTON CITY REDEVELOPMENT AGENCY**, a political subdivision of the State of Utah (the “**Agency**”), and **WASHINGTON CITY**, a political subdivision of the State of Utah (the “**Taxing Entity**”). The Agency and the Taxing Entity shall be referred to individually as a “**Party**” and collectively as the “**Parties**”.

A. WHEREAS the Agency was created pursuant to the provisions of, and continues to operate under, the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, Title 17C of the Utah Code (the “**Act**”), and is authorized thereunder to conduct urban renewal, economic development, community development, and community reinvestment activities within Washington City, Utah, as contemplated by the Act; and

B. WHEREAS the Agency created the Washington City Industrial Community Reinvestment Project Area (the “**Project Area**”) and adopted a community reinvestment project area plan for the Project Area (the “**Project Area Plan**”) on March 22, 2023, which is incorporated herein by this reference, which includes the legal description and a map of the Project Area, pursuant to which the Agency desires to encourage, promote and provide for desirable development within the Project Area; and

C. WHEREAS the Taxing Entity and the Agency have determined that it is in the best interests of the Taxing Entity to provide certain financial assistance through the use of Tax Increment (as defined below) in connection with the development of the Project Area as set forth in the Project Area Plan; and

D. WHEREAS the Agency anticipates providing a portion of the tax increment (as defined in Utah Code Annotated (“UCA”) § 17C-1-102(61) (hereinafter “**Tax Increment**”)), created by development within the Project Area to encourage desirable development within the Project Area; and

E. WHEREAS UCA § 17C-5-204(3) authorizes the Taxing Entity to consent to the payment to the Agency of all or a portion of the Taxing Entity’s share of Tax Increment generated from the Project Area for the purposes set forth therein; and

F. WHEREAS UCA § 11-13-215 further authorizes the Taxing Entity to share its tax and other revenues with the Agency; and

EXECUTION VERSION

G. WHEREAS in order to facilitate development of the Project Area, the Taxing Entity desires to pay to the Agency a portion of the Taxing Entity's share of Tax Increment generated by development within the Project Area in accordance with the terms of this Agreement; and

H. WHEREAS the provisions of applicable Utah State law shall govern this Agreement, including the Act and the Interlocal Cooperation Act, Title 11 Chapter 13 of the UCA, as amended (the "**Cooperation Act**").

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

1. Taxing Entity's Consent.

a. Pursuant to Section 17C-5-204(4) of the Act and Section 11-13-215 of the Cooperation Act, the Taxing Entity hereby agrees and consents that the Agency shall be paid seventy five percent (75%) of the Taxing Entity's share of the Tax Increment from the Project Area (the "**Taxing Entity's Share**") for twenty (20) consecutive years. The Agency shall be paid Tax Increment for periods beginning on January 1, 2025.

b. The Taxing Entity's Share shall be used for the purposes set forth in the Act as reflected herein and in the Project Area Documents and shall be disbursed as specified herein. The calculation of annual Tax Increment shall be made using (a) the Taxing Entity's tax levy rate during the year for which Tax Increment is to be paid and (b) the base year value for purposes of calculating Tax Increment shall be value of all taxable property within the Project Area as last equalized prior to the date of this Agreement, which taxable value is subject to adjustment as required by law.

c. All centrally-assessed property existing within the Project Area as of the date of this Agreement, if any, shall be excluded from the calculation of Tax Increment under this Agreement. However, any new centrally assessed property constructed within the Project Area in connection with the Project shall be considered as new incremental value for purposes of calculating Tax Increment pursuant to this Agreement.

d. The Taxing Entity hereby authorizes and directs Washington County to pay directly to the Agency the Taxing Entity's Share in accordance with UCA § 17C-5-206 for the period described herein.

e. Of the amounts received by the Agency, the Agency may retain ten percent (10%) of the total Taxing Entity's Share each year to be used as described in UCA § 17C-5-307(3).

2. **Authorized Uses of Tax Increment.** The Parties agree that the Agency may apply the Taxing Entity's Share to the payment of any of the components of the development within the Project Area and related purposes, including but not limited to the cost and maintenance of public infrastructure and other improvements located within the Project Area, incentives to developers or participants within the project area, administrative, overhead, legal, and other operating expenses of the Agency, and any other purposes deemed appropriate by the Agency, all as authorized by the Act.

3. **Return of Tax Increment to the Taxing Entity.** If the Agency, in its sole discretion, is unable to utilize the full amount of the Taxing Entity's Share for the uses authorized in Section 2, above, then the Agency shall return to the Taxing Entity that portion of that Taxing Entity's Share that the Agency is unable to utilize.

4. **Consent to Project Area Budget.** As required by UCA § 17C-5-304, the Taxing Entity consents to the Project Area Budget adopted by the Agency on March 22, 2023 for the Project Area. The Project Area Budget is incorporated herein by this reference.

5. **No Third-Party Beneficiary.** Nothing in this Agreement shall create or be read or interpreted to create any rights in or obligations in favor of any person or entity not a party to this Agreement. Except for the parties to this Agreement, no person or entity is an intended third-party beneficiary under this Agreement.

6. **Due Diligence.** Each of the Parties acknowledges for itself that it has performed its own review, investigation, and due diligence regarding the relevant facts upon which this Agreement is based, including representations of the Agency concerning the Project and the Project's benefits to the community and to the Parties, and each Party relies upon its own understanding of the relevant law and facts, information, and representations, after having completed its own due diligence and investigation.

7. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Cooperation Act in connection with this Agreement, the Parties agree as follows:

a. This Agreement shall be authorized and adopted by resolution of the legislative body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Cooperation Act.

b. This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in accordance with the Section 11-13-202.5(3) of the Cooperation Act.

c. A copy of this executed Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act.

EXECUTION VERSION

d. The Chair of the Agency is hereby designated the administrator for all purposes of the Cooperation Act.

e. The term of this Agreement shall commence on the publication of the notice required by Section 17C-5-205 of the Act and shall continue through the date on which all of each Taxing Entity's Share has been paid to and disbursed by the Agency as provided herein.

f. Following the execution of this Agreement by all Parties, the Agency shall cause a notice regarding this Agreement to be published on behalf of all parties in accordance with Section 11-13-219 of the Cooperation Act and Section 17C-5-205 of the Act.

