

RESOLUTION NO. _____

RESOLUTION OF THE REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN CITY APPOINTING AND ELECTING OFFICERS TO SERVE IN THE REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN CITY

WHEREAS, the Redevelopment Agency of Eagle Mountain City was created to transact the business of a redevelopment agency and to exercise all of the powers provided for in the Utah Redevelopment Agencies Act, 17B-4-101 et. seq., Utah Code Annotated (1953, as amended) and any successor law or act; and

WHEREAS, the Redevelopment Agency of Eagle Mountain City finds it necessary and desirable to elect or appoint officers of the Redevelopment Agency of Eagle Mountain City, ratify all prior actions taken by the Board; and

WHEREAS, these officers shall transact the business and exercise the powers of the Agency in each official capacity as described and provided for within the Bylaws of the Redevelopment Agency of Eagle Mountain City, and shall serve for the designated term of said office, or until such time as the Board of Directors shall appoint or elect other officers at a properly noticed meeting of the Agency.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Redevelopment Agency of Eagle Mountain City that all prior actions of the Board are ratified and confirmed and the following persons are hereby elected and appointed to serve as officers of the Redevelopment Agency of Eagle Mountain City for the terms provided for in the Agency's Bylaws and until their replacements are appointed or elected:

_____ Chairperson

_____ Vice-Chairperson

_____ Executive Director

PASSED this _____ day of _____, 2015, by the Board of Directors of the Redevelopment Agency of Eagle Mountain City.

Chair, Chris Pengra

ATTEST:

Executive Director, Ikani Taumoepeau

**EAGLE MOUNTAIN CITY
REDEVELOPMENT AGENCY MEETING
DEC. 1, 2015**

TITLE:	RESOLUTION – Approve a Tax Increment Agreement between the Redevelopment Agency of Eagle Mountain City and Iron Eagle Development Inc.		
FISCAL IMPACT:	\$603,250		
APPLICANT:	Eagle Mountain City – Economic Development		
GENERAL PLAN DESIGNATION	CURRENT ZONE	ACREAGE	COMMUNITY
N/A	NA/	674	Gateway Park Industrial

NOTICES:

REQUIRED FINDINGS:

Planning Commission Action / Recommendation
Vote: N/A

Prepared By: IKANI TAUMOEPEAU, ECONOMIC DEVELOPMENT, SR. PROJECT MANAGER

NOTES/COMMENTS:

RECOMMENDATION:

The Economic Development Director recommends that the Redevelopment Agency of Eagle Mountain City, by resolution, enter into the Tax Increment Agreement with Iron Eagle Development Inc. pertaining to the #2012-1 Economic Development Project Area.

BACKGROUND:

In September 2012, the #2012-1 EDA Project Area was created to spur economic development growth and job creation in the City. In September 2012, the taxing entities in the area formed the Tax Entity Committee (TEC) and agreed to remit the following tax portions (below) to the #2012-1 Project Area, in excess of the “base year” tax amount, to help elicit economic growth.

TAX INCREMENT HAIRCUT SCHEDULE			
TAXING ENTITY	PERCENTAGE	NO. OF YEARS	CAPPED
Utah County	26%	20	
Alpine School District	26%	20	
Eagle Mountain City	75%	20	
CUWCD	26%	20	
Total Project Area			\$635,000

The #2012-1 Budget will have a twenty (20) year duration from the date of the first tax increment receipt beginning with taxes collected in calendar year 2015 and remitted in calendar year 2016. The collection of tax increment shall be exclusively for tax years 2015 (FY2016) through 2035 (FY2036), provided that the total amount of tax increment collected by the Agency shall not exceed \$635,000.

5% Administration Costs: When the #2012-1 Project Area was created, it was agreed that only 95% of the tax increment would be used towards public infrastructure and 5% would be used to offset the administration costs of the Agency. For example, if at the end of the 20 years the \$635,000 has been collected, \$603,250 (95%) would be earmarked to reimburse public infrastructure and \$31,750 (5%) would remain in the #2012-1 Budget and be used to offset administration costs of the Agency (i.e. consultant fees, FTE time, etc.).

Tax Increment: *Tax Increment Only Used On-Site for Public Infrastructure*

The #2012-1 Budget states that remitted taxes for this Project Area can only be used towards public infrastructure improvements on this 674 acre site, including: parking, roadway, landscaping improvements, and utilities. In other words, the tax increment earned on this site cannot be used towards a different location or for a different purpose.

20 Year Projection: *The Tax Increment Haircut Schedule* represents the tax percentages that were agreed on by each TEC member in 2012, which are fixed and set for the next 20 years. Tax Increment Financing (TIF) are tied to property valuations and are not fixed. As real and personal property value increases on the 674 acre site, the TIF increases, and vice versa. Eagle Mountain City has agreed to offer 75% of their property tax portion for 20 years, but because of the City's lower tax rate, this dollar amount over 20 years will be significantly less than the dollar amount remitted from Alpine School District (*see below*). Although the Alpine School District (ASD) agreed to remit only 26% of the property taxes back to the #2012-1 Project Area, because of their higher tax rate, their dollar amount represents the biggest portion of the tax increment. The Alpine School District's tax portion represents 64% of the \$635,000, and Eagle Mountain represents 25%.

PROPERTY TAX INCREMENT FOR BUDGET - #2012-1			
TAXING ENTITY	Percentage	Year 1	Total
Utah County	26%	\$1,081	\$43,578
Alpine School District	26%	\$10,158	\$409,592
Eagle Mountain City	75%	\$4,006	\$161,543
CUWCD	26%	\$503	\$20,287
Total Project Area		\$15,748	\$635,000

Note: The City's portion represents 25% of the total TIF Budget. Projections.

REMAINING PROPERTY TAX INCREMENT			
TAXING ENTITY	Percentage	Year 1	Total
Utah County	74%	\$3,076	\$186,159
Alpine School District	74%	\$28,911	\$1,749,681
Eagle Mountain City	25%	\$1,335	\$133,684
CUWCD	74%	\$1,432	\$86,660
Total Project Area		\$34,754	\$2,156,184

Note: Remaining Property Tax Increment That Are Remitted Back To The Taxing Entities. Projections.

To help compare the relative magnitude of this #2012-1 EDA Project to other Redevelopment Agency projects around the State, it might help to look at some helpful data. Since 1993, the average term of projects was 14 years; the maximum was 25 years and the minimum was 5 years. The average amount of increment per project was \$10.2M; the maximum was 126.7M, and the minimum was \$106,416.

The ultimate reason why this Economic Development Project Area was created was to spur economic development growth and create jobs in the community. Iron Eagle Development Inc. has spent +\$800,000 on public infrastructure to improve the site for Questar Gas and Ace Rents. These companies are creating 50 new jobs in Eagle Mountain next year alone. The public infrastructure opens several acres for development in the future and makes it possible to site manufacturing and hi-tech companies to the City.

The newly laid public infrastructure on site has definitely made this location more attractive. We recently met with this developer and a commercial broker about the next progression at Gateway Park Industrial. We discussed a 40,000 sq. ft. building to recruit hi-tech and service oriented companies that are looking for a new place at an affordable price. The developer is currently drafting site plans, elevations and renderings. The commercial broker is confident that he can get this building leased once the developer comes up with the site plan and right price point. We are only able to discuss the possibility of this 40,000 sq. ft. building because one of the most challenging (and expensive) issues in Economic Development, public infrastructure, has already been solved.

This Tax Increment Agreement is an interlocal agreement with the RDA and Iron Eagle Development to reimburse for public infrastructure improvements on the Gateway Park Industrial site, through the #2012-1 Budget.



EAGLE
M O U N T A I N



EAGLE MOUNTAIN

ECONOMIC DEVELOPMENT PROJECT AREA

#2012-1

DRAFT PROJECT AREA BUDGET

PREPARED FOR:

REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN CITY, UTAH
COUNTY, UTAH

DATED: AUGUST 20, 2012

JULY 27, 2012

PREPARE BY:

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.



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INTRODUCTION

The Redevelopment Agency of Eagle Mountain, Utah (the “Agency”), following thorough consideration of the needs and desires of Eagle Mountain City (the “City”) and its residents, as well as understanding the City’s capacity for new development, has carefully crafted this draft Project Area Budget (the “Budget”) in conjunction with a draft Project Area Plan (the “Plan”) for the Economic Development Project Area #2012-1 (the “Project Area”). The Plan and Budget are the end result of a comprehensive evaluation of the types of appropriate land-uses that would best spur economic development and job creation for the land encompassed by the Project Area which lies north of West Cedar Point Road at the northeast end of Eagle Mountain’s City boundary. The Plan lays out the vision for the Project Area and this Budget defines the means of funding various aspects of development for the Project Area from its current state to a higher and better use. The City has determined that it is in the best interest of its citizens to assist in the development of the Project Area. It is the purpose of this Budget to clearly set forth the Project Area’s time frame, its funding mechanism(s), and its value to the residents of the City and other taxing districts.

The Project is being undertaken as an economic development project pursuant to certain provisions of Chapters 1 and 4 of the Utah Community Development and Renewal Agencies Act (the “Act”, Utah Code Annotated (“UCA”) Title 17C). The requirements of the Act, including notice and hearing obligations, have been scrupulously observed at all times throughout the establishment of the Project Area.

SECTION 1: DESCRIPTION OF ECONOMIC DEVELOPMENT PROJECT AREA

The Project Area lies entirely within the boundaries of the City and is located in the north-eastern portion of the City. The property encompasses approximately 674.06 acres of land.

Table 1: Property Description		
Owner	Parcel ID	Acres
PINE GROVE PROPERTIES LIMITED PARTNERSHIP	58-033-0296	110.58
HHH INVESTMENT GROUP LC	58-033-0217	9.99
WAGSTAFF, NEIL A & NEIL A (ET AL)	58-033-0295	38.17
TWO A LLC	58-033-0282	132.76
TWO A LLC (ET AL)	58-022-0005	124.58
TWO A LLC	58-033-0013	157.99
RCA14 LC (ET AL)	58-033-0011	13.56
SMITH GLENN E LIMITED PARTNERSHIP	58-033-0241	16.26
RCA65 LC	58-033-0020	67.46
PINE GROVE PROPERTIES LIMITED PARTNERSHIP	58-033-0240	0.87
OTHER LAND W/O PARCEL ID OR OWNER INFO		1.84
Total		674.06

As delineated in the office of the Utah County Recorder, the Project Area encompasses all of the parcels and land detailed in TABLE 1: PROPERTY DESCRIPTION.

A map, site plan and legal description of the Project Area are attached hereto in APPENDIX A.



SECTION 2: PROJECT AREA BUDGET

The purpose of the Project Area Budget is to provide the financial framework necessary to implement the Project Area Plan. The following information will detail the sources and uses of tax increment and other necessary details needed for public officials, interested parties, and the public in general to understand the mechanics of the Project Area Budget.

