



Ogden City

Redevelopment Agency Meeting Agenda

October 13, 2015 - 6:00 p.m.

City Council Chambers

Municipal Building – Third Floor

2549 Washington Boulevard, Ogden, Utah 84401

1. Roll call.
2. Pledge of Allegiance.
3. Moment of Silence.
4. Approval of Minutes (*voice vote*):
 - a. Joint Study Session on August 25, 2015 – *Board member Garner*
 - b. Special Meeting on August 25, 2015 – *Board member Gochnour*
 - c. Closed Session on August 25, 2015 – *Board member Stephens*
5. **Closed Executive Session.** Consideration of adjourning into a Closed Executive Session pursuant to one or more of the provisions of Section 52-4-205(1) of the Open and Public Meetings Law:
 - a. Discussion of the character, professional competence, or physical or mental health of an individual
 - b. Strategy session to discuss collective bargaining
 - c. Strategy session to discuss pending or reasonably imminent litigation
 - d. Strategy session to discuss the purchase, exchange, or lease of real property
 - e. Strategy session to discuss the sale of real property
 - f. Discussion regarding deployment of security personnel, devices, or systems
 - g. Investigative proceedings regarding allegations of criminal misconduct.
(*Adjourn/not adjourn – roll call vote*)
6. Administrative Reports:
 - a. **Kiesel Community Development Project Area:**
 - i. Presentation.
 - ii. Resolution 2015-15 approving an interlocal agreement between the Redevelopment Agency and Weber County authorizing the tax increment sharing for the Kiesel Community Development Project Area. (*Adopt/not adopt resolution – roll call vote*)
 - iii. Resolution 2015-16 approving an interlocal agreement between the Redevelopment Agency and the Ogden School District authorizing the tax increment sharing for the Kiesel Community Development Project Area. (*Adopt/not adopt resolution – roll call vote*)
 - b. **Participation and Incentive Agreement with Lotus Kiesel, LLC and CSPE005, LLC.** Proposed Resolution 2015-17 approving the terms and conditions of a participation and incentive agreement by and between the Agency, Lotus Kiesel, LLC, and CSPE005, LLC for development of approximately 55 new residential units located at 2411 Kiesel Avenue. (*Adopt/not adopt resolution – roll call vote*)
7. Public Comments. This is an opportunity to address the Board regarding your concerns or ideas for the Ogden Redevelopment Agency (RDA). Please state your name and address clearly for the record and limit your comments to three minutes.
8. Comments:
 - a. RDA Executive Director
 - b. Board members
9. Adjournment.

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In compliance with the Americans with Disabilities Act, persons needing auxiliary communicative aids and services for this meeting should contact the Management Services Department at 629-8701 (TDD # 629-8949) or by email: ADACompliance@ci.ogden.ut.us at least 48 hours in advance of the meeting.

CERTIFICATE OF POSTING

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and/or agenda was posted in three public places within the Ogden City Limits on this 9th day of October, 2015. These public places being: 1) City Recorder's Office on the 2nd floor of the Municipal Building; 2) 2nd floor foyer of the Municipal Building; and 3) the Weber County Library. A copy was posted to the Utah State Public Notice Website and the Ogden City Website, as well as provided to the Standard-Examiner.

TRACY HANSEN, MMC
OGDEN CITY RECORDER

Visit the City Council Meetings page at: councilmeetings.ogdencity.com
Redevelopment Agency Agenda Information – 801-629-8159



Redevelopment Agency Meeting BOARD STAFF REVIEW

KIESEL COMMUNITY DEVELOPMENT PROJECT AREA

- *Interlocal Agreement with Weber County Authorizing Use of County Tax Increment*
- *Interlocal Agreement with Ogden School District Authorizing Use of School District Tax Increment*

DETERMINATION **Adopt or Not Adopt Resolution (Weber County)**
 Adopt or Not Adopt Resolution (Ogden School District)

Executive

Summary

The Board will consider a Resolutions adopting Interlocal Agreements with Weber County and Ogden School District that authorizes the Agency to collect the County's and School District's portion of the tax increment from the Kiesel Community Development Area for redevelopment of the area.

Background

June 17, 2015

The RDA Board Office received a Transmittal requesting authorization to draft a Community Development Area Project Plan for an area located between Kiesel and Wall Avenues and 23rd and 25th Streets.

July 28, 2015

The RDA Board adopted Resolution 2015-10 authorizing the Administration to develop a Draft Project Area Plan for the Kiesel CDA.

August 25, 2015

The RDA Board set a public hearing on Resolution 2015- 12 for September 22, 2015 to provide property owners, representatives of the taxing entities, and the general public an opportunity to comment on the Kiesel CDA Draft Plan. Following the RDA Board's action, the Kiesel CDA Draft Plan was made available in the Recorder's Office for review and comment.



Redevelopment Agency Meeting BOARD STAFF REVIEW

September 22, 2015

The RDA Board adopted Resolution 2015-12 creating the Kiesel Community Development Area and authorizing the Plan and Budget. The RDA Board also approved Resolution 2015-14 authorizing and Interlocal Agreement with the City which pledged City tax increment for use in the Kiesel CDA.

The City Council adopted Ordinance 2015-44 approving creation of the Kiesel CDA and approved Resolution 2015-14 approving the Interlocal Agreement pledging the City's tax increment to the Kiesel CDA.

September 29, 2015

The Board of Commissioners of Weber County approved Resolution 38-2015 approving an Interlocal Agreement with the Ogden Redevelopment Agency. Pursuant to the Agreement, 100% of County tax increment was pledged to the Agency.

October 1, 2015

The Board of the Ogden City School District approved an Interlocal Agreement with the Ogden Redevelopment Agency. Pursuant to the Agreement, 100% of School District tax increment was pledged to the Agency.

CS Note: The School Board President has not yet executed the Agreement as he is out of town.

Proposal

The Administration is requesting that the Board adopt Resolutions approving Interlocal Agreements with Weber County and Ogden School District. The Agreements pledge 100% of the tax increment from the Kiesel Community Development Area accruing to the respective agencies to further the objectives of the Kiesel CDA Plan.

The terms of the Interlocal Agreements mirror each other (with exception of tax increment amounts) and are summarized as follows:



Redevelopment Agency Meeting BOARD STAFF REVIEW

- Parties to the Agreements:
 - Weber County and Ogden City Redevelopment Agency
 - Ogden and School District and Ogden City Redevelopment Agency
- Purpose: The County and School District each pledge the property tax increment derived from Kiesel CDA to the Agency to promote significant community development activities and assist in the redevelopment of key properties in the City
- The Base Taxable Year is 2015
- The Base Taxable Value is \$21,203,119
- The County and School District each pledge 100% of the tax increment beginning with the Tax Increment Commencement Date of January 1, 2018
- Agency may use up to 5% for administrative purposes
- The Tax Increment Period is 20 years
- The maximum payment of tax increment:
 - Weber County – \$2,200,000
 - Ogden City School District - \$6,000,000
- Revenue from property tax increases are not considered tax increment

Questions

Please review the terms of the Interlocal Agreements.

Council Staff Contact: Janene Eller-Smith, (801)629-8165

OCT 08 2015

OGDEN CITY
COUNCIL OFFICE

OGDEN CITY REDEVELOPMENT AGENCY

DATE: October 1, 2015

TO: Ogden City Redevelopment Agency

THRU: Mark Johnson, CAO

FROM: Tom Christopulos, CED Director

RE: Kiesel CDA Project Area Plan – County/Agency Interlocal Agreement, School District/Agency Interlocal Agreement

STAFF CONTACT: Brandon Cooper, CED Deputy Director

REQUESTED TIMELINE: October 13, 2015

RECOMMENDATION: Approve Interlocal Agreements

DOCUMENTS: Final Plan; Interlocal Agreements (2); Resolutions to Adopt Interlocal Agreement

Pursuant to Utah Code 17C-4-101, the Agency has approved and Ogden City has adopted a the Kiesel Community Development Project Area in the vicinity of 23rd and 24th Streets between Kiesel and Wall Avenue (see final plan for map) for the purpose of supporting the redevelopment of historic buildings, strengthening Ogden's employment and tax bases (property and sales), and creating a mechanism to support additional downtown parking. This high profile location is home to numerous significantly contributing historic buildings and is the traditional entrance into the downtown. Although this area has generally seen economic underperformance, it presents some of the greatest opportunity for redevelopment. It is believed that, with the assistance of the Redevelopment Agency, this section of the downtown can contribute greatly to the economic well-being of the community.

By establishing a Community Development Project Area, the Agency can provide tax increment to assist in the redevelopment of the area. Key projects include, but are not limited to:

- Restoration of the old Kiesel Building
- Restoration of the Berthana Building
- Construction of additional public parking
- Restoration of the Thorstensen Building and Proud Fit Building
- Enhancement of the old Post Office
- Attraction of new businesses

The process to create a Community Development Project Area is different than that of a URA or EDA. The general steps are as follows:

1. ~~Agency adopts a resolution authorizing the preparation of a draft Community Development Project Area Plan~~
2. ~~Staff prepares a draft Project Area Plan, including an OPTIONAL Budget~~
3. ~~Make the draft Project Area Plan available~~
4. ~~Provide notice of a public hearing to review the draft Plan~~
5. ~~Hold a public hearing and in the hearing allow public comment and receive all written and hear all oral objections to the draft Plan~~
6. ~~Revise, approve, or reject the Plan based on public comment~~
7. ~~If approved, approval by Agency resolution~~
8. ~~Submit the Plan to the City Council for adoption by City resolution~~
9. Within 30 days after City Council adoption, record the plan with the Weber County Recorder and transmit a copy to the:
 - o County auditor, attorney, surveyor, and assessor
 - o County Commission
 - o Governing body of each taxing entity
 - o State Tax Commission
 - o State Board of Education
10. Within 30 days after City Council adoption, transmit a copy of the plan to the Automated Geographic Reference Center
11. All interlocal agreements that provide funds for the CDA will be conducted pursuant to Utah Code 17C-4-201-203.

RDA Staff requests the approval of the attached interlocal agreement between Weber County and the Agency and the attached interlocal agreement between the Ogden School District (OSD) and the Agency. The terms of these agreement include:

- **Tax Increment Period:** 20 years
- **Tax Increment:** 100% created in the Project Area
- **Limitation:** not to exceed \$2.2mm (County) and \$6mm (OSD)

For further information please contact Brandon Cooper at (801) 629-8947.

RESOLUTION NO. 2015-15

A RESOLUTION OF THE OGDEN CITY REDEVELOPMENT AGENCY APPROVING AN INTERLOCAL AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY AND WEBER COUNTY AUTHORIZING THE TAX INCREMENT SHARING FOR THE KIESEL COMMUNITY DEVELOPMENT PROJECT AREA

WHEREAS, pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “**Interlocal Act**”), and the provisions of the Community Development and Renewal Agencies Act, Title 17C, Utah Code Annotated 1953, as amended (the “**CDRA Act**”), public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into mutually advantageous agreements for joint and cooperative actions, including the sharing of tax and other revenues; and

WHEREAS Weber County (the “**County**”) and the Redevelopment Agency of Ogden City (the “**Agency**”) are “public agencies” for purposes of the Act; and

WHEREAS after careful analysis and consideration of relevant information, the Agency desires to enter into an Interlocal Agreement with the County whereby the County would remit to the Agency a portion of the property tax increment generated within the Kiesel Community Development Project Area, (the “**Project Area**”) which would otherwise flow to the County, for the purpose of encouraging development activities and other uses that directly benefit the Project Area; and

WHEREAS Section 11-13-202.5 of the Interlocal Act requires that certain interlocal agreements be approved by resolution of the legislative body of a public agency.

NOW, THEREFORE, BE IT RESOLVED by the board of the Ogden City Redevelopment Agency as follows:

1. The Interlocal Agreement between the County and the Agency, substantially in the form attached hereto as Exhibit A - the Agreement, is approved in substantially final form and shall be executed for and on behalf of the Agency by the Executive Director.
2. Pursuant to Section 11-13-202.5 of the Interlocal Act, the Agreement has been submitted to legal counsel of Ogden City (“**City**”) for review and approval as to form and legality.

3. Pursuant to Section 11-13-209 of the Interlocal Act, a duly executed original counterpart of the Agreement shall be filed immediately with the City Recorder, the keeper of records of the City.
4. The City is hereby directed to publish or cause to be published a notice of the Agreement in accordance with Section 11-13-219 of the Interlocal Act and Section 17C-4-202 of the CDRA Act, and make a copy of the Agreement available for public inspection and copying at the City's offices during regular business hours for a period of at least 30 days following publication of the notice.
5. The Agreement shall be effective immediately upon execution.
6. This Resolution shall take effect upon adoption.

PASSED AND ADOPTED this ____ day of _____, 2015.

CHAIRPERSON

ATTEST: _____

APPROVED AS TO FORM:



Agency Counsel

RESOLUTION NO. 38-2015

C2015-359
ORIGINAL

**RESOLUTION APPROVING AN INTERLOCAL AGREEMENT
FOR THE KIESEL COMMUNITY DEVELOPMENT PROJECT AREA**

WHEREAS, the Utah Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated, 1953 as amended, permits governmental units to enter into agreements with one another for the purpose of exercising on a joint and cooperative basis powers and privileges that will benefit their citizens and make the most efficient use of their resources; and

WHEREAS, Weber County and the Ogden City Redevelopment Agency have negotiated an Interlocal Agreement for the purpose of providing funding for the Kiesel Community Development Project Area Plan, using tax increment;

NOW THEREFORE, the Board of County Commissioners of Weber County hereby resolves to enter into the attached Interlocal Agreement with the Ogden City Redevelopment Agency for the purposes authorized in the Interlocal Agreement, and the Interlocal Agreement is hereby approved. The Chair of the Board of County Commissioners of Weber County is authorized and directed to execute the Interlocal Agreement for and on behalf of Weber County.

DATED this 29 day of September, 2015.

BOARD OF COUNTY COMMISSIONERS
OF WEBER COUNTY

By *Kerry W. Gibson*
Kerry W. Gibson, Chair

Commissioner Bell voted *AK*
Commissioner Ebert voted *AK*
Commissioner Gibson voted *AK*

ATTEST:

Ricky Hatch
Ricky Hatch, CPA
Weber County Clerk/Auditor

Q 2015-359
INTERLOCAL AGREEMENT

ORIGINAL

Res 38-2015

THIS INTERLOCAL AGREEMENT ("Agreement") is made and entered into this 29th day of September, 2015 ("Contract Date"), by and between the **OGDEN CITY REDEVELOPMENT AGENCY**, a redevelopment agency created under the laws of the state of Utah ("Agency"), and the **WEBER COUNTY**, a political subdivision of the State of Utah (the "County"). Agency and County are referred to herein as the "Parties" and sometimes individually as a "Party."

RECITALS:

A. The Agency was created and organized pursuant to the provisions of the Utah Neighborhood Development Act, Utah Code Annotated § 17A-2-1201 et seq. (2000), and continues to operate under the provisions of its extant successor statute, the Limited Purpose Local Government Entities - Community Development and Renewal Agencies Act, as found in UTAH CODE ANN. §17C-1-101 et seq. (the "Act"), and is authorized and empowered thereby to undertake various activities and actions pursuant thereto;

B. The Agency, together with key stakeholders, has a desire and a mission to bring about purposeful and significant community development activities and to assist in the development of certain key properties and projects, the result of which will advance the policies, goals and objectives of the Ogden City's general plan, preserve and maintain the natural environment desired by the citizens of the community, contribute to capital improvements which substantially benefit Ogden City and County, create economic benefits to the immediate region, and improve the public health, safety and welfare of its citizens;

C. Pursuant to the Act, on September 22, 2015 the Agency adopted the Kiesel Community Development Project Area ("Project Area") through the approval of the Kiesel Community Development Project Area Plan (the "Plan"), which governs the development within the Project Area and which is more fully described and attached hereto in Exhibit A – Kiesel CDA Plan;

D. Pursuant to certain interlocal agreements with taxing entities the Act authorizes funding of community development project areas and plans, such as the Project Area and related Plan, with property tax increment and sales tax proceeds;

E. UTAH CODE ANN. § 11-13-215 (2003) authorizes a taxing entity to share its tax and other revenues with other governmental agencies;

F. The Agency is willing to use tax increment from the Project Area, and the County is willing to consent to the Agency's use of tax increment from the Project Area, to fund the Project Area and Plan;

G. For the purpose of providing funds to carry out the purposes and activities set forth in the Plan, the County consents to the Agency receiving certain tax increment from the Project Area in accordance with the terms of this Agreement; and

H. This Agreement is made pursuant to the provisions of the Interlocal Cooperation Act, UTAH CODE ANN. §11-13-101, *et seq.*, (the "Cooperation Act").

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

1. **Recitals.** The above recitals are incorporated herein by reference and made a part hereof.

2. **Base Taxable Value.** After combining the Weber County assessed values of all real property within the Project Area for the year 2015, and pursuant to §17C-1-102(6)(b) of the Act, the Parties agree that the base taxable value for all such properties within the Project Area shall be \$21,203,119.00, regardless of the Tax Increment Commencement Date as defined below ("**Base Taxable Value**").

3. **Weber County Payment of Tax Increment to Agency.** Pursuant Section 17C-4-201 of the Act and Sections 11-13-202.5 and 11-13-215 of the Cooperation Act, the County hereby agrees and consents that for twenty (20) consecutive tax years ("**Tax Increment Period**"), Weber County shall pay to the Agency 100% of the County's Tax Increment generated within the Project Area during the Tax Increment Period for the purpose of providing funds to the Agency to carry out the Plan. The Parties understand and agree that payment for the last year of Tax Increment will be paid to the Agency in the year following the Tax increment Termination Date. The County consents to Agency's use of up to 5% of the County's Tax Increment for Agency administrative purposes.

4. **Commencement and Termination of the Tax Increment Period.** The Tax Increment Period will begin on the first day of January in the year for which the Agency accepts its first Tax Increment payment from the Project Area, or January 1, 2018, whichever date is earlier ("**Tax Increment Commencement Date**"). The year of receipt of the first Tax Increment payment will not affect or determine the Tax Increment Commencement Date. The Parties are aware that Tax Increment payments are paid during the year following the year in which Tax Increment is generated or accrued. The Tax Increment Period will end on the 31st day of December preceding the twentieth (20th) anniversary of the Tax Increment Commencement Date ("**Tax Increment Termination Date**"). The County's Tax Increment generated from the Project Area after the Tax Increment Termination Date shall be paid to the County.

5. **Maximum Payment of Tax Increment.** The total payments made to the Agency from the County's Tax Increment generated from the Project Area during the Tax Increment Period shall not exceed \$2,200,000.00.

6. **Interlocal Cooperation Act.** In accordance with the requirements of the Cooperation Act, the Parties agree as follows:

- a. This Agreement shall be authorized by a 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 in behalf of each Party pursuant to and in accordance with Section 11-13-202.5 of the Cooperation Act;
- c. A duly executed original counterpart of this 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 Executive Director of the Agency is hereby designated as the administrator to administer all joint or cooperative undertaking pursuant to Section 11-13-207 of the Cooperation Act;
- e. The term of this Agreement shall commence on the Effective Date as defined below and shall continue for 180 days after the Tax Increment Termination Date, or the date on which the last payment of Tax Increment of the County is paid to the Agency, whichever date occurs first.
- f. This Agreement may be terminated before the end of the Tax Increment Termination Date by mutual written agreement of the Parties, but only after the Agency has received sufficient funds from Tax Increment generated from the Project Area to fully pay all obligations contemplated by this Agreement and accomplishes the purposes for which this Agreement is created.
- g. The Agency will be responsible for budgeting all required funding for the Plan and the County will be responsible for budgeting its activities.

7. **Publication of Notice.** Immediately after execution of this Agreement by the Parties, each of the Parties shall cause to be published a notice regarding this Agreement and the Party's resolution authorizing this Agreement, as provided and allowed pursuant to Section 11-13-219 of the Cooperation Act. The County agrees that the Agency may cause such publication of notice be made on the County's behalf and at the Agency's expense in a joint publication.

8. **No Third Party Beneficiary.** Nothing in this Agreement shall be deemed or considered to create any obligation in favor of or rights in any person or entity not a party to this Agreement. No person or entity is an intended third party beneficiary of this Agreement. Any obligation of the Agency to make any payments to a developer, business or any person or entity is to be set forth in written agreements between the Agency and the person or entity, in accordance with terms and requirements satisfactory to the Agency.

9. **Due Diligence.** Each of the Parties acknowledges for itself that it has performed its own review, investigation and due diligence regarding the relevant facts concerning the Project Area and Plan and the expected benefits to the community and to the Parties, and each of the Parties relies on its own understanding of the relevant facts and information, after having completed its own due diligence and investigation.

10. **Modification.** A modification of, or amendment to, any provision contained in this Agreement shall be effective only if the modification or amendment is in writing and signed by the Parties after proper approval of the modification or amendment as required by law. Any oral representation or modification concerning this Agreement shall not be binding upon the Parties, or any one of them.

11. **Further Documents and Acts.** Each of the Parties hereto agrees to cooperate in good faith with the other to execute and deliver such further documents and perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the intent and transactions contemplated under this Agreement.

12. **Entire Agreement.** This Agreement and its exhibits constitute the entire agreement between the Parties pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understandings of the Parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

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

14. **Effective Date.** Pursuant to Section 17C-4-202(3) of the Act, this Agreement shall become effective upon publication of the notice as required by Sections 17C-4-202(2)(a)(i)(A) and 17C-4-202(2)(a)(ii) of the Act.

SIGNATURES ON FOLLOWING PAGE

ENTERED into as of the Contract Date written above.

AGENCY:

OGDEN COUNTY REDEVELOPMENT AGENCY,
a body politic and political subdivision of the state of Utah

By: _____
Michael P. Caldwell
Executive Director

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Agency Attorney

COUNTY:

WEBER COUNTY,
a body politic and political subdivision of the state of Utah

By: _____
Kerry W. Gibson, Chair
Board of County Commissioners

ATTEST:



Ricky Hatch, CPA
Weber County Clerk/Auditor

APPROVED AS TO FORM:



Deputy County Attorney

EXHIBIT A
to
Interlocal Agreement

Adopted Kiesel CDA Plan



KIESEL COMMUNITY DEVELOPMENT PROJECT AREA

Project Area Plan

Adopted:
September 22, 2015

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APPENDIX B Land Use Map - Kiesel Community Development Project Area

APPENDIX C Weber County Tax Serial Numbers

APPENDIX D Economic Benefit Analysis

APPENDIX E Project Area Budget

INTRODUCTION

The proposed Kiesel Community Development Project Area (“**Kiesel CDA**” or “**Project Area**”) is created pursuant to Title 17C, Chapters 1 through 4, Utah Code Annotated (the “**Act**”) and includes the property located between Kiesel and Wall Avenues and 24th and 25th Streets in Ogden City, as shown on Appendix A – Kiesel Community Development Project Area Map, attached hereto. The Kiesel CDA consists of approximately 39 acres and includes numerous significantly contributing historic buildings, as well as, commercial, retail and recreational uses.

Private property within the Kiesel CDA is composed of commercial properties. The Kiesel CDA includes no residential property (see Appendix B - Land Use Map).

Section 1 **DEFINITIONS**

As used in this Community Development Project Area Plan:

1. The term "**Act**" shall mean and include the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act Title 17C, Chapters 1 through 4, Utah Code Annotated, including such amendments or successor statutes as shall from time to time be enacted.
2. The term "**Agency**" shall mean the Ogden City Redevelopment Agency, a separate body corporate and politic.
3. The term "**base taxable value**" shall mean the base taxable value of the property within the Project Area, as shown upon the assessment roll last equalized, before the date the taxing entity committee adopts the first Project Area budget.
4. The term "**City**" shall mean Ogden City Corporation, Ogden, Utah.
5. The term "**Developer**" shall mean any person or entity undertaking development activities in the Project Area.
6. The term "**Community Development**" means development activities within a community, including the encouragement, promotion, or provision of development.
7. The term "**Plan Hearing**" means the public hearing on the draft Project Area Plan required under Subsection 17C-3-102 of the Act.
8. The term "**Planning Commission**" shall mean the planning commission of the City.
9. The term "**Project**" means the activities associated with this Project Area Plan.
10. The term "**Project Area**" or "**Kiesel Community Development Project Area**" shall mean the geographic area described in this Project Area Plan where the
11. Community Development set forth in this Project Area Plan takes place or is proposed to take place.
12. The term "**Project Area Plan**" or "**Plan**" shall mean the Kiesel Community Development Project Area Plan that was adopted pursuant to the Act to guide and control Community Development activities within the Project Area.
13. The term "**Project Area Budget**" shall mean a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to the Project Area that includes:
 - (a) the base taxable value of property in the Project Area; (b) the projected tax increment expected to be generated within the Project Area; (c) the amount of tax increment expected to be shared with other taxing entities; (d) the amount of tax increment expected to be used to implement the Project Area Plan, including the

estimated amount of tax increment to be used for land acquisition, public improvements, infrastructure improvements, and loans, grants, or other incentives to private and public entities; (e) the tax increment expected to be used to cover the cost of administering the Project Area Plan; (f) if the area from which tax increment is to be collected is less than the entire Project Area: (i) the tax identification numbers of the parcels from which tax increment will be collected; or (ii) a legal description of the portion of the Project Area from which tax increment will be collected; for a Community Development Project Area, the information required under Subsection 17C-4-204.

14. The terms "**tax**," "**taxes**," "**property tax**" or "**property taxes**" includes privilege tax and each levy on an ad valorem basis on tangible or intangible personal or real property.
15. The term "**taxing entity**" shall mean each public entity that levies a property tax on property situated within the Project Area.
16. The term "**tax increment**" shall mean the difference between (i) 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 (ii) the amount of property tax revenues that would be generated from that same area using the base taxable value of the property. Tax increment does not include taxes levied and collected under Section 59-6-1602 Utah Code Annotated, on or after January 1, 1994.
17. All other terms shall have the meanings set forth in the Act unless the context clearly indicates otherwise.

Section 2 **PRECONDITIONS FOR DESIGNATING A COMMUNITY DEVELOPMENT PROJECT AREA**

- a) Pursuant to the provisions of §17C-4-102(1)(a) of the Act, the City has prepared this Project Area Plan; and
- b) Pursuant to the provisions of §17C-4-102(2)(a) and (b) of the Act, the City has a Planning Commission and general plan as required by law; and
- c) Pursuant to the provisions of §17C-4-102(1)(b) and (c) 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 and is holding a public hearing on the draft Plan on September 22, 2015; and
- d) Pursuant to the provisions of §17C-4-102(1)(d) of the Act, the Agency is conducting one or more public hearings for the purpose of informing the public about the proposed Project Area, allowing public comment on the draft Project Area Plan and whether the Plan should be revised, approved or rejected. The purpose of the hearing(s) is to inform the public about the Plan, to allow public comment on the draft Plan and to solicit input on whether the Plan should be revised, approved or rejected. The Agency will hear all written and oral comments and objections to the Plan, as well as any testimony for or against the Plan. Upon consideration of such comments, objections and testimony, the Agency will determine whether to revise, approve, or reject the Plan.

Section 3 **LEGAL DESCRIPTION OF KIESEL CDA** [17C-4-103(1)]

The Kiesel CDA is enclosed within the following boundaries and is described as:

Beginning at the Northeast Corner of Block 33, Plat "A" Ogden City Survey, thence South 01°17'14" West 763.79 feet along east side and a projection of said line of said block to the Northeast Corner of Block 24, Plat "A", Ogden City Survey, thence South 88°48'45" East 460.58 feet along the projected North line of Block 25, Plat "A", Ogden City Survey, to the northwest corner of Lot 7 of said block, thence South 01°17'49" West 534.55 feet along east right of way line of Kiesel Avenue to a point which is 132.00 feet North of the southwest corner of Lot 1 of said block, thence North 88°41'53" West 361.90 feet along a projected line along the north line of Lot 2 of said block to the a point on the east right of way line of Grant Avenue, thence North 75°36'30" West 101.61 feet to a point on the west right of way line of Grant Avenue, which point is 155.00 feet north of the southeast corner of Block 24, Plat "A", Ogden City Survey, thence North 88°41'06" West 139.91 feet, thence South 01°18'44" West 14.63 feet to a point of curve to the right, having a radius of 25.50 feet and a arc length of 39.56 feet (Long chord bearing is South 45°44'42" West 35.71 feet, thence North 88°41'19" West 369.06 feet to a point of curve to the left having a radius of 10.00 feet and an arc length of 15.71 feet (Long chord bearing is North 43°43'42" West 14.14 feet), thence to a point of reverse curve to the right, having a radius of 73.78 feet and an arc length of 21.83 feet (Long chord bearing is North 80°15'02" West 21.75 feet), thence North 01°16'18" East 4.97 feet, thence North 88°41'06" West 101.17 feet to the east right of way line of Lincoln Avenue, thence North 89°16'01" West 99.02 feet to a point on the west right of way line of said street, thence North 88°41'29" West 383.59 feet, thence South 01°10'56" West 12.00 feet, thence North 88°41'29" West 283.02 feet to a point on the east right of way line of Wall Avenue, thence North 01°18'29" East 937.67 feet along said right of way line, thence South 88°41'31" East 133.32 feet, thence North 01°18'53" East 16.37 feet, thence South 87°54'08" East 266.65 to a point of the west line of Lot 2, Block 34, Plat A, Ogden City Survey, thence South 01°21'17" West 407.11 feet to a point on the north line of Block 23, Plat A, Ogden City Survey, thence South 88°49'04" East 365.55 along the north line and the projection of said block to the Northwest corner of Block 24, Plat A, Ogden City Survey, thence North 01°20'21" East 765.00 feet along the extension of the west side of Block 33, Plat A, Ogden City Survey and the west side of said block to the Northwest corner of Block 33, Plat A, Ogden City Survey, thence South 88°42'50" East 666.60 feet along the north line of said block to the point of beginning.

Weber County Tax Serial Numbers: See Appendix C – Tax Serial Numbers.

The Project Area contains approximately 38.7 acres of private and public real property.

A map showing the boundaries of the Kiesel CDA is attached hereto and is incorporated herein as Appendix A – Kiesel Community Development Project Area Map

Section 4 **PROJECT AREA CHARACTERISTICS AND HOW THEY
WILL BE AFFECTED BY COMMUNITY
DEVELOPMENT** *[17C-4-103(2)]*

Land Uses in the Project Area

Permitted land uses in the Kiesel CDA will be those uses permitted by the officially adopted zoning ordinances of the City and the controls and guidelines of this Community Development Project Area Plan. The Project Area is located within the Central Business District (“CBD”) zone, and the uses currently existing therein conform to the requirements of this zone. The designated land use will not be changed by the community development contemplated herein.

It is expected that the current uses in the Kiesel CDA will be affected by community development as follows: The existing businesses located in the Project Area are expected to continue in operation. It is expected redevelopment efforts will support the restoration/revitalization of historic buildings, strengthen Ogden’s employment and tax bases, and create a mechanism to support additional downtown parking. Private investment will play a vital role in regard to when development will occur. Uses in the Project Area will be governed by the applicable zoning ordinances and regulations of Ogden City. Any changes in zoning within the Project Area will be made in accordance with established law and required public proceedings.

Layout of Principal Streets in the Project Area

The layout of the principal streets in the Kiesel CDA is shown on the Project Area map attached as Appendix A. It is expected that development in the Project Area could affect the existing streets as follows: (a) intersection improvements possibly could be made within the area to enhance flow through intersections; and (b) access management policies may be implemented throughout the area to enhance flow, mobility, and traffic capacity.