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

7. **Further Assurance.** Each of the Parties hereto agrees to cooperate in good faith with the others, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement. Further, in the event of any question regarding the calculation or payment of amounts contemplated hereunder, the Parties shall cooperate in good faith to resolve such issue.

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

9. **Interpretation.** The terms "include," "includes," "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

10. **Severability.** If any provision of this Agreement is held to be invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, and if the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby,

a. such holding or action shall be strictly construed;

b. such provision shall be fully severable;

c. this Agreement shall be construed and enforced as if such provision had never comprised a part hereof;

d. the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the invalid or unenforceable provision or by its severance from this Agreement; and

EXECUTION VERSION

e. in lieu of such illegal, invalid, or unenforceable provision, the Parties hereto shall use commercially reasonable efforts to negotiate in good faith a substitute, legal, valid, and enforceable provision that most nearly effects the Parties' intent in entering into this Agreement.

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

12. **Time of the Essence.** Time is of the essence in the performance of this Agreement.

13. **Incorporation of Recitals.** The recitals set forth above are hereby incorporated by reference as part of this Agreement.

14. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement

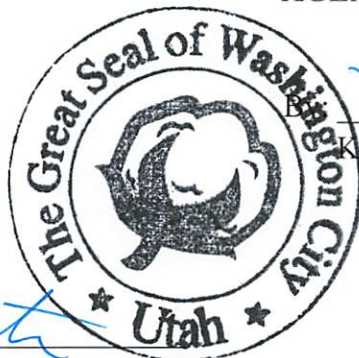
15. **Incorporation of Exhibits.** Any exhibits to this Agreement are hereby incorporated by reference as part of this Agreement.

ENTERED into as of the day and year first above written.

[Remainder of page intentionally left blank; signature pages to follow]

Agency:

WASHINGTON CITY REDEVELOPMENT
AGENCY





Kress Staheli, Chair

ATTEST:



Tara Pentz, Secretary

Attorney Review of Interlocal Agreement:

The undersigned, an attorney licensed to practice in the State of Utah, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.



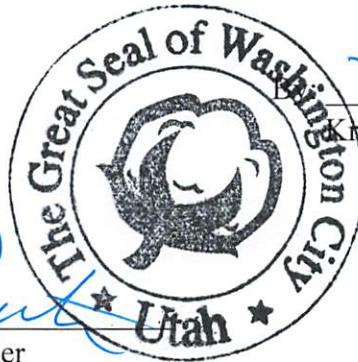
Adam S. Long

[Signatures continue]

[ADDITIONAL SIGNATURES TO INTERLOCAL AGREEMENT]

Taxing Entity:

WASHINGTON CITY



Kress Staheli

Kress Staheli, Mayor

ATTEST:

Tara Pentz
Tara Pentz, City Recorder

Exhibit C

to Participation Agreement

County Interlocal Agreement

**INTERLOCAL AGREEMENT by and between the WASHINGTON
CITY REDEVELOPMENT AGENCY and
WASHINGTON COUNTY for the WASHINGTON CITY INDUSTRIAL
COMMUNITY REINVESTMENT PROJECT AREA**

THIS INTERLOCAL AGREEMENT is entered into as of the 22nd day of March, 2023, by and between the **WASHINGTON CITY REDEVELOPMENT AGENCY**, a political subdivision of the State of Utah (the “**Agency**”), and **WASHINGTON COUNTY**, a political subdivision of the State of Utah (the “**Taxing Entity**”). The Agency and the Taxing Entity shall be referred to individually as a “**Party**” and collectively as the “**Parties**”.

A. WHEREAS the Agency was created pursuant to the provisions of, and continues to operate under, the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, Title 17C of the Utah Code (the “**Act**”), and is authorized thereunder to conduct urban renewal, economic development, community development, and community reinvestment activities within Washington City, Utah, as contemplated by the Act; and

B. WHEREAS the Agency created the Washington City Industrial Community Reinvestment Project Area (the “**Project Area**”) and adopted a community reinvestment project area plan for the Project Area (the “**Project Area Plan**”) on March 22, 2023, which is incorporated herein by this reference, which includes the legal description and a map of the Project Area, pursuant to which the Agency desires to encourage, promote and provide for desirable development within the Project Area; and

C. WHEREAS the Taxing Entity and the Agency have determined that it is in the best interests of the Taxing Entity to provide certain financial assistance through the use of Tax Increment (as defined below) in connection with the development of the Project Area as set forth in the Project Area Plan; and

D. WHEREAS the Agency anticipates providing a portion of the tax increment (as defined in Utah Code Annotated (“**UCA**”) § 17C-1-102(61) (hereinafter “**Tax Increment**”)), created by development within the Project Area to encourage desirable development within the Project Area; and

E. WHEREAS UCA § 17C-5-204(3) authorizes the Taxing Entity to consent to the payment to the Agency of all or a portion of the Taxing Entity’s share of Tax Increment generated from the Project Area for the purposes set forth therein; and

F. WHEREAS UCA § 11-13-215 further authorizes the Taxing Entity to share its tax and other revenues with the Agency; and

G. WHEREAS in order to facilitate development of the Project Area, the Taxing Entity desires to pay to the Agency a portion of the Taxing Entity's share of Tax Increment generated by development within the Project Area in accordance with the terms of this Agreement; and

H. WHEREAS the provisions of applicable Utah State law shall govern this Agreement, including the Act and the Interlocal Cooperation Act, Title 11 Chapter 13 of the UCA, as amended (the "**Cooperation Act**").