BASE YEAR VALUE

The Agency has determined that the base year property tax value for the Project Area Budget will be the total taxable value (including real and personal property) for the 2011 tax year which is estimated to be \$2,024,252. Using the 2011 tax rates established within the Project Area the property taxes levied equate to \$24,749. Accordingly, this amount will continue to flow thru to each taxing entity proportional to the amount of the tax rate being levied.

PAYMENT TRIGGER

This Budget will have a ten (10) to twenty year (20) duration (depending on the option adopted in the final budget) from the date of the first tax increment receipt beginning with taxes collected in 2013 and remitted in 2014. The collection of tax increment shall be exclusively for tax years 2013 through 2023 or 2033 (depending on the budget option adopted as described later in the document), provided that the total amount of tax increment collected by the Agency shall not exceed \$635,000.

PROJECTED TAX INCREMENT REVENUE – TOTAL GENERATION

Development within the Project Area will commence upon favorable market conditions which will include both horizontal and vertical infrastructure and development. The Agency anticipates the relocation of a manufacturing company that will construct a 130,000 square-foot manufacturing/industrial building beginning in the Project Area in 2012 or 2013. The contemplated development will generate significant additional property tax above what is currently generated within the Project Area and the development will also generate a significant number of jobs as described below.

PROPERTY TAX

Property tax increment will begin to be generated in the tax year (ending Dec 31) following construction completion and tax increment will actually be paid to the Agency in March or April after collection. It is projected that property tax increment generation within the Project Area could begin as early as 2013 or as late as 2015. In this draft Budget, four (4) different options will be presented from which one (1) option or a combination of the options will be adopted into the final budget. It is currently estimated that during the budget life of the four options presented the following tax increment will be generated over and above the \$247,485 over a 10 years or \$494,970 over 20 years that the properties currently generate at the annual amount of \$24,749:

- Options 1 & 2: Over a 10-yr period, both are estimated to generate \$1.036 million ((NPV \$805,712)
- Options 3 & 4: Over a 20-yr period, both are estimated to generate \$1.93 million (NPV \$1.23 million)

JOBS

The relocation of the manufacturing company will add an estimated 300 jobs initially to the local area. After the first eighteen (18) months of operation, the company expects to add another 40-60 employees.



PROJECTED TAX INCREMENT REVENUE –TOTAL TO IMPLEMENT PROJECT AREA PLAN

The Agency will utilize only a portion of the total estimated incremental property taxes (“Tax Increment”) available in each of the four (4) options presented to implement the Project Area Plan.

- Option #1 will utilize \$625,004 of the approximate total of \$1.036 million of tax increment
- Option #2 will utilize \$187,004 of the approximate total of \$1.036 million of tax increment
- Option #3 will utilize \$629,500 of the approximate total of \$1.93 million of tax increment
- Option #4 will utilize \$267,159 of the approximate total of \$1.93 million of tax increment

Ninety-five percent (95%) of tax increment available for the Budget in each of the four (4) options will be allocated to the Public Infrastructure Fund for the purpose of funding certain public infrastructure projects both within and outside the Project Area necessary to accommodate development in the Project Area. Approximately 5% will be used to offset the administration costs of the Agency. The Public Infrastructure Fund’s expenditures will include: parking, roadway, landscaping improvements, and utilities. It is currently projected that at the final year of each budget option the Public Infrastructure Fund will have totaled (\$593,754–Option #1, \$177,654–Option #2, \$629,500–Option #3, \$253,801–Option #4) in total tax increment received. This projection only includes the tax increment from the construction of the manufacturing/industrial building and not any additional development within the Project Area.

TAX INCREMENT - \$635,000 CAP

The total tax increment to be utilized in the Project Area Budget will be capped at \$631,579 meaning that if the Budget reaches \$631,579 in total increment received before the end of the Project Area’s 10 or 20-year life span the Budget will not take any more tax increment and the Project Area will terminate. In other words, the Project Area will continue its existence for the full ten (10) or twenty (20) years (depending on the option) unless the total tax increment for the Budget meets the \$631,579 mark of total tax increment received.

ALPINE SCHOOL DISTRICT

For Budget options 2 and 4, the Alpine School District will participate through the construction of certain road way infrastructure instead of contributing tax increment to the Project Area Budget. This road way infrastructure will be determined at a later date through an agreement between the City and the Alpine School District.



EAGLE MOUNTAIN CITY, UTAH

EDA #2012-1

Tax Increment Projection

Table 2: EDA Summary of Project Area Budget - 10 & 20 Year Budgets with and without participation from the Alpine School District

Sources of Funds (Property Tax Increment):	Option #1 - 10 Years			Option #2 - 10 Years (No School District)			Option #3 - 20 Years			Option #4 - 20 Years (No School District)		
	Participation Rate	Total Amounts	NPV @ 5.00%	Participation Rate	Total Amounts	NPV @ 5.00%	Participation Rate	Total Amounts	NPV @ 5.00%	Participation Rate	Total Amounts	NPV @ 5.00%
Utah County	58%	\$ 66,015	\$ 51,295	55%	\$62,600	\$48,642	26%	\$55,182	\$35,141	26%	\$55,182	\$ 35,141
Alpine School District	58%	433,476	336,820	0%	\$ -	\$ -	26%	\$362,340	\$230,748	0%	\$ -	\$ -
Eagle Mountain City	75%	104,066	80,861	75%	\$104,066	\$80,861	75%	\$194,050	\$123,576	75%	\$194,050	\$123,576
Central Utah Water Conservancy District	58%	21,448	16,665	55%	\$ 20,338	\$15,803	26%	\$17,928	\$ 11,417	26%	\$17,928	\$ 11,417
Total Sources of Funds:		\$625,004	\$ 485,642		\$187,004	\$145,306		\$629,500	\$ 400,883		\$267,159	\$170,135
Uses of Funds:	Total Amounts	NPV @ 5.00%	Total Amounts	Total Amounts	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%
Public Infrastructure Fund (Roads, Utilities, etc)*	\$593,754	\$ 461,360	\$177,654	\$138,041	\$598,025	\$380,839	\$253,801	\$161,628				
EDA Administration @ 5%	31,250	24,282	\$9,350	\$ 7,265	\$ 31,475	\$ 20,044	\$13,358	\$ 8,507				
Total Uses of Funds:	\$ 625,004	\$485,642	\$187,004	\$145,306	\$629,500	\$400,883	\$267,159	\$ 170,135				
Remaining for Taxing Entities:	Total Amounts	NPV @ 5.00%	Total Amounts	Total Amounts	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%
Utah County	\$ 47,804	\$ 37,145	\$51,219	\$ 39,798	\$ 157,055	\$100,017	\$157,055	\$100,017				
Alpine School District	313,896	243,904	\$747,372	\$580,724	\$1,031,276	\$656,746	\$1,393,617	\$887,494				
Eagle Mountain City	34,689	26,954	\$34,689	\$ 26,954	\$ 64,683	\$ 41,192	\$ 64,683	\$ 41,192				
Central Utah Water Conservancy District	15,531	12,068	\$16,640	\$ 12,930	\$ 51,025	\$32,494	\$ 51,025	\$32,494				
Total Sources of Funds:	\$ 411,920	\$320,071	\$849,920	\$ 660,406	\$1,304,041	\$830,449	\$1,666,381	\$1,061,198				
Total Tax Increment Generation:	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%
Utah County	\$ 113,819	\$ 88,440	\$ 113,819	\$ 88,440	\$212,237	\$135,159	\$ 212,237	\$135,159				
Alpine School District	747,372	580,724	\$ 747,372	\$580,724	\$12,393,617	\$887,494	\$1,393,617	\$ 887,494				
Eagle Mountain City	138,754	107,815	\$138,754	\$107,815	\$ 258,733	\$164,769	\$258,733	\$164,769				
Central Utah Water Conservancy District	36,978	28,733	\$36,978	\$28,733	\$ 68,953	\$43,911	\$ 68,953	\$43,911				
Total Incremental Property Tax Generation:	\$1,036,924	\$805,712	\$1,036,924	\$805,712	\$1,933,541	\$1,231,332	\$1,933,541	\$1,231,332				

JULY 27, 2012

PREPARE BY:

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.



All taxing entities that receive property tax generated within the Project Area, as detailed above in Table 2, will share at least a portion of that increment generation with the Agency. Depending on the option adopted in the final Budget, most, or not all, taxing entities (except Eagle Mountain City) will contribute a portion of their respective tax increment for either 10 or 20 years. Eagle Mountain City will contribute 75% of their respective tax increment over the same period.

PROJECTED TAX INCREMENT REVENUE – TOTAL SHARED WITH OTHER ENTITIES

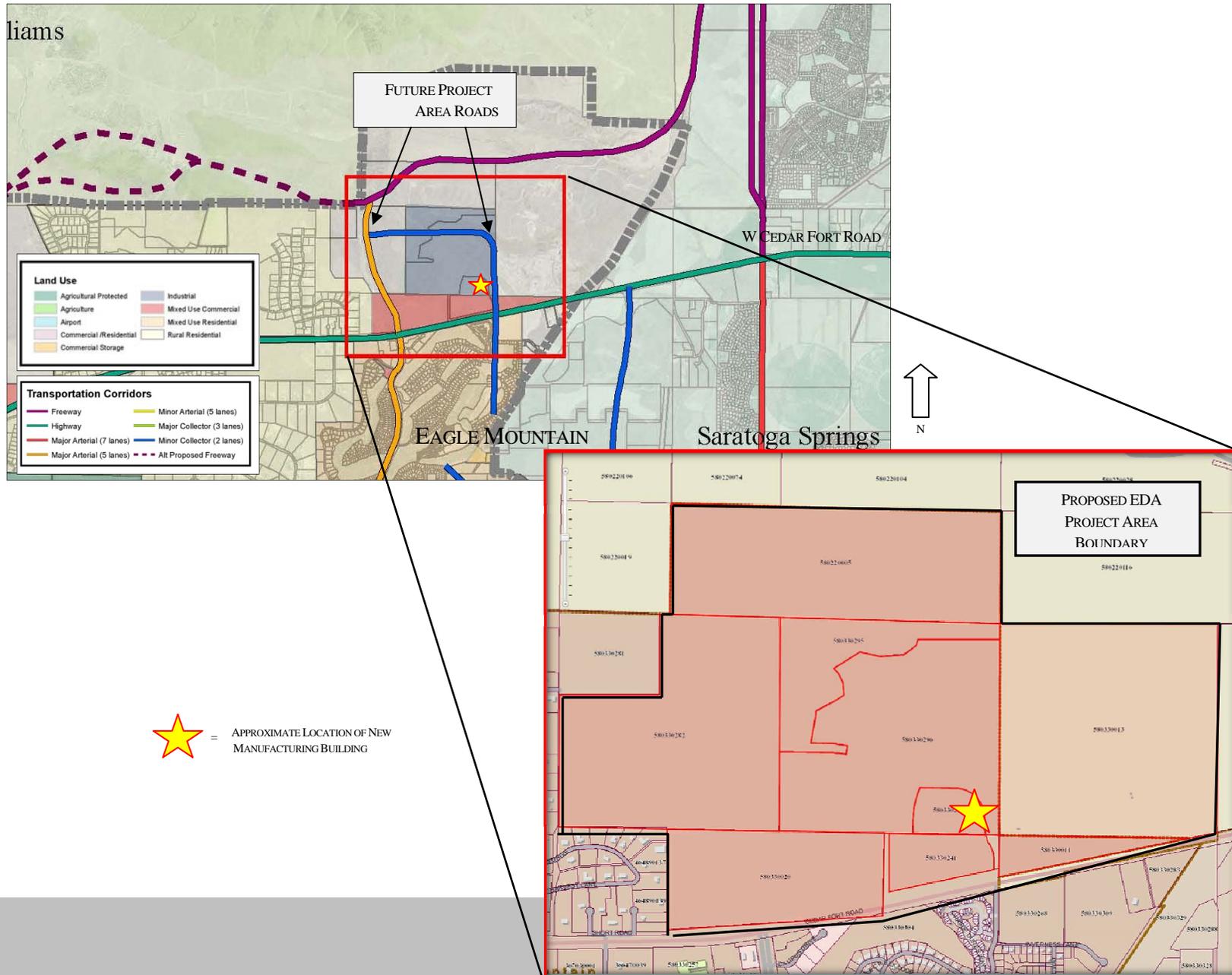
All taxing entities, except Eagle Mountain City, as detailed in Table 2, will receive a percentage of their respective property tax increment generated within the Project Area during the duration of the Budget and all tax increment thereafter (depending on the option). Eagle Mountain City will receive 25% of their respective property tax increment throughout the duration of the budget.