Population Densities in the Project Area

The Kiesel CDA contains no residential development or property. The population within the Project Area results from the operation of retail, hospitality and commercial businesses, as well as, Lindquist Field.

The planned changes in the Project Area will have an effect on the residential population of the Project Area. Community development is expected to increase the residential population by the development of several multi-unit residences within the Project Area.

Building Intensities in the Project Area

Based on the stated objectives of the plan it is anticipated that building intensities in the Project Area will be affected in the following ways: Increased building intensities will likely

occur through the renovation/restoration of historic buildings, reuse of underutilized and obsolete properties and enhanced downtown parking opportunities.

Key projects identified for potential development include, but are not limited to:

- Restoration of the Kiesel Building.
- Restoration of the Berthana Building.
- Restoration of the Thorstensen Building and Proud Fit Building.
- Enhancement of the Old Post Office.
- Construction of additional public parking.

Section 5 **STANDARDS TO GUIDE THE KIESEL CDA [17C-4-103(3)]**

Development Objectives:

The following development objectives will guide community development in the Kiesel CDA:

1. Promote and market the Project Area for development that will enhance the economic health of the community through increase of the City's commercial tax base;
2. Encourage development and expanded economic activity;
3. Promote functional utilities and other infrastructure to provide for expanded residential and business activity;
4. Promote attractive and functional buildings, streetscapes, parking areas and landscaping;
5. Coordinate and promote improvement of the transportation system improvements within the Project Area, including road improvements, access management and pedestrian/bicycle amenities.

Design Objectives

Subject to the development objectives and other provisions of this Plan, owners and developers will be expected to achieve to the highest quality of design and development. Each development proposal will be considered subject to:

1. Applicable elements of the City's General Plan;
2. Applicable development ordinances of the City;
3. Applicable building codes of the City;
4. Applicable design standards of the City;
5. Review and recommendation by the City Planning Commission; and
6. Review and recommendation by the Redevelopment Agency of Ogden City (the "**Agency**") to ensure that the development is consistent with this Plan.

Each development proposal by an owner or developer must include a site plan, development data and other appropriate material that clearly describes the extent of the proposed development, including land coverage, setbacks, heights, massing, architectural design, off-street parking and any other data determined to be necessary or requested by the City or the Agency.

The general design of specific projects may be developed or approved by the Agency in coordination with the City's Planning Commission. The particular elements of the design should be such that the overall development of the Kiesel CDA will:

1. Provide an attractive environment.
2. Blend harmoniously with the adjoining areas.
3. Provide for the optimum amount of open space and landscaped areas.

4. Provide parking areas appropriately designed, screened, and landscaped to blend harmoniously with adjacent areas.
5. Provide safe, effective, and attractive pedestrian features.
6. Comply with the provisions of this Plan.

Specific Design Objectives

The specific design objectives incorporated below guide the City, developers, and owners to create a unified development, in both form and architectural style.

1. Building Design Objectives:

New development shall:

- a. Be in harmony with the surrounding area and provide a high quality appearance;
- b. Utilize high quality and low maintenance building materials;
- c. Take into account CPTED (crime prevention through environmental design) principals in order that all buildings and developments provide a safe and secure environment for employees and visitors;
- d. Be designed to relate to existing grade conditions with a minimum of grading and exposed foundation walls.

2. Site Design Objectives:

New development shall:

- a. Provide attractive and water efficient landscaped areas primarily consisting of shrubs, ground cover, turf, and trees as appropriate to the character of the Project Area;
- b. Provide landscaped, paved, and graded pedestrian areas that afford safety and separation from vehicular traffic;
- c. Use high quality building materials and design for paving, retaining walls, fences, lighting, benches, and other site furnishings;
- d. Incorporate parking lot designs that consider safe and efficient ingress/egress and internal circulation, provide cross access to adjacent areas where appropriate, and be landscaped consistent with Ogden City Code;
- e. Provide adequate separation and/or buffering of each site from adjacent areas where needed or appropriate;
- f. Provide a signage program that incorporates design consistency with the main structures;

- g. Preserve the desirable existing conditions found on the site through minimized site grading and minimized removal of desirable trees and other vegetation.

3. Public Right-Of-Way Design Objectives:

- a. Public rights-of-way. All streets, sidewalks and walkways within public rights-of-way will be designed to be consistent with current standards and objectives, and be approved by the City.

Section 6 **HOW THE PURPOSES OF THE STATE LAW WOULD BE ATTAINED BY COMMUNITY DEVELOPMENT**
[17C-4-103(4)]

The purposes of Title 17C of the Utah State Code (Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act), and more specifically Title 17C, Chapter 4 thereof (Community Development), are to encourage, promote, or provide for development activities within a community. *See, Utah Code Ann. § 17C-1-102(16)*. The proposed projects contemplated in this Plan will help attain the foregoing purposes by:

- Providing necessary public infrastructure to the community development project area and surrounding areas, thereby encouraging and promoting additional development activities within or near the project area.
- Providing additional employment opportunities, which would encourage and promote additional development activities, such as residential developments for employees, commercial developments for suppliers, restaurateurs, and other businesses.
- The development of vacant land within the community development project area, as well as the development of existing structures.

It is the intent of the Agency, with the assistance and participation of private owner(s), to encourage and accomplish appropriate development within the Kiesel CDA by methods described in this Plan. This includes the restoration/renovation of historical buildings, enhancement to existing buildings, the possible construction of new buildings, facilities and infrastructure, and the use of incentives to maximize appropriate development beneficial to the City. By these methods, the private sector should be encouraged to undertake new development which will strengthen the tax base of the community in furtherance of the objectives set forth in this Plan.

Techniques to Achieve Kiesel CDA Plan Objectives

Possible activities contemplated in carrying out the Plan in the Kiesel CDA include the development of areas in the Project Area.

1. Construction: Restoration/renovation of existing buildings and new construction may be initiated in order to encourage additional private sector building and investment.
2. Implementation of Projects: The Agency shall have the right to approve the design and construction documents of all development within the Project Area to ensure consistency within this Kiesel CDA Plan. The City shall notify the Agency of all requests for (1) zoning changes; (2) design approval; (3) site plan approval; and (4) building permits within the Project Area. Projects within the Kiesel CDA shall be implemented as approved by the Agency and the City.

Section 7 **HOW THE PLAN IS CONSISTENT WITH THE CITY'S
GENERAL PLAN** *[17C-4-103(5)]*

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

A. General Plan

The Kiesel CDA is consistent with the General Plan of Ogden City which encourages development that focuses on expanding and diversifying the local economy, revitalizing older business areas and raising the standard of living in a business friendly environment. Ogden has emerging aerospace and advanced materials, IT & software and outdoor recreation clusters requiring offices, technology, business centers and multiple scales of commercial development to serve the needs of the region, the community, and individual neighborhoods. The City General Plan envisions that the area of the Project Area will continue to be mixed use in nature. If any future zoning designation changes are required, such changes will be submitted to both the Planning Commission and City Council for consideration and approval.

B. Zoning Ordinances

The property within the Project Area is currently zoned Central Business District. The City General Plan envisions that the Project Area will continue to be mixed use in nature. The proposed development is permitted under the current zoning designations adopted by the Ogden City Council. If any future zoning designation changes are required, such changes will be submitted to both the Planning Commission and City Council for consideration and approval.

Section 9 **WAYS IN WHICH PRIVATE DEVELOPERS WILL BE
SELECTED TO UNDERTAKE THE COMMUNITY
DEVELOPMENT** *[17C-4-103(7)]*

A. Selection of Private Developers

The Agency desires owners of real property in the Kiesel CDA to undertake development of their property and contemplates that owners will take advantage of the opportunity to develop their property or sell their property to Developers for the development of facilities within the Project Area. In the event that owners do not wish to participate in the CDA in compliance with the Plan, or in a manner acceptable to the Agency, or are unable or unwilling to appropriately participate, the Agency may, consistent with the Act, encourage other owners to acquire property within the Project Area, or to select non-owner Developers by private negotiation, public advertisement, bidding or the solicitation of written proposals, or a combination of one or more of the above methods.

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

The Agency, consistent with the Act, will work with capable and qualified Developers to ensure that all aspects of the Plan are implemented.

Section 10 **REASONS FOR THE SELECTION OF THE KIESEL CDA**
[17C-4-103(8)]

The Kiesel CDA was selected by the Agency as that area within the City having an opportunity to significantly strengthen the economic base of the community, broaden the City's tax base, and encourage needed mixed use developments. The Kiesel CDA contains a portion of the City that is desirable for development because of (1) existing access and infrastructure; (2) a general recognition that the Kiesel CDA needs assistance if the area is to be further developed; (3) a general recognition that this portion of the City needs investment of private capital to restore and renovate significant historic buildings, as well as, construct improvements to attract additional business or provide infrastructure improvements; (4) determination by the City that further development of this area is important to the overall health, vitality, and stability of the City; (5) goals of the City and community to strengthen residential/commercial development and employment; and (6) the opportunity to commence a public/private partnership to improve and further develop this area of the City.

Specific boundaries of the Kiesel CDA were arrived at by the Agency after a review of the area by members of the Agency staff and in discussion with various stakeholders. Planned treatment of this area is intended to stimulate development to the degree necessary for sound long-range economic growth in the Project Area and to encourage further development and improvement of real property within the Project Area.

Section 11 **DESCRIPTION OF THE PHYSICAL, SOCIAL, AND
ECONOMIC CONDITIONS EXISTING IN THE KIESEL
CDA** *[17C-4-103(9)]*

A. Physical Conditions

The Kiesel CDA consists of approximately 39 acres including public streets (see Appendix A and Appendix B). There are several significantly contributing historic buildings including the Kiesel, Berthana, Thorstensen, Proud Fit and the Old Post Office Buildings, as well as, additional commercial and hospitality activities located in the Project Area. The Lindquist Ball Field is also located within the Project Area boundaries. There are no known residential uses in the Project Area.

The Project Area is accessed north and south from Kiesel, Grant, Lincoln and Wall Avenues, as well as, east and west from 23rd and 24th Streets. The roads are two and four travel lanes, and provide access to much of the property in the Kiesel CDA.

B. Social Conditions

No unusual social conditions were found to exist.

C. Economic Conditions

Although the area has generally seen economic underperformance, it presents some of the greatest opportunity for redevelopment. Through adoption of this Plan and with the financial support of possible voluntary funding of this Plan by taxing entities, the Agency hopes to encourage the restoration/renovation of historic buildings, strengthen the residential presence in downtown Ogden, and provide opportunities for additional businesses, all of which will contribute to the tax base. The Agency and the City believe that without the adoption of this Plan and the support of taxing entities for funding this Plan, there is less likelihood that the historic structures will be restored. Consequently, the establishment of a community development project area and its associated implementation measures are very important.

Section 13 **ANALYSIS OF THE ANTICIPATED PUBLIC BENEFIT TO BE DERIVED FROM THE COMMUNITY DEVELOPMENT** [17C-4-103(11)]

It is anticipated that a significant public benefit will be derived from the proposed development within the Kiesel CDA. The Economic Benefit Analysis, attached hereto as Appendix D, provides an analysis and description of the anticipated public benefit to be derived from the community development, including: A) the beneficial influences upon the tax base of the community; and B) the associated business and economic activity likely to be stimulated.

A. Beneficial Influences Upon the Tax Base of the Community

The City and taxing entities will see an increase in taxable value of an estimated \$22 million over the next 20 years in the Project Area. This is a substantial increase from today's taxable value of \$21,203,119. Construction could begin in 2016, with tax increment commencing in 2017. If construction begins in 2016 and the Project Area commences in 2017 and runs for a period of 20 years, each of the taxing entities will receive increased taxes over the next 20 years from the increased investment in the area. The projected incremental tax revenues which are projected to be generated from the increased assessed value resulting from the improvements are summarized below:

<u>Taxing Entity</u>	<u>20 Year Gross</u>	<u>Annual (Year</u>
1) Ogden City School Dist.	\$5,265,471	\$146,402
Weber County	\$2,106,188	\$ 58,561
Ogden City	\$1,904,771	\$ 52,961
Weber Basin Water Cons.	\$ 112,466	\$ 3,127
Central Weber Sewer Imp. Dist.	\$ 482,583	\$ 13,418
Weber Co. Mosquito	\$ 10,234	\$ 285
Weber Area Dispatch 911	\$ 173,812	\$ 4,833
Ogden City Special Levy	\$ 168,700	\$ 4,691

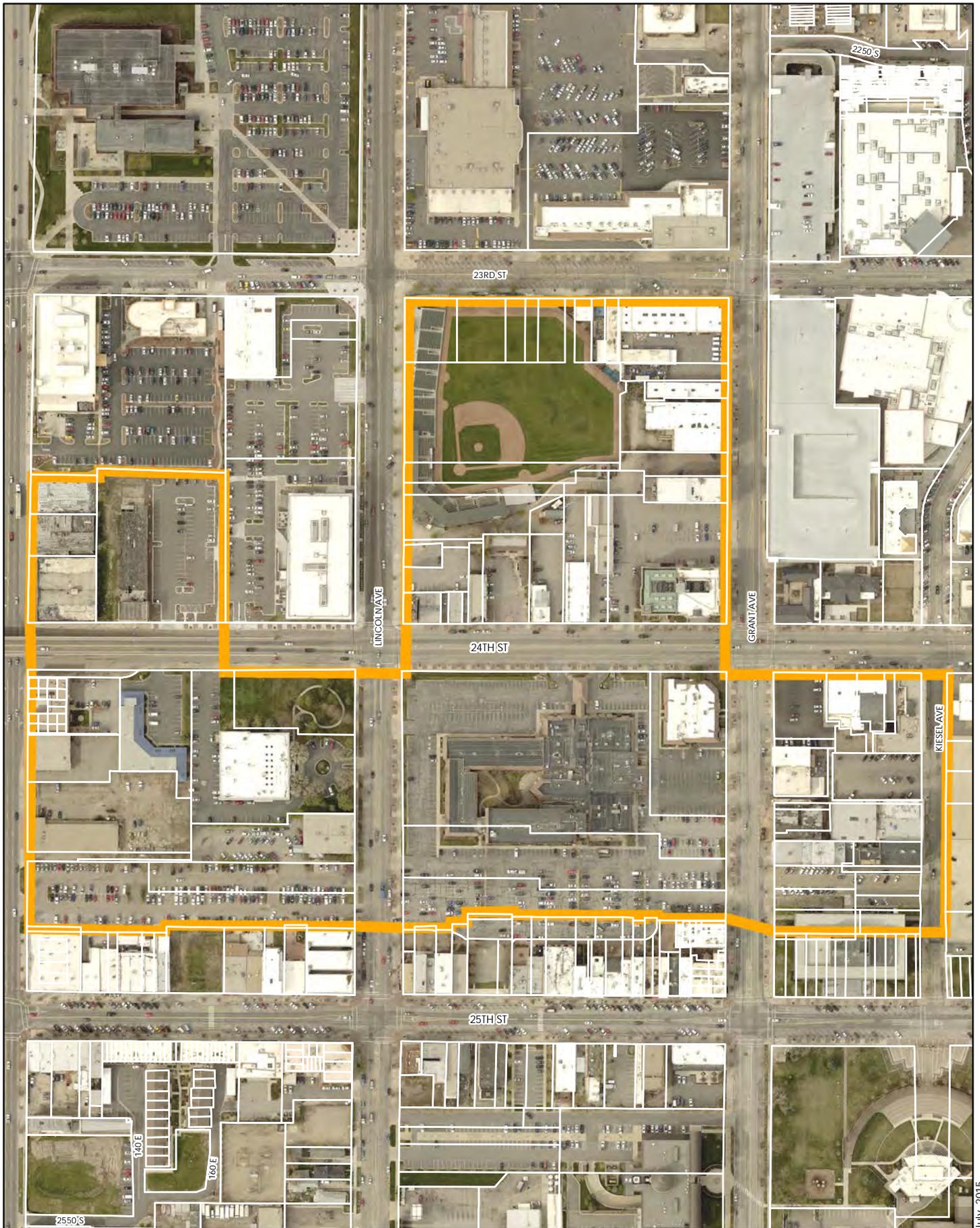
B. Business and Economic Activity Likely to be Stimulated

The economic activities associated with the development of the Project Area could take any one or more of the following forms: Businesses and professional offices currently located in the area surrounding the Project Area will likely benefit from exposure to new customers and clients traveling to and within the vicinity of the Project Area. This influx of new customers and clients will have the positive effect of encouraging businesses and professionals to remain in and around the community. Currently existing businesses and professionals may even be inclined to expand their facilities to take advantage of the new demographic resulting from the development of the Project Area. Businesses and professionals seeking to locate new facilities will likewise be drawn to the vicinity of the

Project Area for similar reasons. As proposed in this Plan, the developed Project Area will serve the immediate lifestyle needs of the community and can reasonably be expected to encourage additional development in the surrounding area.

APPENDIX A

MAP OF KIESEL COMMUNITY DEVELOPMENT PROJECT AREA



July, 2015

KIESEL CDA

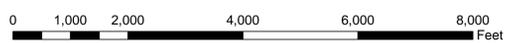


APPENDIX B

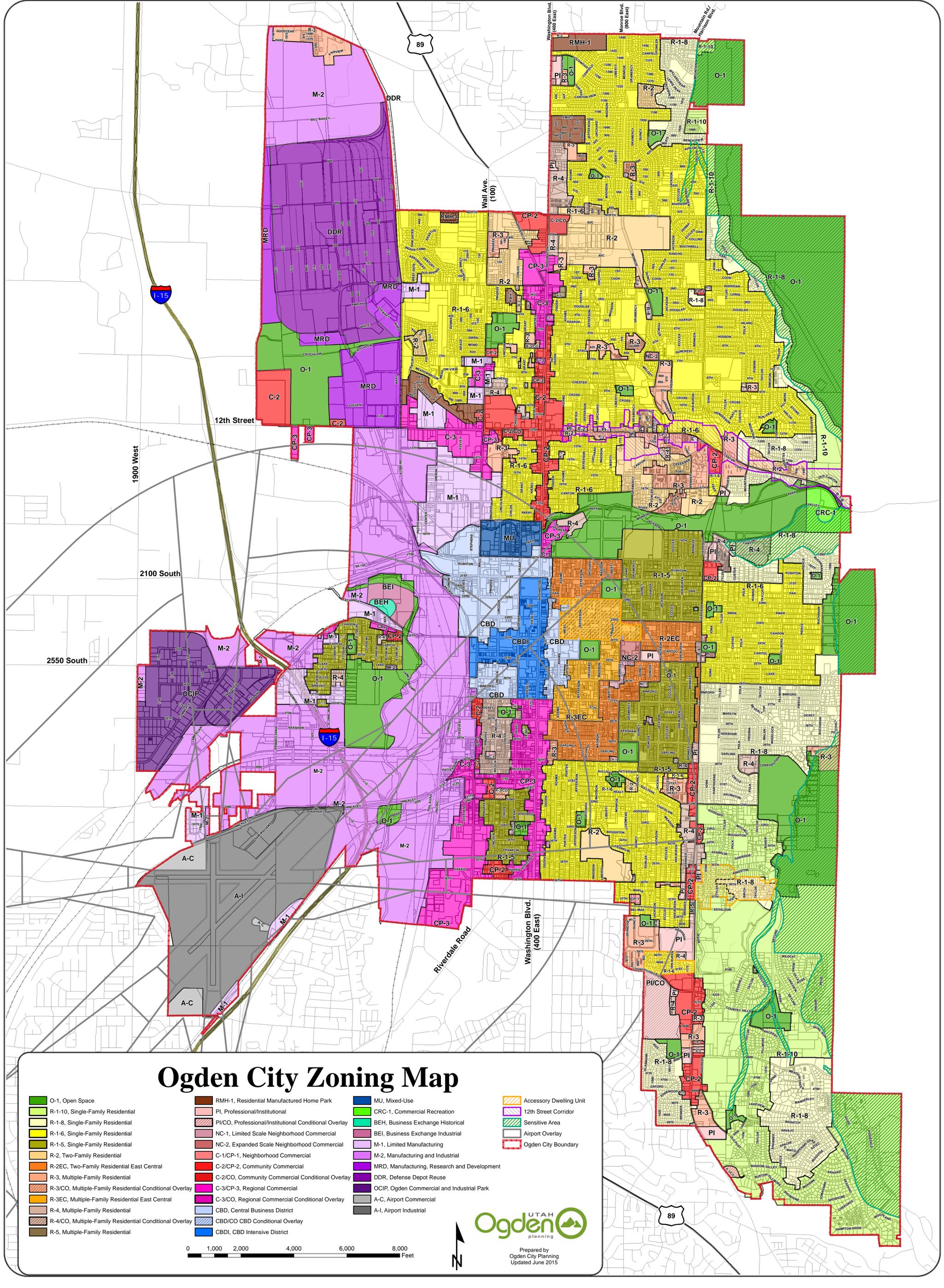
LAND USE MAP KIESEL COMMUNITY
DEVELOPMENT PROJECT AREA

Ogden City Zoning Map

- | | | | |
|---|---|--|---|
|  O-1, Open Space |  RMH-1, Residential Manufactured Home Park |  MU, Mixed-Use |  Accessory Dwelling Unit |
|  R-1-10, Single-Family Residential |  PI, Professional/Institutional |  CRC-1, Commercial Recreation |  12th Street Corridor |
|  R-1-8, Single-Family Residential |  PI/CO, Professional/Institutional Conditional Overlay |  BEH, Business Exchange Historical |  Sensitive Area |
|  R-1-6, Single-Family Residential |  NC-1, Limited Scale Neighborhood Commercial |  BEI, Business Exchange Industrial |  Airport Overlay |
|  R-1-5, Single-Family Residential |  NC-2, Expanded Scale Neighborhood Commercial |  M-1, Limited Manufacturing |  Ogden City Boundary |
|  R-2, Two-Family Residential |  C-1/CP-1, Neighborhood Commercial |  M-2, Manufacturing and Industrial | |
|  R-2-EC, Two-Family Residential East Central |  C-2/CP-2, Community Commercial |  MRD, Manufacturing, Research and Development | |
|  R-3, Multiple-Family Residential |  C-2/CO, Community Commercial Conditional Overlay |  DDR, Defense Depot Reuse | |
|  R-3/CO, Multiple-Family Residential Conditional Overlay |  C-3/CP-3, Regional Commercial |  OCIP, Ogden Commercial and Industrial Park | |
|  R-3-EC, Multiple-Family Residential East Central |  C-3/CO, Regional Commercial Conditional Overlay |  A-C, Airport Commercial | |
|  R-4, Multiple-Family Residential |  CBD, Central Business District |  A-1, Airport Industrial | |
|  R-4/CO, Multiple-Family Residential Conditional Overlay |  CBD/CO CBD Conditional Overlay | | |
|  R-5, Multiple-Family Residential |  CBDI, CBD Intensive District | | |



Prepared by
Ogden City Planning
Updated June 2015



APPENDIX C

WEBER COUNTY TAX SERIAL NUMBERS

KIESEL CDA
 OGDEN CITY
 Real Property

Parcel No.	Property Address	Owner	2014			Total Mkt. Value	Taxable Value	2015			Total Mkt. Value	Taxable Value
			Acres	Land Value	Bldg. Value			Land Value	Bldg. Value			
010210032		United State of America	0.14	\$61,250	\$0	\$61,250	0	\$61,250	\$0	\$61,250	\$0	
010210034		United State of America	0.1	\$43,990	\$0	\$43,990	0	\$43,990	\$0	\$43,990	\$0	
010210035		United State of America	0.14	\$62,440	\$0	\$62,440	0	\$62,440	\$0	\$62,440	\$0	
010210019		Alvey Holding LLC	0.05	\$7,868	\$2,380	\$10,248	\$10,248	\$7,868	\$2,499	\$10,367	\$10,367	
010210037		Alvey Holding LLC	0.16	\$27,796	\$284,528	\$312,324	\$312,324	\$27,796	\$298,754	\$326,550	\$326,550	
010210036		Alvey Holding LLC	0.18	\$31,364	\$161,327	\$192,691	\$192,691	\$31,364	\$161,615	\$192,979	\$192,979	
010210038		Phidia K. & Homer K. Cutrubs	0.41	\$71,440	\$59,707	\$131,147	\$131,147	\$71,440	\$62,693	\$134,133	\$134,133	
010210043		H & P Investments	0.4	\$69,660	\$5,874	\$75,534	\$75,534	\$69,660	\$6,168	\$75,828	\$75,828	
010210088		CSP005 LLC	0.27	\$118,680	\$769,416	\$888,096	\$888,096	\$118,680	\$807,887	\$926,567	\$926,567	
010210049		LohMueller Reh, LLC	0.05	\$22,600	\$168,158	\$190,758	\$190,758	\$22,600	\$166,846	\$189,446	\$189,446	
010210094		Dogma Group LLC	0.14	\$60,910	\$316,862	\$377,772	\$377,772	\$60,910	\$332,706	\$393,616	\$393,616	
010210082		Dogma Group LLC	0.19	\$84,310	\$892,322	\$976,632	\$976,632	\$84,310	\$1,135,854	\$1,220,164	\$1,220,164	
010210047		Ogden RDA	0.25	\$167,372	\$0	\$167,372	\$0	\$167,372	\$0	\$167,372	\$0	
010210046		Ogden RDA	0.13	\$87,750	\$0	\$87,750	\$0	\$87,750	\$0	\$87,750	\$0	
010210041		Century Investments Partnership LLC	0.25	\$43,560	\$239,102	\$282,662	\$282,662	\$43,560	\$251,058	\$294,618	\$294,618	
010210040		Century Investments Partnership LLC	0.03	\$5,932	\$25,473	\$31,405	\$31,405	\$5,932	\$26,747	\$32,679	\$32,679	
010210039		H & P Investments	0.13	\$22,360	\$0	\$22,360	\$22,360	\$0	\$0	\$22,360	\$22,360	
010210031		United State of America	0.17	\$75,100	\$0	\$75,100	\$0	\$75,100	\$0	\$75,100	\$0	
010210030		United State of America	0.16	\$69,300	\$0	\$69,300	\$0	\$69,300	\$0	\$69,300	\$0	
010210029		United State of America	0.19	\$81,670	\$0	\$81,670	\$0	\$81,670	\$0	\$81,670	\$0	
010200005		Ogden City Neighborhood Deve. Agency	0.99	\$173,250	\$12,487	\$185,737	\$0	\$173,250	\$13,111	\$186,361	\$0	
010200006		Ogden Hotel Investors LLC	1.55	\$271,250	\$0	\$271,250	\$271,250	\$271,250	\$0	\$271,250	\$271,250	
010200008		Ogden Hotel Investors LLC	4.11	\$719,250	\$6,126,442	\$6,845,692	\$6,845,692	\$719,250	\$4,552,313	\$5,271,563	\$5,271,563	
010200063		Pingree Family Limited Company	1.04	\$453,020	\$317,980	\$771,000	\$771,000	\$453,020	\$319,470	\$772,490	\$772,490	
010290001		Old Ogden Post Office Bldg. LLC	1.38	\$241,500	\$996,837	\$1,238,337	\$1,238,337	\$241,500	\$1,083,515	\$1,325,015	\$1,325,015	
010290030		Presidential Utah Properties LLC	0.19	\$37,484	\$571,254	\$608,738	\$608,738	\$37,484	\$568,128	\$605,612	\$605,612	
010290034		Presidential Utah Properties LLC	0.08	\$14,652	\$0	\$14,652	\$14,652	\$14,652	\$0	\$14,652	\$14,652	
010290035		Presidential Utah Properties LLC	0.23	\$39,980	\$6,534	\$46,514	\$46,514	\$39,980	\$5,940	\$45,920	\$45,920	
010290015		George & Dragon LLC	0.55	\$96,444	\$599,045	\$695,489	\$695,489	\$96,444	\$628,997	\$725,441	\$725,441	
010290027		George & Dragon LLC	0.14	\$23,900	\$260,314	\$284,214	\$284,214	\$23,900	\$260,259	\$284,159	\$284,159	
010290026		Episcopal Church in Utah Corp.	0.18	\$31,500	\$0	\$31,500	\$0	\$31,500	\$0	\$31,500	\$0	
010290025		Episcopal Church in Utah Corp.	0.67	\$116,740	\$707,491	\$824,231	\$0	\$116,740	\$742,865	\$859,605	\$0	
010290024		Episcopal Church in Utah Corp.	0.08	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	
010290023		Episcopal Church in Utah Corp.	0.8	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	
010290022		Ogden City	0.11	\$19,250	\$0	\$19,250	\$0	\$19,250	\$0	\$19,250	\$0	
010290016		Ogden City	2.11	\$367,500	\$0	\$367,500	\$0	\$367,500	\$0	\$367,500	\$0	
010290021		Ogden City	0.17	\$29,750	\$0	\$29,750	\$0	\$29,750	\$0	\$29,750	\$0	
010290020		Ogden City	0.08	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	
010290019		Ogden City	0.12	\$21,000	\$0	\$21,000	\$0	\$21,000	\$0	\$21,000	\$0	
010290018		Ogden City	0.3	\$525,000	\$0	\$525,000	\$0	\$525,000	\$0	\$525,000	\$0	
010290017		Ogden City	0.33	\$57,750	\$0	\$57,750	\$0	\$57,750	\$0	\$57,750	\$0	
010290014		Ogden City	0.17	\$29,750	\$0	\$29,750	\$0	\$29,750	\$0	\$29,750	\$0	
010290013		Ogden City	0.2	\$33,250	\$0	\$33,250	\$0	\$33,250	\$0	\$33,250	\$0	
010290012		Ogden City	0.56	\$98,000	\$0	\$98,000	\$0	\$98,000	\$0	\$98,000	\$0	
010290036		Ogden City	0.1	\$17,500	\$0	\$17,500	\$0	\$17,500	\$0	\$17,500	\$0	
010290037		Ogden City	0.05	\$8,750	\$0	\$8,750	\$0	\$8,750	\$0	\$8,750	\$0	
010290011		Ogden City	0.09	\$15,750	\$0	\$15,750	\$0	\$15,750	\$0	\$15,750	\$0	
010290033		Ogden City	0.09	\$15,750	\$0	\$15,750	\$0	\$15,750	\$0	\$15,750	\$0	
010290038		Hal & Lorene LaFleur Family Trust	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010290039		Hal & Lorene LaFleur Family Trust	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010290040		Hal & Lorene LaFleur Family Trust	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010290041		Beaton Property Management LLC	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010290042		Beaton Property Management LLC	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010290007		Hal & Lorene LaFleur Family Trust	0.04	\$18,200	\$74,072	\$92,272	\$92,272	\$18,200	\$77,776	\$95,976	\$95,976	
010290008		Hal & Lorene LaFleur Family Trust	0.15	\$65,870	\$54,130	\$120,000	\$120,000	\$51,170	\$69,206	\$120,376	\$120,376	
010290009		Hal & Lorene LaFleur Family Trust	0.12	\$50,290	\$196,940	\$247,230	\$247,230	\$50,290	\$206,787	\$257,077	\$257,077	
010290010		Hal & Lorene LaFleur Family Trust	0.09	\$16,184	\$8,901	\$25,085	\$25,085	\$16,184	\$9,346	\$25,530	\$25,530	
010290006		SRBTT Richards Family Part. LLC	0.11	\$48,920	\$162,828	\$211,748	\$211,748	\$48,920	\$170,970	\$219,890	\$219,890	
010290005		Jayhoun Saissan	0.4	\$176,070	\$132,231	\$308,301	\$308,301	\$176,070	\$138,843	\$314,913	\$314,913	
010290004		Hortencia Escamilla Hernandez	0.29	\$127,440	\$46,905	\$174,345	\$174,345	\$127,440	\$49,250	\$176,690	\$176,690	
010290003		Charles L Crittenden Jr.	0.27	\$118,140	\$305,980	\$424,120	\$424,120	\$118,140	\$309,223	\$427,363	\$427,363	
010290002		Charles L Crittenden Jr.	0.28	\$124,080	\$39,530	\$163,610	\$163,610	\$124,080	\$41,507	\$165,587	\$165,587	
010190034		Ogden City Neighborhood Deve. Agency	1.5	\$261,360	\$0	\$261,360	\$0	\$261,360	\$0	\$261,360	\$0	
010190037		Ogden City RDA	0.59	\$101,984	\$33,882	\$135,866	\$0	\$101,984	\$35,576	\$137,560	\$0	
010190032		Lincoln Building LLC	0.69	\$120,224	\$750,497	\$870,721	\$870,721	\$120,224	\$788,022	\$908,246	\$908,246	
010190023		C2 Investments LLC	1.63	\$285,250	\$1,455,152	\$1,740,402	\$1,740,402	\$285,250	\$1,527,910	\$1,813,160	\$1,813,160	
010190024		C2 Investments LLC	0.72	\$126,000	\$0	\$126,000	\$126,000	\$126,000	\$0	\$126,000	\$126,000	
010190019		C2 Investments LLC	0.73	\$213,220	\$778,550	\$991,770	\$991,770	\$213,220	\$817,478	\$1,030,698	\$1,030,698	
010860009		New Brigham Investors LLC	0.03	\$30,000	\$25,013	\$55,013	\$55,013	\$30,000	\$25,013	\$55,013	\$55,013	
010190015		D2 Investments LLC	0.43	\$73,636	\$307,025	\$380,661	\$380,661	\$73,636	\$322,376	\$396,012	\$396,012	
010190014		D2 Investments LLC	1.08	\$188,180	\$200,545	\$388,725	\$388,725	\$188,180	\$210,572	\$398,752	\$398,752	
010190029		Ogden City RDA	0.03	\$5,228	\$0	\$5,228	\$0	\$5,228	\$0	\$5,228	\$0	
010900005		Common Area Altice Corner Condo	0.01	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010890001		Boyer Ogden Holdings LC	1.9	\$332,500	\$144,610	\$477,110	\$477,110	\$332,500	\$151,841	\$484,341	\$484,341	
010300006		WYL Orion Properties LLC	0.4	\$69,168	\$579,492	\$648,660	\$648,660	\$69,168	\$608,467	\$677,635	\$677,635	
010300007		Judy C. Orton	0.26	\$45,144	\$140,525	\$185,669	\$185,669	\$45,144	\$147,551	\$192,695	\$192,695	
010300008		Judy C. Orton	0.24	\$42,456	\$132,952	\$175,408	\$175,408	\$42,156	\$139,600	\$181,756	\$181,756	

\$22,074,365

\$21,203,119

\$871,246

APPENDIX D

BENEFIT ANALYSIS

**KIESEL
COMMUNITY DEVELOPMENT PROJECT AREA
BENEFIT ANALYSIS**

Prepared for the Redevelopment Agency of Ogden City

September 22, 2015

BENEFIT ANALYSIS OF THE PROPOSED KIESEL COMMUNITY DEVELOPMENT PROJECT AREA

The following information is presented to meet the requirements of Utah Code Title 17C, Chapter 4, Section 103 regarding the proposed Kiesel Community Development Project Area, to provide the following:

17C-4-103. Community development project area plan requirements.