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

1. Taxing Entity's Consent.

a. Pursuant to Section 17C-5-204(4) of the Act and Section 11-13-215 of the Cooperation Act, the Taxing Entity hereby agrees and consents that the Agency shall be paid seventy five percent (75%) of the Taxing Entity's share of the Tax Increment from the Project Area (the "**Taxing Entity's Share**") for twenty (20) consecutive years. The Agency shall be paid Tax Increment for periods beginning on January 1, 2025.

b. The Taxing Entity's Share shall be used for the purposes set forth in the Act as reflected herein and in the Project Area Documents and shall be disbursed as specified herein. The calculation of annual Tax Increment shall be made using (a) the Taxing Entity's tax levy rate during the year for which Tax Increment is to be paid and (b) the base year value for purposes of calculating Tax Increment shall be value of all taxable property within the Project Area as last equalized prior to the date of this Agreement, which taxable value is subject to adjustment as required by law.

c. All centrally-assessed property existing within the Project Area as of the date of this Agreement, if any, shall be excluded from the calculation of Tax Increment under this Agreement. However, any new centrally assessed property constructed within the Project Area in connection with the Project shall be considered as new incremental value for purposes of calculating Tax Increment pursuant to this Agreement.

d. The Taxing Entity hereby authorizes and directs Washington County to pay directly to the Agency the Taxing Entity's Share in accordance with UCA § 17C-5-206 for the period described herein.

e. Of the amounts received by the Agency, the Agency may retain ten percent (10%) of the total Taxing Entity's Share each year to be used as described in UCA § 17C-5-307(3).

2. **Authorized Uses of Tax Increment.** The Parties agree that the Agency may apply the Taxing Entity's Share to the payment of any of the components of the development within the Project Area and related purposes, including but not limited to the cost and maintenance of public infrastructure and other improvements located within the Project Area, incentives to developers or participants within the project area, administrative, overhead, legal, and other operating expenses of the Agency, and any other purposes deemed appropriate by the Agency, all as authorized by the Act.

3. **Return of Tax Increment to the Taxing Entity.** If the Agency, in its sole discretion, is unable to utilize the full amount of the Taxing Entity's Share for the uses authorized in Section 2, above, then the Agency shall return to the Taxing Entity that portion of that Taxing Entity's Share that the Agency is unable to utilize.

4. **Consent to Project Area Budget.** As required by UCA § 17C-5-304, the Taxing Entity consents to the Project Area Budget adopted by the Agency on March 22, 2023 for the Project Area. The Project Area Budget is incorporated herein by this reference.

5. **No Third-Party Beneficiary.** Nothing in this Agreement shall create or be read or interpreted to create any rights in or obligations in favor of any person or entity not a party to this Agreement. Except for the parties to this Agreement, no person or entity is an intended third-party beneficiary under this Agreement.

6. **Due Diligence.** Each of the Parties acknowledges for itself that it has performed its own review, investigation, and due diligence regarding the relevant facts upon which this Agreement is based, including representations of the Agency concerning the Project and the Project's benefits to the community and to the Parties, and each Party relies upon its own understanding of the relevant law and facts, information, and representations, after having completed its own due diligence and investigation.

7. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Cooperation Act in connection with this Agreement, the Parties agree as follows:

a. This Agreement shall be authorized and adopted by resolution of the legislative body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Cooperation Act.

b. This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in accordance with the Section 11-13-202.5(3) of the Cooperation Act.

c. A copy of this executed Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act.

EXECUTION VERSION

d. The Chair of the Agency is hereby designated the administrator for all purposes of the Cooperation Act.

e. The term of this Agreement shall commence on the publication of the notice required by Section 17C-5-205 of the Act and shall continue through the date on which all of each Taxing Entity's Share has been paid to and disbursed by the Agency as provided herein.

f. Following the execution of this Agreement by all Parties, the Agency shall cause a notice regarding this Agreement to be published on behalf of all parties in accordance with Section 11-13-219 of the Cooperation Act and Section 17C-5-205 of the Act.

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

7. **Further Assurance.** Each of the Parties hereto agrees to cooperate in good faith with the others, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement. Further, in the event of any question regarding the calculation or payment of amounts contemplated hereunder, the Parties shall cooperate in good faith to resolve such issue.

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

9. **Interpretation.** The terms "include," "includes," "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

10. **Severability.** If any provision of this Agreement is held to be invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, and if the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby,

a. such holding or action shall be strictly construed;

b. such provision shall be fully severable;

c. this Agreement shall be construed and enforced as if such provision had never comprised a part hereof;

d. the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the invalid or unenforceable provision or by its severance from this Agreement; and

EXECUTION VERSION

e. in lieu of such illegal, invalid, or unenforceable provision, the Parties hereto shall use commercially reasonable efforts to negotiate in good faith a substitute, legal, valid, and enforceable provision that most nearly effects the Parties' intent in entering into this Agreement.

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

12. **Time of the Essence.** Time is of the essence in the performance of this Agreement.

13. **Incorporation of Recitals.** The recitals set forth above are hereby incorporated by reference as part of this Agreement.

14. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement

15. **Incorporation of Exhibits.** Any exhibits to this Agreement are hereby incorporated by reference as part of this Agreement.

ENTERED into as of the day and year first above written.

[Remainder of page intentionally left blank; signature pages to follow]

Agency:

WASHINGTON CITY REDEVELOPMENT
AGENCY

ATTEST:

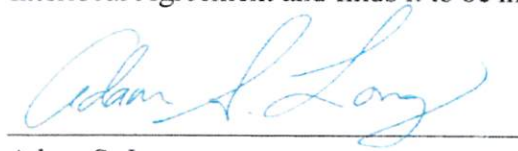

Tara Pentz, Secretary



By: 
Kress Staheli, Chair

Attorney Review of Interlocal Agreement:

The undersigned, an attorney licensed to practice in the State of Utah, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.