PROJECTED TAX REVENUE – CURRENT REVENUE FROM BASE YEAR

The taxing entities are currently receiving—and will continue to receive—property tax revenue from the current taxable value of the property within the Project Area which is currently estimated to be valued at \$2,024,252. Based upon the current tax rates in the area, the collective taxing entities are receiving \$24,749 in property tax annually from this Project Area. This equates to approximately \$247,485 for a ten (10) Project Area or \$494,970 over the twenty (20) year Project Area.



APPENDIX A: MAP, SITE PLAN, AND LEGAL DESCRIPTION





THE FOLLOWING DESCRIBED REAL PROPERTY IS LOCATED IN UTAH COUNTY, UTAH:

BEGINNING AT A POINT NORTH 1,302.22 FT AND SOUTH 1,359.08 FT FROM THE SOUTH WEST CORNER SECTION 8 T5S R1W SALT LAKE BASE & MERIDIAN UTAH COUNTY, UTAH; THENCE S88°46'08"E 4010.12 FT; THENCE S0°32'58"W 1364.18 FT; THENCE S89°54'30"E 2660.3 FT; THENCE S0°23'26"W 2538.7 FT; THENCE S78°26'26"W 2711.6 FT; THENCE N0°14'00"E 94.7 FT; THENCE S78°03'03"W 1365.2 FT; THENCE N88°53'23"W 71.6 FT; THENCE S01°06'37"W 291.7 FT; THENCE S86°16'52"W 2625.4 FT; THENCE N 1228.4 FT; THENCE N88°53'26"W 1320.09 FT; THENCE N0°13'53"E 1600 FT; THENCE E 1216.2 FT; THENCE N 987.9 FT; THENCE S88°03'28"E 128.3 FT; THENCE N0°48'00"E 1347.67 FT TO P.O.B., AREA = 674.06 AC.

JULY 27, 2012

PREPARE BY:

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.



APPENDIX B: BUDGET SUMMARY & MULTI-YEAR BUDGETS

EAGLE MOUNTAIN CITY, UTAH

EDA #2012-1

Tax Increment Projection

Table 2: EDA Summary of Project Area Budget - 10 & 20 Year Budgets with and without participation from the Alpine School District

	Option #1 - 10 Years			Option #2 - 10 Years (No School District)			Option #3 - 20 Years			Option #4 - 20 Years (No School District)		
	Participation Rate	Total Amounts	NPV @ 5.00%	Participation Rate	Total Amounts	NPV @ 5.00%	Participation Rate	Total Amounts	NPV @ 5.00%	Participation Rate	Total Amounts	NPV @ 5.00%
Sources of Funds (Property Tax Increment):												
Utah County	58%	\$ 66,015	\$ 51,295	55%	\$ 62,600	\$ 48,642	26%	\$ 55,182	\$ 35,141	26%	\$ 55,182	\$ 35,141
Alpine School District	58%	433,476	336,820	0%	-	-	26%	362,340	230,748	0%	-	-
Eagle Mountain City	75%	104,066	80,861	75%	104,066	80,861	75%	194,050	123,576	75%	194,050	123,576
Central Utah Water Conservancy District	58%	21,448	16,665	55%	20,338	15,803	26%	17,928	11,417	26%	17,928	11,417
Total Sources of Funds:		\$ 625,004	\$ 485,642		\$ 187,004	\$ 145,306		\$ 629,500	\$ 400,883		\$ 267,159	\$ 170,135
Uses of Funds:												
		Total Amounts	NPV @ 5.00%		Total Amounts	Total Amounts		Total Amounts	NPV @ 5.00%		Total Amounts	NPV @ 5.00%
Public Infrastructure Fund (Roads, Utilities, etc)		\$ 593,754	\$ 461,360		\$ 177,654	\$ 138,041		\$ 598,025	\$ 380,839		\$ 253,801	\$ 161,628
EDA Administration @ 5%		31,250	24,282		9,350	7,265		31,475	20,044		13,358	8,507
Total Uses of Funds:		\$ 625,004	\$ 485,642		\$ 187,004	\$ 145,306		\$ 629,500	\$ 400,883		\$ 267,159	\$ 170,135
Remaining for Taxing Entities:												
		Total Amounts	NPV @ 5.00%		Total Amounts	Total Amounts		Total Amounts	NPV @ 5.00%		Total Amounts	NPV @ 5.00%
Utah County		\$ 47,804	\$ 37,145		\$ 51,219	\$ 39,798		\$ 157,055	\$ 100,017		\$ 157,055	\$ 100,017
Alpine School District		313,896	243,904		747,372	580,724		1,031,276	656,746		1,393,617	887,494
Eagle Mountain City		34,689	26,954		34,689	26,954		64,683	41,192		64,683	41,192
Central Utah Water Conservancy District		15,531	12,068		16,640	12,930		51,025	32,494		51,025	32,494
Total Sources of Funds:		\$ 411,920	\$ 320,071		\$ 849,920	\$ 660,406		\$ 1,304,041	\$ 830,449		\$ 1,666,381	\$ 1,061,198
Total Tax Increment Generation:												
		Total Amounts	NPV @ 5.00%		Total Amounts	NPV @ 5.00%		Total Amounts	NPV @ 5.00%		Total Amounts	NPV @ 5.00%
Utah County		\$ 113,819	\$ 88,440		\$ 113,819	\$ 88,440		\$ 212,237	\$ 135,159		\$ 212,237	\$ 135,159
Alpine School District		747,372	580,724		747,372	580,724		1,393,617	887,494		1,393,617	887,494
Eagle Mountain City		138,754	107,815		138,754	107,815		258,733	164,769		258,733	164,769
Central Utah Water Conservancy District		36,978	28,733		36,978	28,733		68,953	43,911		68,953	43,911
Total Incremental Property Tax Generation:		\$ 1,036,924	\$ 805,712		\$ 1,036,924	\$ 805,712		\$ 1,933,541	\$ 1,231,332		\$ 1,933,541	\$ 1,231,332



EAGLE
M O U N T A I N



EAGLE MOUNTAIN

ECONOMIC DEVELOPMENT PROJECT AREA

#2012-1

DRAFT PROJECT AREA BUDGET

PREPARED FOR:

REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN CITY, UTAH
COUNTY, UTAH

DATED: AUGUST 20, 2012

JULY 27, 2012

PREPARE BY:

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.



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INTRODUCTION

The Redevelopment Agency of Eagle Mountain, Utah (the “Agency”), following thorough consideration of the needs and desires of Eagle Mountain City (the “City”) and its residents, as well as understanding the City’s capacity for new development, has carefully crafted this draft Project Area Budget (the “Budget”) in conjunction with a draft Project Area Plan (the “Plan”) for the Economic Development Project Area #2012-1 (the “Project Area”). The Plan and Budget are the end result of a comprehensive evaluation of the types of appropriate land-uses that would best spur economic development and job creation for the land encompassed by the Project Area which lies north of West Cedar Point Road at the northeast end of Eagle Mountain’s City boundary. The Plan lays out the vision for the Project Area and this Budget defines the means of funding various aspects of development for the Project Area from its current state to a higher and better use. The City has determined that it is in the best interest of its citizens to assist in the development of the Project Area. It is the purpose of this Budget to clearly set forth the Project Area’s time frame, its funding mechanism(s), and its value to the residents of the City and other taxing districts.

The Project is being undertaken as an economic development project pursuant to certain provisions of Chapters 1 and 4 of the Utah Community Development and Renewal Agencies Act (the “Act”, Utah Code Annotated (“UCA”) Title 17C). The requirements of the Act, including notice and hearing obligations, have been scrupulously observed at all times throughout the establishment of the Project Area.

SECTION 1: DESCRIPTION OF ECONOMIC DEVELOPMENT PROJECT AREA

The Project Area lies entirely within the boundaries of the City and is located in the north-eastern portion of the City. The property encompasses approximately 674.06 acres of land.

Table 1: Property Description		
Owner	Parcel ID	Acres
PINE GROVE PROPERTIES LIMITED PARTNERSHIP	58-033-0296	110.58
HHH INVESTMENT GROUP LC	58-033-0217	9.99
WAGSTAFF, NEIL A & NEIL A (ET AL)	58-033-0295	38.17
TWO A LLC	58-033-0282	132.76
TWO A LLC (ET AL)	58-022-0005	124.58
TWO A LLC	58-033-0013	157.99
RCA14 LC (ET AL)	58-033-0011	13.56
SMITH GLENN E LIMITED PARTNERSHIP	58-033-0241	16.26
RCA65 LC	58-033-0020	67.46
PINE GROVE PROPERTIES LIMITED PARTNERSHIP	58-033-0240	0.87
OTHER LAND W/O PARCEL ID OR OWNER INFO		1.84
Total		674.06

As delineated in the office of the Utah County Recorder, the Project Area encompasses all of the parcels and land detailed in TABLE 1: PROPERTY DESCRIPTION.