- (11) . . . an analysis or description of the anticipated public benefit to be derived from the Community development, including:
 - (a) the beneficial influences upon the tax base of the community; and
 - (b) the associated business and economic activity likely to be stimulated; and
- (12) . . . other information that the agency determines to be necessary or advisable.

This evaluation is intended to provide a framework within which the Redevelopment Agency's ("Agency") Board of Directors and staff can make critical decisions. They must determine whether it is good public policy and in the interest of Ogden City for the Agency to invest property tax increment, in eligible activities, such as land acquisition, public and private infrastructure or other improvements required by the Kiesel Community Development Project Area.

This document is prepared in good faith as an estimate of the economic impact of this project. Prevailing economic or other conditions may influence the actual economic impact either favorably or unfavorably. But for these unknown and unpredictable events, the information contained herein is considered an accurate accounting of the reasonable expectations of the project.

Introduction

The purpose of this report is to estimate the potential incremental property tax revenue and identify the net direct benefit or loss to the Redevelopment Agency of Ogden City (the "Agency") and Ogden City (the "City") from the proposed Kiesel Community Development Project Area ("Kiesel CDA" or "Project Area"). The proposed Kiesel CDA consists of approximately 39 acres and includes the Kiesel, Berthana, Thorstensen and Proud Fit buildings, as well as, the old Post Office, possibly an Internal Revenue Service ("IRS") expansion and additional capital improvements. Private property within the Kiesel CDA is composed of commercial properties. The development contemplated is consistent with the City's long-term goal of supporting commercial development generally throughout the City, as well as, targeting commercial development designed to meet the needs of City, Weber County residents, as well as, residents of adjoining counties and travelers.

The Kiesel CDA overlays property, a portion of which, is included in the 25th Street Redevelopment Project Area ("25th Street RDA"). The 25th Street RDA was created in 1979

and the Taxing Entity Committee (“TEC”) approved collecting tax increment from the 25th Street RDA until 2015; except for the tax increment generated by the Eccles Building which may be collected until 2017 to cover bond debt service. To the extent that the 25th Street RDA effectively sunsets in 2015, the overlay of the Kiesel CDA will not impact that portion of the 25th Street RDA. The boundaries of the Kiesel CDA do not overlay the Eccles Building and therefore the Eccles Building is not impacted by the creation of the project area. For purposes of this report, it has been determined that the estimated potential incremental property tax revenue considered as contributing to the net direct benefit or loss is that which is generated from the increased assessed value of the contemplated restoration/revitalization/expansion projects. The overall benefits and investment brought to the project include the public infrastructure improvements, which may be located in or outside and which benefit the community development project area and site improvements constructed as the result of the project area developing with superior quality restoration/revitalization/expansion developments. This economic benefit analysis contemplates private investment in the proposed project area to be an estimated \$22 million. The economic benefits resulting from the construction of the proposed projects include; new employment (both short and long term), local purchases of goods and services supportive of commercial and retail businesses, local purchases of goods and services by employees constructing and working at the businesses, local purchase of utilities, and increased tax revenues to state and local governments.

This report identifies the potential tax revenues, which may be generated from increased real property values as the result of the development of the Project Area.

Development Overview

It is proposed that Community Development Project Area be created in the vicinity of 23rd and 24th Streets between Kiesel and Wall Avenue for the purpose of supporting the redevelopment of historic buildings, strengthening Ogden’s employment and tax bases (property and sales), and creating a mechanism to support additional downtown parking. The high profile location is home to numerous significantly contributing historic buildings and is the traditional entrance into downtown. Although this area has generally seen economic underperformance, it presents some of the greatest opportunity for redevelopment. It is anticipated that the Kiesel CDA area can contribute greatly to the economic well-being of the community.

The Project Area is currently zoned Central Business District (“CBD”)/Central Business District Intensive (“CBDI”) which is consistent with the City’s General Plan and the proposed development is permitted under the current zoning designations adopted by the Ogden City Council.

Capital Investment Projections

The Project Area currently contains retail, commercial, hospitality and recreational uses. It is estimated that the real property base value for the Project Area is \$21,203,119 and the base year is 2015.

A survey of the Project Area indicates several potential development opportunities which would involve historic preservation/restoration, rehabilitation, new construction and enhanced downtown public parking.

A summary of the investment range of potential development opportunities is as follows:

Kiesel Bldg. – Residential	\$ 4,500,000
Berthana Bldg. - Commercial	\$ 750,000
Marriott Improvements	\$ 1,000,000
IRS – Phase 4	\$ 7,000,000
Old Post Office Enhancements	\$ 250,000
Thorstensen Bldg. – Combination Commercial/Residential	\$ 4,000,000
Proud Fit Bldg. - Commercial	\$ 2,000,000
Additional Improvements	\$ 2,500,000
Parking Improvements – Public	<u>\$ 6,000,000</u>
Estimated Total Investment	<u>\$28,000,000</u>

The Utah Community Development and Renewal Agencies Act provides that the formation of a Community Development Project Area will allow the taxing entities to provide funding of the Project Area Plan through interlocal agreements with the Redevelopment Agency of Ogden City to provide all or part of the tax increment from the taxing entities, which they would normally receive as a result of the increased assessed valuation resulting from the proposed project.

As previously stated, the overlay of the Kiesel CDA will not impact that portion of the 25th Street RDA. Additionally, the boundaries of the Kiesel CDA do not overlay the Eccles Building and therefore the Eccles Building is not impacted by the creation of the project area. It is anticipated that the incremental tax revenue eligible to provide funding of the Kiesel CDA Plan is that which is generated from the increased assessed value resulting from the contemplated restoration/revitalization/expansion improvements. The terms being considered are between seventy-four (74%) and ninety-four (94%) percent of the real property tax increment generated for a twenty (20) year period of time.

Property tax increment may help pay for costs associated with the development of the Kiesel CDA which may include the aforementioned, but not limited to, economic and residential improvement projects.

The estimated future tax increment cash flow is projected in additional detail in Schedule 1 - Tax Increment Revenue Summary. For a 20-year period, the estimated tax increment distributions by Taxing Entity for the estimated investments are projected in Schedule 2.

Evaluation of Application

The following are the requirements of a benefit analysis as established by Utah Code 17C-4-103 to be included in a community development project area plan:

(11) include an analysis or description of the anticipated public benefit to be derived from the community development, including:

(a) the beneficial influences upon the tax base of the community; and

(b) the associated business and economic activity likely to be stimulated;

(12) and other information that the agency determines to be necessary or advisable.

(11)(a) the beneficial influences upon the tax base of the community;

Incremental New Taxes Resulting from the Proposed Development:

The public investment of tax increment is expected to yield the private investment and the resultant incremental tax revenues to the Taxing Entities. As a result, the Project Area would produce a total gross tax cash flow of \$13.8 million over a 20-year period of time.

For a 20-year period, the incremental tax revenues which are projected to be generated from the increased assessed value resulting from the construction of the restoration/revitalization/expansion improvements are summarized below:

Taxing Entity	20 Year Gross	Annual (Year 1)
Ogden City School Dist.	\$5,265,471	\$146,402
Weber County	\$2,106,188	\$ 58,561
Ogden City	\$1,904,771	\$ 52,961
Weber Basin Water Cons.	\$ 112,466	\$ 3,127
Central Weber Sewer Imp. Dist.	\$ 482,583	\$ 13,418
Weber Co. Mosquito	\$ 10,234	\$ 285
Weber Area Dispatch 911	\$ 173,812	\$ 4,833
Ogden City Special Levy	\$ 168,700	\$ 4,691

The benefits, which are projected, to accrue to the tax base of Ogden, Weber County and surrounding communities include; local option sales tax revenue, real and personal property tax revenue and franchise tax revenue.

(11)(b) the associated business and economic activity likely to be stimulated; and other information that the agency determines to be necessary or advisable;

This public investment of tax increment is expected to stimulate the following associated business and economic activity:

Short-Term Construction Employment

It is estimated that a total of 185 full-time equivalent (FTE) workers will be on-site during construction of the Project Area. The estimated total payroll during the construction period is about \$7.7 million.

The number of construction jobs is calculated based on construction labor costs, which are assumed to be about 35 percent of total construction costs (the remaining 65 percent is spent for materials and overhead). The current average construction wage for the project is estimated to be \$41,800 which is derived from salary/wage data by industry from the State of Utah Department of Workforce Services.

It is reasonable to expect that construction workers may spend a typical portion of their wages in Ogden City and Weber County for food, clothing, recreation and transportation from which sales tax revenue would be generated. A portion of construction materials used during the construction of the Kiesel Community Development Area project may be purchased from suppliers in Ogden City and Weber County.

Direct Employment

It is anticipated that new full-time equivalent employees will be employed by businesses locating in the Project Area as a result of the restoration/revitalization/expansion improvements.

Direct Purchase of Supplies and Services

It is anticipated that the businesses locating in the Project Area will directly purchase local goods and services related to their operations. These purchases will likely increase employment opportunities in the related businesses of management, subcontracting, research, legal, supplies, transportation, etc.

- *Direct impact* is spending done by a business in the local economy to operate the business, including inventory, utilities, equipment and pay to employees.
- *Indirect impact* refers to the conventional multiplier that happens as dollars the local business spends at other area businesses re-circulate.
- *Induced impact* refers to the additional consumer spending that happens as employees, business owners and others spend their income in the local economy.

Associated business and economic activity or the "indirect" and "induced" business impacts of a program, project or facility are often referred to as "multiplier effects," since they can make the overall economic impacts substantially larger than the direct effects alone.

Impact on Other Taxing Entities

The formation of a Community Development Project Area and the related interlocal agreements with taxing entities temporarily diverts to the Agency the tax increment from the taxing entities that would normally receive property tax revenues. Taxing entities agree to provide funding of

the Project Area Plan through interlocal agreements with the Redevelopment Agency of Ogden City to provide all or part of the tax increment from the taxing entities to pay for project costs such as the economic improvement related CDA Specific Projects. The analysis indicates that between 74% to 94% of the tax increment generated from the Project Area for 20 years would amount to an estimated \$10.225 million to \$12.99 million (rounded). It is also anticipated during a 20-year period that 6% of the tax increment generated from the Project Area would amount to an estimated \$836 thousand (rounded). Of course, the actual tax revenue generated is dependent, in part, on the rate of development and the assessed value of improvements in the Project Area. Following the agreed upon Agency tax increment collection period, the entire real property taxes generated from this Project Area would be distributed among all taxing entities in accordance with their tax levies.

Conclusion

Ogden City and the Redevelopment Agency are considering appropriating a portion of the total tax revenue received from the development of the Project Area to the project for the purposes of immediately strengthening the economic base of the community, broadening the City's, Weber County's and the State of Utah tax bases, provide services to the area and generally enhance the safety, prosperity, peace, order and convenience to the community.

Ogden City and the Redevelopment Agency are seeking to encourage and facilitate the development of business activities within the Community Development Area by providing a means by which some portion of the cost incurred in the acquisition, construction or replacement of essential investment and/or infrastructure may be eligible for funding vis-à-vis an appropriation from the tax revenue generated as a result of the development.

The value received for any contribution and/or reimbursement made must be measured on a project-by-project basis over the life of the project. It must be established that additional property tax revenues, or other tangible and quantifiable benefits will be received as a result of a development project for which a contribution/reimbursement are sought.

In determining whether the appropriation/reimbursement is necessary and appropriate to accomplish the reasonable goals and objectives in the area of economic development, job creation and preservation, and other public purposes, the City and Redevelopment Agency should consider what would reasonably be paid every year in return for the development of the Project Area and the generation of new property tax revenues as the result of the project.

The economic benefits associated with the Kiesel Community Development Project Area include:

- < Total investment is estimated to be \$28 million.
- < New direct employment of full-time equivalent jobs.
- < Short-term construction employment estimated to be 185 full-time equivalent jobs with a payroll of \$7.7 million.

- < New indirect employment as the result of the direct employment generated within the Community.
- < Direct purchases for supplies from local suppliers/vendors.
- < A continued economic and commercial diversification of Ogden City, the State of Utah, Weber County and surrounding communities.

Without establishing a community development project area, providing the requested tax increment assistance and committing to invest in the Kiesel Community Development Area will hamper and diminish the scope of development, thus depriving Ogden City and the Weber County area of the economic benefits which could accrue as the result of the development taking place at the level anticipated.

The Kiesel Community Development Project Area meets the requirements set forth in Utah Code title 17C, Chapter 4, Section 103 regarding the proposed Community Development Project Area.

The Kiesel Community Development Project Area in Ogden City will provide beneficial influences upon the tax base of the community.

The Kiesel Community Development Project Area in Ogden City will stimulate business and associated economic activity.

The Kiesel Community Development Project Area will promote the public peace, health, safety and welfare in Ogden City.

There are substantial economic benefits associated with the tax increment investment by Ogden City, Ogden School District, Weber County and other Taxing Entities in the Kiesel Community Development Project Area.

APPENDIX E

PROJECT AREA BUDGET

RESOLUTION NO. 2015-16

A RESOLUTION OF THE OGDEN CITY REDEVELOPMENT AGENCY APPROVING AN INTERLOCAL AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY AND THE OGDEN SCHOOL DISTRICT AUTHORIZING THE TAX INCREMENT SHARING FOR THE KIESEL COMMUNITY DEVELOPMENT PROJECT AREA

WHEREAS, pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “**Interlocal Act**”), and the provisions of the Community Development and Renewal Agencies Act, Title 17C, Utah Code Annotated 1953, as amended (the “**CDRA Act**”), public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into mutually advantageous agreements for joint and cooperative actions, including the sharing of tax and other revenues; and

WHEREAS the Ogden School District (the “**District**”) and the Redevelopment Agency of Ogden City (the “**Agency**”) are “public agencies” for purposes of the Act; and

WHEREAS after careful analysis and consideration of relevant information, the Agency desires to enter into an Interlocal Agreement with the District whereby the District would remit to the Agency a portion of the property tax increment generated within the Kiesel Community Development Project Area, (the “**Project Area**”) which would otherwise flow to the District, for the purpose of encouraging development activities and other uses that directly benefit the Project Area; and

WHEREAS Section 11-13-202.5 of the Interlocal Act requires that certain interlocal agreements be approved by resolution of the legislative body of a public agency.

NOW, THEREFORE, BE IT RESOLVED by the board of the Ogden City Redevelopment Agency as follows:

1. The Interlocal Agreement between the District and the Agency, substantially in the form attached hereto as Exhibit A - the Agreement, is approved in substantially final form and shall be executed for and on behalf of the Agency by the Executive Director.
2. Pursuant to Section 11-13-202.5 of the Interlocal Act, the Agreement has been submitted to legal counsel of Ogden City (“**City**”) for review and approval as to form and legality.

3. Pursuant to Section 11-13-209 of the Interlocal Act, a duly executed original counterpart of the Agreement shall be filed immediately with the City Recorder, the keeper of records of the City.
4. The City is hereby directed to publish or cause to be published a notice of the Agreement in accordance with Section 11-13-219 of the Interlocal Act and Section 17C-4-202 of the CDRA Act, and make a copy of the Agreement available for public inspection and copying at the City's offices during regular business hours for a period of at least 30 days following publication of the notice.
5. The Agreement shall be effective immediately upon execution.
6. This Resolution shall take effect upon adoption.

PASSED AND ADOPTED this ____ day of _____, 2015.

CHAIRPERSON

ATTEST: _____

APPROVED AS TO FORM:


Agency Counsel

INTERLOCAL AGREEMENT

THIS INTERLOCAL AGREEMENT (“**Agreement**”) is made and entered into this _____ day of _____, 2015 (“**Contract Date**”), by and between the **OGDEN CITY REDEVELOPMENT AGENCY**, a redevelopment agency created under the laws of the state of Utah (“**Agency**”), and the **OGDEN CITY SCHOOL DISTRICT**, a school district organized within the state of Utah (“**District**”). Agency and District are referred to herein as the “**Parties**” and sometimes individually as a “**Party**.”

RECITALS:

A. The Agency was created and organized pursuant to the provisions of the Utah Neighborhood Development Act, Utah Code Annotated § 17A-2-1201 et seq. (2000), and continues to operate under the provisions of its extant successor statute, the Limited Purpose Local Government Entities - Community Development and Renewal Agencies Act, as found in UTAH CODE ANN. §17C-1-101 *et seq.* (the “**Act**”), and is authorized and empowered thereby to undertake various activities and actions pursuant thereto;

B. The Agency, together with key stakeholders, has a desire and a mission to bring about purposeful and significant community development activities and to assist in the development of certain key properties and projects, the result of which will advance the policies, goals and objectives of the Ogden City’s general plan, preserve and maintain the natural environment desired by the citizens of the community, contribute to capital improvements which substantially benefit Ogden City and District, create economic benefits to the immediate region, and improve the public health, safety and welfare of its citizens;

C. Pursuant to the Act, on September 22, 2015 the Agency adopted the Kiesel Community Development Project Area (“**Project Area**”) through the approval of the Kiesel Community Development Project Area Plan (the “**Plan**”), which governs the development within the Project Area and which is more fully described and attached hereto in Exhibit A – Kiesel CDA Plan;

D. Pursuant to certain interlocal agreements with taxing entities the Act authorizes funding of community development project areas and plans, such as the Project Area and related Plan, with property tax increment and sales tax proceeds;

E. UTAH CODE ANN. § 11-13-215 (2003) authorizes a taxing entity to share its tax and other revenues with other governmental agencies;

F. The Agency is willing to use tax increment from the Project Area, and the District is willing to consent to the Agency’s use of tax increment from the Project Area, to fund the Project Area and Plan;

G. For the purpose of providing funds to carry out the purposes and activities set forth in the Plan, the District consents to the Agency receiving certain tax increment from the Project Area in accordance with the terms of this Agreement; and

H. This Agreement is made pursuant to the provisions of the Interlocal Cooperation Act, UTAH CODE ANN. §11-13-101, *et seq.*, (the “Cooperation Act”).

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

1. **Recitals.** The above recitals are incorporated herein by reference and made a part hereof.

2. **Base Taxable Value.** After combining the Weber County assessed values of all real property within the Project Area for the year 2015, and pursuant to §17C-1-102(6)(b) of the Act, the Parties agree that the base taxable value for all such properties within the Project Area shall be \$21,203,119.00, regardless of the Tax Increment Commencement Date as defined below (“Base Taxable Value”).

3. **Weber County Payment of Tax Increment to Agency.** Pursuant Section 17C-4-201 of the Act and Sections 11-13-202.5 and 11-13-215 of the Cooperation Act, the District hereby agrees and consents that for twenty (20) consecutive tax years (“Tax Increment Period”), Weber County shall pay to the Agency 100% of the District’s Tax Increment generated within the Project Area during the Tax Increment Period for the purpose of providing funds to the Agency to carry out the Plan. The Parties understand and agree that payment for the last year of Tax Increment will be paid to the Agency in the year following the Tax increment Termination Date. The District consents to Agency’s use of up to 5% of the District’s Tax Increment for Agency administrative purposes.

4. **Commencement and Termination of the Tax Increment Period.** The Tax Increment Period will begin on the first day of January in the year for which the Agency accepts its first Tax Increment payment from the Project Area, or January 1, 2018, whichever date is earlier (“Tax Increment Commencement Date”). The year of receipt of the first Tax Increment payment will not affect or determine the Tax Increment Commencement Date. The Parties are aware that Tax Increment payments are paid during the year following the year in which Tax Increment is generated or accrued. The Tax Increment Period will end on the 31st day of December preceding the twentieth (20th) anniversary of the Tax Increment Commencement Date (“Tax Increment Termination Date”). The District’s Tax Increment generated from the Project Area after the Tax Increment Termination Date shall be paid to the District.

5. **Maximum Payment of Tax Increment.** The total payments made to the Agency from the District’s Tax Increment generated from the Project Area during the Tax Increment Period shall not exceed \$6,000,000.00.

6. **Tax Rate Increases.** Any increases in tax revenue generated from an increase in the District's tax rate (e.g. a tax increase following Truth in Taxation public hearings) after the Effective Date of this Agreement shall not be considered to be "Tax Increment" and shall not be paid to the Agency.

7. **Interlocal Cooperation Act.** In accordance with the requirements of the Cooperation Act, the Parties agree as follows:

- a. This Agreement shall be authorized by a 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 in behalf of each Party pursuant to and in accordance with Section 11-13-202.5 of the Cooperation Act;
- c. A duly executed original counterpart of this 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 Executive Director of the Agency is hereby designated as the administrator to administer all joint or cooperative undertaking pursuant to Section 11-13-207 of the Cooperation Act;
- e. The term of this Agreement shall commence on the Effective Date as defined below and shall continue for 180 days after the Tax Increment Termination Date, or the date on which the last payment of Tax Increment of the District is paid to the Agency, whichever date occurs first.
- f. This Agreement may be terminated before the end of the Tax Increment Termination Date by mutual written agreement of the Parties, but only after the Agency has received sufficient funds from Tax Increment generated from the Project Area to fully pay all obligations contemplated by this Agreement and accomplishes the purposes for which this Agreement is created.
- g. The Agency will be responsible for budgeting all required funding for the Plan and the District will be responsible for budgeting its activities.

8. **Publication of Notice.** Immediately after execution of this Agreement by the Parties, each of the Parties shall cause to be published a notice regarding this Agreement and the Party's resolution authorizing this Agreement, as provided and allowed pursuant to Section 11-13-219 of the Cooperation Act. The District agrees that the Agency may cause such publication of notice be made on the District's behalf and at the Agency's expense in a joint publication.

9. **No Third Party Beneficiary.** Nothing in this Agreement shall be deemed or considered to create any obligation in favor of or rights in any person or entity not a party to this

Agreement. No person or entity is an intended third party beneficiary of this Agreement. Any obligation of the Agency to make any payments to a developer, business or any person or entity is to be set forth in written agreements between the Agency and the person or entity, in accordance with terms and requirements satisfactory to the Agency.

10. **Due Diligence.** Each of the Parties acknowledges for itself that it has performed its own review, investigation and due diligence regarding the relevant facts concerning the Project Area and Plan and the expected benefits to the community and to the Parties, and each of the Parties relies on its own understanding of the relevant facts and information, after having completed its own due diligence and investigation.

11. **Modification.** A modification of, or amendment to, any provision contained in this Agreement shall be effective only if the modification or amendment is in writing and signed by the Parties after proper approval of the modification or amendment as required by law. Any oral representation or modification concerning this Agreement shall not be binding upon the Parties, or any one of them.

12. **Further Documents and Acts.** Each of the Parties hereto agrees to cooperate in good faith with the other to execute and deliver such further documents and perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the intent and transactions contemplated under this Agreement.

13. **Entire Agreement.** This Agreement and its exhibits constitute the entire agreement between the Parties pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understandings of the Parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

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

15. **Effective Date.** Pursuant to Section 17C-4-202(3) of the Act, this Agreement shall become effective upon publication of the notice as required by Sections 17C-4-202(2)(a)(i)(A) and 17C-4-202(2)(a)(ii) of the Act.

SIGNATURES ON FOLLOWING PAGE

ENTERED into as of the Contract Date written above.

AGENCY:

OGDEN CITY REDEVELOPMENT AGENCY,
a body politic and political subdivision of the state of Utah

By: _____
Michael P. Caldwell
Executive Director

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Agency Attorney

DISTRICT:

OGDEN CITY SCHOOL DISTRICT,

By: _____
Jeffrey Heiner, Board President

ATTEST: _____
Zane Woolstenhulme, Business Administrator

EXHIBIT A
to
Interlocal Agreement

Kiesel CDA Plan



KIESEL COMMUNITY DEVELOPMENT PROJECT AREA

Project Area Plan

Adopted:
September 22, 2015

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INTRODUCTION

The proposed Kiesel Community Development Project Area (“**Kiesel CDA**” or “**Project Area**”) is created pursuant to Title 17C, Chapters 1 through 4, Utah Code Annotated (the “**Act**”) and includes the property located between Kiesel and Wall Avenues and 24th and 25th Streets in Ogden City, as shown on Appendix A – Kiesel Community Development Project Area Map, attached hereto. The Kiesel CDA consists of approximately 39 acres and includes numerous significantly contributing historic buildings, as well as, commercial, retail and recreational uses.

Private property within the Kiesel CDA is composed of commercial properties. The Kiesel CDA includes no residential property (see Appendix B - Land Use Map).

Section 1 **DEFINITIONS**

As used in this Community Development Project Area Plan:

1. The term "**Act**" shall mean and include the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act Title 17C, Chapters 1 through 4, Utah Code Annotated, including such amendments or successor statutes as shall from time to time be enacted.
2. The term "**Agency**" shall mean the Ogden City Redevelopment Agency, a separate body corporate and politic.
3. The term "**base taxable value**" shall mean the base taxable value of the property within the Project Area, as shown upon the assessment roll last equalized, before the date the taxing entity committee adopts the first Project Area budget.
4. The term "**City**" shall mean Ogden City Corporation, Ogden, Utah.
5. The term "**Developer**" shall mean any person or entity undertaking development activities in the Project Area.
6. The term "**Community Development**" means development activities within a community, including the encouragement, promotion, or provision of development.
7. The term "**Plan Hearing**" means the public hearing on the draft Project Area Plan required under Subsection 17C-3-102 of the Act.
8. The term "**Planning Commission**" shall mean the planning commission of the City.
9. The term "**Project**" means the activities associated with this Project Area Plan.
10. The term "**Project Area**" or "**Kiesel Community Development Project Area**" shall mean the geographic area described in this Project Area Plan where the
11. Community Development set forth in this Project Area Plan takes place or is proposed to take place.
12. The term "**Project Area Plan**" or "**Plan**" shall mean the Kiesel Community Development Project Area Plan that was adopted pursuant to the Act to guide and control Community Development activities within the Project Area.
13. The term "**Project Area Budget**" shall mean a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to the Project Area that includes:
 - (a) the base taxable value of property in the Project Area; (b) the projected tax increment expected to be generated within the Project Area; (c) the amount of tax increment expected to be shared with other taxing entities; (d) the amount of tax increment expected to be used to implement the Project Area Plan, including the

estimated amount of tax increment to be used for land acquisition, public improvements, infrastructure improvements, and loans, grants, or other incentives to private and public entities; (e) the tax increment expected to be used to cover the cost of administering the Project Area Plan; (f) if the area from which tax increment is to be collected is less than the entire Project Area: (i) the tax identification numbers of the parcels from which tax increment will be collected; or (ii) a legal description of the portion of the Project Area from which tax increment will be collected; for a Community Development Project Area, the information required under Subsection 17C-4-204.

14. The terms "**tax**," "**taxes**," "**property tax**" or "**property taxes**" includes privilege tax and each levy on an ad valorem basis on tangible or intangible personal or real property.
15. The term "**taxing entity**" shall mean each public entity that levies a property tax on property situated within the Project Area.
16. The term "**tax increment**" shall mean the difference between (i) 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 (ii) the amount of property tax revenues that would be generated from that same area using the base taxable value of the property. Tax increment does not include taxes levied and collected under Section 59-6-1602 Utah Code Annotated, on or after January 1, 1994.
17. All other terms shall have the meanings set forth in the Act unless the context clearly indicates otherwise.

