

REQUEST FOR AGENCY ACTION

SUBJECT: Consideration of a participation agreement between the Agency and PayPal for a partial rebate of incremental personal property taxes.

SUMMARY: Final approval of the agreement will authorize a ten-year property tax rebate between the Redevelopment Agency (RDA) and PayPal for a portion of the incremental personal property taxes collected from Economic Development Project Area No. 4 – Fairchild (EDA #4).

**FISCAL/ASSET
IMPACT:**

The amended Project Area Budget is capped at \$6.8 M, of which 10 percent is allocated to housing and 3 percent is used for Agency overhead and administrative expenses, meaning that PayPal could receive a maximum amount of \$5.9 M.

STAFF

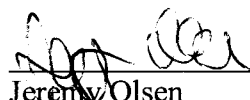
RECOMMENDATION: Staff recommends approval of the resolution authorizing a participation agreement between the Agency and PayPal.

MOTION

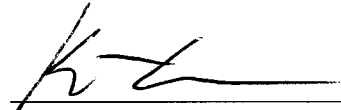
RECOMMENDED: “I move to approve Resolution No. 212 authorizing the Chair of the Redevelopment Board to sign a Participation Agreement with PayPal for the operation of a data center facility located in Economic Development Project Area No. 4 – Fairchild (EDA #4).”

Roll Call vote required

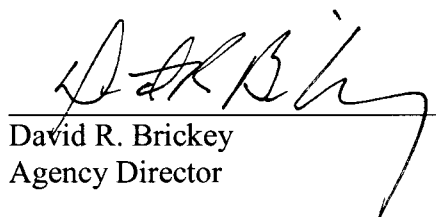
Prepared and to be Presented by:


Jeremy Olsen
RDA Program Manager

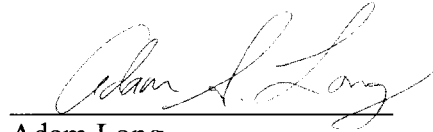
Recommended by:


Kent G. Andersen
Economic Development Director

Authorized for Agency Consideration:


David R. Brickey
Agency Director

Reviewed for Legal Sufficiency:


Adam Long
Redevelopment Agency Counsel

BACKGROUND DISCUSSION:

Redevelopment Project Process

The process prescribed in state law regarding economic development projects utilizing tax increment financing is found in the Community Reinvestment Agency Act (Title 17C). For the Redevelopment Agency to create a project area, the Agency must first adopt a survey area resolution and then hold duly-noticed public hearings for the Project Area Plan and the Project Area Budget.

Project Survey Area

On February 10, 2010, the Redevelopment Agency of West Jordan (Agency) adopted a survey resolution, authorizing the preparation of a draft project area plan for Economic Development Project Area No. 4 – Fairchild (EDA #4).

Project Area Plan

After holding the required public hearing, the Project Area Plan for EDA #4 was adopted by the Agency Board on April 14, 2010, to provide Fairchild Semiconductor an incentive for a remodel of the manufacturing facility located at 3333 W 9000 South. The project area includes 59.84 acres of industrial zoned land with an existing 293,500 square foot industrial facility.

Project Area Budget

After holding a public hearing, the Project Area Budget for EDA #4 was approved by the Agency Board on April 14, 2010. The Project Area Budget allows the Redevelopment Agency to utilize tax increment financing to provide incentives for the redevelopment of the project area. The original Project Area Budget for EDA #4 allowed funds to be awarded for the retention of 473 existing jobs, the creation of 16 new jobs, and a personal property investment of approximately \$52 million at the project site.

Agreement for the Development of Land

An Agreement for the Development of Land was adopted by the Agency Board on April 14, 2010, allowing for a rebate of property tax increment to Fairchild Semiconductor (later On Semiconductor) for new personal property investment at the site. Following the closure of the Fairchild Facility in late 2014, this agreement was placed on hold indefinitely.

Property Acquisition & Sale

On November 20, 2017, the Agency acquired the property located at 3333 W 9000 South from On Semiconductor for redevelopment of the site. On March 5, 2018 the Agency sold the property to Aligned Energy to develop the site as a data center. Aligned Energy is the owner of the property, and subleases space to data center tenants.