A map, site plan and legal description of the Project Area are attached hereto in APPENDIX A.

SECTION 2: PROJECT AREA BUDGET

The purpose of the Project Area Budget is to provide the financial framework necessary to implement the Project Area Plan. The following information will detail the sources and uses of tax increment and other necessary details needed for public officials, interested parties, and the public in general to understand the mechanics of the Project Area Budget.

BASE YEAR VALUE

The Agency has determined that the base year property tax value for the Project Area Budget will be the total taxable value (including real and personal property) for the 2011 tax year which is estimated to be \$2,024,252. Using the 2011 tax rates established within the Project Area the property taxes levied equate to \$24,749. Accordingly, this amount will continue to flow thru to each taxing entity proportional to the amount of the tax rate being levied.

PAYMENT TRIGGER

This Budget will have a ten (10) to twenty year (20) duration (depending on the option adopted in the final budget) from the date of the first tax increment receipt beginning with taxes collected in 2013 and remitted in 2014. The collection of tax increment shall be exclusively for tax years 2013 through 2023 or 2033 (depending on the budget option adopted as described later in the document), provided that the total amount of tax increment collected by the Agency shall not exceed \$635,000.

PROJECTED TAX INCREMENT REVENUE – TOTAL GENERATION

Development within the Project Area will commence upon favorable market conditions which will include both horizontal and vertical infrastructure and development. The Agency anticipates the relocation of a manufacturing company that will construct a 130,000 square-foot manufacturing/industrial building beginning in the Project Area in 2012 or 2013. The contemplated development will generate significant additional property tax above what is currently generated within the Project Area and the development will also generate a significant number of jobs as described below.

PROPERTY TAX

Property tax increment will begin to be generated in the tax year (ending Dec 31) following construction completion and tax increment will actually be paid to the Agency in March or April after collection. It is projected that property tax increment generation within the Project Area could begin as early as 2013 or as late as 2015. In this draft Budget, four (4) different options will be presented from which one (1) option or a combination of the options will be adopted into the final budget. It is currently estimated that during the budget life of the four options presented the following tax increment will be generated over and above the \$247,485 over a 10 years or \$494,970 over 20 years that the properties currently generate at the annual amount of \$24,749:

- Options 1 & 2: Over a 10-yr period, both are estimated to generate \$1.036 million ((NPV \$805,712)
- Options 3 & 4: Over a 20-yr period, both are estimated to generate \$1.93 million (NPV \$1.23 million)

JOBS

The relocation of the manufacturing company will add an estimated 300 jobs initially to the local area. After the first eighteen (18) months of operation, the company expects to add another 40-60 employees.



PROJECTED TAX INCREMENT REVENUE –TOTAL TO IMPLEMENT PROJECT AREA PLAN

The Agency will utilize only a portion of the total estimated incremental property taxes (“Tax Increment”) available in each of the four (4) options presented to implement the Project Area Plan.

- Option #1 will utilize \$625,004 of the approximate total of \$1.036 million of tax increment
- Option #2 will utilize \$187,004 of the approximate total of \$1.036 million of tax increment
- Option #3 will utilize \$629,500 of the approximate total of \$1.93 million of tax increment
- Option #4 will utilize \$267,159 of the approximate total of \$1.93 million of tax increment

Ninety-five percent (95%) of tax increment available for the Budget in each of the four (4) options will be allocated to the Public Infrastructure Fund for the purpose of funding certain public infrastructure projects both within and outside the Project Area necessary to accommodate development in the Project Area. Approximately 5% will be used to offset the administration costs of the Agency. The Public Infrastructure Fund’s expenditures will include: parking, roadway, landscaping improvements, and utilities. It is currently projected that at the final year of each budget option the Public Infrastructure Fund will have totaled (\$593,754–Option #1, \$177,654–Option #2, \$629,500–Option #3, \$253,801–Option #4) in total tax increment received. This projection only includes the tax increment from the construction of the manufacturing/industrial building and not any additional development within the Project Area.

TAX INCREMENT - \$635,000 CAP

The total tax increment to be utilized in the Project Area Budget will be capped at \$631,579 meaning that if the Budget reaches \$631,579 in total increment received before the end of the Project Area’s 10 or 20-year life span the Budget will not take any more tax increment and the Project Area will terminate. In other words, the Project Area will continue its existence for the full ten (10) or twenty (20) years (depending on the option) unless the total tax increment for the Budget meets the \$631,579 mark of total tax increment received.

ALPINE SCHOOL DISTRICT

For Budget options 2 and 4, the Alpine School District will participate through the construction of certain road way infrastructure instead of contributing tax increment to the Project Area Budget. This road way infrastructure will be determined at a later date through an agreement between the City and the Alpine School District.



EAGLE MOUNTAIN CITY, UTAH

EDA #2012-1

Tax Increment Projection

Table 2: EDA Summary of Project Area Budget - 10 & 20 Year Budgets with and without participation from the Alpine School District

Sources of Funds (Property Tax Increment):	Option #1 - 10 Years			Option #2 - 10 Years (No School District)			Option #3 - 20 Years			Option #4 - 20 Years (No School District)		
	Participation Rate	Total Amounts	NPV @ 5.00%	Participation Rate	Total Amounts	NPV @ 5.00%	Participation Rate	Total Amounts	NPV @ 5.00%	Participation Rate	Total Amounts	NPV @ 5.00%
Utah County	58%	\$ 66,015	\$ 51,295	55%	\$62,600	\$48,642	26%	\$55,182	\$35,141	26%	\$55,182	\$ 35,141
Alpine School District	58%	433,476	336,820	0%	\$ -	\$ -	26%	\$362,340	\$230,748	0%	\$ -	\$ -
Eagle Mountain City	75%	104,066	80,861	75%	\$104,066	\$80,861	75%	\$194,050	\$123,576	75%	\$194,050	\$123,576
Central Utah Water Conservancy District	58%	21,448	16,665	55%	\$ 20,338	\$15,803	26%	\$17,928	\$ 11,417	26%	\$17,928	\$ 11,417
Total Sources of Funds:		\$625,004	\$ 485,642		\$187,004	\$145,306		\$629,500	\$ 400,883		\$267,159	\$170,135
Uses of Funds:	Total Amounts	NPV @ 5.00%	Total Amounts	Total Amounts	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%
Public Infrastructure Fund (Roads, Utilities, etc)*	\$593,754	\$ 461,360	\$177,654	\$138,041	\$598,025	\$380,839	\$253,801	\$161,628				
EDA Administration @ 5%	31,250	24,282	\$9,350	\$ 7,265	\$ 31,475	\$ 20,044	\$13,358	\$ 8,507				
Total Uses of Funds:	\$ 625,004	\$485,642	\$187,004	\$145,306	\$629,500	\$400,883	\$267,159	\$ 170,135				
Remaining for Taxing Entities:	Total Amounts	NPV @ 5.00%	Total Amounts	Total Amounts	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%
Utah County	\$ 47,804	\$ 37,145	\$51,219	\$ 39,798	\$ 157,055	\$100,017	\$157,055	\$100,017				
Alpine School District	313,896	243,904	\$747,372	\$580,724	\$1,031,276	\$656,746	\$1,393,617	\$887,494				
Eagle Mountain City	34,689	26,954	\$34,689	\$ 26,954	\$ 64,683	\$ 41,192	\$ 64,683	\$ 41,192				
Central Utah Water Conservancy District	15,531	12,068	\$16,640	\$ 12,930	\$ 51,025	\$32,494	\$ 51,025	\$32,494				
Total Sources of Funds:	\$ 411,920	\$320,071	\$849,920	\$ 660,406	\$1,304,041	\$830,449	\$1,666,381	\$1,061,198				
Total Tax Increment Generation:	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%	Total Amounts	NPV @ 5.00%
Utah County	\$ 113,819	\$ 88,440	\$ 113,819	\$ 88,440	\$212,237	\$135,159	\$ 212,237	\$135,159				
Alpine School District	747,372	580,724	\$ 747,372	\$580,724	\$12,393,617	\$887,494	\$1,393,617	\$ 887,494				
Eagle Mountain City	138,754	107,815	\$138,754	\$107,815	\$ 258,733	\$164,769	\$258,733	\$164,769				
Central Utah Water Conservancy District	36,978	28,733	\$36,978	\$28,733	\$ 68,953	\$43,911	\$ 68,953	\$43,911				
Total Incremental Property Tax Generation:	\$1,036,924	\$805,712	\$1,036,924	\$805,712	\$1,933,541	\$1,231,332	\$1,933,541	\$1,231,332				

JULY 27, 2012

PREPARE BY:

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.



All taxing entities that receive property tax generated within the Project Area, as detailed above in Table 2, will share at least a portion of that increment generation with the Agency. Depending on the option adopted in the final Budget, most, or not all, taxing entities (except Eagle Mountain City) will contribute a portion of their respective tax increment for either 10 or 20 years. Eagle Mountain City will contribute 75% of their respective tax increment over the same period.