Section 2 **PRECONDITIONS FOR DESIGNATING A COMMUNITY DEVELOPMENT PROJECT AREA**

- a) Pursuant to the provisions of §17C-4-102(1)(a) of the Act, the City has prepared this Project Area Plan; and
- b) Pursuant to the provisions of §17C-4-102(2)(a) and (b) of the Act, the City has a Planning Commission and general plan as required by law; and
- c) Pursuant to the provisions of §17C-4-102(1)(b) and (c) 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 and is holding a public hearing on the draft Plan on September 22, 2015; and
- d) Pursuant to the provisions of §17C-4-102(1)(d) of the Act, the Agency is conducting one or more public hearings for the purpose of informing the public about the proposed Project Area, allowing public comment on the draft Project Area Plan and whether the Plan should be revised, approved or rejected. The purpose of the hearing(s) is to inform the public about the Plan, to allow public comment on the draft Plan and to solicit input on whether the Plan should be revised, approved or rejected. The Agency will hear all written and oral comments and objections to the Plan, as well as any testimony for or against the Plan. Upon consideration of such comments, objections and testimony, the Agency will determine whether to revise, approve, or reject the Plan.

Section 3 **LEGAL DESCRIPTION OF KIESEL CDA** [17C-4-103(1)]

The Kiesel CDA is enclosed within the following boundaries and is described as:

Beginning at the Northeast Corner of Block 33, Plat "A" Ogden City Survey, thence South 01°17'14" West 763.79 feet along east side and a projection of said line of said block to the Northeast Corner of Block 24, Plat "A", Ogden City Survey, thence South 88°48'45" East 460.58 feet along the projected North line of Block 25, Plat "A", Ogden City Survey, to the northwest corner of Lot 7 of said block, thence South 01°17'49" West 534.55 feet along east right of way line of Kiesel Avenue to a point which is 132.00 feet North of the southwest corner of Lot 1 of said block, thence North 88°41'53" West 361.90 feet along a projected line along the north line of Lot 2 of said block to the a point on the east right of way line of Grant Avenue, thence North 75°36'30" West 101.61 feet to a point on the west right of way line of Grant Avenue, which point is 155.00 feet north of the southeast corner of Block 24, Plat "A", Ogden City Survey, thence North 88°41'06" West 139.91 feet, thence South 01°18'44" West 14.63 feet to a point of curve to the right, having a radius of 25.50 feet and a arc length of 39.56 feet (Long chord bearing is South 45°44'42" West 35.71 feet, thence North 88°41'19" West 369.06 feet to a point of curve to the left having a radius of 10.00 feet and an arc length of 15.71 feet (Long chord bearing is North 43°43'42" West 14.14 feet), thence to a point of reverse curve to the right, having a radius of 73.78 feet and an arc length of 21.83 feet (Long chord bearing is North 80°15'02" West 21.75 feet), thence North 01°16'18" East 4.97 feet, thence North 88°41'06" West 101.17 feet to the east right of way line of Lincoln Avenue, thence North 89°16'01" West 99.02 feet to a point on the west right of way line of said street, thence North 88°41'29" West 383.59 feet, thence South 01°10'56" West 12.00 feet, thence North 88°41'29" West 283.02 feet to a point on the east right of way line of Wall Avenue, thence North 01°18'29" East 937.67 feet along said right of way line, thence South 88°41'31" East 133.32 feet, thence North 01°18'53" East 16.37 feet, thence South 87°54'08" East 266.65 to a point of the west line of Lot 2, Block 34, Plat A, Ogden City Survey, thence South 01°21'17" West 407.11 feet to a point on the north line of Block 23, Plat A, Ogden City Survey, thence South 88°49'04" East 365.55 along the north line and the projection of said block to the Northwest corner of Block 24, Plat A, Ogden City Survey, thence North 01°20'21" East 765.00 feet along the extension of the west side of Block 33, Plat A, Ogden City Survey and the west side of said block to the Northwest corner of Block 33, Plat A, Ogden City Survey, thence South 88°42'50" East 666.60 feet along the north line of said block to the point of beginning.

Weber County Tax Serial Numbers: See Appendix C – Tax Serial Numbers.

The Project Area contains approximately 38.7 acres of private and public real property.

A map showing the boundaries of the Kiesel CDA is attached hereto and is incorporated herein as Appendix A – Kiesel Community Development Project Area Map

Section 4 **PROJECT AREA CHARACTERISTICS AND HOW THEY
WILL BE AFFECTED BY COMMUNITY
DEVELOPMENT** *[17C-4-103(2)]*

Land Uses in the Project Area

Permitted land uses in the Kiesel CDA will be those uses permitted by the officially adopted zoning ordinances of the City and the controls and guidelines of this Community Development Project Area Plan. The Project Area is located within the Central Business District (“CBD”) zone, and the uses currently existing therein conform to the requirements of this zone. The designated land use will not be changed by the community development contemplated herein.

It is expected that the current uses in the Kiesel CDA will be affected by community development as follows: The existing businesses located in the Project Area are expected to continue in operation. It is expected redevelopment efforts will support the restoration/revitalization of historic buildings, strengthen Ogden’s employment and tax bases, and create a mechanism to support additional downtown parking. Private investment will play a vital role in regard to when development will occur. Uses in the Project Area will be governed by the applicable zoning ordinances and regulations of Ogden City. Any changes in zoning within the Project Area will be made in accordance with established law and required public proceedings.

Layout of Principal Streets in the Project Area

The layout of the principal streets in the Kiesel CDA is shown on the Project Area map attached as Appendix A. It is expected that development in the Project Area could affect the existing streets as follows: (a) intersection improvements possibly could be made within the area to enhance flow through intersections; and (b) access management policies may be implemented throughout the area to enhance flow, mobility, and traffic capacity.

Population Densities in the Project Area

The Kiesel CDA contains no residential development or property. The population within the Project Area results from the operation of retail, hospitality and commercial businesses, as well as, Lindquist Field.

The planned changes in the Project Area will have an effect on the residential population of the Project Area. Community development is expected to increase the residential population by the development of several multi-unit residences within the Project Area.

Building Intensities in the Project Area

Based on the stated objectives of the plan it is anticipated that building intensities in the Project Area will be affected in the following ways: Increased building intensities will likely

occur through the renovation/restoration of historic buildings, reuse of underutilized and obsolete properties and enhanced downtown parking opportunities.

Key projects identified for potential development include, but are not limited to:

- Restoration of the Kiesel Building.
- Restoration of the Berthana Building.
- Restoration of the Thorstensen Building and Proud Fit Building.
- Enhancement of the Old Post Office.
- Construction of additional public parking.

Section 5 **STANDARDS TO GUIDE THE KIESEL CDA [17C-4-103(3)]**

Development Objectives:

The following development objectives will guide community development in the Kiesel CDA:

1. Promote and market the Project Area for development that will enhance the economic health of the community through increase of the City's commercial tax base;
2. Encourage development and expanded economic activity;
3. Promote functional utilities and other infrastructure to provide for expanded residential and business activity;
4. Promote attractive and functional buildings, streetscapes, parking areas and landscaping;
5. Coordinate and promote improvement of the transportation system improvements within the Project Area, including road improvements, access management and pedestrian/bicycle amenities.

Design Objectives

Subject to the development objectives and other provisions of this Plan, owners and developers will be expected to achieve to the highest quality of design and development. Each development proposal will be considered subject to:

1. Applicable elements of the City's General Plan;
2. Applicable development ordinances of the City;
3. Applicable building codes of the City;
4. Applicable design standards of the City;
5. Review and recommendation by the City Planning Commission; and
6. Review and recommendation by the Redevelopment Agency of Ogden City (the "**Agency**") to ensure that the development is consistent with this Plan.

Each development proposal by an owner or developer must include a site plan, development data and other appropriate material that clearly describes the extent of the proposed development, including land coverage, setbacks, heights, massing, architectural design, off-street parking and any other data determined to be necessary or requested by the City or the Agency.

The general design of specific projects may be developed or approved by the Agency in coordination with the City's Planning Commission. The particular elements of the design should be such that the overall development of the Kiesel CDA will:

1. Provide an attractive environment.
2. Blend harmoniously with the adjoining areas.
3. Provide for the optimum amount of open space and landscaped areas.

4. Provide parking areas appropriately designed, screened, and landscaped to blend harmoniously with adjacent areas.
5. Provide safe, effective, and attractive pedestrian features.
6. Comply with the provisions of this Plan.

Specific Design Objectives

The specific design objectives incorporated below guide the City, developers, and owners to create a unified development, in both form and architectural style.

1. Building Design Objectives:

New development shall:

- a. Be in harmony with the surrounding area and provide a high quality appearance;
- b. Utilize high quality and low maintenance building materials;
- c. Take into account CPTED (crime prevention through environmental design) principals in order that all buildings and developments provide a safe and secure environment for employees and visitors;
- d. Be designed to relate to existing grade conditions with a minimum of grading and exposed foundation walls.

2. Site Design Objectives:

New development shall:

- a. Provide attractive and water efficient landscaped areas primarily consisting of shrubs, ground cover, turf, and trees as appropriate to the character of the Project Area;
- b. Provide landscaped, paved, and graded pedestrian areas that afford safety and separation from vehicular traffic;
- c. Use high quality building materials and design for paving, retaining walls, fences, lighting, benches, and other site furnishings;
- d. Incorporate parking lot designs that consider safe and efficient ingress/egress and internal circulation, provide cross access to adjacent areas where appropriate, and be landscaped consistent with Ogden City Code;
- e. Provide adequate separation and/or buffering of each site from adjacent areas where needed or appropriate;
- f. Provide a signage program that incorporates design consistency with the main structures;

- g. Preserve the desirable existing conditions found on the site through minimized site grading and minimized removal of desirable trees and other vegetation.

3. Public Right-Of-Way Design Objectives:

- a. Public rights-of-way. All streets, sidewalks and walkways within public rights-of-way will be designed to be consistent with current standards and objectives, and be approved by the City.

Section 6 **HOW THE PURPOSES OF THE STATE LAW WOULD BE
ATTAINED BY COMMUNITY DEVELOPMENT**
[17C-4-103(4)]

The purposes of Title 17C of the Utah State Code (Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act), and more specifically Title 17C, Chapter 4 thereof (Community Development), are to encourage, promote, or provide for development activities within a community. *See, Utah Code Ann. § 17C-1-102(16)*. The proposed projects contemplated in this Plan will help attain the foregoing purposes by:

- Providing necessary public infrastructure to the community development project area and surrounding areas, thereby encouraging and promoting additional development activities within or near the project area.
- Providing additional employment opportunities, which would encourage and promote additional development activities, such as residential developments for employees, commercial developments for suppliers, restaurateurs, and other businesses.
- The development of vacant land within the community development project area, as well as the development of existing structures.

It is the intent of the Agency, with the assistance and participation of private owner(s), to encourage and accomplish appropriate development within the Kiesel CDA by methods described in this Plan. This includes the restoration/renovation of historical buildings, enhancement to existing buildings, the possible construction of new buildings, facilities and infrastructure, and the use of incentives to maximize appropriate development beneficial to the City. By these methods, the private sector should be encouraged to undertake new development which will strengthen the tax base of the community in furtherance of the objectives set forth in this Plan.

Techniques to Achieve Kiesel CDA Plan Objectives

Possible activities contemplated in carrying out the Plan in the Kiesel CDA include the development of areas in the Project Area.

1. Construction: Restoration/renovation of existing buildings and new construction may be initiated in order to encourage additional private sector building and investment.
2. Implementation of Projects: The Agency shall have the right to approve the design and construction documents of all development within the Project Area to ensure consistency within this Kiesel CDA Plan. The City shall notify the Agency of all requests for (1) zoning changes; (2) design approval; (3) site plan approval; and (4) building permits within the Project Area. Projects within the Kiesel CDA shall be implemented as approved by the Agency and the City.

Section 7 **HOW THE PLAN IS CONSISTENT WITH THE CITY'S
GENERAL PLAN** *[17C-4-103(5)]*

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

A. General Plan

The Kiesel CDA is consistent with the General Plan of Ogden City which encourages development that focuses on expanding and diversifying the local economy, revitalizing older business areas and raising the standard of living in a business friendly environment. Ogden has emerging aerospace and advanced materials, IT & software and outdoor recreation clusters requiring offices, technology, business centers and multiple scales of commercial development to serve the needs of the region, the community, and individual neighborhoods. The City General Plan envisions that the area of the Project Area will continue to be mixed use in nature. If any future zoning designation changes are required, such changes will be submitted to both the Planning Commission and City Council for consideration and approval.

B. Zoning Ordinances

The property within the Project Area is currently zoned Central Business District. The City General Plan envisions that the Project Area will continue to be mixed use in nature. The proposed development is permitted under the current zoning designations adopted by the Ogden City Council. If any future zoning designation changes are required, such changes will be submitted to both the Planning Commission and City Council for consideration and approval.

Section 9 **WAYS IN WHICH PRIVATE DEVELOPERS WILL BE
SELECTED TO UNDERTAKE THE COMMUNITY
DEVELOPMENT** *[17C-4-103(7)]*

A. Selection of Private Developers

The Agency desires owners of real property in the Kiesel CDA to undertake development of their property and contemplates that owners will take advantage of the opportunity to develop their property or sell their property to Developers for the development of facilities within the Project Area. In the event that owners do not wish to participate in the CDA in compliance with the Plan, or in a manner acceptable to the Agency, or are unable or unwilling to appropriately participate, the Agency may, consistent with the Act, encourage other owners to acquire property within the Project Area, or to select non-owner Developers by private negotiation, public advertisement, bidding or the solicitation of written proposals, or a combination of one or more of the above methods.

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

The Agency, consistent with the Act, will work with capable and qualified Developers to ensure that all aspects of the Plan are implemented.

Section 10 **REASONS FOR THE SELECTION OF THE KIESEL CDA**
[17C-4-103(8)]

The Kiesel CDA was selected by the Agency as that area within the City having an opportunity to significantly strengthen the economic base of the community, broaden the City's tax base, and encourage needed mixed use developments. The Kiesel CDA contains a portion of the City that is desirable for development because of (1) existing access and infrastructure; (2) a general recognition that the Kiesel CDA needs assistance if the area is to be further developed; (3) a general recognition that this portion of the City needs investment of private capital to restore and renovate significant historic buildings, as well as, construct improvements to attract additional business or provide infrastructure improvements; (4) determination by the City that further development of this area is important to the overall health, vitality, and stability of the City; (5) goals of the City and community to strengthen residential/commercial development and employment; and (6) the opportunity to commence a public/private partnership to improve and further develop this area of the City.

Specific boundaries of the Kiesel CDA were arrived at by the Agency after a review of the area by members of the Agency staff and in discussion with various stakeholders. Planned treatment of this area is intended to stimulate development to the degree necessary for sound long-range economic growth in the Project Area and to encourage further development and improvement of real property within the Project Area.

Section 11 **DESCRIPTION OF THE PHYSICAL, SOCIAL, AND
ECONOMIC CONDITIONS EXISTING IN THE KIESEL
CDA** *[17C-4-103(9)]*

A. Physical Conditions

The Kiesel CDA consists of approximately 39 acres including public streets (see Appendix A and Appendix B). There are several significantly contributing historic buildings including the Kiesel, Berthana, Thorstensen, Proud Fit and the Old Post Office Buildings, as well as, additional commercial and hospitality activities located in the Project Area. The Lindquist Ball Field is also located within the Project Area boundaries. There are no known residential uses in the Project Area.

The Project Area is accessed north and south from Kiesel, Grant, Lincoln and Wall Avenues, as well as, east and west from 23rd and 24th Streets. The roads are two and four travel lanes, and provide access to much of the property in the Kiesel CDA.

B. Social Conditions

No unusual social conditions were found to exist.

C. Economic Conditions

Although the area has generally seen economic underperformance, it presents some of the greatest opportunity for redevelopment. Through adoption of this Plan and with the financial support of possible voluntary funding of this Plan by taxing entities, the Agency hopes to encourage the restoration/renovation of historic buildings, strengthen the residential presence in downtown Ogden, and provide opportunities for additional businesses, all of which will contribute to the tax base. The Agency and the City believe that without the adoption of this Plan and the support of taxing entities for funding this Plan, there is less likelihood that the historic structures will be restored. Consequently, the establishment of a community development project area and its associated implementation measures are very important.

Section 13 **ANALYSIS OF THE ANTICIPATED PUBLIC BENEFIT TO BE DERIVED FROM THE COMMUNITY DEVELOPMENT** [17C-4-103(11)]

It is anticipated that a significant public benefit will be derived from the proposed development within the Kiesel CDA. The Economic Benefit Analysis, attached hereto as Appendix D, provides an analysis and description of the anticipated public benefit to be derived from the community development, including: A) the beneficial influences upon the tax base of the community; and B) the associated business and economic activity likely to be stimulated.

A. Beneficial Influences Upon the Tax Base of the Community

The City and taxing entities will see an increase in taxable value of an estimated \$22 million over the next 20 years in the Project Area. This is a substantial increase from today's taxable value of \$21,203,119. Construction could begin in 2016, with tax increment commencing in 2017. If construction begins in 2016 and the Project Area commences in 2017 and runs for a period of 20 years, each of the taxing entities will receive increased taxes over the next 20 years from the increased investment in the area. The projected incremental tax revenues which are projected to be generated from the increased assessed value resulting from the improvements are summarized below:

<u>Taxing Entity</u>	<u>20 Year Gross</u>	<u>Annual (Year</u>
1) Ogden City School Dist.	\$5,265,471	\$146,402
Weber County	\$2,106,188	\$ 58,561
Ogden City	\$1,904,771	\$ 52,961
Weber Basin Water Cons.	\$ 112,466	\$ 3,127
Central Weber Sewer Imp. Dist.	\$ 482,583	\$ 13,418
Weber Co. Mosquito	\$ 10,234	\$ 285
Weber Area Dispatch 911	\$ 173,812	\$ 4,833
Ogden City Special Levy	\$ 168,700	\$ 4,691

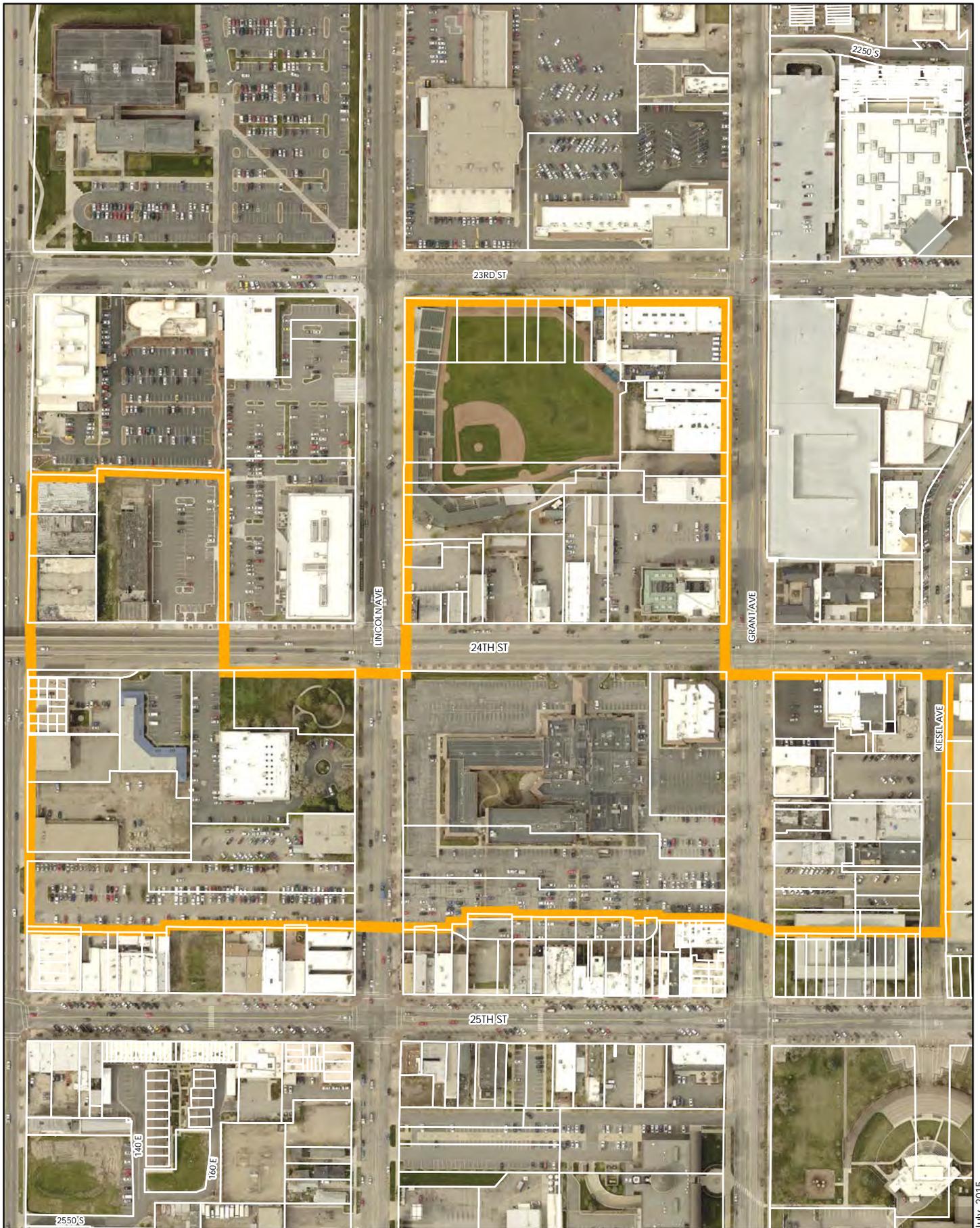
B. Business and Economic Activity Likely to be Stimulated

The economic activities associated with the development of the Project Area could take any one or more of the following forms: Businesses and professional offices currently located in the area surrounding the Project Area will likely benefit from exposure to new customers and clients traveling to and within the vicinity of the Project Area. This influx of new customers and clients will have the positive effect of encouraging businesses and professionals to remain in and around the community. Currently existing businesses and professionals may even be inclined to expand their facilities to take advantage of the new demographic resulting from the development of the Project Area. Businesses and professionals seeking to locate new facilities will likewise be drawn to the vicinity of the

Project Area for similar reasons. As proposed in this Plan, the developed Project Area will serve the immediate lifestyle needs of the community and can reasonably be expected to encourage additional development in the surrounding area.

APPENDIX A

MAP OF KIESEL COMMUNITY DEVELOPMENT PROJECT AREA



July, 2015

KIESEL CDA

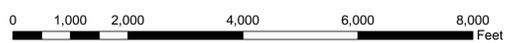


APPENDIX B

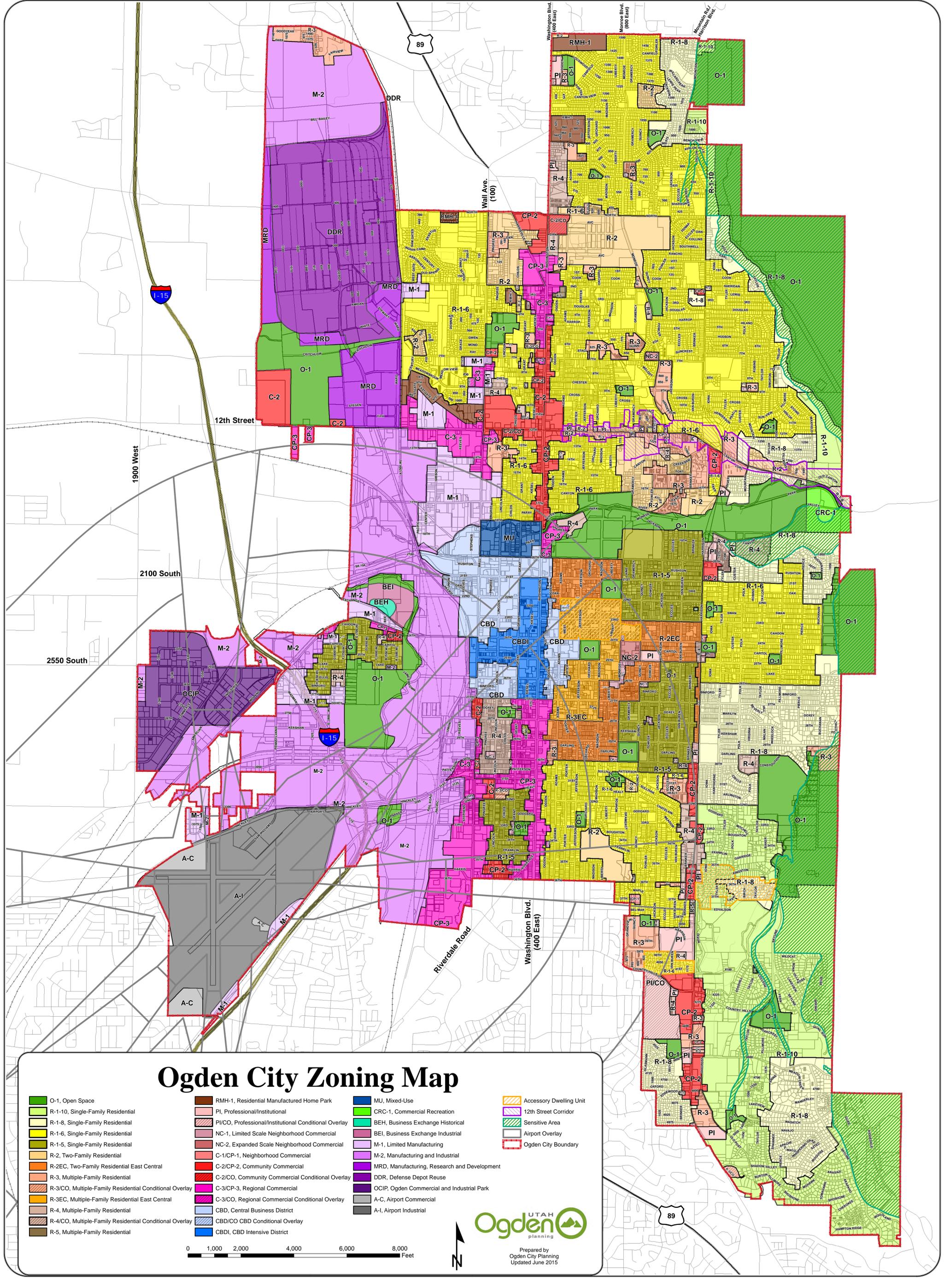
LAND USE MAP KIESEL COMMUNITY DEVELOPMENT PROJECT AREA

Ogden City Zoning Map

- | | | | |
|---|---|--|---|
|  O-1, Open Space |  RMH-1, Residential Manufactured Home Park |  MU, Mixed-Use |  Accessory Dwelling Unit |
|  R-1-10, Single-Family Residential |  PI, Professional/Institutional |  CRC-1, Commercial Recreation |  12th Street Corridor |
|  R-1-8, Single-Family Residential |  PI/CO, Professional/Institutional Conditional Overlay |  BEH, Business Exchange Historical |  Sensitive Area |
|  R-1-6, Single-Family Residential |  NC-1, Limited Scale Neighborhood Commercial |  BEI, Business Exchange Industrial |  Airport Overlay |
|  R-1-5, Single-Family Residential |  NC-2, Expanded Scale Neighborhood Commercial |  M-1, Limited Manufacturing |  Ogden City Boundary |
|  R-2, Two-Family Residential |  C-1/CP-1, Neighborhood Commercial |  M-2, Manufacturing and Industrial | |
|  R-2EC, Two-Family Residential East Central |  C-2/CP-2, Community Commercial |  MRD, Manufacturing, Research and Development | |
|  R-3, Multiple-Family Residential |  C-2/CO, Community Commercial Conditional Overlay |  DDR, Defense Depot Reuse | |
|  R-3/CO, Multiple-Family Residential Conditional Overlay |  C-3/CP-3, Regional Commercial |  OCIP, Ogden Commercial and Industrial Park | |
|  R-3/SEC, Multiple-Family Residential East Central |  C-3/CO, Regional Commercial Conditional Overlay |  A-C, Airport Commercial | |
|  R-4, Multiple-Family Residential |  CBD, Central Business District |  A-1, Airport Industrial | |
|  R-4/CO, Multiple-Family Residential Conditional Overlay |  CBD/CO CBD Conditional Overlay | | |
|  R-5, Multiple-Family Residential |  CBDI, CBD Intensive District | | |