Municipal Energy Tax Participation Agreement

On December 20, 2017, the Agency Board approved a participation agreement with Aligned Energy for the repurposing of the former Fairchild building located at 3333 W 9000 South. The agreement provides a rebate of Municipal Energy Tax (MET) to Aligned Energy for a ten-year period, which is capped at an amount of \$5.0 Million. The MET is a sales and use tax imposed on utility rate payers in the city, assessed at a rate of 6% of monthly electrical charges. The funding for this participation agreement comes through an interlocal agreement between the City and the Agency.

Taxing Entity Committee

Due to the limits in both the number of years and budget authority remaining in the existing project area, an amended budget is necessary to generate sufficient funds to satisfy the proposed Participation Agreement. Modification of a project area budget also requires the consent of the Taxing Entity Committee (TEC).

The West Jordan TEC met on December 17, 2018 and approved the amended project area budget. Following approval by the TEC, the Agency must decide whether to grant final approval to the project area budget amendment, after which the participation agreement with PayPal may be approved.

REQUESTED ACTION:

Personal Property Tax

In fall 2017, PayPal engaged city staff requesting Agency participation for a tax rebate of a portion of the personal property taxes paid by the company at the project site as a tenant of Aligned Energy. The attached Participation Agreement is consistent with the terms discussed with city staff at that time.

The amended Budget will provide to the Agency 60% of all new personal property taxes from PayPal personal property only, while the remaining 40% will be regularly distributed to taxing entities.

Of the project area funds received by the Agency, 87% will be provided to PayPal under the terms of the Participation Agreement, 10% will be directed to the Agency housing allocation, and 3% is retained for Agency administration.

The amount of increment generation will vary according to the timing and level of investment by PayPal, and by the calculated depreciation of the equipment, but the total amount the Agency may receive is limited to a cap of \$6.8 million and a period of 10 years. The estimated amount of the rebate to PayPal, based on a ten-year investment schedule consisting of \$663 million, and after subtracting for administration and housing fund allocations, is \$5.9 Million. The property tax rebate is to be distributed annually on a post-performance basis; if the investment schedule is not met as estimated, the awarded funds are similarly reduced.

THE REDEVELOPMENT AGENCY OF WEST JORDAN CITY

Resolution No. 212

DATE: January 9, 2019

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF WEST JORDAN CITY APPROVING A PARTICIPATION AGREEMENT FOR THE FAIRCHILD ECONOMIC DEVELOPMENT PROJECT AREA (EDA #4).

WHEREAS, pursuant to the provisions of the Utah Limited Purpose Local Government Entities - Community Reinvestment Agency Act, specifically Utah Code Annotated § 17C-3, the Redevelopment Agency of West Jordan City (the “Agency”) created the Fairchild Economic Development Project Area (“Project Area”); and

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

WHEREAS, the Agency finds the proposed participation agreement, attached as **Exhibit A** (the “Participation Agreement”), in harmony and consistent with the Plan for the Project Area and in the best interests of the Agency and the City of West Jordan; and

WHEREAS, the Agency now desires to approve the Participation Agreement.

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

1. The Participation Agreement is approved, substantially in the form attached hereto as **Exhibit A** and with such non-substantive changes as may be deemed advisable or necessary by the Agency.
2. The Agency Executive Director is authorized execute the Participation Agreement on behalf of the Agency.
3. This resolution shall be effective upon adoption.

APPROVED AND ADOPTED by the governing board of the Redevelopment Agency of West Jordan City this 9th day of January, 2019.

Jim Riding, Chairperson

ATTEST:

Melanie Briggs, Secretary

Voting by the Agency Board:

Name	“YES”	“NO”	ABSENT	ABSTAIN
Chad Lamb	_____	_____	_____	_____
Kayleen Whitelock	_____	_____	_____	_____
Chris McConnehey	_____	_____	_____	_____
Dirk Burton	_____	_____	_____	_____
Zach Jacob	_____	_____	_____	_____
Alan Anderson	_____	_____	_____	_____
Jim Riding	_____	_____	_____	_____