PROJECTED TAX INCREMENT REVENUE – TOTAL SHARED WITH OTHER ENTITIES

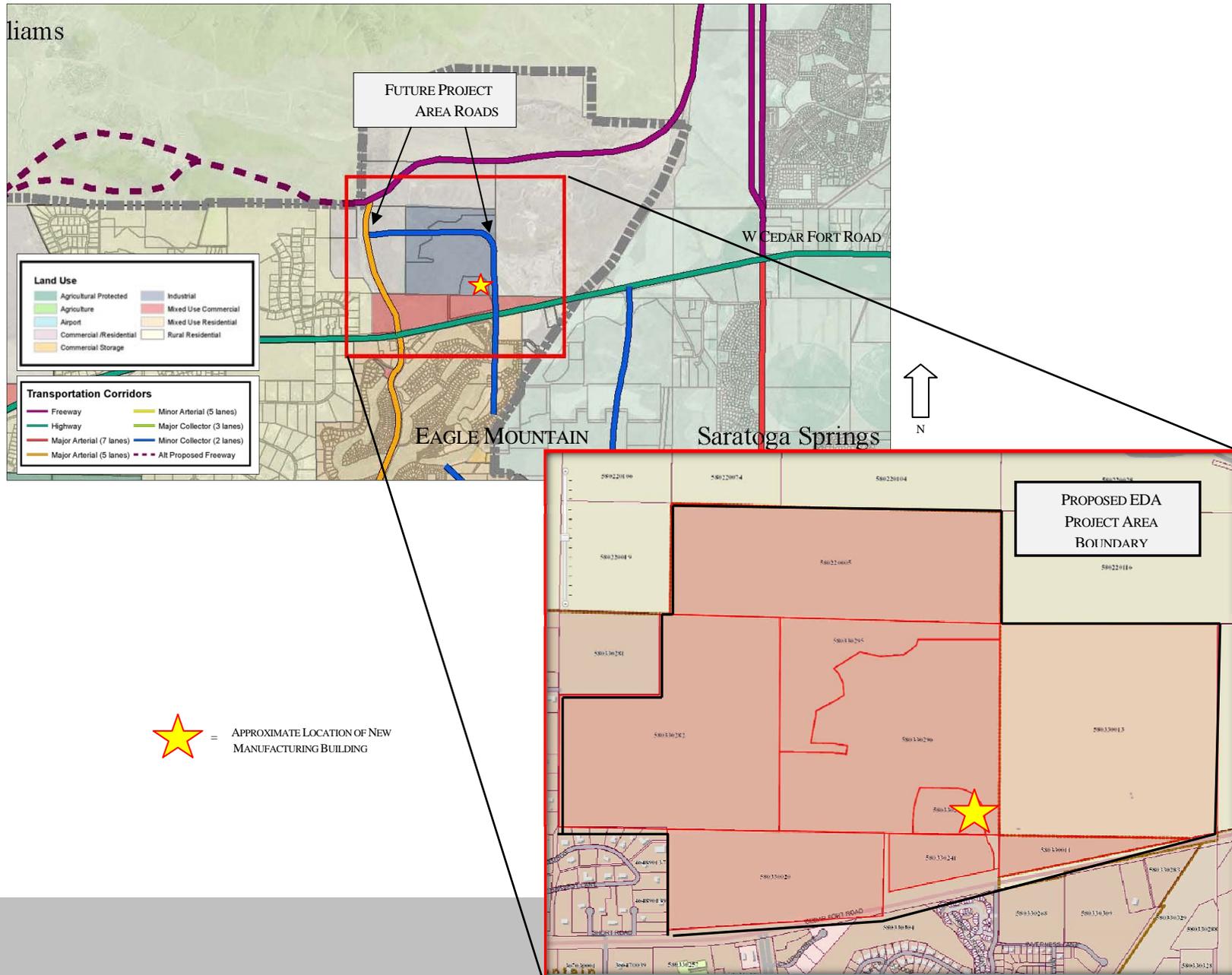
All taxing entities, except Eagle Mountain City, as detailed in Table 2, will receive a percentage of their respective property tax increment generated within the Project Area during the duration of the Budget and all tax increment thereafter (depending on the option). Eagle Mountain City will receive 25% of their respective property tax increment throughout the duration of the budget.

PROJECTED TAX REVENUE – CURRENT REVENUE FROM BASE YEAR

The taxing entities are currently receiving—and will continue to receive—property tax revenue from the current taxable value of the property within the Project Area which is currently estimated to be valued at \$2,024,252. Based upon the current tax rates in the area, the collective taxing entities are receiving \$24,749 in property tax annually from this Project Area. This equates to approximately \$247,485 for a ten (10) Project Area or \$494,970 over the twenty (20) year Project Area.



APPENDIX A: MAP, SITE PLAN, AND LEGAL DESCRIPTION





THE FOLLOWING DESCRIBED REAL PROPERTY IS LOCATED IN UTAH COUNTY, UTAH:

BEGINNING AT A POINT NORTH 1,302.22 FT AND SOUTH 1,359.08 FT FROM THE SOUTH WEST CORNER SECTION 8 T5S R1W SALT LAKE BASE & MERIDIAN UTAH COUNTY, UTAH; THENCE S88°46'08"E 4010.12 FT; THENCE S0°32'58"W 1364.18 FT; THENCE S89°54'30"E 2660.3 FT; THENCE S0°23'26"W 2538.7 FT; THENCE S78°26'26"W 2711.6 FT; THENCE N0°14'00"E 94.7 FT; THENCE S78°03'03"W 1365.2 FT; THENCE N88°53'23"W 71.6 FT; THENCE S01°06'37"W 291.7 FT; THENCE S86°16'52"W 2625.4 FT; THENCE N 1228.4 FT; THENCE N88°53'26"W 1320.09 FT; THENCE N0°13'53"E 1600 FT; THENCE E 1216.2 FT; THENCE N 987.9 FT; THENCE S88°03'28"E 128.3 FT; THENCE N0°48'00"E 1347.67 FT TO P.O.B., AREA = 674.06 AC.

JULY 27, 2012

PREPARE BY:

LEWIS YOUNG ROBERTSON & BURNINGHAM, INC.



APPENDIX B: BUDGET SUMMARY & MULTI-YEAR BUDGETS

EAGLE MOUNTAIN CITY, UTAH

SNUGZ EDA

Tax Increment Projection - Option #1

Table 3.1: Multi-Year Tax Increment Budget (Project Area Forecast) - 10 Years @ 58%

	Payment Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
INCREMENTAL PROPERTY TAX ANALYSIS:	Tax Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cumulative Taxable Value	Year		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Building Value		-	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000
Personal Property Values		-	1,694,600	2,463,065	2,151,530	1,787,688	1,637,688	1,507,688	1,377,688	1,247,688	1,107,688	937,688
Total Values:		-	8,584,600	9,353,065	9,041,530	8,677,688	8,527,688	8,397,688	8,267,688	8,137,688	7,997,688	7,827,688
Value of Current Property		2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252
Total Assessed Value:		2,024,252	10,608,852	11,377,317	11,065,782	10,701,940	10,551,940	10,421,940	10,291,940	10,161,940	10,021,940	9,851,940
LESS BASE YEAR VALUE (2011):		(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)
TOTAL INCREMENTAL VALUE:		-	8,584,600	9,353,065	9,041,530	8,677,688	8,527,688	8,397,688	8,267,688	8,137,688	7,997,688	7,827,688

TAX RATE & INCREMENT ANALYSIS:	2011	Current Property Taxes											Totals	NPV @ 5%
Utah County	0.001342	2,717	11,521	12,552	12,134	11,645	11,444	11,270	11,095	10,921	10,733	10,505	113,819	88,440
Alpine School District	0.008812	17,838	75,647	82,419	79,674	76,468	75,146	74,000	72,855	71,709	70,476	68,978	747,372	580,724
Eagle Mountain City	0.001636	3,312	14,044	15,302	14,792	14,197	13,951	13,739	13,526	13,313	13,084	12,806	138,754	107,815
Central Utah Water Conservancy District	0.000436	883	3,743	4,078	3,942	3,783	3,718	3,661	3,605	3,548	3,487	3,413	36,978	28,733
Totals:	0.012226	24,749	104,955	114,351	110,542	106,093	104,260	102,670	101,081	99,491	97,780	95,701	1,036,924	805,712

TOTAL INCREMENTAL REVENUE WITHIN EDA:			104,955	114,351	110,542	106,093	104,260	102,670	101,081	99,491	97,780	95,701	1,036,924	805,712
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CDA PROJECT AREA BUDGET		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
Sources of Funds:		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
<i>Property Tax Participation Rate for Budget</i>														
Utah County	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%		
Alpine School District	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%		
Eagle Mountain City	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%		
Central Utah Water Conservancy District	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%		
<i>Property Tax Increment for Budget</i>													Totals	NPV @ 5%
Utah County		6,682	7,280	7,038	6,754	6,638	6,536	6,435	6,334	6,225	6,093	6,093	66,015	51,295
Alpine School District		43,876	47,803	46,211	44,351	43,585	42,920	42,256	41,591	40,876	40,007	40,007	433,476	336,820
Eagle Mountain City		10,533	11,476	11,094	10,648	10,463	10,304	10,144	9,985	9,813	9,605	9,605	104,066	80,861
Central Utah Water Conservancy District		2,171	2,365	2,286	2,194	2,156	2,124	2,091	2,058	2,022	1,979	1,979	21,448	16,665
Total Property Tax Increment for Budget:		63,262	68,925	66,629	63,948	62,842	61,884	60,926	59,968	58,937	57,684	57,684	625,004	485,642
Total Sources		-	63,262	68,925	66,629	63,948	62,842	61,884	60,926	59,968	58,937	57,684	625,004	485,642

Uses of Tax Increment Funds*:			2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTALS	NPV	
Public Infrastructure Fund (Roads, Utilities, etc)	95%	-	60,099	65,478	63,297	60,750	59,700	58,790	57,880	56,970	55,990	54,800	593,754	461,360
EDA Administration @ 5%	5%	-	3,163	3,446	3,331	3,197	3,142	3,094	3,046	2,998	2,947	31,250	24,282	
Total Uses	100%	-	63,262	68,925	66,629	63,948	62,842	61,884	60,926	59,968	58,937	625,004	485,642	

REMAINING PROPERTY TAX INCREMENTAL REVENUES FOR TAXING ENTITIES			2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTALS	NPV
Utah County		4,839	5,272	5,096	4,891	4,807	4,733	4,660	4,587	4,508	4,412	47,804	37,145
Alpine School District		31,772	34,616	33,463	32,116	31,561	31,080	30,599	30,118	29,600	28,971	313,896	243,904
Eagle Mountain City		3,511	3,825	3,698	3,549	3,488	3,435	3,381	3,328	3,271	3,202	34,689	26,954
Central Utah Water Conservancy District		1,572	1,713	1,656	1,589	1,562	1,538	1,514	1,490	1,465	1,433	15,531	12,068
Total:		41,694	45,426	43,913	42,146	41,417	40,786	40,155	39,523	38,843	38,018	411,920	320,071

Assumptions	
Discount Rate	5.0%
Inflation Rate	3.0%
Assessed Value Adjustment	100.0%

* Capped at \$631,579

EAGLE MOUNTAIN CITY, UTAH

SNUGZ EDA

Tax Increment Projection - Option #2

Table 3.2: Multi-Year Tax Increment Budget (Project Area Forecast) - 10 years No School District Participation

INCREMENTAL PROPERTY TAX ANALYSIS:	Payment Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Tax Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cumulative Taxable Value	Year		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Building Value		-	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000
Personal Property Values		-	1,694,600	2,463,065	2,151,530	1,787,688	1,637,688	1,507,688	1,377,688	1,247,688	1,107,688	937,688
Total Values:		-	8,584,600	9,353,065	9,041,530	8,677,688	8,527,688	8,397,688	8,267,688	8,137,688	7,997,688	7,827,688
Value of Current Property		2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252
Total Assessed Value:		2,024,252	10,608,852	11,377,317	11,065,782	10,701,940	10,551,940	10,421,940	10,291,940	10,161,940	10,021,940	9,851,940
LESS BASE YEAR VALUE (2011):		(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)
TOTAL INCREMENTAL VALUE:		-	8,584,600	9,353,065	9,041,530	8,677,688	8,527,688	8,397,688	8,267,688	8,137,688	7,997,688	7,827,688