Prepared by
Ogden City Planning
Updated June 2015



APPENDIX C

WEBER COUNTY TAX SERIAL NUMBERS

KIESEL CDA
 OGDEN CITY
 Real Property

Parcel No.	Property Address	Owner	2014			Total Mkt. Value	Taxable Value	2015			Total Mkt. Value	Taxable Value
			Acres	Land Value	Bldg. Value			Land Value	Bldg. Value			
010210032		United State of America	0.14	\$61,250	\$0	\$61,250	0	\$61,250	\$0	\$61,250	\$0	
010210034		United State of America	0.1	\$43,990	\$0	\$43,990	0	\$43,990	\$0	\$43,990	\$0	
010210035		United State of America	0.14	\$62,440	\$0	\$62,440	0	\$62,440	\$0	\$62,440	\$0	
010210019		Alvey Holding LLC	0.05	\$7,868	\$2,380	\$10,248	\$10,248	\$7,868	\$2,499	\$10,367	\$10,367	
010210037		Alvey Holding LLC	0.16	\$27,796	\$284,528	\$312,324	\$312,324	\$27,796	\$298,754	\$326,550	\$326,550	
010210036		Alvey Holding LLC	0.18	\$31,364	\$161,327	\$192,691	\$192,691	\$31,364	\$161,615	\$192,979	\$192,979	
010210038		Phidia K. & Homer K. Cutrubs	0.41	\$71,440	\$59,707	\$131,147	\$131,147	\$71,440	\$62,693	\$134,133	\$134,133	
010210043		H & P Investments	0.4	\$69,660	\$5,874	\$75,534	\$75,534	\$69,660	\$6,168	\$75,828	\$75,828	
010210088		CSP005 LLC	0.27	\$118,680	\$769,416	\$888,096	\$888,096	\$118,680	\$807,887	\$926,567	\$926,567	
010210049		LohMueller Reh, LLC	0.05	\$22,600	\$168,158	\$190,758	\$190,758	\$22,600	\$166,846	\$189,446	\$189,446	
010210094		Dogma Group LLC	0.14	\$60,910	\$316,862	\$377,772	\$377,772	\$60,910	\$332,706	\$393,616	\$393,616	
010210082		Dogma Group LLC	0.19	\$84,310	\$892,322	\$976,632	\$976,632	\$84,310	\$1,135,854	\$1,220,164	\$1,220,164	
010210047		Ogden RDA	0.25	\$167,372	\$0	\$167,372	\$0	\$167,372	\$0	\$167,372	\$0	
010210046		Ogden RDA	0.13	\$87,750	\$0	\$87,750	\$0	\$87,750	\$0	\$87,750	\$0	
010210041		Century Investments Partnership LLC	0.25	\$43,560	\$239,102	\$282,662	\$282,662	\$43,560	\$251,058	\$294,618	\$294,618	
010210040		Century Investments Partnership LLC	0.03	\$5,932	\$25,473	\$31,405	\$31,405	\$5,932	\$26,747	\$32,679	\$32,679	
010210039		H & P Investments	0.13	\$22,360	\$0	\$22,360	\$22,360	\$22,360	\$0	\$22,360	\$22,360	
010210031		United State of America	0.17	\$75,100	\$0	\$75,100	\$0	\$75,100	\$0	\$75,100	\$0	
010210030		United State of America	0.16	\$69,300	\$0	\$69,300	\$0	\$69,300	\$0	\$69,300	\$0	
010210029		United State of America	0.19	\$81,670	\$0	\$81,670	\$0	\$81,670	\$0	\$81,670	\$0	
010200005		Ogden City Neighborhood Deve. Agency	0.99	\$173,250	\$12,487	\$185,737	\$0	\$173,250	\$13,111	\$186,361	\$0	
010200006		Ogden Hotel Investors LLC	1.55	\$271,250	\$0	\$271,250	\$271,250	\$271,250	\$0	\$271,250	\$271,250	
010200008		Ogden Hotel Investors LLC	4.11	\$719,250	\$6,126,442	\$6,845,692	\$6,845,692	\$719,250	\$4,552,313	\$5,271,563	\$5,271,563	
010200063		Pingree Family Limited Company	1.04	\$453,020	\$317,980	\$771,000	\$771,000	\$453,020	\$319,470	\$772,490	\$772,490	
010290001		Old Ogden Post Office Bldg. LLC	1.38	\$241,500	\$996,837	\$1,238,337	\$1,238,337	\$241,500	\$1,083,515	\$1,325,015	\$1,325,015	
010290030		Presidential Utah Properties LLC	0.19	\$37,484	\$571,254	\$608,738	\$608,738	\$37,484	\$568,128	\$605,612	\$605,612	
010290034		Presidential Utah Properties LLC	0.08	\$14,652	\$0	\$14,652	\$14,652	\$14,652	\$0	\$14,652	\$14,652	
010290035		Presidential Utah Properties LLC	0.23	\$39,980	\$6,534	\$46,514	\$46,514	\$39,980	\$5,940	\$45,920	\$45,920	
010290015		George & Dragon LLC	0.55	\$96,444	\$599,045	\$695,489	\$695,489	\$96,444	\$628,997	\$725,441	\$725,441	
010290027		George & Dragon LLC	0.14	\$23,900	\$260,314	\$284,214	\$284,214	\$23,900	\$260,259	\$284,159	\$284,159	
010290026		Episcopal Church in Utah Corp.	0.18	\$31,500	\$0	\$31,500	\$0	\$31,500	\$0	\$31,500	\$0	
010290025		Episcopal Church in Utah Corp.	0.67	\$116,740	\$707,491	\$824,231	\$0	\$116,740	\$742,865	\$859,605	\$0	
010290024		Episcopal Church in Utah Corp.	0.08	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	
010290023		Episcopal Church in Utah Corp.	0.8	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	
010290022		Ogden City	0.11	\$19,250	\$0	\$19,250	\$0	\$19,250	\$0	\$19,250	\$0	
010290016		Ogden City	2.11	\$367,500	\$0	\$367,500	\$0	\$367,500	\$0	\$367,500	\$0	
010290021		Ogden City	0.17	\$29,750	\$0	\$29,750	\$0	\$29,750	\$0	\$29,750	\$0	
010290020		Ogden City	0.08	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	
010290019		Ogden City	0.12	\$21,000	\$0	\$21,000	\$0	\$21,000	\$0	\$21,000	\$0	
010290018		Ogden City	0.3	\$525,000	\$0	\$525,000	\$0	\$525,000	\$0	\$525,000	\$0	
010290017		Ogden City	0.33	\$57,750	\$0	\$57,750	\$0	\$57,750	\$0	\$57,750	\$0	
010290014		Ogden City	0.17	\$29,750	\$0	\$29,750	\$0	\$29,750	\$0	\$29,750	\$0	
010290013		Ogden City	0.2	\$33,250	\$0	\$33,250	\$0	\$33,250	\$0	\$33,250	\$0	
010290012		Ogden City	0.56	\$98,000	\$0	\$98,000	\$0	\$98,000	\$0	\$98,000	\$0	
010290036		Ogden City	0.1	\$17,500	\$0	\$17,500	\$0	\$17,500	\$0	\$17,500	\$0	
010290037		Ogden City	0.05	\$8,750	\$0	\$8,750	\$0	\$8,750	\$0	\$8,750	\$0	
010290011		Ogden City	0.09	\$15,750	\$0	\$15,750	\$0	\$15,750	\$0	\$15,750	\$0	
010290033		Ogden City	0.09	\$15,750	\$0	\$15,750	\$0	\$15,750	\$0	\$15,750	\$0	
010290038		Hal & Lorene LaFleur Family Trust	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010290039		Hal & Lorene LaFleur Family Trust	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010290040		Hal & Lorene LaFleur Family Trust	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010290041		Beaton Property Management LLC	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010290042		Beaton Property Management LLC	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010290007		Hal & Lorene LaFleur Family Trust	0.04	\$18,200	\$74,072	\$92,272	\$92,272	\$18,200	\$77,776	\$95,976	\$95,976	
010290008		Hal & Lorene LaFleur Family Trust	0.15	\$65,870	\$54,130	\$120,000	\$120,000	\$51,170	\$69,206	\$120,376	\$120,376	
010290009		Hal & Lorene LaFleur Family Trust	0.12	\$50,290	\$196,940	\$247,230	\$247,230	\$50,290	\$206,787	\$257,077	\$257,077	
010290010		Hal & Lorene LaFleur Family Trust	0.09	\$16,184	\$8,901	\$25,085	\$25,085	\$16,184	\$9,346	\$25,530	\$25,530	
010290006		SRBTT Richards Family Part. LLC	0.11	\$48,920	\$162,828	\$211,748	\$211,748	\$48,920	\$170,970	\$219,890	\$219,890	
010290005		Jayhoun Saissan	0.4	\$176,070	\$132,231	\$308,301	\$308,301	\$176,070	\$138,843	\$314,913	\$314,913	
010290004		Hortencia Escamilla Hernandez	0.29	\$127,440	\$46,905	\$174,345	\$174,345	\$127,440	\$49,250	\$176,690	\$176,690	
010290003		Charles L Crittenden Jr.	0.27	\$118,140	\$305,980	\$424,120	\$424,120	\$118,140	\$309,223	\$427,363	\$427,363	
010290002		Charles L Crittenden Jr.	0.28	\$124,080	\$39,530	\$163,610	\$163,610	\$124,080	\$41,507	\$165,587	\$165,587	
010190034		Ogden City Neighborhood Deve. Agency	1.5	\$261,360	\$0	\$261,360	\$0	\$261,360	\$0	\$261,360	\$0	
010190037		Ogden City RDA	0.59	\$101,984	\$33,882	\$135,866	\$0	\$101,984	\$35,576	\$137,560	\$0	
010190032		Lincoln Building LLC	0.69	\$120,224	\$750,497	\$870,721	\$870,721	\$120,224	\$788,022	\$908,246	\$908,246	
010190023		C2 Investments LLC	1.63	\$285,250	\$1,455,152	\$1,740,402	\$1,740,402	\$285,250	\$1,527,910	\$1,813,160	\$1,813,160	
010190024		C2 Investments LLC	0.72	\$126,000	\$0	\$126,000	\$126,000	\$126,000	\$0	\$126,000	\$126,000	
010190019		C2 Investments LLC	0.73	\$213,220	\$778,550	\$991,770	\$991,770	\$213,220	\$817,478	\$1,030,698	\$1,030,698	
010860009		New Brigham Investors LLC	0.03	\$30,000	\$25,013	\$55,013	\$55,013	\$30,000	\$25,013	\$55,013	\$55,013	
010190015		D2 Investments LLC	0.43	\$73,636	\$307,025	\$380,661	\$380,661	\$73,636	\$322,376	\$396,012	\$396,012	
010190014		D2 Investments LLC	1.08	\$188,180	\$200,545	\$388,725	\$388,725	\$188,180	\$210,572	\$398,752	\$398,752	
010190029		Ogden City RDA	0.03	\$5,228	\$0	\$5,228	\$0	\$5,228	\$0	\$5,228	\$0	
010900005		Common Area Altice Corner Condo	0.01	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010890001		Boyer Ogden Holdings LC	1.9	\$332,500	\$144,610	\$477,110	\$477,110	\$332,500	\$151,841	\$484,341	\$484,341	
010300006		WYL Orion Properties LLC	0.4	\$69,168	\$579,492	\$648,660	\$648,660	\$69,168	\$608,467	\$677,635	\$677,635	
010300007		Judy C. Orton	0.26	\$45,144	\$140,525	\$185,669	\$185,669	\$45,144	\$147,551	\$192,695	\$192,695	
010300008		Judy C. Orton	0.24	\$42,456	\$132,952	\$175,408	\$175,408	\$42,156	\$139,600	\$181,756	\$181,756	

\$22,074,365

\$21,203,119

\$871,246

APPENDIX D

BENEFIT ANALYSIS

**KIESEL
COMMUNITY DEVELOPMENT PROJECT AREA
BENEFIT ANALYSIS**

Prepared for the Redevelopment Agency of Ogden City

September 22, 2015

BENEFIT ANALYSIS OF THE PROPOSED KIESEL COMMUNITY DEVELOPMENT PROJECT AREA

The following information is presented to meet the requirements of Utah Code Title 17C, Chapter 4, Section 103 regarding the proposed Kiesel Community Development Project Area, to provide the following:

17C-4-103. Community development project area plan requirements.

- (11) . . . an analysis or description of the anticipated public benefit to be derived from the Community development, including:
 - (a) the beneficial influences upon the tax base of the community; and
 - (b) the associated business and economic activity likely to be stimulated; and
- (12) . . . other information that the agency determines to be necessary or advisable.

This evaluation is intended to provide a framework within which the Redevelopment Agency's ("Agency") Board of Directors and staff can make critical decisions. They must determine whether it is good public policy and in the interest of Ogden City for the Agency to invest property tax increment, in eligible activities, such as land acquisition, public and private infrastructure or other improvements required by the Kiesel Community Development Project Area.

This document is prepared in good faith as an estimate of the economic impact of this project. Prevailing economic or other conditions may influence the actual economic impact either favorably or unfavorably. But for these unknown and unpredictable events, the information contained herein is considered an accurate accounting of the reasonable expectations of the project.

Introduction

The purpose of this report is to estimate the potential incremental property tax revenue and identify the net direct benefit or loss to the Redevelopment Agency of Ogden City (the "Agency") and Ogden City (the "City") from the proposed Kiesel Community Development Project Area ("Kiesel CDA" or "Project Area"). The proposed Kiesel CDA consists of approximately 39 acres and includes the Kiesel, Berthana, Thorstensen and Proud Fit buildings, as well as, the old Post Office, possibly an Internal Revenue Service ("IRS") expansion and additional capital improvements. Private property within the Kiesel CDA is composed of commercial properties. The development contemplated is consistent with the City's long-term goal of supporting commercial development generally throughout the City, as well as, targeting commercial development designed to meet the needs of City, Weber County residents, as well as, residents of adjoining counties and travelers.

The Kiesel CDA overlays property, a portion of which, is included in the 25th Street Redevelopment Project Area ("25th Street RDA"). The 25th Street RDA was created in 1979

and the Taxing Entity Committee (“TEC”) approved collecting tax increment from the 25th Street RDA until 2015; except for the tax increment generated by the Eccles Building which may be collected until 2017 to cover bond debt service. To the extent that the 25th Street RDA effectively sunsets in 2015, the overlay of the Kiesel CDA will not impact that portion of the 25th Street RDA. The boundaries of the Kiesel CDA do not overlay the Eccles Building and therefore the Eccles Building is not impacted by the creation of the project area. For purposes of this report, it has been determined that the estimated potential incremental property tax revenue considered as contributing to the net direct benefit or loss is that which is generated from the increased assessed value of the contemplated restoration/revitalization/expansion projects. The overall benefits and investment brought to the project include the public infrastructure improvements, which may be located in or outside and which benefit the community development project area and site improvements constructed as the result of the project area developing with superior quality restoration/revitalization/expansion developments. This economic benefit analysis contemplates private investment in the proposed project area to be an estimated \$22 million. The economic benefits resulting from the construction of the proposed projects include; new employment (both short and long term), local purchases of goods and services supportive of commercial and retail businesses, local purchases of goods and services by employees constructing and working at the businesses, local purchase of utilities, and increased tax revenues to state and local governments.

This report identifies the potential tax revenues, which may be generated from increased real property values as the result of the development of the Project Area.

Development Overview

It is proposed that Community Development Project Area be created in the vicinity of 23rd and 24th Streets between Kiesel and Wall Avenue for the purpose of supporting the redevelopment of historic buildings, strengthening Ogden’s employment and tax bases (property and sales), and creating a mechanism to support additional downtown parking. The high profile location is home to numerous significantly contributing historic buildings and is the traditional entrance into downtown. Although this area has generally seen economic underperformance, it presents some of the greatest opportunity for redevelopment. It is anticipated that the Kiesel CDA area can contribute greatly to the economic well-being of the community.

The Project Area is currently zoned Central Business District (“CBD”)/Central Business District Intensive (“CBDI”) which is consistent with the City’s General Plan and the proposed development is permitted under the current zoning designations adopted by the Ogden City Council.

Capital Investment Projections

The Project Area currently contains retail, commercial, hospitality and recreational uses. It is estimated that the real property base value for the Project Area is \$21,203,119 and the base year is 2015.

A survey of the Project Area indicates several potential development opportunities which would involve historic preservation/restoration, rehabilitation, new construction and enhanced downtown public parking.

A summary of the investment range of potential development opportunities is as follows:

Kiesel Bldg. – Residential	\$ 4,500,000
Berthana Bldg. - Commercial	\$ 750,000
Marriott Improvements	\$ 1,000,000
IRS – Phase 4	\$ 7,000,000
Old Post Office Enhancements	\$ 250,000
Thorstensen Bldg. – Combination Commercial/Residential	\$ 4,000,000
Proud Fit Bldg. - Commercial	\$ 2,000,000
Additional Improvements	\$ 2,500,000
Parking Improvements – Public	<u>\$ 6,000,000</u>
Estimated Total Investment	<u>\$28,000,000</u>

The Utah Community Development and Renewal Agencies Act provides that the formation of a Community Development Project Area will allow the taxing entities to provide funding of the Project Area Plan through interlocal agreements with the Redevelopment Agency of Ogden City to provide all or part of the tax increment from the taxing entities, which they would normally receive as a result of the increased assessed valuation resulting from the proposed project.

As previously stated, the overlay of the Kiesel CDA will not impact that portion of the 25th Street RDA. Additionally, the boundaries of the Kiesel CDA do not overlay the Eccles Building and therefore the Eccles Building is not impacted by the creation of the project area. It is anticipated that the incremental tax revenue eligible to provide funding of the Kiesel CDA Plan is that which is generated from the increased assessed value resulting from the contemplated restoration/revitalization/expansion improvements. The terms being considered are between seventy-four (74%) and ninety-four (94%) percent of the real property tax increment generated for a twenty (20) year period of time.

Property tax increment may help pay for costs associated with the development of the Kiesel CDA which may include the aforementioned, but not limited to, economic and residential improvement projects.

The estimated future tax increment cash flow is projected in additional detail in Schedule 1 - Tax Increment Revenue Summary. For a 20-year period, the estimated tax increment distributions by Taxing Entity for the estimated investments are projected in Schedule 2.

Evaluation of Application

The following are the requirements of a benefit analysis as established by Utah Code 17C-4-103 to be included in a community development project area plan:

(11) include an analysis or description of the anticipated public benefit to be derived from the community development, including:

(a) the beneficial influences upon the tax base of the community; and

(b) the associated business and economic activity likely to be stimulated;

(12) and other information that the agency determines to be necessary or advisable.

(11)(a) the beneficial influences upon the tax base of the community;

Incremental New Taxes Resulting from the Proposed Development:

The public investment of tax increment is expected to yield the private investment and the resultant incremental tax revenues to the Taxing Entities. As a result, the Project Area would produce a total gross tax cash flow of \$13.8 million over a 20-year period of time.

For a 20-year period, the incremental tax revenues which are projected to be generated from the increased assessed value resulting from the construction of the restoration/revitalization/expansion improvements are summarized below:

Taxing Entity	20 Year Gross	Annual (Year 1)
Ogden City School Dist.	\$5,265,471	\$146,402
Weber County	\$2,106,188	\$ 58,561
Ogden City	\$1,904,771	\$ 52,961
Weber Basin Water Cons.	\$ 112,466	\$ 3,127
Central Weber Sewer Imp. Dist.	\$ 482,583	\$ 13,418
Weber Co. Mosquito	\$ 10,234	\$ 285
Weber Area Dispatch 911	\$ 173,812	\$ 4,833
Ogden City Special Levy	\$ 168,700	\$ 4,691

The benefits, which are projected, to accrue to the tax base of Ogden, Weber County and surrounding communities include; local option sales tax revenue, real and personal property tax revenue and franchise tax revenue.

(11)(b) the associated business and economic activity likely to be stimulated; and other information that the agency determines to be necessary or advisable;

This public investment of tax increment is expected to stimulate the following associated business and economic activity:

Short-Term Construction Employment

It is estimated that a total of 185 full-time equivalent (FTE) workers will be on-site during construction of the Project Area. The estimated total payroll during the construction period is about \$7.7 million.

The number of construction jobs is calculated based on construction labor costs, which are assumed to be about 35 percent of total construction costs (the remaining 65 percent is spent for materials and overhead). The current average construction wage for the project is estimated to be \$41,800 which is derived from salary/wage data by industry from the State of Utah Department of Workforce Services.

It is reasonable to expect that construction workers may spend a typical portion of their wages in Ogden City and Weber County for food, clothing, recreation and transportation from which sales tax revenue would be generated. A portion of construction materials used during the construction of the Kiesel Community Development Area project may be purchased from suppliers in Ogden City and Weber County.

Direct Employment

It is anticipated that new full-time equivalent employees will be employed by businesses locating in the Project Area as a result of the restoration/revitalization/expansion improvements.

Direct Purchase of Supplies and Services

It is anticipated that the businesses locating in the Project Area will directly purchase local goods and services related to their operations. These purchases will likely increase employment opportunities in the related businesses of management, subcontracting, research, legal, supplies, transportation, etc.

- *Direct impact* is spending done by a business in the local economy to operate the business, including inventory, utilities, equipment and pay to employees.
- *Indirect impact* refers to the conventional multiplier that happens as dollars the local business spends at other area businesses re-circulate.
- *Induced impact* refers to the additional consumer spending that happens as employees, business owners and others spend their income in the local economy.

Associated business and economic activity or the "indirect" and "induced" business impacts of a program, project or facility are often referred to as "multiplier effects," since they can make the overall economic impacts substantially larger than the direct effects alone.

Impact on Other Taxing Entities

The formation of a Community Development Project Area and the related interlocal agreements with taxing entities temporarily diverts to the Agency the tax increment from the taxing entities that would normally receive property tax revenues. Taxing entities agree to provide funding of

the Project Area Plan through interlocal agreements with the Redevelopment Agency of Ogden City to provide all or part of the tax increment from the taxing entities to pay for project costs such as the economic improvement related CDA Specific Projects. The analysis indicates that between 74% to 94% of the tax increment generated from the Project Area for 20 years would amount to an estimated \$10.225 million to \$12.99 million (rounded). It is also anticipated during a 20-year period that 6% of the tax increment generated from the Project Area would amount to an estimated \$836 thousand (rounded). Of course, the actual tax revenue generated is dependent, in part, on the rate of development and the assessed value of improvements in the Project Area. Following the agreed upon Agency tax increment collection period, the entire real property taxes generated from this Project Area would be distributed among all taxing entities in accordance with their tax levies.

Conclusion

Ogden City and the Redevelopment Agency are considering appropriating a portion of the total tax revenue received from the development of the Project Area to the project for the purposes of immediately strengthening the economic base of the community, broadening the City's, Weber County's and the State of Utah tax bases, provide services to the area and generally enhance the safety, prosperity, peace, order and convenience to the community.

Ogden City and the Redevelopment Agency are seeking to encourage and facilitate the development of business activities within the Community Development Area by providing a means by which some portion of the cost incurred in the acquisition, construction or replacement of essential investment and/or infrastructure may be eligible for funding vis-à-vis an appropriation from the tax revenue generated as a result of the development.

The value received for any contribution and/or reimbursement made must be measured on a project-by-project basis over the life of the project. It must be established that additional property tax revenues, or other tangible and quantifiable benefits will be received as a result of a development project for which a contribution/reimbursement are sought.

In determining whether the appropriation/reimbursement is necessary and appropriate to accomplish the reasonable goals and objectives in the area of economic development, job creation and preservation, and other public purposes, the City and Redevelopment Agency should consider what would reasonably be paid every year in return for the development of the Project Area and the generation of new property tax revenues as the result of the project.

The economic benefits associated with the Kiesel Community Development Project Area include:

- < Total investment is estimated to be \$28 million.
- < New direct employment of full-time equivalent jobs.
- < Short-term construction employment estimated to be 185 full-time equivalent jobs with a payroll of \$7.7 million.

- < New indirect employment as the result of the direct employment generated within the Community.
- < Direct purchases for supplies from local suppliers/vendors.
- < A continued economic and commercial diversification of Ogden City, the State of Utah, Weber County and surrounding communities.

Without establishing a community development project area, providing the requested tax increment assistance and committing to invest in the Kiesel Community Development Area will hamper and diminish the scope of development, thus depriving Ogden City and the Weber County area of the economic benefits which could accrue as the result of the development taking place at the level anticipated.

The Kiesel Community Development Project Area meets the requirements set forth in Utah Code title 17C, Chapter 4, Section 103 regarding the proposed Community Development Project Area.

The Kiesel Community Development Project Area in Ogden City will provide beneficial influences upon the tax base of the community.

The Kiesel Community Development Project Area in Ogden City will stimulate business and associated economic activity.

The Kiesel Community Development Project Area will promote the public peace, health, safety and welfare in Ogden City.

There are substantial economic benefits associated with the tax increment investment by Ogden City, Ogden School District, Weber County and other Taxing Entities in the Kiesel Community Development Project Area.

APPENDIX E

PROJECT AREA BUDGET



Redevelopment Agency Meeting BOARD STAFF REVIEW

KIESEL COMMUNITY DEVELOPMENT PROJECT AREA

- *Participation and Incentive Agreement – Lotus Kiesel, LLC and CSPE005, LLC*

DETERMINATION:

Adopt or Not Adopt Resolution

Executive

Summary

The RDA Board will consider a Resolution approving the terms and conditions of a Participation and Incentive Agreement with Lotus Kiesel, LLC and CSPE005, LLC to facilitate development of the Kiesel Building and adjacent property at 2411 Kiesel Avenue located within the Kiesel Community Development Project Area (Kiesel CDA).

Background

Kiesel Building

The Kiesel Building, located at 2411 Kiesel Avenue, was built by Fred J. Kiesel in 1913 to house his various commercial activities. The Security State Bank was a tenant beginning in 1914. Other tenants included attorneys, photographers, mortgage companies, and a bike shop. The Standard Examiner also operated out of the building until 1961. Most recently, the building housed a nightclub. The building is currently vacant.

May 25, 2014

The Board adopted Resolution 2014-6 approving the terms and conditions of a Development Agreement with Lotus Residential Partners, LLC for development of the Kiesel Building located at 2411 Kiesel Avenue. The terms and conditions of the Agreement are as follows:

Agency Requirements

- Pursue in good faith incentives in the amount of \$1,120,000 through either
 - New Market Tax Credits, OR



Redevelopment Agency Meeting

BOARD STAFF REVIEW

- Tax increment from the increment generated by the development. A separate Participation and Reimbursement Agreement between the parties will outline the terms and conditions of the tax increment incentive.
- If unable to produce the necessary incentives, pay one-half of the Earnest Money (\$17,500) to reimburse Developer within 60 days of notice that incentives are unavailable.

Developer Requirements

- Pay Earnest Money of \$35,000 to third party
- Complete improvements as outlined in the Agreement:
 - All offsite improvements
 - Up to 50 residential dwelling units
 - Market, advertise, lease, and maintain the project
- Meet the Schedule of Performance
 - Property Acquisition, August 2015
 - Building Permit, October 2015
 - Construction Commences, October 2015
 - Certificate of Occupancy, January 2016
- Pay all taxes each year by due date

The Administration was unable to secure New Market Tax Credits for the project. The project was delayed while CED staff developed a solution to the parking issues. CED staff were successful in negotiating an Agreement with Weber County to assist with parking at the site.

September 22, 2015

The RDA Board adopted Resolution 2015-12 creating the Kiesel Community Development Area and authorizing the Plan and Budget. The RDA Board also approved Resolution 2015-14 authorizing an Interlocal Agreement with the City which pledged City tax increment for use in the Kiesel CDA.



Redevelopment Agency Meeting BOARD STAFF REVIEW

The City Council adopted Ordinance 2015-44 approving creation of the Kiesel CDA and approved Resolution 2015-14 approving the Interlocal Agreement pledging the City's tax increment to the Kiesel CDA.

September 29, 2015

The Board of Commissioners of Weber County approved Resolution 38-2015 approving an Interlocal Agreement with the Ogden Redevelopment Agency. Pursuant to the Agreement, 100% of County tax increment was pledged to the Agency.

October 1, 2015

The Board of the Ogden City School District approved an Interlocal Agreement with the Ogden Redevelopment Agency. Pursuant to the Agreement, 100% of School District tax increment was pledged to the Agency. (A signature from the Board President is pending.)

Proposal

The Administration is requesting approval of a Participation and Incentive Agreement (Agreement) with Lotus Kiesel, LLC (Lotus) and CSPE005, LLC (CSP). Under the Agreement, the Agency would provide all available tax increment derived from the project to CSP for years 2016 through 2022, and to Lotus for years 2023 through 2035 (and any extension period), not to exceed \$1,120,000.

The proposed Participation and Incentive Agreement outlines the terms, conditions, and duties of the parties as follows:

Parties to the Agreement

- Ogden Redevelopment Agency
- Lotus Kiesel, LLC (Bryan Wrigley)
- CSPE005, LLC (Jeff Carter)



Redevelopment Agency Meeting

BOARD STAFF REVIEW

Lotus, LLC Responsibilities

- Use commercially reasonable efforts to expedite complete construction of the building and related improvements
- Complete construction in one phase, resulting in a complete and operational facility
- Acquire necessary permits and other agreements
- Pay all cost of construction, including improvements
- Provide right of access to the City or Agency to monitor compliance
- Conform to all local state and federal laws
- Reach substantial completion no later than October 28, 2016
- Comply with all terms of the Agreement in order to receive tax increment payments
- Comply with all other City agreements

CSPE005, LLC Responsibilities

- Receive tax increment payment for tax years 2016 through 2022.

Agency Responsibilities

- Make annual tax increment payments to CSP for tax years 2016 through 2022.
- Make annual tax increment payments to Lotus for tax years 2023 through 2035 (or through extension period)
- Tax increment shall not exceed \$1,120,000

Other

- Agreement terminates upon last payment of tax increment period
- Agreement may not be transferred prior to completion of initial conditions of payment (project completed and placed on tax rolls, no default of other obligations)
- Payment of tax increment is a “Limited Obligation” based solely on the payment by owners of property taxes to Weber County and transferred to Agency.



Redevelopment Agency Meeting BOARD STAFF REVIEW

Questions

1. Please explain the arrangements between and relationship of Lotus and CSP.
2. Did the closing on the property take place on October 5, 2015 as planned?
3. Please review the terms and conditions of the proposed Participation and Incentive Agreement with Lotus and CSP.
4. Will the proposed Kiesel Building development generate sufficient tax increment to cover the \$1,120,000 being pledged? Approximately how much tax increment will be generated each year?
5. Please review the proposed development plan for the Kiesel Building.
6. The Administrative Transmittal indicates there is \$11,000,000 in tax increment available from Ogden City, Weber County and Ogden School District, but the Interlocal Agreements have not to exceed amounts totaling \$10,400,000. Please explain the discrepancy.

Board Staff Contact: Janene Eller-Smith, (801)629-8165

OGDEN CITY REDEVELOPMENT AGENCY

DATE: October 1, 2015

TO: Ogden City RDA Board

THRU: Mark Johnson, CAO

FROM: Tom Christopulos, CED Director

RE: Presentation of Participation and Reimbursement Agreement with Lotus Residential regarding the development and associated incentives at the Kiesel Building

STAFF CONTACT: Brandon Cooper, CED Deputy Director

REQUESTED TIMELINE: October 13, 2015

RECOMMENDATION: Approval of terms and conditions of Participation Agreement

DOCUMENTS: Participation and Incentive Agreement; Resolution

BACKGROUND

Agency staff has been working with Lotus Residential Development to identify and create a feasible plan for the successful development of the Kiesel Building located at 2411 S. Kiesel Avenue. Lotus intends on developing the historic 54,000 square foot building into approximately 55 upscale urban loft style apartments for rent at current market rates.

As part of these discussions, in May 2014 the Agency Board approved a development agreement that anticipated the contribution of \$1,120,000 via either a New Markets Tax Credit (NMTC) funding or through tax increment financing. NMTC funding is unlikely to materialize for this project, therefore Agency staff is recommending funding the incentive via tax increment financing. On September 22, 2015, the Agency Board approved the creation of the Kiesel Community Development Project Area Plan for this purpose. Subsequently, the Agency has been successful in securing tax sharing commitments via interlocal agreements with Weber County, Ogden City, and the Ogden School District. Tax increment pledges from these 3 entities totals \$11,000,000 over the tax increment period of 20 years.

TERMS OF THE AGREEMENT

The following are general terms of the Participation and Incentive Agreement:

- **Parties:** Ogden Redevelopment Agency, Lotus Kiesel, LLC (single-purpose entity developer) and CSPE005, LLC (property owner)
- **Property** – 2411 S. Kiesel Ave
- **Size** - .27 acres of land / 54,000 square foot building
- **Number of Units** – approximately 55
- **Retail Space on Ground Level** - ~11,000
- **Requested Incentive** – maximum of \$1,120,000 over the tax increment period of 20 years. 100% of available TIF to be paid to CSPE005, LLC for tax years 1-7 and 100% of the TIF to be paid to Lotus Kiesel, LLC for tax years 8-20, not to exceed a total of \$1,120,000
- **Commencement** –2017 for tax year 2016
- **Conditions** – completion of the construction of the Kiesel Building no later than October 28, 2016

RISK/BENEFIT

Tax increment financing is post performance. In the event Lotus Kiesel, LLC fails to complete the building by October 28, 2016, the incentives to both entities described in the Agreement become void. If the conditions for payment as outlined in the Agreement are met, then the Agency is obligated to pay only the stated amount of \$1,120,000.

By providing the proposed incentive, this project becomes financially feasible and Lotus Kiesel would be willing to go forward with development plans as desired. This would yield multiple benefits such as:

- The revitalization and occupancy of a historic building that has sat mostly vacant and ignored for more than a decade.
- The investment of over \$5.5 million in private capital into the downtown. This would yield approximately \$75,000 in incremental property tax revenue to the City after the expiration of the tax increment period.
- Provide additional quality dwelling units in the downtown area, thus creating a much needed 24 hour presence and a vibrant quality of life.
- Provide approximately 11,000 additional square feet of retail space
- Leveraged ratio of 5:1 – Good investment of tax increment.

For further information please contact Brandon Cooper at (801) 629-8947.

RESOLUTION NO. 2015-17

A RESOLUTION OF THE OGDEN CITY REDEVELOPMENT AGENCY APPROVING THE TERMS AND CONDITIONS OF A PARTICIPATION AND INCENTIVE AGREEMENT BY AND BETWEEN THE AGENCY, LOTUS KIESEL, LLC, AND CSPE005, LLC FOR THE DEVELOPMENT OF APPROXIMATELY 55 NEW RESIDENTIAL UNITS LOCATED AT 2411 KIESEL AVENUE, OGDEN, UTAH.