EXHIBIT A

Participation Agreement

EXECUTION VERSION

PARTICIPATION AGREEMENT by and among the REDEVELOPMENT AGENCY OF WEST JORDAN CITY and PAYPAL, INC. for the FAIRCHILD ECONOMIC DEVELOPMENT PROJECT AREA (EDA #4)

This Participation Agreement (the “Agreement”) is made and entered into as of this 9th day of January, 2019 (the “Effective Date”), by and among the REDEVELOPMENT AGENCY OF WEST JORDAN CITY (the “Agency”), a political subdivision of the State of Utah operating under the Utah Community Reinvestment Agency Act (the “Act”; § 17C-1-101 *et seq.*, or its predecessor statutes), and PAYPAL, INC., a Delaware corporation qualified to do business in Utah (“Participant”). Participant and the Agency may from time to time hereinafter be referred to individually as a “Party” and collectively as the “Parties.”

1. SUBJECT OF AGREEMENT

1.1. Purpose of the Agreement

The purpose of this Participation Agreement (the “Agreement”) is to carry out in part the Project Area Plan (the “Plan”) for the Fairchild Economic Development Project Area (EDA #4) (the “Project Area”) by providing for incentives to entice Participant acquire new or relocate existing personal property and install such personal property in Participant’s leased datacenter space in a facility in the Project Area (the “Leased Space”), and to specify the terms and conditions pursuant to which the Agency and Participant will cooperate in bringing about such personal property investment, including funds the Agency will provide to assist in Participant’s investment in the Leased Space and other areas which will benefit the Project Area.

1.2. Agreement in the Best Interests of the City and Residents

This Agreement is in the vital and best interests of West Jordan City, Utah (the “City”), and the health, safety and welfare of its residents, and in accord with public purposes. This Agreement is carried out pursuant to the Act.

1.3. The Project Area

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

1.4. The Project Area Plan and Budget

This Agreement is subject to the provisions of the Plan, as adopted and ordained on April 14, 2010, by the Agency and the West Jordan City Council (the “Council”) in accordance with the Act and is incorporated herein by this reference. This Agreement is also subject to the provisions of the amended project area budget (the “Budget”), as approved by the Taxing Entity Committee on December 17, 2018 and adopted by the Agency on January 9, 2019. The Budget is attached hereto as **Exhibit A**.

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1.5. The Tax Increment Rebate

As used in this Agreement, the terms (a) “**Tax Increment Rebate**” means sixty percent (60%) of the Tax Revenue, and (b) “**Tax Revenue**” means the incremental property tax revenues generated by Participant’s personal property located within the Site. For a period of up to 10 years beginning on January 1, 2019 the Agency is entitled to receive the Tax Increment Rebate up to a maximum amount of \$6,820,303, and subject to certain restrictions as set forth in the Budget.

1.6. Description of the Site

The Leased Space will be located in a portion of the existing building (the “**Facility**”) owned by Aligned Energy Datacenters (SLC), LLC (“**Landlord**”), which occupies a portion of the Project Area consisting of approximately 16.2 acres (the “**Site**”). The Site is shown in detail on the site map, attached hereto as **Exhibit B**. The Site is only a portion of the Project Area. The Facility on the Site includes the entire building and improvements to be developed on the Site, but not the undeveloped portions of the Site, as shown on **Exhibit B**.

1.7. Description of the Investment

Pursuant to the terms of this Agreement, Participant shall (i) acquire new personal property consisting of servers and other related information technology hardware and equipment (“**New Assets**”), and (ii) relocate personal property consisting of servers and other related information technology hardware and equipment that is currently owned by Participant (“**Existing Assets**”) and install such New Assets and Existing Assets in the Leased Space, other portions of the Facility or otherwise upon the Site. Participant estimates that the value of the New Assets plus the value of the Existing Assets installed in or around the Site (collectively, the “**Investment**”) will amount to up to \$663,000,000.00 over a period of ten years. As used herein, the term “value” as it relates to New Assets shall mean the purchase price of such assets, and the term “value” as it relates to Existing Assets shall mean the net book value of the Existing Assets as set forth on Participant’s personal property tax rolls. An estimated schedule of the Investment is attached hereto as **Exhibit C**.