TAX RATE & INCREMENT ANALYSIS:	2011	Current Property Taxes											Totals	NPV @ 5%
Utah County	0.001342	2,717	11,521	12,552	12,134	11,645	11,444	11,270	11,095	10,921	10,733	10,505	113,819	88,440
Alpine School District	0.008812	17,838	75,647	82,419	79,674	76,468	75,146	74,000	72,855	71,709	70,476	68,978	747,372	580,724
Eagle Mountain City	0.001636	3,312	14,044	15,302	14,792	14,197	13,951	13,739	13,526	13,313	13,084	12,806	138,754	107,815
Central Utah Water Conservancy District	0.000436	883	3,743	4,078	3,942	3,783	3,718	3,661	3,605	3,548	3,487	3,413	36,978	28,733
Totals:	0.012226	24,749	104,955	114,351	110,542	106,093	104,260	102,670	101,081	99,491	97,780	95,701	1,036,924	805,712

TOTAL INCREMENTAL REVENUE WITHIN EDA:		104,955	114,351	110,542	106,093	104,260	102,670	101,081	99,491	97,780	95,701	1,036,924	805,712
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CDA PROJECT AREA BUDGET		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
Sources of Funds:		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		
<i>Property Tax Participation Rate for Budget</i>														
Utah County	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%		
Alpine School District	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Eagle Mountain City	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%		
Central Utah Water Conservancy District	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%	55%		
<i>Property Tax Increment for Budget</i>													Totals	NPV @ 5%
Utah County		6,336	6,903	6,674	6,405	6,294	6,198	6,102	6,006	5,903	5,778	5,778	62,600	48,642
Alpine School District		-	-	-	-	-	-	-	-	-	-	-	-	-
Eagle Mountain City		10,533	11,476	11,094	10,648	10,463	10,304	10,144	9,985	9,813	9,605	9,605	104,066	80,861
Central Utah Water Conservancy District		2,059	2,243	2,168	2,081	2,045	2,014	1,983	1,951	1,918	1,877	1,877	20,338	15,803
Total Property Tax Increment for Budget:		18,928	20,623	19,936	19,133	18,803	18,516	18,229	17,943	17,634	17,259	17,259	187,004	145,306
Total Sources		-	18,928	20,623	19,936	19,133	18,803	18,516	18,229	17,943	17,634	17,259	187,004	145,306

Uses of Tax Increment Funds*:			2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTALS	NPV	
Public Infrastructure Fund (Roads, Utilities, etc)	95%	-	17,982	19,591	18,939	18,177	17,863	17,590	17,318	17,046	16,752	16,396	177,654	138,041
EDA Administration @ 5%	5%	-	946	1,031	997	957	940	926	911	897	882	863	9,350	7,265
Total Uses	100%	-	18,928	20,623	19,936	19,133	18,803	18,516	18,229	17,943	17,634	17,259	187,004	145,306

REMAINING PROPERTY TAX INCREMENTAL REVENUES FOR TAXING ENTITIES			2015	2016	2017	2018	2019	2020	2021	2022	2023	TOTALS	NPV
Utah County		5,184	5,648	5,460	5,240	5,150	5,071	4,993	4,914	4,830	4,727	51,219	39,798
Alpine School District		75,647	82,419	79,674	76,468	75,146	74,000	72,855	71,709	70,476	68,978	747,372	580,724
Eagle Mountain City		3,511	3,825	3,698	3,549	3,488	3,435	3,381	3,328	3,271	3,202	34,689	26,954
Central Utah Water Conservancy District		1,684	1,835	1,774	1,703	1,673	1,648	1,622	1,597	1,569	1,536	16,640	12,930
Total:		86,027	93,728	90,606	86,960	85,457	84,154	82,851	81,549	80,146	78,442	849,920	660,406

Assumptions	
Discount Rate	5.0%
Inflation Rate	3.0%
Assessed Value Adjustment	100.0%

* Capped at \$631,579

EAGLE MOUNTAIN CITY, UTAH

SNUGZ EDA

Tax Increment Projection - Option #4

Table 3.4: Multi-Year Tax Increment Budget (Project Area Forecast) - 20 years without School District Participation

INCREMENTAL PROPERTY TAX ANALYSIS:	Payment Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Tax Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
Cumulative Taxable Value	Year																					
Building Value		-	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000	6,110,000
Personal Property Values		-	1,694,600	2,463,065	2,151,530	1,787,688	1,637,688	1,507,688	1,377,688	1,247,688	1,107,688	937,688	737,688	517,688	397,688	397,688	397,688	397,688	397,688	397,688	397,688	397,688
Total Values:		-	8,584,600	9,353,065	9,041,530	8,677,688	8,527,688	8,397,688	8,267,688	8,137,688	7,997,688	7,827,688	7,627,688	7,407,688	7,287,688							
Value of Current Property		2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252	2,024,252
Total Assessed Value:		2,024,252	10,608,852	11,377,317	11,065,782	10,701,940	10,551,940	10,421,940	10,291,940	10,161,940	10,021,940	9,851,940	9,651,940	9,431,940	9,311,940	9,311,940	9,311,940	9,311,940	9,311,940	9,311,940	9,311,940	9,311,940
LESS BASE YEAR VALUE (2011):		(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)	(2,024,252)
TOTAL INCREMENTAL VALUE:		-	8,584,600	9,353,065	9,041,530	8,677,688	8,527,688	8,397,688	8,267,688	8,137,688	7,997,688	7,827,688	7,627,688	7,407,688	7,287,688							

TAX RATE & INCREMENT ANALYSIS:	2011	Current Property Taxes	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Totals	NPV @ 5%	
Utah County	0.001342	2,717	11,521	12,552	12,134	11,645	11,444	11,270	11,095	10,921	10,733	10,505	10,236	9,941	9,780	9,780	9,780	9,780	9,780	9,780	9,780	9,780	212,237	135,159	
Alpine School District	0.008812	17,838	75,647	82,419	79,674	76,468	75,146	74,000	72,855	71,709	70,476	68,978	67,215	65,277	64,219	64,219	64,219	64,219	64,219	64,219	64,219	64,219	64,219	1,393,617	887,494
Eagle Mountain City	0.001636	3,312	14,044	15,302	14,792	14,197	13,951	13,739	13,526	13,313	13,084	12,806	12,479	12,119	11,923	11,923	11,923	11,923	11,923	11,923	11,923	11,923	11,923	258,733	164,769
Central Utah Water Conservancy District	0.000436	883	3,743	4,078	3,942	3,783	3,718	3,661	3,605	3,548	3,487	3,413	3,326	3,230	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	3,177	68,953	43,911
Totals:	0.012226	24,749	104,955	114,351	110,542	106,093	104,260	102,670	101,081	99,491	97,780	95,701	93,256	90,566	89,099	1,933,541	1,231,332								

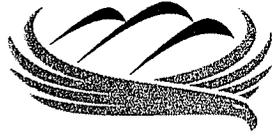
TOTAL INCREMENTAL REVENUE WITHIN EDA:	104,955	114,351	110,542	106,093	104,260	102,670	101,081	99,491	97,780	95,701	93,256	90,566	89,099	89,099	89,099	89,099	89,099	89,099	89,099	89,099	89,099	89,099	89,099	1,933,541	1,231,332
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CDA PROJECT AREA BUDGET	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Totals	NPV @ 5%				
Sources of Funds:																										
<i>Property Tax Participation Rate for Budget</i>																										
Utah County	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%			
Alpine School District	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%			
Eagle Mountain City	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%			
Central Utah Water Conservancy District	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%			
<i>Property Tax Increment for Budget:</i>																										
Utah County	2,995	3,263	3,155	3,028	2,975	2,930	2,885	2,839	2,791	2,731	2,661	2,585	2,543	2,543	2,543	2,543	2,543	2,543	2,543	2,543	2,543	2,543	2,543	55,182	35,141	
Alpine School District	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Eagle Mountain City	10,533	11,476	11,094	10,648	10,463	10,304	10,144	9,985	9,813	9,605	9,359	9,089	8,942	8,942	8,942	8,942	8,942	8,942	8,942	8,942	8,942	8,942	8,942	194,050	123,576	
Central Utah Water Conservancy District	973	1,060	1,025	984	967	952	937	922	907	887	865	840	826	826	826	826	826	826	826	826	826	826	826	826	17,928	11,417
Total Property Tax Increment for Budget:	14,502	15,800	15,274	14,659	14,406	14,186	13,966	13,747	13,510	13,223	12,885	12,514	12,311	12,311	12,311	12,311	12,311	12,311	12,311	12,311	12,311	12,311	12,311	267,159	170,135	
Total Sources	-	14,502	15,800	15,274	14,659	14,406	14,186	13,966	13,747	13,510	13,223	12,885	12,514	12,311	12,311	12,311	12,311	12,311	12,311	12,311	12,311	12,311	12,311	267,159	170,135	

Uses of Tax Increment Funds*:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TOTALS	NPV					
Public Infrastructure Fund (Roads, Utilities, etc)	95%	13,777	15,010	14,510	13,926	13,685	13,477	13,268	13,059	12,835	12,562	12,241	11,888	11,695	11,695	11,695	11,695	11,695	11,695	11,695	11,695	11,695	11,695	253,801	161,628	
EDA Administration @ 5%	5%	725	790	764	733	720	709	698	687	676	661	644	626	616	616	616	616	616	616	616	616	616	616	616	13,358	8,507
Development Enhancements	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Projects	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Uses	100%	14,502	15,800	15,274	14,659	14,406	14,186	13,966	13,747	13,510	13,223	12,885	12,514	12,311	267,159	170,135										

REMAINING PROPERTY TAX INCREMENTAL REVENUES FOR TAXING ENTITIES	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TOTALS	NPV				
Utah County	8,525	9,288	8,979	8,618	8,469	8,340	8,210	8,081	7,942	7,774	7,575	7,356	7,237	7,237	7,237	7,237	7,237	7,237	7,237	7,237	7,237	7,237	7,237	157,055	100,017
Alpine School District	75,647	82,419	79,674	76,468	75,146	74,000	72,855	71,709	70,476	68,978	67,215	65,277	64,219	64,219	64,219	64,219	64,219	64,219	64,219	64,219	64,219	64,219	64,219	1,393,617	887,494
Eagle Mountain City	3,511	3,825	3,698	3,549	3,488	3,435	3,381	3,328	3,271	3,202	3,120	3,030	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	2,981	64,683	41,192
Central Utah Water Conservancy District	2,770	3,018	2,917	2,800	2,751	2,709	2,667	2,626	2,580	2,526	2,461	2,390	2,351	2,351	2,351	2,351	2,351	2,351	2,351	2,351	2,351	2,351	2,351	51,025	32,494
Total:	90,454	98,551	95,268	91,434	89,854	88,484	87,114	85,745	84,269	82,478	80,371	78,053	76,788	1,666,381	1,061,198										

Assumptions	
Discount Rate</	



EAGLE
M O U N T A I N

Engineering Division
2545 North Pony Express Parkway
Eagle Mountain City, Utah 84005
(801) 789-6671