WHEREAS, the Ogden City Redevelopment Agency (“Agency”) desires to enter into a Participation and Incentive Agreement with Lotus Kiesel, LLC, a Utah Limited Liability Company, and CSPE005, LLC, a Utah Limited Liability Company (collectively the “Developer”), to set the terms and conditions for development of approximately 55 new loft style residential units located at 2411 Kiesel Avenue, consistent with the approved zoning and ordinances (the “Project”); and

WHEREAS, the Project is within the Kiesel Community Development Project Area (the “Plan”); and

WHEREAS, the Agency believes the development of the Project will improve underdeveloped buildings, improve quality of life, enhance economic development, strengthen the property and income tax base, benefit the community and create jobs; and

WHEREAS, the Agency believes Developer possesses the qualities and experience that will enable it to be successful in developing the Project consistent with the Plan and approved zoning and ordinances; and

WHEREAS, the Agency will offer to Developer certain incentives pursuant to the Plan and as more fully described in the Agreement, attached hereto as Attachment A; and

WHEREAS, the certain incentives from the Agency are limited to payment from Agency to Developer of 100% of the unencumbered and available tax increment generated by the Project available throughout the entire tax increment Period, which extends to December 31, 2035, equal to the amount of \$1,120,000.

NOW, THEREFORE, the board of the Ogden City Redevelopment Agency hereby resolves:

1) This Resolution shall take effect immediately upon adoption. Therefore, the terms of the Agreement, attached hereto as Attachment A, are hereby approved.

2) The Executive Director of the Agency is hereby authorized to execute, deliver and carry out the terms and conditions of the Agreement with Developer as described in said Attachment A. Any material change, as defined by Agency staff and legal counsel, in the terms of the Agreement from Attachment A must be approved in advance by the Agency Board.

APPROVED AND ADOPTED this _____ day of _____, 2015.

CHAIR

ATTEST:

CITY RECORDER

APPROVED AS TO FORM:



LEGAL DATE

10/7/15

PARTICIPATION AND INCENTIVE AGREEMENT

THIS PARTICIPATION AND INCENTIVE AGREEMENT ("Agreement") is executed on this _____ day of _____, 2015 by and between by the OGDEN CITY REDEVELOPMENT AGENCY (the "Agency"), LOTUS KIESEL, LLC, a Utah limited liability company ("Lotus") and CSPE005, LLC, a Utah limited liability company ("CSPE"). The Agency, Lotus and CSPE are referred hereto collectively as the "Parties" and sometimes individually as a "Party."

RECITALS

- A. In or around October of 2014, Lotus expressed an interest in developing approximately .27 acres of real property and preserving, remodeling and repurposing a 54,000 square foot building located at 2411 Kiesel Avenue, which is currently owned by CSPE and which is more particularly defined as the "Property" under Section I herein and generally depicted in Exhibit A – The Property, which is attached to and made part of this Agreement.
- B. In approximately September of 2015 the Agency approved the creation of the Kiesel Community Development Project Area ("Project Area"), which contains approximately 39 acres of land situated between Kiesel and Wall Avenue and 24th and 25th Streets, Ogden, Utah, for the purpose of facilitating the revitalization of many historically significant buildings and the development of additional commercial, retail, parking, and recreational uses.
- C. The Property is located within the Project Area.
- D. CSPE entered into a contract to sell the Property to Lotus. The contract is scheduled to close on or before October 5, 2015.
- E. After purchasing the Property, Lotus intends to improve the site and convert the existing building into residential apartments (the "Project").
- F. The Parties acknowledge that except for the availability of certain incentives from the Agency, the Project would not be feasible and Lotus and CSPE would not proceed with the sale and development of the Project. In order for the Project to proceed, Lotus and CSPE are in need of the incentives described herein from the Agency.
- G. The Agency desires that the Property be developed in accordance with current zoning ordinances and the Kiesel Community Development Project Area Plan in an effort to minimize financial risks associated with the Project and maximize long term financial benefits to the community.
- H. The purpose of this Agreement is to set forth terms and conditions related to development of the Project and payment of incentives.

NOW, THEREFORE, in consideration of the terms and conditions hereby agreed to, and other good and valuable consideration, the Parties hereby agree as follows:

I. GENERAL.

A. Defined Terms. As used herein, the following terms shall have the meanings respectively indicated:

“Act” shall have the meaning set forth in Section I.B (a).

“Annual Payment” shall have the meaning set forth in Section II.A (b).

“City” means Ogden City Corporation.

“Improvements” means the development improvements to be constructed by Lotus on the Property as described on Exhibit B – Improvements attached hereto.

“Incentive Amount (s)” means the amount payable by Agency to Lotus and CSPE during the Tax Increment Period, which amount is set forth in Section II.A (a).

“Kiesel Community Development Project Area Plan”: The “Kiesel CDA Plan” shall mean that certain plan prepared by the Agency and adopted for the Project Area as described on Exhibit D – Kiesel CDA Plan, which is attached hereto and made a part hereof. The Kiesel CDA Plan currently anticipates the location and types of buildings, roads, parks, amenities, pathways, etc. in the Project Area.

“Other City Agreement” means any agreement, excluding this Agreement, between City and Lotus.

“Owners” means the legal owners of the Property from time to time.

“Parties” means Agency, Lotus, and CSPE, collectively, and “Party” means any one of the Parties.

“Plans and Specifications” means Lotus’ plans for development and construction of the Property, which are guided by and must be consistent with local zoning, the downtown design standards, and the Kiesel CDA Plan. The Plans and Specifications are more specifically set forth in Exhibit B – Improvements, and are attached hereto and made part of this Agreement. Plans and Specifications shall include, but are not limited to, the site plan, landscaping plan, grading and drainage plan, utility plans, elevation renderings, and construction plans for all buildings located within the Project.

“Project” shall mean those Improvements and other related improvements as described on Exhibit B attached hereto.

“Property” shall mean that certain real property within the Project Area consisting of approximately .27 acres of land, which includes a 54,000 square foot building located

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at 2411 Kiesel Avenue, Ogden, Utah. The Property is further depicted and/or described on Exhibit A - Property, which is attached hereto and made part of this Agreement.

"Property Taxes" shall mean real and personal property taxes assessed against the Property and Improvements and actually paid by the Owners to Weber County.

"Substantial Completion" means the stage of construction of the Improvements to the point that the Improvements are completed in accordance with the Plans and Specifications and the terms of this Agreement and the requirements of all governmental authorities, except for "punch list" items. "Substantially Completed" means Substantial Completion has occurred.

"Tax Increment" means the money the Agency actually receives from the Project pursuant to the provisions of Subsections 17C-1-404 and 17C-2-204 of the Act, as amended, as a result of the improvements and equipment Lotus constructs and installs or causes to be constructed and installed on the Property. The Tax Increment does not include any property tax monies which the Agency may receive from real or personal property within the Project Area lying outside the geographic boundaries of the Project. The Tax Increment from the Project shall be calculated as prescribed by the Act but is generally calculated as the positive difference between the total "base year" or pre-development ad valorem real property and personal property taxes (the "Property Taxes") in regards to the Project and the post-development Property Taxes for the Project for each year going forward during the Tax Increment Period (as such term is hereinafter defined). D

"Tax Increment Period" means the statutory length of time the Agency Board has authorized the Project Area to exist, including a beginning date and a termination date. For the purposes of this Agreement, the Tax Increment Period for the Project Area is currently scheduled to end on **December 31, 2035**. The Tax Increment Period may not be extended beyond its current termination date without the approval of the Agency and as authorized by Utah State Law.

"Tenants" means those persons or entities under contractual lease obligations with the Lotus within the Project from time to time.

"Unencumbered Tax Increment" means 95% of the Tax Increment generated from the Project. The remaining 5% of the Tax Increment is subject to the Project Area budget which stipulates that 5% of the Tax Increment shall be dedicated to Agency administrative costs.

B. Parties to the Agreement.

(a) Agency. The Agency is a public body, corporate and politic, exercising governmental functions and powers and organized and existing under Section 17C-1-101 et seq., Limited Purpose Local Government Entities – Community Development and Renewal Agencies, Utah Code Annotated, 1953, formerly known as the Redevelopment Agencies Act (the "Act").

(b) Lotus. Lotus, operating under the name of Lotus Kiesel, LLC, a Utah limited liability company, shall oversee the development of the Project. Lotus hereby initially appoints Bryan Wrigley as its representative ("Lotus's Representative") to represent, speak for and bind Lotus in all matters pertaining to this Agreement.

(c) CSPE. CSPE, operating under the name of CSPE005, LLC, a Utah limited liability, is the current owner of the Property and is under contract to sell the Property to Lotus. CSPE hereby initially appoints Jeff Carter as its representative ("CSPE's Representative") to represent, speak for and bind CSPE in all matters pertaining to this Agreement.

C. Conditions Precedent to Effectiveness of Agreement. This Agreement shall not take effect unless and until:

- (i) This Agreement has been executed by the Parties; and
- (ii) This Agreement has been approved by the Agency Board; and
- (iii) The Plans and Specifications have been submitted to and approved by the various regulatory agencies within Ogden City and meet all Ogden City requirements.

Agency shall notify Lotus in writing as to the date upon which each of the foregoing conditions precedent have been satisfied, and such date shall become the "Effective Date" of this Agreement. The Parties acknowledge, understand and agree that the Agency makes no guarantees, representations or warranties whatsoever that any or all of the foregoing conditions precedent will occur or by any particular date.

D. Representations of the Agency. The Agency represents to Lotus and CSPE as follows:

(a) Availability of Tax Revenues. The Agency has created a community development project area under the Act and is entitled to collect the Tax Increment related to the Project Area.

(b) Broker. The Agency has not authorized any broker or finder to act on its behalf in connection with any transactions contemplated in this Agreement, and the Agency has not dealt with any broker or finder purporting to act on behalf of any other party.

(c) Compliance with Laws. The Agency represents to Lotus and CSPE that the Agency is a duly authorized Redevelopment Agency under the laws of the state of Utah. The Agency further represents and warrants to Lotus and CSPE that the Agency is duly authorized under the Act and under all other laws, regulation, and ordinances applicable to the Agency to enter into this Agreement, and that the performance of the Agency's obligations as provided herein are permitted activities of the Agency under all applicable laws and ordinances. Furthermore, the Agency represents and warrants to Lotus and CSPE that all contracts and relationships between the Agency and City shall in all regards conform to the requirements of all applicable laws governing the conduct of the Agency and City, respectively. The Agency shall indemnify and

hold Lotus and CSPE harmless from and against any claims and/or damages suffered by Lotus and CSPE as the result of the breach of the representations of the Agency made in this Subsection I.D (c).

E. Representations of Lotus. Lotus represents to Agency and CSPE as follows:

(a) Authorization. Lotus is duly organized and a legally existing limited liability company under the laws of Utah and is duly qualified to conduct business in the state of Utah.

(b) Performance. Lotus' performance under this Agreement will not result in any breach of, nor constitute any default under, any agreement or other instrument to which Lotus is a party or to which Lotus might be bound. Lotus further agrees that it shall use commercially reasonable efforts to expedite the build-out of the Improvements on the Property as contemplated within the Plans and Specifications.

(c) Broker. Lotus agrees to hold harmless and indemnify Agency and CSPE from and against any and all claims, losses, damages, costs, or expenses of any kind arising out of or resulting from any agreement, arrangement, or understanding alleged to have been made with any broker or finder in connection with this Agreement.

(d) Lotus represents that it is a knowledgeable purchaser and developer of real estate and that outside of the express representation and warranties of the Agency set forth herein, it is relying solely on its own expertise and that of its consultants in acquiring the Property and developing the Project.

F. Representations of CSPE. CSPE represents to Agency and Lotus as follows:

(e) Authorization. CSPE is duly organized and a legally existing limited liability company under the laws of Utah and is duly qualified to conduct business in the state of Utah.

(f) Performance. CSPE's performance under this Agreement will not result in any breach of, nor constitute any default under, any agreement or other instrument to which CSPE is a party or to which CSPE might be bound.

(g) Broker. CSPE agrees to hold harmless and indemnify Agency and Lotus from and against any and all claims, losses, damages, costs, or expenses of any kind arising out of or resulting from any agreement, arrangement, or understanding alleged to have been made with any broker or finder in connection with this Agreement.

G. No Other Representations or Warranties: Except as is otherwise expressly set forth herein, Agency has not made, does not hereby make, and hereby specifically disclaims any and all representations or warranties of any kind or character whatsoever, express or implied, with respect to the Property, the condition of such Property (including without limitation any representation or warranty regarding suitability or fitness for any particular purpose), compliance of the Property with environmental laws or other laws, preliminary approval of the Plans and Specifications or any other concept plan for construction, or any other matter or thing relating to or affecting the

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Property or Project. Lotus and CSPE acknowledge and agree that they are entering into this Agreement without relying (except as is expressly set forth in this Agreement) upon any such representation, warranty, statement or other assertion, oral or written, made by Agency or any representative of Agency or any other person acting or purporting to act for or on behalf of agency with respect to the Property or Project but rather is relying upon their own examination and inspection of the Property and upon the negotiations between Lotus' Representative and CSPE's Representative.

II. DEVELOPMENT INCENTIVES.

A. Incentives from Agency. It is agreed by the Parties that, except for the availability of certain incentives from the Agency, the Project would not be feasible to develop and Lotus would not be willing to purchase, develop and improve the Property and CSPE would not be willing to sell the Property. Therefore, the Parties agree to the following incentives to be provided by the Agency:

(a) Tax Increment as an Incentive. The Parties agree that Tax Increment shall be generated from the Project as set forth in this Agreement and, as a result, the Agency shall contribute Tax Increment to Lotus and CSPE separately, during the entire Tax Increment Period, including any legally enforceable extension as the Parties agree upon, of such Tax Increment Period, in the following manner:

1. Lotus: Agency agrees to make an annual payment to Lotus during the Tax Increment Period beginning in 2024 (for the 2023 tax year) and continuing thereafter until expiration thereof (the "**Lotus Annual Payment**") in an amount equal to 100% of the available and Unencumbered Tax Increment revenue generated from the Project in the previous tax year ("**Lotus Incentive Amount**").

2. CSPE: Agency agrees to make an annual payment to CSPE during the Tax Increment Period beginning in 2017 (for the 2016 tax year) with the final payment being made in 2023 (for the 2022 tax year) (the "**CSPE Annual Payment**") in an amount equal to 100% of the available and Unencumbered Tax Increment revenue generated from the Project in the previous tax year ("**CSPE Incentive Amount**"). At any time CSPE may assign the CSPE Incentive Amount to its parent company, ITI Venture, LLC without further written approval from the Agency. The Lotus Annual Payment and the CSPE Annual Payment shall be collectively referred to as the "**Annual Payment(s)**". The Lotus Incentive Amount and the CSPE Incentive Amount shall be collectively referred to as the "**Incentive Amount(s)**". In no event shall the total of the Incentive Amounts be below or exceed ONE MILLION ONE HUNDRED TWENTY THOUSAND DOLLARS (\$1,120,000).

(b) Conditions to Annual Payments. The Agency shall have no obligation to make the Annual Payments unless each of the following conditions has been satisfied (collectively referred to as the "**Conditions to Annual Payment**")

(i) Lotus shall have Substantially Completed the Improvements no later than October 28, 2016 in accordance with the requirements set forth in herein.

- (ii) In accordance with local laws and ordinances, the City shall have issued a certificate of occupancy for the Improvements.
- (iii) The Weber County Assessor shall have placed the Project on the assessment rolls depicting the value of the Improvements.
- (iv) Lotus or CSPE shall not be in material default under any provision of this Agreement or agreements entered into pursuant to this Agreement beyond any applicable cure periods.

B. Annual Payment and Procedures. Provided that all of the Conditions to Annual Payment have been fully and timely satisfied by Lotus and CSPE, Agency shall make each Annual Payment by June 30 for the prior year's Tax Increment accrual. The CSPE Annual Payment due hereunder is contemplated to be June 30, 2017 (with respect to the 2016 tax year) and is subject to the conditions set forth herein. Agency shall have no obligation to make an Annual Payment for more than the amount set forth in Section II.A (a) above.

C. Limited Obligation. The Parties agree that Agency's obligation to pay the Annual Payments hereunder is a special limited obligation payable solely from the Property Taxes paid by the Owners to Weber County, and then by Weber County to the Agency.

D. Prepayment. Agency may elect at any time to prepay all or any portion of the Incentive Amounts without the consent of Lotus or CSPE.

E. Limitations on Tax Increment. Lotus and CSPE acknowledge that increases in taxes due to a factored increase in the assessed value, a change in the tax rates, or to items described in Section 17C-1-408 of the Act, cannot be paid by Agency, because Agency does not receive these increases as part of Tax Increment. Further, Tax Increment may be adjusted in the future by actions of state and county governmental agencies and bodies, including, without limitation, the Weber County Assessor, the Weber County Auditor (which might include, among other things, a reassessment of the Project after Agency files its request for Tax Increment), taxing entities, the Utah Tax Commission, and the Utah legislature. The Parties acknowledge that the Agency has entered into certain interlocal agreements with various taxing entities that entitles Agency to receive a portion of Tax Increment generated by the Project Area, and that the Agency may, at its sole discretion, use revenues generated throughout the Project Area to satisfy payment of the Incentive Amounts. In no event shall the total of the Incentive Amounts be below or exceed ONE MILLION ONE HUNDRED TWENTY THOUSAND DOLLARS (\$1,120,000).

F. Expiration of Tax Increment Period. Lotus shall only be entitled to Annual Payments until the expiration of the Tax Increment Period.

III. LOTUS REQUIREMENTS.

A. Improvements. Lotus shall construct the Improvements in accordance with the Plans and Specifications in a good and workmanlike manner.

B. Lotus' Responsibilities. Lotus shall be solely responsible for errors and omissions in any construction and design documents pertaining to the Improvements prepared by Lotus or

Lotus' consultants or agents, change orders thereto, and shop drawings and other submittals interpreting them and for their accuracy, suitability, technical adequacy and compliance with applicable laws, codes, ordinances and regulations. Any review of the City, as part of this Agreement, of all or any portion of the design or any other plans, specifications or documents are solely for the purpose of determining the general conformance of the Improvements with the original design concept, and shall not constitute an opinion or approval by the City or Agency that the Improvements are structurally or otherwise sufficient or in compliance with applicable laws. Such review and approval by itself shall be conducted through established submittal, plan review, and permitting processes. Lotus shall be solely responsible for structural and other defects in the Improvements and compliance with all building codes and other laws and requirements of governmental authorities having jurisdiction.

C. Project is One Phase. Lotus agrees that it shall develop the Project as one single phase and shall complete all Improvements as shown in the Plans and Specifications consecutively and contiguously resulting in a complete and operable Project. Phasing any portion of the Project to be completed outside the timeframes as set forth under the Exhibit C - Schedule of Performance is prohibited.

D. City and Other Governmental Agency Permits and Agreements. Before commencement of any construction, development, or work upon the Property, Lotus shall have, at its own expense, secured or caused to be secured any and all permits which may lawfully be required by the City or any other governmental agency having jurisdiction over such construction, development, or work. City or Agency makes no representation or warranty with respect to the compliance of the Property or Project with applicable zoning and use regulations or the ability of Lotus to obtain any necessary governmental approvals and permits, and Lotus acknowledges that this Agreement does not constitute the agreement of City to assist Lotus in obtaining any of the foregoing.

E. Cost of Construction of Improvements. Except as otherwise provided in Section II, the cost of developing, redeveloping, and constructing the Improvements and all other costs related thereto shall be borne solely by Lotus.

F. Rights of Access. For the purpose of assuring compliance with this Agreement, representatives of the City or Agency shall have the right of access to the Project without charges or fees for the purpose of monitoring compliance by Lotus with its obligations under this Agreement, including, but not limited to, the inspection of the work performed in constructing the Improvements. This Right of Access will cease upon the issuance and acceptance of a certificate of occupancy by the City to Lotus.

G. Local, State, and Federal Laws. Lotus shall complete construction of the Improvements in conformity with all applicable federal, state, and local laws, ordinances, governmental orders, licenses, and permits.

H. Default.

(a) Default Generally. No Party shall be in default under this Agreement unless such Party fails to perform an obligation required under this Agreement within sixty (60) days

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after written notice is given to the defaulting Party by the another Party, reasonably setting forth the details of the obligations in which the defaulting Party has failed to perform. If the nature of the defaulting Party's breach is such that more than sixty (60) days are reasonably required for performance or cure, the defaulting Party shall not be in default if such Party commences performance within such sixty (60) day period and after such commencement diligently prosecutes the same to completion. The Conditions to Annual Payment are conditions, and the Parties shall be entitled to notice of default with respect to performance thereof.

(b) Default by Lotus. In the event either Lotus or CSPE shall fail to perform any of its duties or obligations hereunder at the time for performance and cure periods set forth herein, Agency shall have, as its sole and exclusive remedy, the right to declare this Agreement terminated by written notice to Lotus and CSPE. In that case, no Party shall have any further right or obligation to any other under this Agreement.

(c) Default under Other City Agreement. In the event Lotus or CSPE is in default under any Other City Agreement, Agency may suspend its obligations to make further Annual Payments. In addition, in the event that Lotus or CSPE owes any amount of money to City or Agency under any Other City Agreement, City may set off that amount against Agency's obligations to make payments under this Agreement. Agency's right to suspend or set off payments under this Agreement is subject to the rights, if any, granted to a lender to the Project pursuant to a security agreement approved by Agency. In addition, the Agency may withhold any non-monetary benefit to be provided to Lotus or CSPE under this Agreement until all defaults under any Other City Agreement are cured.

(d) Right to Cure. Should Lotus or CSPE fail to timely perform any of the obligations set forth herein within any applicable time for performance and any cure period set forth herein, Agency shall, in addition to any other remedy provided at law or in this Agreement, have the right (but not the obligation) to perform such obligation on behalf of Lotus and deduct the cost of performing such obligation from the Lotus Incentive Amount.

(e) Default by Agency. Agency shall be deemed to be in default hereunder in the event Agency shall, for any reason other than the default of Lotus or CSPE, fail to meet, comply with, or perform any covenant, agreement, or obligation on its part required within the time limits (including applicable cure periods) and the manner required in this Agreement. In the event Agency shall be deemed to be in default hereunder, Lotus and CSPE may, as their sole and exclusive remedy, obtain specific performance of, or a writ of mandamus to compel performance of, such duties.

I. Alternative Dispute Resolution. For all disputes that are not resolved by agreement of the Parties, the Parties shall use such alternative dispute resolution procedures that they are able to agree upon; provided, if the Parties are unable or unwilling to agree upon alternative dispute resolution procedures, such disputes shall be resolved by litigation.

IV. MISECELLENOUS.

A. Termination. Subject to the provisions below, this Agreement shall terminate upon the date that is the later of:

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- (a) the date on which Agency makes the last Annual Payment,
- or
- (b) the last day of the Tax Increment Period.

B. Indemnities. Lotus and CSPE agree to hold harmless, defend, and indemnify Agency, its past, present, and future directors, officers, employees, representatives, and agents (“Covered Parties”) harmless from, all liability, loss, damage, costs, or expenses (including attorneys’ fees and court costs) arising from or as a result of the death of a person or any accident, injury, loss, or damage caused to any person/entity or the property of any person/entity which shall occur during the term of this Agreement on the portions of the Property owned or controlled by Lotus, its successors, or assigns, to the extent directly or indirectly caused by the acts, errors, or omissions of Lotus or its agents, employees, servants, or contractors. Lotus and CSPE agree to hold harmless, defend, and indemnify the Covered Parties from all liability, loss, damage, costs, or expenses (including attorneys’ fees and court costs) arising from or as a result of any claim that this Agreement constitutes a partnership or joint venture between the Parties. Lotus and CSPE shall defend the Covered Parties in any action or claim for which the Covered Parties are indemnified hereunder, with counsel selected by the applicable Covered Parties.

C. Attorneys’ Fees. If either Party to this Agreement commences a dispute resolution proceeding, whether litigation, arbitration, or otherwise, respecting any question between the Parties to this Agreement arising out of or relating to this Agreement or the breach thereof, the prevailing Party in such dispute resolution proceeding shall be entitled to the recovery of a reasonable attorneys’ fee and all other reasonably incurred costs and expenses of the successful prosecution or defense of such proceeding. The term “dispute resolution proceeding” as used above shall be deemed to include appeals from a lower court judgment or arbitration award and it shall include proceedings in the Federal Bankruptcy Court, whether or not they are adversary proceedings or contested matters. For purposes of proceedings in the Federal Bankruptcy Court, the term “prevailing Party” as used above shall be deemed to mean the prevailing Party in an adversary proceeding or contested matter, or any other actions taken by the non-bankrupt Party which are reasonably necessary to protect its rights.

D. Notices. All notices, demands, requests, and other communications required or permitted hereunder shall be in writing and shall be deemed to be delivered, whether actually received or not, three (3) days after deposit in a regularly maintained receptacle for the United States mail, registered or certified (or another commercially acceptable means requiring a return receipt), postage prepaid, addressed as follows:

If to Lotus: Lotus Kiesel, LLC
ATTN: Bryan Wrigley
338 East South Temple, Suite B
Salt Lake City, Utah 84111

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If to CSPE: SGI Partners, LLC
ATTN: Jeff Carter
3719 S. Plaza Dr.
Santa Ana, CA 92704

If to Agency: Ogden City Redevelopment Agency
ATTN: CED Director
2549 Washington Blvd Suite 420
Ogden, Utah 84401

With a copy to: Ogden City Corp
Office of City Attorney
2549 Washington Blvd Suite 810
Ogden, Utah 84401
Attn: City Attorney

Such communications may also be given by facsimile transmission, provided any such communication is concurrently given by one of the above methods. Notices shall be deemed effective upon the receipt, or upon attempted delivery thereof if the delivery is refused by the intended recipient or if delivery is impossible because the intended recipient has failed to provide a reasonable means of accomplishing delivery.

E. Transfer Prior to Completion. Lotus represents and agrees that its undertakings pursuant to this Agreement are for the purpose of the redevelopment of the Property and not for speculation. Lotus further acknowledges the importance of the redevelopment of the Property to the community and the substantial aids that have been made available by Agency for the purpose of making such redevelopment possible. For the foregoing reasons, Lotus agrees that, except as otherwise provided in Section IV.G below, prior to the satisfaction of the Conditions of Annual Payment, Lotus shall not (i) sell or transfer, directly or indirectly, the whole or any part of the Property or the Improvements thereon; or (ii) assign this Agreement or Lotus' rights or obligations hereunder. In the event Lotus violates any provision in this Section, Agency may declare a default of this Agreement as provided in Section III.H. Thereafter, if Lotus fails to cure such default within the time prescribed in Section III.H, Agency may terminate this Agreement, and Agency shall be automatically released from the obligation to reimburse Lotus and CSPE for any unpaid portion of the Incentive Amounts.

F. Transfer After Completion. After the satisfaction of the Conditions of Annual Payment, Lotus may sell, transfer, directly or indirectly, the whole or any part of the Property. After the satisfaction of the Conditions of Annual Payment, Lotus may, with the consent of Agency, (i) assign this Agreement, provided that: (a) such assignment shall only be permitted in connection with the sale of the Property, (b) Lotus or CSPE shall not be in default hereunder (beyond any cure period), (c) Agency shall have approved the form of the assignment, which approval shall not be unreasonably withheld so long as such assignment is in compliance with the requirements hereunder, (d) in no event shall Lotus so assign its right to receive the Lotus Incentive Amount to more than one other party, and (e) in no event shall Agency be ever required to make a Lotus Annual Payment to more than one party. Any assignment of this Agreement by Lotus that fails to satisfy the foregoing conditions shall be null and void, and Agency may suspend its

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payment of any unpaid portion of the Lotus Incentive Amount until Lotus satisfies all of the foregoing conditions.

G. Security Assignment. Lotus may assign all of its rights and obligations hereunder to a single lender, with the consent of Agency. In no event shall Lotus assign its right to receive the Lotus Incentive Amount to more than one other party, and in no event shall Agency be ever required to make an Annual Payment to more than one party. Agency shall not withhold its consent provided that (a) Lotus shall not be in default hereunder (beyond any cure period) and (b) Agency shall have approved the form of the assignment, which approval shall not be unreasonably withheld so long as such assignment is in compliance with the requirements hereunder.

H. No Other Rights. No future Owner or Tenant of all or any part of the Project shall be entitled to claim any right or benefit by, through or under this Agreement, including, but not limited to, the right to receive all or any portion of the Incentive Amounts, and no future Owner or tenant shall be deemed to be a third party beneficiary of this Agreement, unless and until Lotus has specifically assigned, and Agency has approved the assignment of, such right. Lotus and CSPE hereby agrees to defend, indemnify and hold Agency harmless from any claim made by a party that asserts that it has received an assignment of the rights or the obligations or both under this Agreement that has not been approved by Agency.

I. Governing Law. This Agreement is intended to be performed in the state of Utah, and the laws of Utah shall govern the validity, construction, enforcement and interpretation of this Agreement.

J. Amendments. This Agreement may be amended or supplemented only by an instrument in writing executed by the Parties.

K. Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never composed a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement.

L. Further Acts. In addition to the acts and laws recited herein and contemplated to be performed, executed, and delivered by the Parties, the Parties agree to perform, execute, and deliver or cause to be performed, executed, and delivered any and all such further acts, laws and assurances as may be necessary to consummate the transactions contemplated hereby.

M. Survival. Except as otherwise provided for herein, all agreements, covenants, representations, and warranties contained herein shall survive the expiration or termination of this Agreement and the performance by Lotus and CSPE of their obligations hereunder.

N. Warranty Against Payment of Consideration for Agreement. Lotus and CSPE represent and warrant that neither they nor any of their members, managers, employees or officers has: (1) provided an illegal gift or payoff to a City or Agency officer or employee or former City or Agency officer or employee, or his or her relative or business entity; (2) retained any person to

solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in City conflict of interest ordinance; (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City or Agency officer or employee or former City or Agency officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance.

O. Non-liability of City or Agency Officials and Employees. No member, official, or employee of City or Agency shall be personally liable to Lotus or CSPE, or any successor in interest, in the event of any default or breach by Agency, or for any amount which may become due to Lotus or CSPE or their successors, or on any obligation under the terms of this Agreement.

P. Captions. The captions, headings, and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify or modify the terms and provisions of this Agreement.

Q. Governmental Immunity. Nothing in this Agreement shall be deemed to constitute or imply a waiver, modification or alteration of the caps or limitations on liability or privileges, immunities or other protection available to a City under the Utah Governmental Immunity Act or such other statutes or laws affording governmental agencies caps or limitations on liability or privileges, immunities or other protections.

R. No Relationship of Principal and Agent. Nothing contained in this Agreement, nor any acts of the Parties or the City, the City planning director, the Planning Commission (or its designee), the Community and Economic Development Department (or its designee) shall be deemed or construed to create the relationship of principal and agent, or of limited or general partnership, or of joint venture or of any other similar association between Agency, Lotus, and CSPE.

S. No Presumption. This Agreement shall be interpreted and construed only by the contents hereof and there shall be no presumption or standard of construction in favor of or against any Party.

T. Exhibits. All references to "Exhibits" contained herein are references to exhibits attached hereto, all of which are deemed incorporated herein and made a part hereof for all purposes.

U. Recording. The Parties agree that this Agreement shall not be recorded against the Property in the office of the Weber County Recorder but shall be recorded in the office of the Ogden City Recorder.