Adam S. Long

[Signatures continue]

[ADDITIONAL SIGNATURES TO INTERLOCAL AGREEMENT]

Taxing Entity:

WASHINGTON COUNTY

By: 
Adam Snow, Commission Chair

Attest:

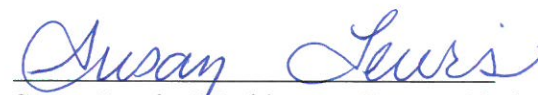

Susan Lewis, Washington County Clerk-Auditor

Exhibit D

to Participation Agreement

School District Interlocal Agreement

**INTERLOCAL AGREEMENT by and between the WASHINGTON
CITY REDEVELOPMENT AGENCY and
the WASHINGTON COUNTY SCHOOL DISTRICT for the
WASHINGTON CITY INDUSTRIAL COMMUNITY REINVESTMENT
PROJECT AREA**

THIS INTERLOCAL AGREEMENT is entered into as of the 22nd day of March, 2023, by and between the **WASHINGTON CITY REDEVELOPMENT AGENCY**, a political subdivision of the State of Utah (the “**Agency**”), and the **WASHINGTON COUNTY SCHOOL DISTRICT**, a political subdivision of the State of Utah (the “**Taxing Entity**”). The Agency and the Taxing Entity shall be referred to individually as a “**Party**” and collectively as the “**Parties**”.

A. WHEREAS the Agency was created pursuant to the provisions of, and continues to operate under, the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, Title 17C of the Utah Code (the “**Act**”), and is authorized thereunder to conduct urban renewal, economic development, community development, and community reinvestment activities within Washington City, Utah, as contemplated by the Act; and

B. WHEREAS the Agency created the Washington City Industrial Community Reinvestment Project Area (the “**Project Area**”) and adopted a community reinvestment project area plan for the Project Area (the “**Project Area Plan**”) on March 22, 2023, which is incorporated herein by this reference, which includes the legal description and a map of the Project Area, pursuant to which the Agency desires to encourage, promote and provide for desirable development within the Project Area; and

C. WHEREAS the Taxing Entity and the Agency have determined that it is in the best interests of the Taxing Entity to provide certain financial assistance through the use of Tax Increment (as defined below) in connection with the development of the Project Area as set forth in the Project Area Plan; and

D. WHEREAS the Agency anticipates providing a portion of the tax increment (as defined in Utah Code Annotated (“UCA”) § 17C-1-102(61) (hereinafter “**Tax Increment**”)), created by development within the Project Area to encourage desirable development within the Project Area; and

E. WHEREAS UCA § 17C-5-204(3) authorizes the Taxing Entity to consent to the payment to the Agency of all or a portion of the Taxing Entity’s share of Tax Increment generated from the Project Area for the purposes set forth therein; and

EXECUTION VERSION

F. WHEREAS UCA § 11-13-215 further authorizes the Taxing Entity to share its tax and other revenues with the Agency; and

G. WHEREAS in order to facilitate development of the Project Area, the Taxing Entity desires to pay to the Agency a portion of the Taxing Entity's share of Tax Increment generated by development within the Project Area in accordance with the terms of this Agreement; and

H. WHEREAS the provisions of applicable Utah State law shall govern this Agreement, including the Act and the Interlocal Cooperation Act, Title 11 Chapter 13 of the UCA, as amended (the "**Cooperation Act**").

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

1. Taxing Entity's Consent.

a. Pursuant to Section 17C-5-204(4) of the Act and Section 11-13-215 of the Cooperation Act, the Taxing Entity hereby agrees and consents that the Agency shall be paid seventy five percent (75%) of the Taxing Entity's share of the Tax Increment from the Project Area (the "**Taxing Entity's Share**") for twenty (20) consecutive years. The Agency shall be paid Tax Increment for periods beginning on January 1, 2025.

b. The Taxing Entity's Share shall be used for the purposes set forth in the Act as reflected herein and in the Project Area Documents and shall be disbursed as specified herein. The calculation of annual Tax Increment shall be made using (a) the Taxing Entity's tax levy rate during the year for which Tax Increment is to be paid and (b) the base year value for purposes of calculating Tax Increment shall be value of all taxable property within the Project Area as last equalized prior to the date of this Agreement, which taxable value is subject to adjustment as required by law.

c. All centrally-assessed property existing within the Project Area as of the date of this Agreement, if any, shall be excluded from the calculation of Tax Increment under this Agreement. However, any new centrally assessed property constructed within the Project Area in connection with the Project shall be considered as new incremental value for purposes of calculating Tax Increment pursuant to this Agreement.

d. The Taxing Entity hereby authorizes and directs Washington County to pay directly to the Agency the Taxing Entity's Share in accordance with UCA § 17C-5-206 for the period described herein.

EXECUTION VERSION

e. Of the amounts received by the Agency, the Agency may retain ten percent (10%) of the total Taxing Entity's Share each year to be used as described in UCA § 17C-5-307(3).

2. **Authorized Uses of Tax Increment.** The Parties agree that the Agency may apply the Taxing Entity's Share to the payment of any of the components of the development within the Project Area and related purposes, including but not limited to the cost and maintenance of public infrastructure and other improvements located within the Project Area, incentives to developers or participants within the project area, administrative, overhead, legal, and other operating expenses of the Agency, and any other purposes deemed appropriate by the Agency, all as authorized by the Act.

3. **Return of Tax Increment to the Taxing Entity.** If the Agency, in its sole discretion, is unable to utilize the full amount of the Taxing Entity's Share for the uses authorized in Section 2, above, then the Agency shall return to the Taxing Entity that portion of that Taxing Entity's Share that the Agency is unable to utilize.

4. **Consent to Project Area Budget.** As required by UCA § 17C-5-304, the Taxing Entity consents to the Project Area Budget adopted by the Agency on March 22, 2023 for the Project Area. The Project Area Budget is incorporated herein by this reference.

5. **No Third-Party Beneficiary.** Nothing in this Agreement shall create or be read or interpreted to create any rights in or obligations in favor of any person or entity not a party to this Agreement. Except for the parties to this Agreement, no person or entity is an intended third-party beneficiary under this Agreement.

6. **Due Diligence.** Each of the Parties acknowledges for itself that it has performed its own review, investigation, and due diligence regarding the relevant facts upon which this Agreement is based, including representations of the Agency concerning the Project and the Project's benefits to the community and to the Parties, and each Party relies upon its own understanding of the relevant law and facts, information, and representations, after having completed its own due diligence and investigation.

7. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Cooperation Act in connection with this Agreement, the Parties agree as follows:

a. This Agreement shall be authorized and adopted by resolution of the legislative body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Cooperation Act.

b. This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in accordance with the Section 11-13-202.5(3) of the Cooperation Act.