Thursday, January 08, 2015

Mayor Christopher Pengra
Eagle Mountain City
1650 East Stage Coach Run
Eagle Mountain, Utah 84005

Subject: **Gateway Park plat 1** Bond Letter Requirements

Dear Mayor Pengra:

I have reviewed the improvement requirements for **Gateway Park plat 1** subdivision, and recommend the following bonding amount for this concept:

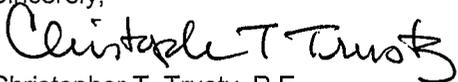
ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
1	SWPPP				
a	Gravel construction entrance	1800	SF	\$2.21	\$3,978.00
b	dust control	200	MG	\$32.20	\$6,440.00
c	Silt fence	2000	LF	\$2.50	\$5,000.00
d	Inlet protection	4	EA	\$83.80	\$335.20
2	EARTH WORK				
a	Clear & grub	98560	SF	\$0.05	\$4,928.00
b	Mass excavation	6570	CY	\$2.64	\$17,344.80
3	ASPHALT & CONCRETE				
a	24" HB curb & gutter w/prep & base	1391	LF	\$14.65	\$20,378.15
b	Asphalt trail 3"x8' w/prep & base	1346	LF	\$32.30	\$43,475.80
c	Rough grade	42220	SF	\$0.07	\$2,955.40
d	3" Asphalt	38380	SF	\$1.22	\$46,823.60
e	9" roadbase, place & compacted	38380	SF	\$0.75	\$28,785.00
f	14" sub base, placed & compacted	38380	SF	\$0.62	\$23,795.60
g	Striping	1500	LF	\$1.01	\$1,515.00
h	Street Signs	1	EA	\$350.00	\$350.00
i	Stop Sign	1	EA	\$350.00	\$350.00
4	SEWER				
a	10" pvc sewer line	2442	LF	\$27.30	\$66,666.60
b	8" pvc sewer line	50	LF	\$24.80	\$1,240.00
c	4' manhole	8	EA	\$2,948.00	\$23,584.00
d	5' manhole	3	EA	\$3,571.00	\$10,713.00
e	4" pvc sewer laterals (40 lf)	4	EA	\$810.00	\$3,240.00
f	Sewer back fill	4150	TON	\$5.40	\$22,410.00

5	STORM DRAIN				
a	18" ADS storm drain HP style	1275	LF	\$30.60	\$39,015.00
b	15" ADS storm drain HP style	972	LF	\$28.40	\$27,604.80
c	Flared end section	2	EA	\$1,399.00	\$2,798.00
d	4' manhole	9	EA	\$2,628.00	\$23,652.00
e	4' storm drain box in pond	6	EA	\$2,449.00	\$14,694.00
f	Curb inlet 2'x3'x4'	6	EA	\$2,218.00	\$13,308.00
g	Storm drain back fill	215	TON	\$5.40	\$1,161.00
6	WATER				
a	12" c-900 culinary water line	1008	LF	\$35.40	\$35,683.20
b	12" butterfly valve	3	EA	\$2,251.00	\$6,753.00
c	10" c-900 culinary water line	51	LF	\$42.20	\$2,152.20
d	10" gate valve	1	EA	\$2,035.00	\$2,035.00
e	12" bends water line	4	EA	\$952.00	\$3,808.00
f	1.5" water lateral	4	EA	\$2,951.00	\$11,804.00
g	Fire Hydrant	3	EA	\$5,286.00	\$15,858.00
h	Waterline backfill	740	TON	\$5.40	\$3,996.00
	TOTAL CONSTRUCTION COST				\$538,630.35
	10% Bond Coverage				\$53,863.04
	TOTAL BOND AMOUNT:				\$592,493.39

A total of 110 percent of the total construction cost shall be guaranteed in the form of a performance bond totaling **\$592,493.39**. (If Power and Gas are installed by the developers own contractor then a bond will need to be placed for the Energy items, if installed by Eagle Mountain City Energy Division then no bond needs to be placed), the above estimate is for determining the required bond amount only. The developer is fully responsible to comply with the Eagle Mountain City Construction Standards and Ordinances.

Please call me if you have any questions.

Sincerely,



Christopher T. Trusty, P.E.
Engineering Director
Eagle Mountain City

Cc: Fionnuala Kofoed, Eagle Mountain City Recorder



Engineering Division
 2545 North Pony Express Parkway
 Eagle Mountain City, Utah 84005
 (801) 789-6671

Thursday, January 08, 2015

Mayor Christopher Pengra
 Eagle Mountain City
 1650 East Stage Coach Run
 Eagle Mountain, Utah 84005

Subject: **Gateway Park plat 2A** Bond Letter Requirements

Dear Mayor Pengra:

I have reviewed the improvement requirements for **Gateway Park plat 2A** subdivision, and recommend the following bonding amount for this concept:

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
1	SWPPP				
a	Gravel construction entrance	1800	SF	\$2.21	\$3,978.00
b	dust control	74	MG	\$32.20	\$2,382.80
c	Silt fence	600	LF	\$2.50	\$1,500.00
2	EARTH WORK				
a	Clear & grub	38500	SF	\$0.05	\$1,925.00
b	Mass excavation	2250	CY	\$2.64	\$5,940.00
3	ASPHALT & CONCRETE				
a	24" HB curb & gutter w/prep & base	526	LF	\$14.65	\$7,705.90
b	Asphalt trail 3"x8' w/prep & base	526	LF	\$32.30	\$16,989.80
c	Rough grade	16900	SF	\$0.07	\$1,183.00
d	3" Asphalt	15270	SF	\$1.22	\$18,629.40
e	9" roadbase, place & compacted	15270	SF	\$0.75	\$11,452.50
f	14" sub base, placed & compacted	15270	SF	\$0.62	\$9,467.40
g	Striping	530	LF	\$1.01	\$535.30
4	SEWER				
a	10" pvc sewer line	505	LF	\$27.30	\$13,786.50
b	4' manhole	1	EA	\$2,948.00	\$2,948.00
c	4" pvc sewer laterals (40 lf)	1	EA	\$810.00	\$810.00
d	Sewer back fill	1480	TON	\$5.40	\$7,992.00
5	STORM DRAIN				
a	15" ADS storm drain HP style	516	LF	\$28.40	\$14,654.40
b	4' manhole	1	EA	\$2,628.00	\$2,628.00
c	Storm drain back fill	100	TON	\$5.40	\$540.00
6	WATER				

a	12" c-900 culinary water line	509	LF	\$35.40	\$18,018.60
b	2.5" blow off	1	EA	\$1,453.00	\$1,453.00
c	12" bends water line	1	EA	\$952.00	\$952.00
d	1.5" water lateral	1	EA	\$2,951.00	\$2,951.00
e	Waterline backfill	220	TON	\$5.40	\$1,188.00
	TOTAL CONSTRUCTION COST				\$149,610.60
	10% Bond Coverage				\$14,961.06
	TOTAL BOND AMOUNT:				\$164,571.66

A total of 110 percent of the total construction cost shall be guaranteed in the form of a performance bond totaling **\$164,571.66**. (If Power and Gas are installed by the developers own contractor then a bond will need to be placed for the Energy items, if installed by Eagle Mountain City Energy Division then no bond needs to be placed), the above estimate is for determining the required bond amount only. The developer is fully responsible to comply with the Eagle Mountain City Construction Standards and Ordinances.

Please call me if you have any questions.

Sincerely,



Christopher T. Trusty, P.E.
 Engineering Director
 Eagle Mountain City

Cc: Fionnuala Kofoed, Eagle Mountain City Recorder



EAGLE
M O U N T A I N

Engineering Division
2545 North Pony Express Parkway
Eagle Mountain City, Utah 84005
(801) 789-6671

Thursday, January 08, 2015

Mayor Christopher Pengra
Eagle Mountain City
1650 East Stage Coach Run
Eagle Mountain, Utah 84005

Subject: **Gateway Park plat 2B** Bond Letter Requirements

Dear Mayor Pengra:

I have reviewed the improvement requirements for **Gateway Park plat 2B** subdivision, and recommend the following bonding amount for this concept:

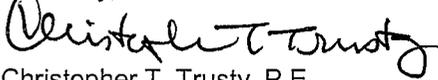
ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
1	SWPPP				
a	Gravel construction entrance	1800	SF	\$2.21	\$3,978.00
b	dust control	70	MG	\$32.20	\$2,254.00
c	Silt fence	600	LF	\$2.50	\$1,500.00
d	Inlet protection	1	EA	\$83.80	\$83.80
2	EARTH WORK				
a	Clear & grub	46500	SF	\$0.05	\$2,325.00
b	Mass excavation	2700	CY	\$2.64	\$7,128.00
3	ASPHALT & CONCRETE				
a	24" HB curb & gutter w/prep & base	570	LF	\$14.65	\$8,350.50
b	Asphalt trail 3"x8' w/prep & base	570	LF	\$32.30	\$18,411.00
c	Rough grade	30900	SF	\$0.07	\$2,163.00
d	3" Asphalt	29172	SF	\$1.22	\$35,589.84
e	9" roadbase, place & compacted	29172	SF	\$0.75	\$21,879.00
f	14" sub base, placed & compacted	29172	SF	\$0.62	\$18,086.64
g	Street Signs	1	EA	\$350.00	\$350.00
h	Stop Sign	1	EA	\$350.00	\$350.00
4	SEWER				
a	10" pvc sewer line	43	LF	\$27.30	\$1,173.90
b	8" pvc sewer line	31	LF	\$27.30	\$846.30
c	4' manhole	1	EA	\$2,948.00	\$2,948.00
d	Sewer back fill	210	TON	\$5.40	\$1,134.00
5	STORM DRAIN				
a	15" ADS storm drain HP style	170	LF	\$28.40	\$4,828.00
b	4' manhole	2	EA	\$2,628.00	\$5,256.00

c	Inlet box 2'x3'x4'	1	EA	\$2,218.00	\$2,218.00
d	Storm drain back fill	50	TON	\$5.40	\$270.00
6	WATER				
a	12" c-900 culinary water line	68	LF	\$35.40	\$2,407.20
b	12" butterfly valve	2	EA	\$2,251.00	\$4,502.00
c	10" c-900 culinary water line	585	LF	\$29.50	\$17,257.50
d	10" gate valve	2	EA	\$2,035.00	\$4,070.00
e	2.5" blow off	1	EA	\$1,453.00	\$1,453.00
f	Fire hydrant	2	EA	\$5,286.00	\$10,572.00
i	Waterline backfill	280	TON	\$5.40	\$1,512.00
	TOTAL CONSTRUCTION COST				\$182,896.68
	10% Bond Coverage				\$18,289.67
	TOTAL BOND AMOUNT:				\$201,186.35

A total of 110 percent of the total construction cost shall be guaranteed in the form of a performance bond totaling **\$201,186.35**. (If Power and Gas are installed by the developers own contractor then a bond will need to be placed for the Energy items, if installed by Eagle Mountain City Energy Division then no bond needs to be placed), the above estimate is for determining the required bond amount only. The developer is fully responsible to comply with the Eagle Mountain City Construction Standards and Ordinances.