SIGNATURES ON FOLLOWING PAGE

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

AGENCY:

Ogden City Redevelopment Agency:

By: _____
Michael P. Caldwell
Executive Director

ATTEST:

Agency Secretary

APPROVED AS TO FORM:

Agency Attorney

LOTUS:

Lotus Kiesel, LLC
a Utah limited liability company

By: Lotus Premier Properties, LLC
Its: Manager

Bryan Wrigley
Manager

CSPE:

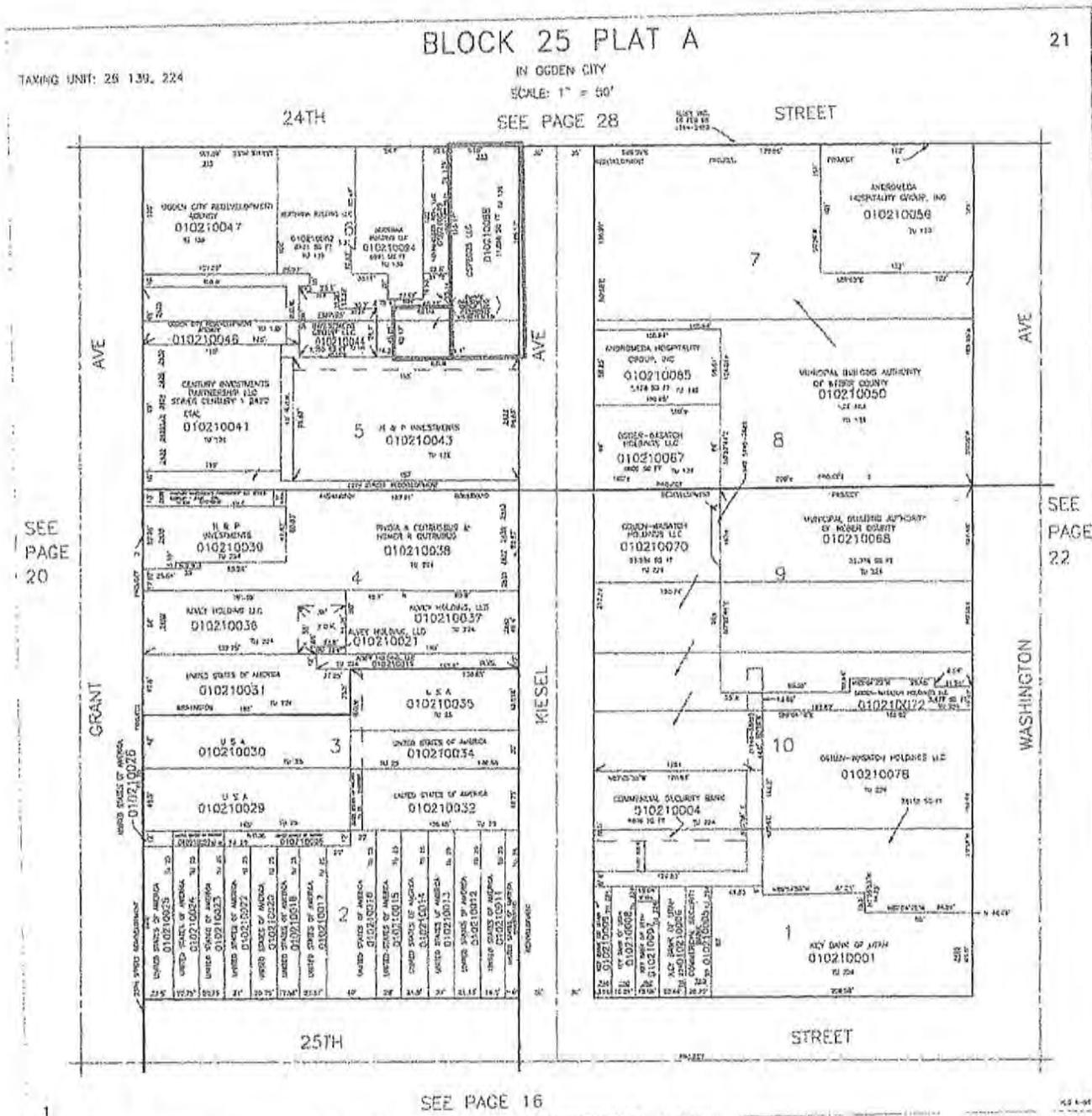
CSPE005, LLC
a Utah limited liability company

By: ITI Group, LLC
Its: MANAGING MEMBER

Jeff Carter
Manager

EXHIBIT A
to
Participation and Reimbursement Agreement

The Property



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EXHIBIT B
to
Participation and Reimbursement Agreement
Improvements

Attach the following:

- Site Plan
- Landscape Plan
- Construction Plans and Specs
- Grading and Drainage Plan
- Elevations
- Plat (if required)

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EXHIBIT C
to
Participation and Reimbursement Agreement

Schedule of Performance

Pursuant to Section III of the Agreement, the estimated schedule of performance for the Project is as follows:

Approval of Agreement:

- | | |
|--|--------------------|
| 1. Full execution of Agreement | September 28, 2015 |
| 2. Approval and Ratification by Agency Board | September 29, 2015 |

Development and Construction:

- | | |
|------------------------------------|-------------------|
| 1. Site/Construction Plan Approval | February 16, 2016 |
| 2. Building Permit | March 1, 2016 |
| 3. Construction Commences | March 21, 2016 |
| 4. Certificate of Occupancy | October 28, 2016 |

Any of the foregoing dates are subject to modification by the mutual written agreement of the Parties. To the extent that circumstances beyond the reasonable control of Lotus do not permit the Lotus to complete any required development activity within the time periods set forth above, Agency covenants that it will work with Lotus in good faith to provide a reasonable extension to the foregoing dates consistent with the mutual desires of the Parties to complete this Project in an expeditious manner.

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EXHIBIT D
to
Participation and Reimbursement Agreement
Kiesel CDA Plan

A



KIESEL COMMUNITY DEVELOPMENT PROJECT AREA

Project Area Plan

Adopted:
September 22, 2015

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INTRODUCTION

The proposed Kiesel Community Development Project Area (“**Kiesel CDA**” or “**Project Area**”) is created pursuant to Title 17C, Chapters 1 through 4, Utah Code Annotated (the “**Act**”) and includes the property located between Kiesel and Wall Avenues and 24th and 25th Streets in Ogden City, as shown on Appendix A – Kiesel Community Development Project Area Map, attached hereto. The Kiesel CDA consists of approximately 39 acres and includes numerous significantly contributing historic buildings, as well as, commercial, retail and recreational uses.

Private property within the Kiesel CDA is composed of commercial properties. The Kiesel CDA includes no residential property (see Appendix B - Land Use Map).

Section 1 **DEFINITIONS**

As used in this Community Development Project Area Plan:

1. The term "**Act**" shall mean and include the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act Title 17C, Chapters 1 through 4, Utah Code Annotated, including such amendments or successor statutes as shall from time to time be enacted.
2. The term "**Agency**" shall mean the Ogden City Redevelopment Agency, a separate body corporate and politic.
3. The term "**base taxable value**" shall mean the base taxable value of the property within the Project Area, as shown upon the assessment roll last equalized, before the date the taxing entity committee adopts the first Project Area budget.
4. The term "**City**" shall mean Ogden City Corporation, Ogden, Utah.
5. The term "**Developer**" shall mean any person or entity undertaking development activities in the Project Area.
6. The term "**Community Development**" means development activities within a community, including the encouragement, promotion, or provision of development.
7. The term "**Plan Hearing**" means the public hearing on the draft Project Area Plan required under Subsection 17C-3-102 of the Act.
8. The term "**Planning Commission**" shall mean the planning commission of the City.
9. The term "**Project**" means the activities associated with this Project Area Plan.
10. The term "**Project Area**" or "**Kiesel Community Development Project Area**" shall mean the geographic area described in this Project Area Plan where the
11. Community Development set forth in this Project Area Plan takes place or is proposed to take place.
12. The term "**Project Area Plan**" or "**Plan**" shall mean the Kiesel Community Development Project Area Plan that was adopted pursuant to the Act to guide and control Community Development activities within the Project Area.
13. The term "**Project Area Budget**" shall mean a multiyear projection of annual or cumulative revenues and expenses and other fiscal matters pertaining to the Project Area that includes:
 - (a) the base taxable value of property in the Project Area; (b) the projected tax increment expected to be generated within the Project Area; (c) the amount of tax increment expected to be shared with other taxing entities; (d) the amount of tax increment expected to be used to implement the Project Area Plan, including the

estimated amount of tax increment to be used for land acquisition, public improvements, infrastructure improvements, and loans, grants, or other incentives to private and public entities; (e) the tax increment expected to be used to cover the cost of administering the Project Area Plan; (f) if the area from which tax increment is to be collected is less than the entire Project Area: (i) the tax identification numbers of the parcels from which tax increment will be collected; or (ii) a legal description of the portion of the Project Area from which tax increment will be collected; for a Community Development Project Area, the information required under Subsection 17C-4-204.

14. The terms "**tax**," "**taxes**," "**property tax**" or "**property taxes**" includes privilege tax and each levy on an ad valorem basis on tangible or intangible personal or real property.
15. The term "**taxing entity**" shall mean each public entity that levies a property tax on property situated within the Project Area.
16. The term "**tax increment**" shall mean the difference between (i) 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 (ii) the amount of property tax revenues that would be generated from that same area using the base taxable value of the property. Tax increment does not include taxes levied and collected under Section 59-6-1602 Utah Code Annotated, on or after January 1, 1994.
17. All other terms shall have the meanings set forth in the Act unless the context clearly indicates otherwise.

Section 2 **PRECONDITIONS FOR DESIGNATING A COMMUNITY DEVELOPMENT PROJECT AREA**

- a) Pursuant to the provisions of §17C-4-102(1)(a) of the Act, the City has prepared this Project Area Plan; and
- b) Pursuant to the provisions of §17C-4-102(2)(a) and (b) of the Act, the City has a Planning Commission and general plan as required by law; and
- c) Pursuant to the provisions of §17C-4-102(1)(b) and (c) 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 and is holding a public hearing on the draft Plan on September 22, 2015; and
- d) Pursuant to the provisions of §17C-4-102(1)(d) of the Act, the Agency is conducting one or more public hearings for the purpose of informing the public about the proposed Project Area, allowing public comment on the draft Project Area Plan and whether the Plan should be revised, approved or rejected. The purpose of the hearing(s) is to inform the public about the Plan, to allow public comment on the draft Plan and to solicit input on whether the Plan should be revised, approved or rejected. The Agency will hear all written and oral comments and objections to the Plan, as well as any testimony for or against the Plan. Upon consideration of such comments, objections and testimony, the Agency will determine whether to revise, approve, or reject the Plan.

Section 3 **LEGAL DESCRIPTION OF KIESEL CDA** [17C-4-103(1)]

The Kiesel CDA is enclosed within the following boundaries and is described as:

Beginning at the Northeast Corner of Block 33, Plat "A" Ogden City Survey, thence South 01°17'14" West 763.79 feet along east side and a projection of said line of said block to the Northeast Corner of Block 24, Plat "A", Ogden City Survey, thence South 88°48'45" East 460.58 feet along the projected North line of Block 25, Plat "A", Ogden City Survey, to the northwest corner of Lot 7 of said block, thence South 01°17'49" West 534.55 feet along east right of way line of Kiesel Avenue to a point which is 132.00 feet North of the southwest corner of Lot 1 of said block, thence North 88°41'53" West 361.90 feet along a projected line along the north line of Lot 2 of said block to the a point on the east right of way line of Grant Avenue, thence North 75°36'30" West 101.61 feet to a point on the west right of way line of Grant Avenue, which point is 155.00 feet north of the southeast corner of Block 24, Plat "A", Ogden City Survey, thence North 88°41'06" West 139.91 feet, thence South 01°18'44" West 14.63 feet to a point of curve to the right, having a radius of 25.50 feet and a arc length of 39.56 feet (Long chord bearing is South 45°44'42" West 35.71 feet, thence North 88°41'19" West 369.06 feet to a point of curve to the left having a radius of 10.00 feet and an arc length of 15.71 feet (Long chord bearing is North 43°43'42" West 14.14 feet), thence to a point of reverse curve to the right, having a radius of 73.78 feet and an arc length of 21.83 feet (Long chord bearing is North 80°15'02" West 21.75 feet), thence North 01°16'18" East 4.97 feet, thence North 88°41'06" West 101.17 feet to the east right of way line of Lincoln Avenue, thence North 89°16'01" West 99.02 feet to a point on the west right of way line of said street, thence North 88°41'29" West 383.59 feet, thence South 01°10'56" West 12.00 feet, thence North 88°41'29" West 283.02 feet to a point on the east right of way line of Wall Avenue, thence North 01°18'29" East 937.67 feet along said right of way line, thence South 88°41'31" East 133.32 feet, thence North 01°18'53" East 16.37 feet, thence South 87°54'08" East 266.65 to a point of the west line of Lot 2, Block 34, Plat A, Ogden City Survey, thence South 01°21'17" West 407.11 feet to a point on the north line of Block 23, Plat A, Ogden City Survey, thence South 88°49'04" East 365.55 along the north line and the projection of said block to the Northwest corner of Block 24, Plat A, Ogden City Survey, thence North 01°20'21" East 765.00 feet along the extension of the west side of Block 33, Plat A, Ogden City Survey and the west side of said block to the Northwest corner of Block 33, Plat A, Ogden City Survey, thence South 88°42'50" East 666.60 feet along the north line of said block to the point of beginning.

Weber County Tax Serial Numbers: See Appendix C – Tax Serial Numbers.

The Project Area contains approximately 38.7 acres of private and public real property.

A map showing the boundaries of the Kiesel CDA is attached hereto and is incorporated herein as Appendix A – Kiesel Community Development Project Area Map

Section 4 **PROJECT AREA CHARACTERISTICS AND HOW THEY
WILL BE AFFECTED BY COMMUNITY
DEVELOPMENT** *[17C-4-103(2)]*

Land Uses in the Project Area

Permitted land uses in the Kiesel CDA will be those uses permitted by the officially adopted zoning ordinances of the City and the controls and guidelines of this Community Development Project Area Plan. The Project Area is located within the Central Business District (“CBD”) zone, and the uses currently existing therein conform to the requirements of this zone. The designated land use will not be changed by the community development contemplated herein.

It is expected that the current uses in the Kiesel CDA will be affected by community development as follows: The existing businesses located in the Project Area are expected to continue in operation. It is expected redevelopment efforts will support the restoration/revitalization of historic buildings, strengthen Ogden’s employment and tax bases, and create a mechanism to support additional downtown parking. Private investment will play a vital role in regard to when development will occur. Uses in the Project Area will be governed by the applicable zoning ordinances and regulations of Ogden City. Any changes in zoning within the Project Area will be made in accordance with established law and required public proceedings.

Layout of Principal Streets in the Project Area

The layout of the principal streets in the Kiesel CDA is shown on the Project Area map attached as Appendix A. It is expected that development in the Project Area could affect the existing streets as follows: (a) intersection improvements possibly could be made within the area to enhance flow through intersections; and (b) access management policies may be implemented throughout the area to enhance flow, mobility, and traffic capacity.

Population Densities in the Project Area

The Kiesel CDA contains no residential development or property. The population within the Project Area results from the operation of retail, hospitality and commercial businesses, as well as, Lindquist Field.

The planned changes in the Project Area will have an effect on the residential population of the Project Area. Community development is expected to increase the residential population by the development of several multi-unit residences within the Project Area.

Building Intensities in the Project Area

Based on the stated objectives of the plan it is anticipated that building intensities in the Project Area will be affected in the following ways: Increased building intensities will likely

occur through the renovation/restoration of historic buildings, reuse of underutilized and obsolete properties and enhanced downtown parking opportunities.

Key projects identified for potential development include, but are not limited to:

- Restoration of the Kiesel Building.
- Restoration of the Berthana Building.
- Restoration of the Thorstensen Building and Proud Fit Building.
- Enhancement of the Old Post Office.
- Construction of additional public parking.

Section 5 **STANDARDS TO GUIDE THE KIESEL CDA [17C-4-103(3)]**

Development Objectives:

The following development objectives will guide community development in the Kiesel CDA:

1. Promote and market the Project Area for development that will enhance the economic health of the community through increase of the City's commercial tax base;
2. Encourage development and expanded economic activity;
3. Promote functional utilities and other infrastructure to provide for expanded residential and business activity;
4. Promote attractive and functional buildings, streetscapes, parking areas and landscaping;
5. Coordinate and promote improvement of the transportation system improvements within the Project Area, including road improvements, access management and pedestrian/bicycle amenities.

Design Objectives

Subject to the development objectives and other provisions of this Plan, owners and developers will be expected to achieve to the highest quality of design and development. Each development proposal will be considered subject to:

1. Applicable elements of the City's General Plan;
2. Applicable development ordinances of the City;
3. Applicable building codes of the City;
4. Applicable design standards of the City;
5. Review and recommendation by the City Planning Commission; and
6. Review and recommendation by the Redevelopment Agency of Ogden City (the "**Agency**") to ensure that the development is consistent with this Plan.

Each development proposal by an owner or developer must include a site plan, development data and other appropriate material that clearly describes the extent of the proposed development, including land coverage, setbacks, heights, massing, architectural design, off-street parking and any other data determined to be necessary or requested by the City or the Agency.

The general design of specific projects may be developed or approved by the Agency in coordination with the City's Planning Commission. The particular elements of the design should be such that the overall development of the Kiesel CDA will:

1. Provide an attractive environment.
2. Blend harmoniously with the adjoining areas.
3. Provide for the optimum amount of open space and landscaped areas.

4. Provide parking areas appropriately designed, screened, and landscaped to blend harmoniously with adjacent areas.
5. Provide safe, effective, and attractive pedestrian features.
6. Comply with the provisions of this Plan.

Specific Design Objectives

The specific design objectives incorporated below guide the City, developers, and owners to create a unified development, in both form and architectural style.

1. Building Design Objectives:

New development shall:

- a. Be in harmony with the surrounding area and provide a high quality appearance;
- b. Utilize high quality and low maintenance building materials;
- c. Take into account CPTED (crime prevention through environmental design) principals in order that all buildings and developments provide a safe and secure environment for employees and visitors;
- d. Be designed to relate to existing grade conditions with a minimum of grading and exposed foundation walls.

2. Site Design Objectives:

New development shall:

- a. Provide attractive and water efficient landscaped areas primarily consisting of shrubs, ground cover, turf, and trees as appropriate to the character of the Project Area;
- b. Provide landscaped, paved, and graded pedestrian areas that afford safety and separation from vehicular traffic;
- c. Use high quality building materials and design for paving, retaining walls, fences, lighting, benches, and other site furnishings;
- d. Incorporate parking lot designs that consider safe and efficient ingress/egress and internal circulation, provide cross access to adjacent areas where appropriate, and be landscaped consistent with Ogden City Code;
- e. Provide adequate separation and/or buffering of each site from adjacent areas where needed or appropriate;
- f. Provide a signage program that incorporates design consistency with the main structures;

- g. Preserve the desirable existing conditions found on the site through minimized site grading and minimized removal of desirable trees and other vegetation.

3. Public Right-Of-Way Design Objectives:

- a. Public rights-of-way. All streets, sidewalks and walkways within public rights-of-way will be designed to be consistent with current standards and objectives, and be approved by the City.

Section 6 **HOW THE PURPOSES OF THE STATE LAW WOULD BE
ATTAINED BY COMMUNITY DEVELOPMENT**
[17C-4-103(4)]

The purposes of Title 17C of the Utah State Code (Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act), and more specifically Title 17C, Chapter 4 thereof (Community Development), are to encourage, promote, or provide for development activities within a community. *See, Utah Code Ann. § 17C-1-102(16)*. The proposed projects contemplated in this Plan will help attain the foregoing purposes by:

- Providing necessary public infrastructure to the community development project area and surrounding areas, thereby encouraging and promoting additional development activities within or near the project area.
- Providing additional employment opportunities, which would encourage and promote additional development activities, such as residential developments for employees, commercial developments for suppliers, restaurateurs, and other businesses.
- The development of vacant land within the community development project area, as well as the development of existing structures.

It is the intent of the Agency, with the assistance and participation of private owner(s), to encourage and accomplish appropriate development within the Kiesel CDA by methods described in this Plan. This includes the restoration/renovation of historical buildings, enhancement to existing buildings, the possible construction of new buildings, facilities and infrastructure, and the use of incentives to maximize appropriate development beneficial to the City. By these methods, the private sector should be encouraged to undertake new development which will strengthen the tax base of the community in furtherance of the objectives set forth in this Plan.

Techniques to Achieve Kiesel CDA Plan Objectives

Possible activities contemplated in carrying out the Plan in the Kiesel CDA include the development of areas in the Project Area.

1. Construction: Restoration/renovation of existing buildings and new construction may be initiated in order to encourage additional private sector building and investment.
2. Implementation of Projects: The Agency shall have the right to approve the design and construction documents of all development within the Project Area to ensure consistency within this Kiesel CDA Plan. The City shall notify the Agency of all requests for (1) zoning changes; (2) design approval; (3) site plan approval; and (4) building permits within the Project Area. Projects within the Kiesel CDA shall be implemented as approved by the Agency and the City.

Section 7 **HOW THE PLAN IS CONSISTENT WITH THE CITY'S
GENERAL PLAN** *[17C-4-103(5)]*

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

A. General Plan

The Kiesel CDA is consistent with the General Plan of Ogden City which encourages development that focuses on expanding and diversifying the local economy, revitalizing older business areas and raising the standard of living in a business friendly environment. Ogden has emerging aerospace and advanced materials, IT & software and outdoor recreation clusters requiring offices, technology, business centers and multiple scales of commercial development to serve the needs of the region, the community, and individual neighborhoods. The City General Plan envisions that the area of the Project Area will continue to be mixed use in nature. If any future zoning designation changes are required, such changes will be submitted to both the Planning Commission and City Council for consideration and approval.

B. Zoning Ordinances

The property within the Project Area is currently zoned Central Business District. The City General Plan envisions that the Project Area will continue to be mixed use in nature. The proposed development is permitted under the current zoning designations adopted by the Ogden City Council. If any future zoning designation changes are required, such changes will be submitted to both the Planning Commission and City Council for consideration and approval.

Section 9

**WAYS IN WHICH PRIVATE DEVELOPERS WILL BE
SELECTED TO UNDERTAKE THE COMMUNITY
DEVELOPMENT** *[17C-4-103(7)]*

A. Selection of Private Developers

The Agency desires owners of real property in the Kiesel CDA to undertake development of their property and contemplates that owners will take advantage of the opportunity to develop their property or sell their property to Developers for the development of facilities within the Project Area. In the event that owners do not wish to participate in the CDA in compliance with the Plan, or in a manner acceptable to the Agency, or are unable or unwilling to appropriately participate, the Agency may, consistent with the Act, encourage other owners to acquire property within the Project Area, or to select non-owner Developers by private negotiation, public advertisement, bidding or the solicitation of written proposals, or a combination of one or more of the above methods.

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

The Agency, consistent with the Act, will work with capable and qualified Developers to ensure that all aspects of the Plan are implemented.

Section 10 **REASONS FOR THE SELECTION OF THE KIESEL CDA**
[17C-4-103(8)]

The Kiesel CDA was selected by the Agency as that area within the City having an opportunity to significantly strengthen the economic base of the community, broaden the City's tax base, and encourage needed mixed use developments. The Kiesel CDA contains a portion of the City that is desirable for development because of (1) existing access and infrastructure; (2) a general recognition that the Kiesel CDA needs assistance if the area is to be further developed; (3) a general recognition that this portion of the City needs investment of private capital to restore and renovate significant historic buildings, as well as, construct improvements to attract additional business or provide infrastructure improvements; (4) determination by the City that further development of this area is important to the overall health, vitality, and stability of the City; (5) goals of the City and community to strengthen residential/commercial development and employment; and (6) the opportunity to commence a public/private partnership to improve and further develop this area of the City.

Specific boundaries of the Kiesel CDA were arrived at by the Agency after a review of the area by members of the Agency staff and in discussion with various stakeholders. Planned treatment of this area is intended to stimulate development to the degree necessary for sound long-range economic growth in the Project Area and to encourage further development and improvement of real property within the Project Area.

Section 11 **DESCRIPTION OF THE PHYSICAL, SOCIAL, AND
ECONOMIC CONDITIONS EXISTING IN THE KIESEL
CDA** *[17C-4-103(9)]*

A. Physical Conditions

The Kiesel CDA consists of approximately 39 acres including public streets (see Appendix A and Appendix B). There are several significantly contributing historic buildings including the Kiesel, Berthana, Thorstensen, Proud Fit and the Old Post Office Buildings, as well as, additional commercial and hospitality activities located in the Project Area. The Lindquist Ball Field is also located within the Project Area boundaries. There are no known residential uses in the Project Area.

The Project Area is accessed north and south from Kiesel, Grant, Lincoln and Wall Avenues, as well as, east and west from 23rd and 24th Streets. The roads are two and four travel lanes, and provide access to much of the property in the Kiesel CDA.

B. Social Conditions

No unusual social conditions were found to exist.

C. Economic Conditions

Although the area has generally seen economic underperformance, it presents some of the greatest opportunity for redevelopment. Through adoption of this Plan and with the financial support of possible voluntary funding of this Plan by taxing entities, the Agency hopes to encourage the restoration/renovation of historic buildings, strengthen the residential presence in downtown Ogden, and provide opportunities for additional businesses, all of which will contribute to the tax base. The Agency and the City believe that without the adoption of this Plan and the support of taxing entities for funding this Plan, there is less likelihood that the historic structures will be restored. Consequently, the establishment of a community development project area and its associated implementation measures are very important.

Section 13 **ANALYSIS OF THE ANTICIPATED PUBLIC BENEFIT TO BE DERIVED FROM THE COMMUNITY DEVELOPMENT** [17C-4-103(11)]

It is anticipated that a significant public benefit will be derived from the proposed development within the Kiesel CDA. The Economic Benefit Analysis, attached hereto as Appendix D, provides an analysis and description of the anticipated public benefit to be derived from the community development, including: A) the beneficial influences upon the tax base of the community; and B) the associated business and economic activity likely to be stimulated.

A. Beneficial Influences Upon the Tax Base of the Community

The City and taxing entities will see an increase in taxable value of an estimated \$22 million over the next 20 years in the Project Area. This is a substantial increase from today's taxable value of \$21,203,119. Construction could begin in 2016, with tax increment commencing in 2017. If construction begins in 2016 and the Project Area commences in 2017 and runs for a period of 20 years, each of the taxing entities will receive increased taxes over the next 20 years from the increased investment in the area. The projected incremental tax revenues which are projected to be generated from the increased assessed value resulting from the improvements are summarized below:

<u>Taxing Entity</u>	<u>20 Year Gross</u>	<u>Annual (Year</u>
1) Ogden City School Dist.	\$5,265,471	\$146,402
Weber County	\$2,106,188	\$ 58,561
Ogden City	\$1,904,771	\$ 52,961
Weber Basin Water Cons.	\$ 112,466	\$ 3,127
Central Weber Sewer Imp. Dist.	\$ 482,583	\$ 13,418
Weber Co. Mosquito	\$ 10,234	\$ 285
Weber Area Dispatch 911	\$ 173,812	\$ 4,833
Ogden City Special Levy	\$ 168,700	\$ 4,691

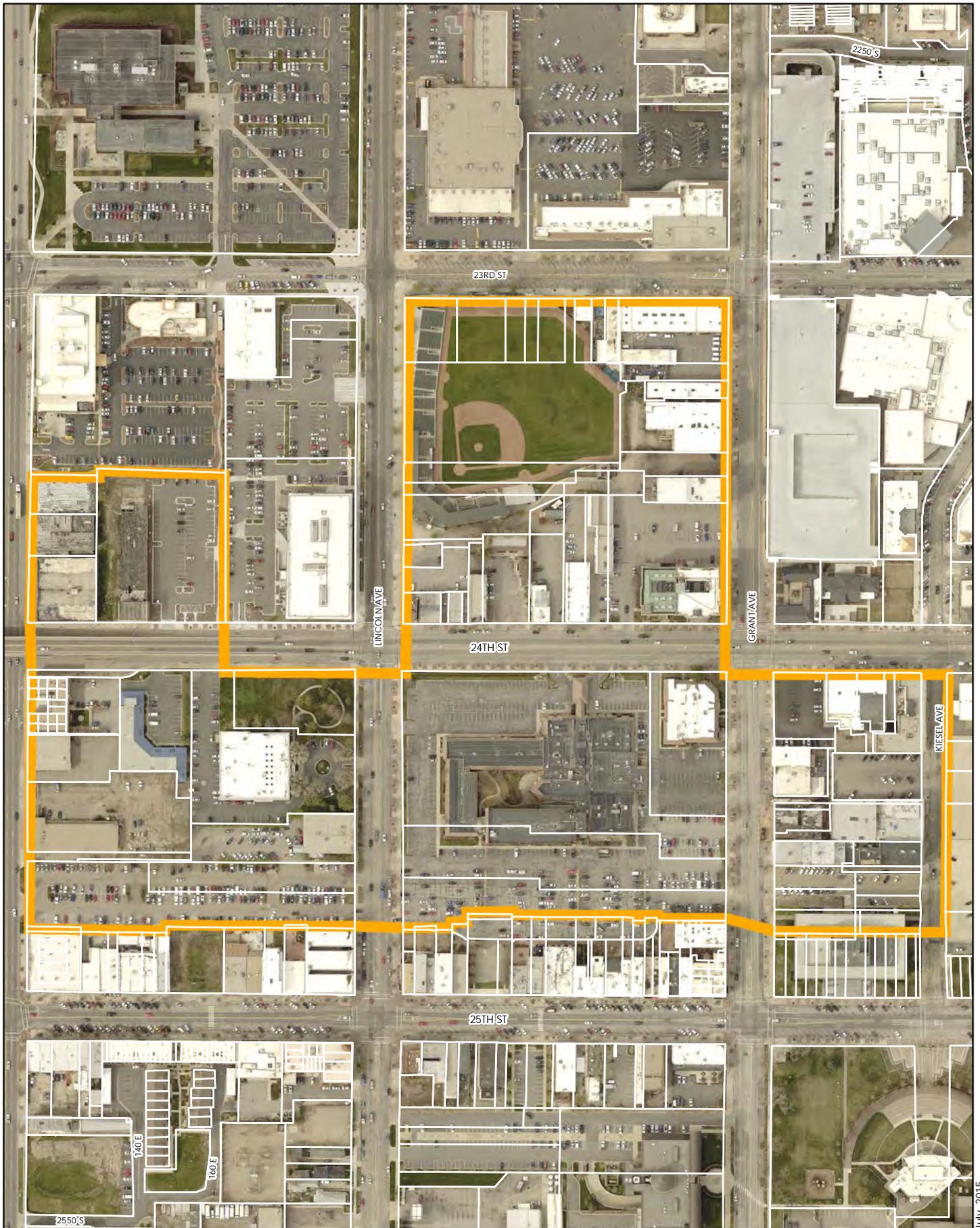
B. Business and Economic Activity Likely to be Stimulated

The economic activities associated with the development of the Project Area could take any one or more of the following forms: Businesses and professional offices currently located in the area surrounding the Project Area will likely benefit from exposure to new customers and clients traveling to and within the vicinity of the Project Area. This influx of new customers and clients will have the positive effect of encouraging businesses and professionals to remain in and around the community. Currently existing businesses and professionals may even be inclined to expand their facilities to take advantage of the new demographic resulting from the development of the Project Area. Businesses and professionals seeking to locate new facilities will likewise be drawn to the vicinity of the

Project Area for similar reasons. As proposed in this Plan, the developed Project Area will serve the immediate lifestyle needs of the community and can reasonably be expected to encourage additional development in the surrounding area.