EXECUTION VERSION

c. A copy of this executed Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act.

d. The Chair of the Agency is hereby designated the administrator for all purposes of the Cooperation Act.

e. The term of this Agreement shall commence on the publication of the notice required by Section 17C-5-205 of the Act and shall continue through the date on which all of each Taxing Entity's Share has been paid to and disbursed by the Agency as provided herein.

f. Following the execution of this Agreement by all Parties, the Agency shall cause a notice regarding this Agreement to be published on behalf of all parties in accordance with Section 11-13-219 of the Cooperation Act and Section 17C-5-205 of the Act.

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

7. **Further Assurance.** Each of the Parties hereto agrees to cooperate in good faith with the others, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement. Further, in the event of any question regarding the calculation or payment of amounts contemplated hereunder, the Parties shall cooperate in good faith to resolve such issue.

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

9. **Interpretation.** The terms "include," "includes," "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

10. **Severability.** If any provision of this Agreement is held to be invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, and if the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby,

a. such holding or action shall be strictly construed;

b. such provision shall be fully severable;

c. this Agreement shall be construed and enforced as if such provision had never comprised a part hereof;

EXECUTION VERSION

d. the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the invalid or unenforceable provision or by its severance from this Agreement; and

e. in lieu of such illegal, invalid, or unenforceable provision, the Parties hereto shall use commercially reasonable efforts to negotiate in good faith a substitute, legal, valid, and enforceable provision that most nearly effects the Parties' intent in entering into this Agreement.

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

12. **Time of the Essence.** Time is of the essence in the performance of this Agreement.

13. **Incorporation of Recitals.** The recitals set forth above are hereby incorporated by reference as part of this Agreement.

14. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement

15. **Incorporation of Exhibits.** Any exhibits to this Agreement are hereby incorporated by reference as part of this Agreement.

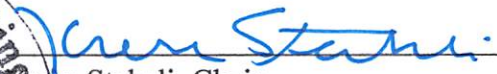
ENTERED into as of the day and year first above written.

[Remainder of page intentionally left blank; signature pages to follow]

Agency:

**WASHINGTON CITY REDEVELOPMENT
AGENCY**



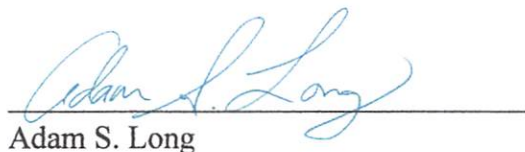

B. J. Staheli, Chair

ATTEST:


Tara Pentz, Secretary

Attorney Review of Interlocal Agreement:

The undersigned, an attorney licensed to practice in the State of Utah, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.


Adam S. Long

[Signatures continue]

[ADDITIONAL SIGNATURES TO INTERLOCAL AGREEMENT]

Taxing Entity:

**WASHINGTON COUNTY SCHOOL
DISTRICT**

By: 
Becky Dunn, Board President

Attest:

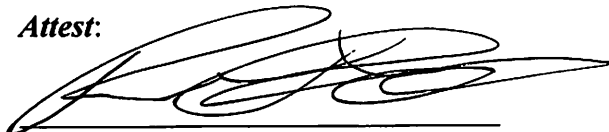

Brent Bills, Business Administrator

Exhibit E

to Participation Agreement

WCWCD Interlocal Agreement

**INTERLOCAL AGREEMENT by and between the WASHINGTON
CITY REDEVELOPMENT AGENCY and
the WASHINGTON COUNTY WATER CONSERVANCY DISTRICT
for the WASHINGTON CITY INDUSTRIAL COMMUNITY
REINVESTMENT PROJECT AREA**

THIS INTERLOCAL AGREEMENT is entered into as of the 22nd day of March, 2023, by and between the **WASHINGTON CITY REDEVELOPMENT AGENCY**, a political subdivision of the State of Utah (the “**Agency**”), and the **WASHINGTON COUNTY WATER CONSERVANCY DISTRICT**, a political subdivision of the State of Utah (the “**Taxing Entity**”). The Agency and the Taxing Entity shall be referred to individually as a “**Party**” and collectively as the “**Parties**”.

A. WHEREAS the Agency was created pursuant to the provisions of, and continues to operate under, the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, Title 17C of the Utah Code (the “**Act**”), and is authorized thereunder to conduct urban renewal, economic development, community development, and community reinvestment activities within Washington City, Utah, as contemplated by the Act; and

B. WHEREAS the Agency created the Washington City Industrial Community Reinvestment Project Area (the “**Project Area**”) and adopted a community reinvestment project area plan for the Project Area (the “**Project Area Plan**”) on March 22, 2023, which is incorporated herein by this reference, which includes the legal description and a map of the Project Area, pursuant to which the Agency desires to encourage, promote and provide for desirable development within the Project Area; and

C. WHEREAS the Taxing Entity and the Agency have determined that it is in the best interests of the Taxing Entity to provide certain financial assistance through the use of Tax Increment (as defined below) in connection with the development of the Project Area as set forth in the Project Area Plan; and

D. WHEREAS the Agency anticipates providing a portion of the tax increment (as defined in Utah Code Annotated (“**UCA**”) § 17C-1-102(61) (hereinafter “**Tax Increment**”)), created by development within the Project Area to encourage desirable development within the Project Area; and

E. WHEREAS UCA § 17C-5-204(3) authorizes the Taxing Entity to consent to the payment to the Agency of all or a portion of the Taxing Entity’s share of Tax Increment generated from the Project Area for the purposes set forth therein; and

EXECUTION VERSION

F. WHEREAS UCA § 11-13-215 further authorizes the Taxing Entity to share its tax and other revenues with the Agency; and

G. WHEREAS in order to facilitate development of the Project Area, the Taxing Entity desires to pay to the Agency a portion of the Taxing Entity's share of Tax Increment generated by development within the Project Area in accordance with the terms of this Agreement; and

H. WHEREAS the provisions of applicable Utah State law shall govern this Agreement, including the Act and the Interlocal Cooperation Act, Title 11 Chapter 13 of the UCA, as amended (the "**Cooperation Act**").