Please call me if you have any questions.

Sincerely,



Christopher T. Trusty, P.E.
Engineering Director
Eagle Mountain City

Cc: Fionnuala Kofoed, Eagle Mountain City Recorder

TAX INCREMENT AGREEMENT

THIS TAX INCREMENT AGREEMENT (the “Agreement”) is entered into as of the _____ day of _____, 2015 by and between the **Eagle Mountain City Redevelopment Agency**, Utah County, Utah (the “Agency”), a community development and renewal agency organized and existing pursuant to the provisions of the Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act, Title 17C, Chapter 1, Part 2, Utah Code Annotated 1953, as amended (the “Act”), and **Iron Eagle Development Inc.** (the “Company”), a Utah limited liability company, duly organized and existing within the State of Utah.

WHEREAS, the Agency has adopted the Project Area Plan (the “Plan”) dated September 19, 2012 and Project Area Budget (the “Budget”) dated September 19, 2012 for the Eagle Mountain City Project Area #2012-1 (the “Project Area”) which Plan and Budget establish the development parameters and funding mechanisms to develop within the Project Area; and

WHEREAS, the Agency Taxing Entity Committee (the “TEC”) approved the Budget whereby these taxing entities have agreed to remit certain incremental property taxes (the “Property Tax Increment”) to the Agency for the purpose of funding or reimbursing the Agency or the Company for public infrastructure that has been or will be constructed, acquired and improved in order to accommodate the development of property owned by the Company (the “Site”) within the Project Area (the “Project”); and

WHEREAS, the Project will consist of various commercial development projects within the Project Area; and

WHEREAS, to assist the Company with development in the Project Area, the Agency desires to reimburse the Company for public infrastructure improvements in the Project Area thus enhancing and assisting in community development; and

WHEREAS, the Agency and the other taxing entities agree that it is in the best interests of all parties to provide Property Tax Increment to the Company as an inducement to encourage the development of the Project and desire to specifically agree to the amount of Property Tax Increment, the time frame over which the Property Tax Increment will be paid to the Company, and the specific purposes of which the Property Tax Increment will be used; and

WHEREAS, the Company desires to enter into this Agreement in order to memorialize the tax increment participation between the Company and the Agency, which will allow the Company to pursue commercial financing related to the Project.

NOW THEREFORE, TO INDUCE THE COMPANY TO FURTHER DEVELOP THE PROJECT WITHIN THE PROJECT AREA AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

1.1 Infrastructure Improvements

The Company shall hire, plan, oversee, arrange, coordinate and supervise the acquisition and construction of the infrastructure improvements necessary to develop the Project. Following payment by the Company of invoices received for costs related to the Infrastructure Improvements, the Company shall submit such invoices, along with evidence of payment, to the Agency for reimbursement. The Company shall be reimbursed up to \$603,250 of the costs related to the Infrastructure Improvements hereunder (the “Maximum Reimbursable Amount”) from the Property Tax Increment generated by the Project Area. Reimbursement of the Maximum Reimbursable Amount shall be made in accordance with the terms of this Agreement.

1.2 Funding Responsibility

The Company and the Agency understand and agree that, except as otherwise expressly provided herein, funding for the development of the Site and its related improvements shall come entirely from either the Company’s internal capital or from financing obtained by the Company. The Agency shall not be liable or responsible for providing, obtaining, or guaranteeing such financing.

1.3 Tax Increment Financing

The Project Area Plan will be funded in part by tax increment financing pursuant to the provisions of the Act and the Project Area Budget, as adopted by the Agency and approved by the various taxing entities by interlocal agreement, as defined in the Project Area Plan and Project Area Budget, a copy of which is attached hereto as Attachment No. 1 and incorporated herein by this reference (the “Project Area Budget”). Under the Act, the Project Area Budget and the Project Area Plan, the Agency is entitled to receive Property Tax Increment generated by and within the Project Area. For purposes of this Agreement, (a) “Property Tax Increment” shall mean the Taxes levied each year on the land within the Project Area and the improvements thereon in excess of the Base Tax Amount, which excess amounts are to be paid into a special fund of the Agency in accordance with the Act; (b) “Taxes” shall mean all levies on an ad valorem basis upon the land, real property, personal property, or any other property, tangible or intangible (the “Taxable Property”); (c) the “Base Tax Amount” shall be the Taxes assessed against the Taxable Property within the Project Area as of November 1, 2012; and (d) “Company’s Tax Increment Share” shall mean ninety-five percent (95%) of the Property Tax Increment generated annually from any and all property within the Project Area over the twenty (20) year budget period as capped by the Maximum Reimbursable Amount and paid to the Agency and available for reimbursement pursuant to the terms of the Project Area Budget and this Agreement with five percent (5%) of Property Tax Increment being retained by the Agency for administration costs and expenses, all as provided in the Project Area Budget.

In accordance with the approved Project Area Budget and Project Area Plan, the Agency shall be allowed to collect Property Tax Increment generated by development within the Project Area over a period of twenty (20) years or until the Maximum Reimbursable Amount is reached as outlined in the Budget. The Agency shall start collecting such amounts from taxes paid in 2015 and remitted to the Agency in spring of 2016.

1.4 Conditions Precedent to Reimbursement

The Agency shall have no obligation hereunder to reimburse the Company from the Property Tax Increment until the following conditions precedent are satisfied: (a) the Agency has received written proof acceptable to the Agency of the amount expended for Reimbursable Costs, as set forth on Attachment No. 2, attached hereto and incorporated herein by this reference; and (b) the Agency has actually received payment of the funds representing the Property Tax Increment from Utah County, Utah. The Agency will remit to the Company upon receipt of approved invoices on May 1 of each year.

1.5 Payment of Real Property and *Ad Valorem* Taxes

During the term of this Agreement, the Company and any successors in interest agree to pay, prior to delinquency, all real property and other *ad valorem* taxes and assessments assessed against any portion of the Site or improvements thereon or any other property, including personal property, at the Site. The Company shall remove, or shall cause to be removed, any levy or attachment made on the Site or any portion thereof, or shall assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder or default on the lease thereof. Nothing herein contained, however, shall be deemed to prohibit the Company from contesting the validity or amount of any tax assessment, encumbrance, or lien, or to limit the remedies available to the Company in respect thereto.

1.6 Reduction or Elimination of Property Tax Increment

In the event that the provisions of Utah law which govern the payment of Property Tax Increment to the Agency is changed or amended so as to reduce or eliminate the amount paid to the Agency, the Agency's obligation to pay Property Tax Increment to the Company shall be accordingly reduced or eliminated.

1.7 Declaration of Invalidity

In the event a court of competent jurisdiction declares that the Agency cannot receive Property Tax Increment or reimburse the Company from Property Tax Increment as provided in this Agreement, invalidates the Project Area, or takes any other action which eliminates or reduces the amount Property Tax Increment paid to the Agency, the Agency's obligation to pay Property Tax Increment to the Company shall be accordingly reduced or eliminated.

1.8 Termination of Agreement

This Agreement shall terminate upon the earlier to occur of the following:

- (a) Upon payment the Company's Maximum Reimbursable Amount as described in Section 1.1 herein, or
- (b) Property Tax Increment related to the year ending December 31, 2034.

1.9 Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one Agreement, and any party may execute this Agreement by signing a counterpart.

1.10 Severability

If any covenant, agreement, or provision, or portion thereof, contained in this Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement shall be deemed severable and shall not be affected, and this Agreement shall remain valid.

1.11 Governing Law

This Agreement shall be governed exclusively by the applicable laws of the State of Utah.

1.12 Captions

The captions in this Agreement are for convenience only and do not define or limit the scope or intent of any of the provisions or sections of this Agreement.

1.13 Assignment and Binding Agreement

This Agreement shall be binding upon and inure to the benefit of the parties, and their respective heirs, executors, administrators, successors, legal representatives provided, however, that this Agreement may not be assigned by the Company without the prior written consent of the Agency.

1.14 Entirety of the Agreement

This Agreement constitutes the entire Agreement among the parties pertaining to the subject matter hereof, and supersedes all prior oral and written agreements and understandings pertaining thereto. No covenant, representation or condition not expressed in this Agreement shall effect or be deemed to interpret, change or restrict the express provisions hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the _____
day of _____, 2015.

EAGLE MOUNTAIN CITY UTAH
REDEVELOPMENT AGENCY
(the "Agency")

By: _____
Chair

(SEAL)
ATTEST:

By: _____

Approved as to Form:

By: _____
Attorney to Agency

_____. (the "Company")

By: _____
Title: _____

(SEAL)
ATTEST:

By: _____

Attachment No. 1
EAGLE MOUNTAIN ECONOMIC DEVELOPMENT PROJECT AREA BUDGET #2012-1

Attachment No. 2
REIMBURSABLE COSTS

RDA RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN CITY APPROVING THE TAX INCREMENT AGREEMENT BETWEEN THE AGENCY AND IRON EAGLE DEVELOPMENT

WHEREAS, the Redevelopment Agency of Eagle Mountain City (the “Agency”) was created to transact the business and exercise the powers provided for in the former Utah Neighborhood Development Act and Utah Redevelopment Agencies Act, and the current Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act and any successor law or act (the “Act”); and

WHEREAS, after careful consideration of relevant information, the Agency desires to enter into an Tax Increment Agreement with Iron Eagle Development Inc. whereby the Agency would remit to Iron Eagle Development Inc. a portion of the property tax increment generated within the Economic Development Project Area #2012-1 (the “Project Area”) which would otherwise flow to the various taxing entities, for the purpose of encouraging development activities through the payment for certain public infrastructure; and

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

THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN CITY, UTAH AS FOLLOWS:

1. The Tax Increment Agreement between the Agency and Iron Eagle Development Inc., substantially in the form attached hereto as Exhibit A (the “Agreement”), is approved and shall be executed for and on behalf of the Agency by the Chair and countersigned by its Secretary.
2. Pursuant to Section 11-13-202.5 of the Interlocal Act, the Tax Increment Agreement has been submitted to legal counsel of the Agency for review and approved 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 Secretary, the keeper of records of the Agency.
4. The Agency 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 make a copy of the Agreement available for public inspection and copying at the Agency’s offices during regular businesses hours for a period of at least 30 days following publication for the notice.
5. The Agreement shall be effective immediately upon execution.
6. This Resolution shall take effect upon adoption.

PASSED this 1st day of December, 2015 by the Board of Directors of the Redevelopment Agency of Eagle Mountain City.

Attest:

Chair, Chris Pengra

Executive Director, Ikani Taumoepeau

EXHIBIT A

TAX INCREMENT AGREEMENT