APPENDIX A

MAP OF KIESEL COMMUNITY DEVELOPMENT PROJECT AREA



July, 2015

KIESEL CDA

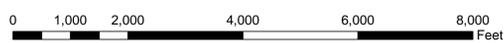


APPENDIX B

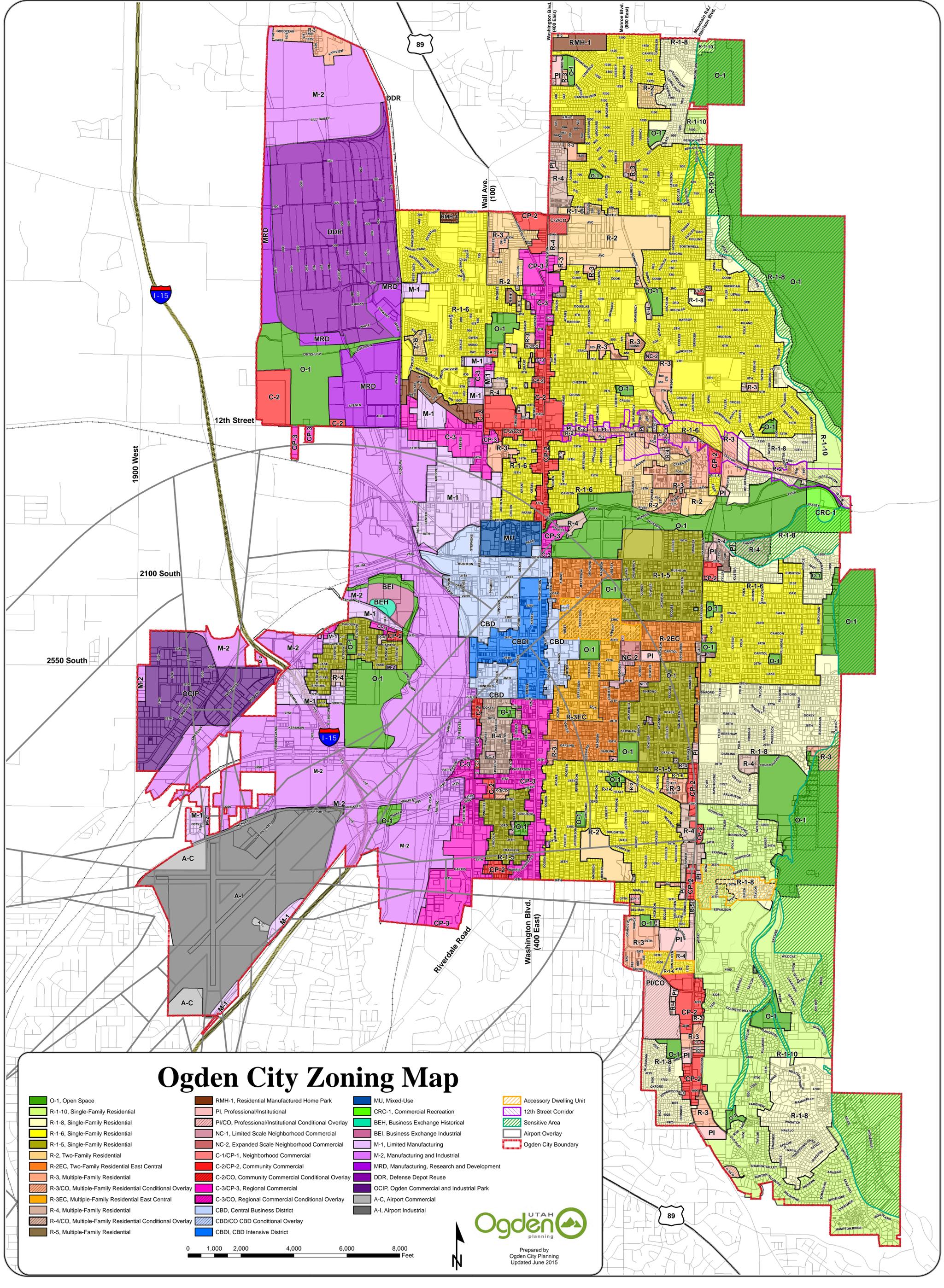
LAND USE MAP KIESEL COMMUNITY
DEVELOPMENT PROJECT AREA

Ogden City Zoning Map

- | | | | |
|---|---|--|---|
|  O-1, Open Space |  RMH-1, Residential Manufactured Home Park |  MU, Mixed-Use |  Accessory Dwelling Unit |
|  R-1-10, Single-Family Residential |  PI, Professional/Institutional |  CRC-1, Commercial Recreation |  12th Street Corridor |
|  R-1-8, Single-Family Residential |  PI/CO, Professional/Institutional Conditional Overlay |  BEH, Business Exchange Historical |  Sensitive Area |
|  R-1-6, Single-Family Residential |  NC-1, Limited Scale Neighborhood Commercial |  BEI, Business Exchange Industrial |  Airport Overlay |
|  R-1-5, Single-Family Residential |  NC-2, Expanded Scale Neighborhood Commercial |  M-1, Limited Manufacturing |  Ogden City Boundary |
|  R-2, Two-Family Residential |  C-1/CP-1, Neighborhood Commercial |  M-2, Manufacturing and Industrial | |
|  R-2EC, Two-Family Residential East Central |  C-2/CP-2, Community Commercial |  MRD, Manufacturing, Research and Development | |
|  R-3, Multiple-Family Residential |  C-2/CO, Community Commercial Conditional Overlay |  DDR, Defense Depot Reuse | |
|  R-3/CO, Multiple-Family Residential Conditional Overlay |  C-3/CP-3, Regional Commercial |  OCIP, Ogden Commercial and Industrial Park | |
|  R-3/SEC, Multiple-Family Residential East Central |  C-3/CO, Regional Commercial Conditional Overlay |  A-C, Airport Commercial | |
|  R-4, Multiple-Family Residential |  CBD, Central Business District |  A-1, Airport Industrial | |
|  R-4/CO, Multiple-Family Residential Conditional Overlay |  CBD/CO CBD Conditional Overlay | | |
|  R-5, Multiple-Family Residential |  CBDI, CBD Intensive District | | |



Prepared by
Ogden City Planning
Updated June 2015



APPENDIX C

WEBER COUNTY TAX SERIAL NUMBERS

KIESEL CDA
 OGDEN CITY
 Real Property

Parcel No.	Property Address	Owner	2014			Total Mkt. Value	Taxable Value	2015			Total Mkt. Value	Taxable Value
			Acres	Land Value	Bldg. Value			Land Value	Bldg. Value			
010210032		United State of America	0.14	\$61,250	\$0	\$61,250	0	\$61,250	\$0	\$61,250	\$0	
010210034		United State of America	0.1	\$43,990	\$0	\$43,990	0	\$43,990	\$0	\$43,990	\$0	
010210035		United State of America	0.14	\$62,440	\$0	\$62,440	0	\$62,440	\$0	\$62,440	\$0	
010210019		Alvey Holding LLC	0.05	\$7,868	\$2,380	\$10,248	\$10,248	\$7,868	\$2,499	\$10,367	\$10,367	
010210037		Alvey Holding LLC	0.16	\$27,796	\$284,528	\$312,324	\$312,324	\$27,796	\$298,754	\$326,550	\$326,550	
010210036		Alvey Holding LLC	0.18	\$31,364	\$161,327	\$192,691	\$192,691	\$31,364	\$161,615	\$192,979	\$192,979	
010210038		Phidia K. & Homer K. Cutrubs	0.41	\$71,440	\$59,707	\$131,147	\$131,147	\$71,440	\$62,693	\$134,133	\$134,133	
010210043		H & P Investments	0.4	\$69,660	\$5,874	\$75,534	\$75,534	\$69,660	\$6,168	\$75,828	\$75,828	
010210088		CSP005 LLC	0.27	\$118,680	\$769,416	\$888,096	\$888,096	\$118,680	\$807,887	\$926,567	\$926,567	
010210049		LohMueller Reh, LLC	0.05	\$22,600	\$168,158	\$190,758	\$190,758	\$22,600	\$166,846	\$189,446	\$189,446	
010210094		Dogma Group LLC	0.14	\$60,910	\$316,862	\$377,772	\$377,772	\$60,910	\$332,706	\$393,616	\$393,616	
010210082		Dogma Group LLC	0.19	\$84,310	\$892,322	\$976,632	\$976,632	\$84,310	\$1,135,854	\$1,220,164	\$1,220,164	
010210047		Ogden RDA	0.25	\$167,372	\$0	\$167,372	\$0	\$167,372	\$0	\$167,372	\$0	
010210046		Ogden RDA	0.13	\$87,750	\$0	\$87,750	\$0	\$87,750	\$0	\$87,750	\$0	
010210041		Century Investments Partnership LLC	0.25	\$43,560	\$239,102	\$282,662	\$282,662	\$43,560	\$251,058	\$294,618	\$294,618	
010210040		Century Investments Partnership LLC	0.03	\$5,932	\$25,473	\$31,405	\$31,405	\$5,932	\$26,747	\$32,679	\$32,679	
010210039		H & P Investments	0.13	\$22,360	\$0	\$22,360	\$22,360	\$0	\$0	\$22,360	\$22,360	
010210031		United State of America	0.17	\$75,100	\$0	\$75,100	\$0	\$75,100	\$0	\$75,100	\$0	
010210030		United State of America	0.16	\$69,300	\$0	\$69,300	\$0	\$69,300	\$0	\$69,300	\$0	
010210029		United State of America	0.19	\$81,670	\$0	\$81,670	\$0	\$81,670	\$0	\$81,670	\$0	
010200005		Ogden City Neighborhood Deve. Agency	0.99	\$173,250	\$12,487	\$185,737	\$0	\$173,250	\$13,111	\$186,361	\$0	
010200006		Ogden Hotel Investors LLC	1.55	\$271,250	\$0	\$271,250	\$271,250	\$271,250	\$0	\$271,250	\$271,250	
010200008		Ogden Hotel Investors LLC	4.11	\$719,250	\$6,126,442	\$6,845,692	\$6,845,692	\$719,250	\$4,552,313	\$5,271,563	\$5,271,563	
010200063		Pingree Family Limited Company	1.04	\$453,020	\$317,980	\$771,000	\$771,000	\$453,020	\$319,470	\$772,490	\$772,490	
010290001		Old Ogden Post Office Bldg. LLC	1.38	\$241,500	\$996,837	\$1,238,337	\$1,238,337	\$241,500	\$1,083,515	\$1,325,015	\$1,325,015	
010290030		Presidential Utah Properties LLC	0.19	\$37,484	\$571,254	\$608,738	\$608,738	\$37,484	\$568,128	\$605,612	\$605,612	
010290034		Presidential Utah Properties LLC	0.08	\$14,652	\$0	\$14,652	\$14,652	\$14,652	\$0	\$14,652	\$14,652	
010290035		Presidential Utah Properties LLC	0.23	\$39,980	\$6,534	\$46,514	\$46,514	\$39,980	\$5,940	\$45,920	\$45,920	
010290015		George & Dragon LLC	0.55	\$96,444	\$599,045	\$695,489	\$695,489	\$96,444	\$628,997	\$725,441	\$725,441	
010290027		George & Dragon LLC	0.14	\$23,900	\$260,314	\$284,214	\$284,214	\$23,900	\$260,259	\$284,159	\$284,159	
010290026		Episcopal Church in Utah Corp.	0.18	\$31,500	\$0	\$31,500	\$0	\$31,500	\$0	\$31,500	\$0	
010290025		Episcopal Church in Utah Corp.	0.67	\$116,740	\$707,491	\$824,231	\$0	\$116,740	\$742,865	\$859,605	\$0	
010290024		Episcopal Church in Utah Corp.	0.08	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	
010290023		Episcopal Church in Utah Corp.	0.8	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	
010290022		Ogden City	0.11	\$19,250	\$0	\$19,250	\$0	\$19,250	\$0	\$19,250	\$0	
010290016		Ogden City	2.11	\$367,500	\$0	\$367,500	\$0	\$367,500	\$0	\$367,500	\$0	
010290021		Ogden City	0.17	\$29,750	\$0	\$29,750	\$0	\$29,750	\$0	\$29,750	\$0	
010290020		Ogden City	0.08	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	\$14,000	\$0	
010290019		Ogden City	0.12	\$21,000	\$0	\$21,000	\$0	\$21,000	\$0	\$21,000	\$0	
010290018		Ogden City	0.3	\$525,000	\$0	\$525,000	\$0	\$525,000	\$0	\$525,000	\$0	
010290017		Ogden City	0.33	\$57,750	\$0	\$57,750	\$0	\$57,750	\$0	\$57,750	\$0	
010290014		Ogden City	0.17	\$29,750	\$0	\$29,750	\$0	\$29,750	\$0	\$29,750	\$0	
010290013		Ogden City	0.2	\$33,250	\$0	\$33,250	\$0	\$33,250	\$0	\$33,250	\$0	
010290012		Ogden City	0.56	\$98,000	\$0	\$98,000	\$0	\$98,000	\$0	\$98,000	\$0	
010290036		Ogden City	0.1	\$17,500	\$0	\$17,500	\$0	\$17,500	\$0	\$17,500	\$0	
010290037		Ogden City	0.05	\$8,750	\$0	\$8,750	\$0	\$8,750	\$0	\$8,750	\$0	
010290011		Ogden City	0.09	\$15,750	\$0	\$15,750	\$0	\$15,750	\$0	\$15,750	\$0	
010290033		Ogden City	0.09	\$15,750	\$0	\$15,750	\$0	\$15,750	\$0	\$15,750	\$0	
010290038		Hal & Lorene LaFleur Family Trust	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010290039		Hal & Lorene LaFleur Family Trust	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010290040		Hal & Lorene LaFleur Family Trust	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010290041		Beaton Property Management LLC	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010290042		Beaton Property Management LLC	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010290007		Hal & Lorene LaFleur Family Trust	0.04	\$18,200	\$74,072	\$92,272	\$92,272	\$18,200	\$77,776	\$95,976	\$95,976	
010290008		Hal & Lorene LaFleur Family Trust	0.15	\$65,870	\$54,130	\$120,000	\$120,000	\$51,170	\$69,206	\$120,376	\$120,376	
010290009		Hal & Lorene LaFleur Family Trust	0.12	\$50,290	\$196,940	\$247,230	\$247,230	\$50,290	\$206,787	\$257,077	\$257,077	
010290010		Hal & Lorene LaFleur Family Trust	0.09	\$16,184	\$8,901	\$25,085	\$25,085	\$16,184	\$9,346	\$25,530	\$25,530	
010290006		SRBTT Richards Family Part. LLC	0.11	\$48,920	\$162,828	\$211,748	\$211,748	\$48,920	\$170,970	\$219,890	\$219,890	
010290005		Jayhoun Saissan	0.4	\$176,070	\$132,231	\$308,301	\$308,301	\$176,070	\$138,843	\$314,913	\$314,913	
010290004		Hortencia Escamilla Hernandez	0.29	\$127,440	\$46,905	\$174,345	\$174,345	\$127,440	\$49,250	\$176,690	\$176,690	
010290003		Charles L Crittenden Jr.	0.27	\$118,140	\$305,980	\$424,120	\$424,120	\$118,140	\$309,223	\$427,363	\$427,363	
010290002		Charles L Crittenden Jr.	0.28	\$124,080	\$39,530	\$163,610	\$163,610	\$124,080	\$41,507	\$165,587	\$165,587	
010190034		Ogden City Neighborhood Deve. Agency	1.5	\$261,360	\$0	\$261,360	\$0	\$261,360	\$0	\$261,360	\$0	
010190037		Ogden City RDA	0.59	\$101,984	\$33,882	\$135,866	\$0	\$101,984	\$35,576	\$137,560	\$0	
010190032		Lincoln Building LLC	0.69	\$120,224	\$750,497	\$870,721	\$870,721	\$120,224	\$788,022	\$908,246	\$908,246	
010190023		C2 Investments LLC	1.63	\$285,250	\$1,455,152	\$1,740,402	\$1,740,402	\$285,250	\$1,527,910	\$1,813,160	\$1,813,160	
010190024		C2 Investments LLC	0.72	\$126,000	\$0	\$126,000	\$126,000	\$126,000	\$0	\$126,000	\$126,000	
010190019		C2 Investments LLC	0.73	\$213,220	\$778,550	\$991,770	\$991,770	\$213,220	\$817,478	\$1,030,698	\$1,030,698	
010860009		New Brigham Investors LLC	0.03	\$30,000	\$25,013	\$55,013	\$55,013	\$30,000	\$25,013	\$55,013	\$55,013	
010190015		D2 Investments LLC	0.43	\$73,636	\$307,025	\$380,661	\$380,661	\$73,636	\$322,376	\$396,012	\$396,012	
010190014		D2 Investments LLC	1.08	\$188,180	\$200,545	\$388,725	\$388,725	\$188,180	\$210,572	\$398,752	\$398,752	
010190029		Ogden City RDA	0.03	\$5,228	\$0	\$5,228	\$0	\$5,228	\$0	\$5,228	\$0	
010900005		Common Area Altice Corner Condo	0.01	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
010890001		Boyer Ogden Holdings LC	1.9	\$332,500	\$144,610	\$477,110	\$477,110	\$332,500	\$151,841	\$484,341	\$484,341	
010300006		WYL Orion Properties LLC	0.4	\$69,168	\$579,492	\$648,660	\$648,660	\$69,168	\$608,467	\$677,635	\$677,635	
010300007		Judy C. Orton	0.26	\$45,144	\$140,525	\$185,669	\$185,669	\$45,144	\$147,551	\$192,695	\$192,695	
010300008		Judy C. Orton	0.24	\$42,456	\$132,952	\$175,408	\$175,408	\$42,156	\$139,600	\$181,756	\$181,756	

\$22,074,365

\$21,203,119

\$871,246

APPENDIX D

BENEFIT ANALYSIS

**KIESEL
COMMUNITY DEVELOPMENT PROJECT AREA
BENEFIT ANALYSIS**

Prepared for the Redevelopment Agency of Ogden City

September 22, 2015

BENEFIT ANALYSIS OF THE PROPOSED KIESEL COMMUNITY DEVELOPMENT PROJECT AREA

The following information is presented to meet the requirements of Utah Code Title 17C, Chapter 4, Section 103 regarding the proposed Kiesel Community Development Project Area, to provide the following:

17C-4-103. Community development project area plan requirements.

- (11) . . . an analysis or description of the anticipated public benefit to be derived from the Community development, including:
 - (a) the beneficial influences upon the tax base of the community; and
 - (b) the associated business and economic activity likely to be stimulated; and
- (12) . . . other information that the agency determines to be necessary or advisable.

This evaluation is intended to provide a framework within which the Redevelopment Agency's ("Agency") Board of Directors and staff can make critical decisions. They must determine whether it is good public policy and in the interest of Ogden City for the Agency to invest property tax increment, in eligible activities, such as land acquisition, public and private infrastructure or other improvements required by the Kiesel Community Development Project Area.

This document is prepared in good faith as an estimate of the economic impact of this project. Prevailing economic or other conditions may influence the actual economic impact either favorably or unfavorably. But for these unknown and unpredictable events, the information contained herein is considered an accurate accounting of the reasonable expectations of the project.

Introduction

The purpose of this report is to estimate the potential incremental property tax revenue and identify the net direct benefit or loss to the Redevelopment Agency of Ogden City (the "Agency") and Ogden City (the "City") from the proposed Kiesel Community Development Project Area ("Kiesel CDA" or "Project Area"). The proposed Kiesel CDA consists of approximately 39 acres and includes the Kiesel, Berthana, Thorstensen and Proud Fit buildings, as well as, the old Post Office, possibly an Internal Revenue Service ("IRS") expansion and additional capital improvements. Private property within the Kiesel CDA is composed of commercial properties. The development contemplated is consistent with the City's long-term goal of supporting commercial development generally throughout the City, as well as, targeting commercial development designed to meet the needs of City, Weber County residents, as well as, residents of adjoining counties and travelers.

The Kiesel CDA overlays property, a portion of which, is included in the 25th Street Redevelopment Project Area ("25th Street RDA"). The 25th Street RDA was created in 1979

and the Taxing Entity Committee (“TEC”) approved collecting tax increment from the 25th Street RDA until 2015; except for the tax increment generated by the Eccles Building which may be collected until 2017 to cover bond debt service. To the extent that the 25th Street RDA effectively sunsets in 2015, the overlay of the Kiesel CDA will not impact that portion of the 25th Street RDA. The boundaries of the Kiesel CDA do not overlay the Eccles Building and therefore the Eccles Building is not impacted by the creation of the project area. For purposes of this report, it has been determined that the estimated potential incremental property tax revenue considered as contributing to the net direct benefit or loss is that which is generated from the increased assessed value of the contemplated restoration/revitalization/expansion projects. The overall benefits and investment brought to the project include the public infrastructure improvements, which may be located in or outside and which benefit the community development project area and site improvements constructed as the result of the project area developing with superior quality restoration/revitalization/expansion developments. This economic benefit analysis contemplates private investment in the proposed project area to be an estimated \$22 million. The economic benefits resulting from the construction of the proposed projects include; new employment (both short and long term), local purchases of goods and services supportive of commercial and retail businesses, local purchases of goods and services by employees constructing and working at the businesses, local purchase of utilities, and increased tax revenues to state and local governments.

This report identifies the potential tax revenues, which may be generated from increased real property values as the result of the development of the Project Area.

Development Overview

It is proposed that Community Development Project Area be created in the vicinity of 23rd and 24th Streets between Kiesel and Wall Avenue for the purpose of supporting the redevelopment of historic buildings, strengthening Ogden’s employment and tax bases (property and sales), and creating a mechanism to support additional downtown parking. The high profile location is home to numerous significantly contributing historic buildings and is the traditional entrance into downtown. Although this area has generally seen economic underperformance, it presents some of the greatest opportunity for redevelopment. It is anticipated that the Kiesel CDA area can contribute greatly to the economic well-being of the community.

The Project Area is currently zoned Central Business District (“CBD”)/Central Business District Intensive (“CBDI”) which is consistent with the City’s General Plan and the proposed development is permitted under the current zoning designations adopted by the Ogden City Council.

Capital Investment Projections

The Project Area currently contains retail, commercial, hospitality and recreational uses. It is estimated that the real property base value for the Project Area is \$21,203,119 and the base year is 2015.

A survey of the Project Area indicates several potential development opportunities which would involve historic preservation/restoration, rehabilitation, new construction and enhanced downtown public parking.

A summary of the investment range of potential development opportunities is as follows:

Kiesel Bldg. – Residential	\$ 4,500,000
Berthana Bldg. - Commercial	\$ 750,000
Marriott Improvements	\$ 1,000,000
IRS – Phase 4	\$ 7,000,000
Old Post Office Enhancements	\$ 250,000
Thorstensen Bldg. – Combination Commercial/Residential	\$ 4,000,000
Proud Fit Bldg. - Commercial	\$ 2,000,000
Additional Improvements	\$ 2,500,000
Parking Improvements – Public	<u>\$ 6,000,000</u>
Estimated Total Investment	<u>\$28,000,000</u>

The Utah Community Development and Renewal Agencies Act provides that the formation of a Community Development Project Area will allow the taxing entities to provide funding of the Project Area Plan through interlocal agreements with the Redevelopment Agency of Ogden City to provide all or part of the tax increment from the taxing entities, which they would normally receive as a result of the increased assessed valuation resulting from the proposed project.

As previously stated, the overlay of the Kiesel CDA will not impact that portion of the 25th Street RDA. Additionally, the boundaries of the Kiesel CDA do not overlay the Eccles Building and therefore the Eccles Building is not impacted by the creation of the project area. It is anticipated that the incremental tax revenue eligible to provide funding of the Kiesel CDA Plan is that which is generated from the increased assessed value resulting from the contemplated restoration/revitalization/expansion improvements. The terms being considered are between seventy-four (74%) and ninety-four (94%) percent of the real property tax increment generated for a twenty (20) year period of time.

Property tax increment may help pay for costs associated with the development of the Kiesel CDA which may include the aforementioned, but not limited to, economic and residential improvement projects.

The estimated future tax increment cash flow is projected in additional detail in Schedule 1 - Tax Increment Revenue Summary. For a 20-year period, the estimated tax increment distributions by Taxing Entity for the estimated investments are projected in Schedule 2.

Evaluation of Application

The following are the requirements of a benefit analysis as established by Utah Code 17C-4-103 to be included in a community development project area plan:

(11) include an analysis or description of the anticipated public benefit to be derived from the community development, including:

(a) the beneficial influences upon the tax base of the community; and

(b) the associated business and economic activity likely to be stimulated;

(12) and other information that the agency determines to be necessary or advisable.

(11)(a) the beneficial influences upon the tax base of the community;

Incremental New Taxes Resulting from the Proposed Development:

The public investment of tax increment is expected to yield the private investment and the resultant incremental tax revenues to the Taxing Entities. As a result, the Project Area would produce a total gross tax cash flow of \$13.8 million over a 20-year period of time.

For a 20-year period, the incremental tax revenues which are projected to be generated from the increased assessed value resulting from the construction of the restoration/revitalization/expansion improvements are summarized below:

Taxing Entity	20 Year Gross	Annual (Year 1)
Ogden City School Dist.	\$5,265,471	\$146,402
Weber County	\$2,106,188	\$ 58,561
Ogden City	\$1,904,771	\$ 52,961
Weber Basin Water Cons.	\$ 112,466	\$ 3,127
Central Weber Sewer Imp. Dist.	\$ 482,583	\$ 13,418
Weber Co. Mosquito	\$ 10,234	\$ 285
Weber Area Dispatch 911	\$ 173,812	\$ 4,833
Ogden City Special Levy	\$ 168,700	\$ 4,691

The benefits, which are projected, to accrue to the tax base of Ogden, Weber County and surrounding communities include; local option sales tax revenue, real and personal property tax revenue and franchise tax revenue.

(11)(b) the associated business and economic activity likely to be stimulated; and other information that the agency determines to be necessary or advisable;

This public investment of tax increment is expected to stimulate the following associated business and economic activity:

Short-Term Construction Employment

It is estimated that a total of 185 full-time equivalent (FTE) workers will be on-site during construction of the Project Area. The estimated total payroll during the construction period is about \$7.7 million.

The number of construction jobs is calculated based on construction labor costs, which are assumed to be about 35 percent of total construction costs (the remaining 65 percent is spent for materials and overhead). The current average construction wage for the project is estimated to be \$41,800 which is derived from salary/wage data by industry from the State of Utah Department of Workforce Services.

It is reasonable to expect that construction workers may spend a typical portion of their wages in Ogden City and Weber County for food, clothing, recreation and transportation from which sales tax revenue would be generated. A portion of construction materials used during the construction of the Kiesel Community Development Area project may be purchased from suppliers in Ogden City and Weber County.

Direct Employment

It is anticipated that new full-time equivalent employees will be employed by businesses locating in the Project Area as a result of the restoration/revitalization/expansion improvements.

Direct Purchase of Supplies and Services

It is anticipated that the businesses locating in the Project Area will directly purchase local goods and services related to their operations. These purchases will likely increase employment opportunities in the related businesses of management, subcontracting, research, legal, supplies, transportation, etc.

- *Direct impact* is spending done by a business in the local economy to operate the business, including inventory, utilities, equipment and pay to employees.
- *Indirect impact* refers to the conventional multiplier that happens as dollars the local business spends at other area businesses re-circulate.
- *Induced impact* refers to the additional consumer spending that happens as employees, business owners and others spend their income in the local economy.

Associated business and economic activity or the "indirect" and "induced" business impacts of a program, project or facility are often referred to as "multiplier effects," since they can make the overall economic impacts substantially larger than the direct effects alone.

Impact on Other Taxing Entities

The formation of a Community Development Project Area and the related interlocal agreements with taxing entities temporarily diverts to the Agency the tax increment from the taxing entities that would normally receive property tax revenues. Taxing entities agree to provide funding of

the Project Area Plan through interlocal agreements with the Redevelopment Agency of Ogden City to provide all or part of the tax increment from the taxing entities to pay for project costs such as the economic improvement related CDA Specific Projects. The analysis indicates that between 74% to 94% of the tax increment generated from the Project Area for 20 years would amount to an estimated \$10.225 million to \$12.99 million (rounded). It is also anticipated during a 20-year period that 6% of the tax increment generated from the Project Area would amount to an estimated \$836 thousand (rounded). Of course, the actual tax revenue generated is dependent, in part, on the rate of development and the assessed value of improvements in the Project Area. Following the agreed upon Agency tax increment collection period, the entire real property taxes generated from this Project Area would be distributed among all taxing entities in accordance with their tax levies.

Conclusion

Ogden City and the Redevelopment Agency are considering appropriating a portion of the total tax revenue received from the development of the Project Area to the project for the purposes of immediately strengthening the economic base of the community, broadening the City's, Weber County's and the State of Utah tax bases, provide services to the area and generally enhance the safety, prosperity, peace, order and convenience to the community.

Ogden City and the Redevelopment Agency are seeking to encourage and facilitate the development of business activities within the Community Development Area by providing a means by which some portion of the cost incurred in the acquisition, construction or replacement of essential investment and/or infrastructure may be eligible for funding vis-à-vis an appropriation from the tax revenue generated as a result of the development.

The value received for any contribution and/or reimbursement made must be measured on a project-by-project basis over the life of the project. It must be established that additional property tax revenues, or other tangible and quantifiable benefits will be received as a result of a development project for which a contribution/reimbursement are sought.

In determining whether the appropriation/reimbursement is necessary and appropriate to accomplish the reasonable goals and objectives in the area of economic development, job creation and preservation, and other public purposes, the City and Redevelopment Agency should consider what would reasonably be paid every year in return for the development of the Project Area and the generation of new property tax revenues as the result of the project.

The economic benefits associated with the Kiesel Community Development Project Area include:

- < Total investment is estimated to be \$28 million.
- < New direct employment of full-time equivalent jobs.
- < Short-term construction employment estimated to be 185 full-time equivalent jobs with a payroll of \$7.7 million.

- < New indirect employment as the result of the direct employment generated within the Community.
- < Direct purchases for supplies from local suppliers/vendors.
- < A continued economic and commercial diversification of Ogden City, the State of Utah, Weber County and surrounding communities.

Without establishing a community development project area, providing the requested tax increment assistance and committing to invest in the Kiesel Community Development Area will hamper and diminish the scope of development, thus depriving Ogden City and the Weber County area of the economic benefits which could accrue as the result of the development taking place at the level anticipated.

The Kiesel Community Development Project Area meets the requirements set forth in Utah Code title 17C, Chapter 4, Section 103 regarding the proposed Community Development Project Area.

The Kiesel Community Development Project Area in Ogden City will provide beneficial influences upon the tax base of the community.

The Kiesel Community Development Project Area in Ogden City will stimulate business and associated economic activity.

The Kiesel Community Development Project Area will promote the public peace, health, safety and welfare in Ogden City.

There are substantial economic benefits associated with the tax increment investment by Ogden City, Ogden School District, Weber County and other Taxing Entities in the Kiesel Community Development Project Area.

APPENDIX E

PROJECT AREA BUDGET