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

1. Taxing Entity's Consent.

a. Pursuant to Section 17C-5-204(4) of the Act and Section 11-13-215 of the Cooperation Act, the Taxing Entity hereby agrees and consents that the Agency shall be paid seventy five percent (75%) of the Taxing Entity's share of the Tax Increment from the Project Area (the "**Taxing Entity's Share**") for twenty (20) consecutive years. The Agency shall be paid Tax Increment for periods beginning on January 1, 2025. The Taxing Entity's consent is contingent upon Washington City Redevelopment Agency vetting the types of projects in the Project Area to eliminate projects with the potential for excessive water use.

b. The Taxing Entity's Share shall be used for the purposes set forth in the Act as reflected herein and in the Project Area Documents and shall be disbursed as specified herein. The calculation of annual Tax Increment shall be made using (a) the Taxing Entity's tax levy rate during the year for which Tax Increment is to be paid and (b) the base year value for purposes of calculating Tax Increment shall be value of all taxable property within the Project Area as last equalized prior to the date of this Agreement, which taxable value is subject to adjustment as required by law.

c. All centrally-assessed property existing within the Project Area as of the date of this Agreement, if any, shall be excluded from the calculation of Tax Increment under this Agreement. However, any new centrally assessed property constructed within the Project Area in connection with the Project shall be considered as new incremental value for purposes of calculating Tax Increment pursuant to this Agreement.

EXECUTION VERSION

d. The Taxing Entity hereby authorizes and directs Washington County to pay directly to the Agency the Taxing Entity's Share in accordance with UCA § 17C-5-206 for the period described herein.

e. Of the amounts received by the Agency, the Agency may retain ten percent (10%) of the total Taxing Entity's Share each year to be used as described in UCA § 17C-5-307(3).

2. **Authorized Uses of Tax Increment.** The Parties agree that the Agency may apply the Taxing Entity's Share to the payment of any of the components of the development within the Project Area and related purposes, including but not limited to the cost and maintenance of public infrastructure and other improvements located within the Project Area, incentives to developers or participants within the project area, administrative, overhead, legal, and other operating expenses of the Agency, and any other purposes deemed appropriate by the Agency, all as authorized by the Act.

3. **Return of Tax Increment to the Taxing Entity.** If the Agency, in its sole discretion, is unable to utilize the full amount of the Taxing Entity's Share for the uses authorized in Section 2, above, then the Agency shall return to the Taxing Entity that portion of that Taxing Entity's Share that the Agency is unable to utilize.

4. **Consent to Project Area Budget.** As required by UCA § 17C-5-304, the Taxing Entity consents to the Project Area Budget adopted by the Agency on March 22, 2023 for the Project Area. The Project Area Budget is incorporated herein by this reference.

5. **No Third-Party Beneficiary.** Nothing in this Agreement shall create or be read or interpreted to create any rights in or obligations in favor of any person or entity not a party to this Agreement. Except for the parties to this Agreement, no person or entity is an intended third-party beneficiary under this Agreement.

6. **Due Diligence.** Each of the Parties acknowledges for itself that it has performed its own review, investigation, and due diligence regarding the relevant facts upon which this Agreement is based, including representations of the Agency concerning the Project and the Project's benefits to the community and to the Parties, and each Party relies upon its own understanding of the relevant law and facts, information, and representations, after having completed its own due diligence and investigation.

7. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Cooperation Act in connection with this Agreement, the Parties agree as follows:

a. This Agreement shall be authorized and adopted by resolution of the legislative body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Cooperation Act.

EXECUTION VERSION

b. This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in accordance with the Section 11-13-202.5(3) of the Cooperation Act.

c. A copy of this executed Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act.

d. The Chair of the Agency is hereby designated the administrator for all purposes of the Cooperation Act.

e. The term of this Agreement shall commence on the publication of the notice required by Section 17C-5-205 of the Act and shall continue through the date on which all of each Taxing Entity's Share has been paid to and disbursed by the Agency as provided herein.

f. Following the execution of this Agreement by all Parties, the Agency shall cause a notice regarding this Agreement to be published on behalf of all parties in accordance with Section 11-13-219 of the Cooperation Act and Section 17C-5-205 of the Act.

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

7. **Further Assurance.** Each of the Parties hereto agrees to cooperate in good faith with the others, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement. Further, in the event of any question regarding the calculation or payment of amounts contemplated hereunder, the Parties shall cooperate in good faith to resolve such issue.

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

9. **Interpretation.** The terms "include," "includes," "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

10. **Severability.** If any provision of this Agreement is held to be invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, and if the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby,

a. such holding or action shall be strictly construed;

b. such provision shall be fully severable;

EXECUTION VERSION

c. this Agreement shall be construed and enforced as if such provision had never comprised a part hereof;

d. the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the invalid or unenforceable provision or by its severance from this Agreement; and

e. in lieu of such illegal, invalid, or unenforceable provision, the Parties hereto shall use commercially reasonable efforts to negotiate in good faith a substitute, legal, valid, and enforceable provision that most nearly effects the Parties' intent in entering into this Agreement.

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

12. **Time of the Essence.** Time is of the essence in the performance of this Agreement.

13. **Incorporation of Recitals.** The recitals set forth above are hereby incorporated by reference as part of this Agreement.

14. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement

15. **Incorporation of Exhibits.** Any exhibits to this Agreement are hereby incorporated by reference as part of this Agreement.

ENTERED into as of the day and year first above written.

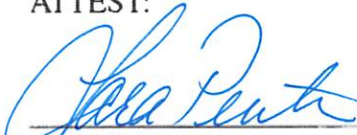
[Remainder of page intentionally left blank; signature pages to follow]

Agency:

WASHINGTON CITY REDEVELOPMENT
AGENCY



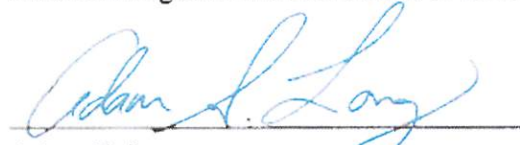
ATTEST:


Tara Pentz, Secretary


Karen Staheli, Chair

Attorney Review of Interlocal Agreement:

The undersigned, an attorney licensed to practice in the State of Utah, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.


Adam S. Long

[Signatures continue]

[ADDITIONAL SIGNATURES TO INTERLOCAL AGREEMENT]

Taxing Entity:

**WASHINGTON COUNTY WATER
CONSERVANCY DISTRICT**

By: 

Ed Bowler, Chairman of the Board

ATTEST:


Mindy Mees, Secretary

Exhibit F

to Participation Agreement

Mosquito District Interlocal Agreement

**INTERLOCAL AGREEMENT by and between the WASHINGTON
CITY REDEVELOPMENT AGENCY and
the SOUTHWEST MOSQUITO ABATEMENT & CONTROL
DISTRICT for the WASHINGTON CITY INDUSTRIAL COMMUNITY
REINVESTMENT PROJECT AREA**

THIS INTERLOCAL AGREEMENT is entered into as of the 22nd day of March, 2023, by and between the **WASHINGTON CITY REDEVELOPMENT AGENCY**, a political subdivision of the State of Utah (the “**Agency**”), and the **SOUTHWEST MOSQUITO ABATEMENT & CONTROL DISTRICT**, a political subdivision of the State of Utah (the “**Taxing Entity**”). The Agency and the Taxing Entity shall be referred to individually as a “**Party**” and collectively as the “**Parties**”.

A. WHEREAS the Agency was created pursuant to the provisions of, and continues to operate under, the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, Title 17C of the Utah Code (the “**Act**”), and is authorized thereunder to conduct urban renewal, economic development, community development, and community reinvestment activities within Washington City, Utah, as contemplated by the Act; and

B. WHEREAS the Agency created the Washington City Industrial Community Reinvestment Project Area (the “**Project Area**”) and adopted a community reinvestment project area plan for the Project Area (the “**Project Area Plan**”) on March 22, 2023, which is incorporated herein by this reference, which includes the legal description and a map of the Project Area, pursuant to which the Agency desires to encourage, promote and provide for desirable development within the Project Area; and

C. WHEREAS the Taxing Entity and the Agency have determined that it is in the best interests of the Taxing Entity to provide certain financial assistance through the use of Tax Increment (as defined below) in connection with the development of the Project Area as set forth in the Project Area Plan; and

D. WHEREAS the Agency anticipates providing a portion of the tax increment (as defined in Utah Code Annotated (“**UCA**”) § 17C-1-102(61) (hereinafter “**Tax Increment**”)), created by development within the Project Area to encourage desirable development within the Project Area; and

E. WHEREAS UCA § 17C-5-204(3) authorizes the Taxing Entity to consent to the payment to the Agency of all or a portion of the Taxing Entity’s share of Tax Increment generated from the Project Area for the purposes set forth therein; and

EXECUTION VERSION

F. WHEREAS UCA § 11-13-215 further authorizes the Taxing Entity to share its tax and other revenues with the Agency; and

G. WHEREAS in order to facilitate development of the Project Area, the Taxing Entity desires to pay to the Agency a portion of the Taxing Entity's share of Tax Increment generated by development within the Project Area in accordance with the terms of this Agreement; and

H. WHEREAS the provisions of applicable Utah State law shall govern this Agreement, including the Act and the Interlocal Cooperation Act, Title 11 Chapter 13 of the UCA, as amended (the "**Cooperation Act**").

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

1. Taxing Entity's Consent.

a. Pursuant to Section 17C-5-204(4) of the Act and Section 11-13-215 of the Cooperation Act, the Taxing Entity hereby agrees and consents that the Agency shall be paid seventy five percent (75%) of the Taxing Entity's share of the Tax Increment from the Project Area (the "**Taxing Entity's Share**") for twenty (20) consecutive years. The Agency shall be paid Tax Increment for periods beginning on January 1, 2025.

b. The Taxing Entity's Share shall be used for the purposes set forth in the Act as reflected herein and in the Project Area Documents and shall be disbursed as specified herein. The calculation of annual Tax Increment shall be made using (a) the Taxing Entity's tax levy rate during the year for which Tax Increment is to be paid and (b) the base year value for purposes of calculating Tax Increment shall be value of all taxable property within the Project Area as last equalized prior to the date of this Agreement, which taxable value is subject to adjustment as required by law.

c. All centrally-assessed property existing within the Project Area as of the date of this Agreement, if any, shall be excluded from the calculation of Tax Increment under this Agreement. However, any new centrally assessed property constructed within the Project Area in connection with the Project shall be considered as new incremental value for purposes of calculating Tax Increment pursuant to this Agreement.

d. The Taxing Entity hereby authorizes and directs Washington County to pay directly to the Agency the Taxing Entity's Share in accordance with UCA § 17C-5-206 for the period described herein.

EXECUTION VERSION

e. Of the amounts received by the Agency, the Agency may retain ten percent (10%) of the total Taxing Entity's Share each year to be used as described in UCA § 17C-5-307(3).

2. **Authorized Uses of Tax Increment.** The Parties agree that the Agency may apply the Taxing Entity's Share to the payment of any of the components of the development within the Project Area and related purposes, including but not limited to the cost and maintenance of public infrastructure and other improvements located within the Project Area, incentives to developers or participants within the project area, administrative, overhead, legal, and other operating expenses of the Agency, and any other purposes deemed appropriate by the Agency, all as authorized by the Act.

3. **Return of Tax Increment to the Taxing Entity.** If the Agency, in its sole discretion, is unable to utilize the full amount of the Taxing Entity's Share for the uses authorized in Section 2, above, then the Agency shall return to the Taxing Entity that portion of that Taxing Entity's Share that the Agency is unable to utilize.

4. **Consent to Project Area Budget.** As required by UCA § 17C-5-304, the Taxing Entity consents to the Project Area Budget adopted by the Agency on March 22, 2023 for the Project Area. The Project Area Budget is incorporated herein by this reference.

5. **No Third-Party Beneficiary.** Nothing in this Agreement shall create or be read or interpreted to create any rights in or obligations in favor of any person or entity not a party to this Agreement. Except for the parties to this Agreement, no person or entity is an intended third-party beneficiary under this Agreement.

6. **Due Diligence.** Each of the Parties acknowledges for itself that it has performed its own review, investigation, and due diligence regarding the relevant facts upon which this Agreement is based, including representations of the Agency concerning the Project and the Project's benefits to the community and to the Parties, and each Party relies upon its own understanding of the relevant law and facts, information, and representations, after having completed its own due diligence and investigation.

7. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Cooperation Act in connection with this Agreement, the Parties agree as follows:

a. This Agreement shall be authorized and adopted by resolution of the legislative body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Cooperation Act.

b. This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in accordance with the Section 11-13-202.5(3) of the Cooperation Act.

EXECUTION VERSION

c. A copy of this executed Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act.

d. The Chair of the Agency is hereby designated the administrator for all purposes of the Cooperation Act.

e. The term of this Agreement shall commence on the publication of the notice required by Section 17C-5-205 of the Act and shall continue through the date on which all of each Taxing Entity's Share has been paid to and disbursed by the Agency as provided herein.

f. Following the execution of this Agreement by all Parties, the Agency shall cause a notice regarding this Agreement to be published on behalf of all parties in accordance with Section 11-13-219 of the Cooperation Act and Section 17C-5-205 of the Act.

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

7. **Further Assurance.** Each of the Parties hereto agrees to cooperate in good faith with the others, to execute and deliver such further documents, to adopt any resolutions, to take any other official action, and to perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement. Further, in the event of any question regarding the calculation or payment of amounts contemplated hereunder, the Parties shall cooperate in good faith to resolve such issue.

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

9. **Interpretation.** The terms "include," "includes," "including" when used herein shall be deemed in each case to be followed by the words "without limitation."

10. **Severability.** If any provision of this Agreement is held to be invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, and if the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby,

a. such holding or action shall be strictly construed;

b. such provision shall be fully severable;

c. this Agreement shall be construed and enforced as if such provision had never comprised a part hereof;

EXECUTION VERSION

d. the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the invalid or unenforceable provision or by its severance from this Agreement; and

e. in lieu of such illegal, invalid, or unenforceable provision, the Parties hereto shall use commercially reasonable efforts to negotiate in good faith a substitute, legal, valid, and enforceable provision that most nearly effects the Parties' intent in entering into this Agreement.

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

12. **Time of the Essence.** Time is of the essence in the performance of this Agreement.

13. **Incorporation of Recitals.** The recitals set forth above are hereby incorporated by reference as part of this Agreement.

14. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement

15. **Incorporation of Exhibits.** Any exhibits to this Agreement are hereby incorporated by reference as part of this Agreement.

ENTERED into as of the day and year first above written.

[Remainder of page intentionally left blank; signature pages to follow]

Agency:

**WASHINGTON CITY REDEVELOPMENT
AGENCY**



By: Kress Staheli
Kress Staheli, Chair

ATTEST:

Tara Pentz
Tara Pentz, Secretary

Attorney Review of Interlocal Agreement:

The undersigned, an attorney licensed to practice in the State of Utah, has reviewed the foregoing Interlocal Agreement and finds it to be in proper form and in compliance with applicable state law.

Adam S. Long
Adam S. Long

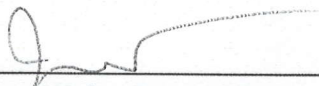
[Signatures continue]

EXECUTION VERSION

[ADDITIONAL SIGNATURES TO INTERLOCAL AGREEMENT]

Taxing Entity:

**SOUTHWEST MOSQUITO ABATEMENT &
CONTROL DISTRICT**

By: 
Jarett Waite, Board Chair

Attest:


Karen Noffsinger, Office & HR Admin

Exhibit G

to Participation Agreement

Form of Request for Payment

REQUEST FOR PAYMENT

To: _____

From: _____

Re: Request for payment pursuant to Participation Agreement

Date of Request: _____

As of the date of this request:

- Combined total of funds expended in soil mitigation exceeds \$5,000,000.00:
 - o (Yes) ____ (No) ____
- Total completed interior square footage of buildings within the Site equal to or greater than 150,000 square feet:
 - o (Yes) ____ (No) ____
- Is the Project Abandoned:
 - o (Yes) ____ (No) ____

Signed: _____

Dated: _____

WASHINGTON CITY REDEVELOPMENT AGENCY
RESOLUTION NO. 2024-01
A RESOLUTION APPROVING A PARTICIPATION AGREEMENT FOR THE
WASHINGTON CITY INDUSTRIAL COMMUNITY REINVESTMENT PROJECT
AREA

WHEREAS the Agency has created the Washington City Industrial Community Reinvestment Project Area (the “**Project Area**”); and

WHEREAS the Agency is authorized to enter into agreements with property owners, governmental entities, private entities and others; and

WHEREAS the Agency finds the participation agreement between the Agency and the developer (the “**Participation Agreement**”) to be in harmony with and consistent with the Plan for the Project Area and in the best interests of the Agency and Washington City.

THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF THE WASHINGTON CITY REDEVELOPMENT AGENCY AS FOLLOWS:

1. The Agency, having reviewed the matter, hereby approves the Participation Agreement attached hereto as **Exhibit A** and authorizes the Chair and Secretary to execute the Participation Agreement on behalf of the Agency upon execution of the Participation Agreement by the counterparty to the agreement.
2. The Participation Agreement is approved with such additions, modifications, deletions or other changes as may be deemed necessary or appropriate and approved by the Chair of the Agency in cooperation with Agency legal counsel, whose execution thereof on behalf of the Agency shall conclusively establish such necessity, appropriateness and approval with respect to all such additions, modifications, deletions and/or other changes incorporated therein, so long as such changes are keeping with the intent and purpose of the Participation Agreement.
3. This Resolution shall take effect upon adoption.

APPROVED AND ADOPTED on the 11th day of December, 2024.

WASHINGTON CITY
REDEVELOPMENT AGENCY

ATTEST:

Kress Staheli, Chair

Tara Pentz, Secretary

EXHIBIT A
Participation Agreement