1.8. The Incentive

As used in this Agreement, the term “**Incentive**” means eighty-five percent (85%) of the Tax Increment Rebate. Participant acknowledges that the Agency shall (a) allocate and set aside ten percent (10%) of the Tax Increment Rebate for housing as required by Section 17C-5-107 of the Act (“**Housing Allocation**”), and (b) use five percent (5%) of the Tax Increment Rebate for application to Agency administrative and overhead costs relating to the Project Area (“**Administrative Allocation**”).

For example, and by way of illustration only, if Participant generates \$100 of Tax Revenue, then the Agency will receive the Tax Increment Rebate amount of \$60. The Housing Allocation shall equal \$6 (i.e., 10% of \$60), and the Administrative Allocation shall equal \$3 (i.e., 5% of \$60).

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The Incentive amount shall equal \$51 (i.e., 85% of the \$60 Tax Increment Rebate, or 51% of the \$100 of Tax Revenue).

1.9. Parties to the Agreement

1.9.1. The Agency

The address of the Agency for purposes of this Agreement is:

Redevelopment Agency of West Jordan
Attn: Executive Director
8000 S. Redwood Rd.
West Jordan, UT 84088

With a copy to:

Adam S. Long
Smith Hartvigsen, PLLC
257 East 200 South, Suite 500
Salt Lake City, UT 84111

1.9.2. The Participant

Participant's address for purposes of this Agreement is:

PayPal, Inc.
Attention: Tax Department (Indirect Taxes)
2211 North First Street
San Jose, CA 95131

With a copy to:

PayPal, Inc.
Attention: Global Data Center Services
4010 North 3rd St.
Phoenix, AZ 85012

1.10. Prohibition against Certain Changes

1.10.1. Acknowledgement by Participant

Participant acknowledges the importance of the development of the Project Area to the general welfare of the community, the public assistance set forth in this Agreement that has been made available by law and by the Agency for the purpose of making the Investment within the Project Area possible, that a significant change in the identity of Participant, as prohibited by this Section 1.9, may be considered, for practical purposes, a transfer or disposition of the Investment, the

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qualifications and identity of Participant are of particular concern to the Agency, and that it is because of such qualifications and identity that the Agency is entering into this Agreement with Participant.

1.10.2. Representation as to Investment Intent

Participant represents and agrees that its Investment in and use of the Site, and Participant's other undertakings reflected in this Agreement are and shall only be for the purpose of Participant's Investment in the Leased Space and not for speculation in land holding or otherwise.

1.10.3. Assignment or Transfer of Agreement

Participant represents and agrees for itself and its successors and assigns that, during the term of this Agreement and except as set forth in the following sentence, Participant will not assign or transfer or attempt to assign or transfer all or any part of this Agreement, or any rights herein or obligations hereunder, during the term of this Agreement except as explicitly allowed herein or as agreed to in a writing signed by the Parties. The Agency agrees that it will not unreasonably withhold consent, or unreasonably delay or condition any request by Participant to assign this Agreement. It shall be considered unreasonable for the Participant to request the Agency to agree to any assignment or transfer of this Agreement that would result in the Leased Space no longer being leased to an entity using the name, brand or mark of "PayPal" ("PayPal brand").

The foregoing notwithstanding, Participant may transfer its rights and obligations under this Agreement to any of its subsidiaries or affiliates without the Agency's prior written approval during the term of this Agreement so long as the Leased Space continues to operate under the PayPal brand.

The attempted or actual assignment or delegation of this Agreement in violation of the above provisions is a material Default that shall be subject to the provisions of Article 5 of this Agreement.

For purposes of this Section 1.9.4. (i) the term "subsidiaries" shall mean those companies or entities in which Participant both holds an ownership stake of more than 50 percent and over which Participant is able to exert control and (ii) the term "affiliates" shall mean those companies in which the owner of Participant both holds an ownership stake of more than 50 percent and over which the owner of Participant is able to exert control.

1.10.4. Transfer to Tax-Exempt Organization

Notwithstanding anything in this Agreement to the contrary, any attempt by Participant or its successor(s) in interest to transfer any of the personal property within the Site to a tax-exempt organization or otherwise to exempt any of the personal property within the Project Area from *ad valorem* property taxation without the prior written consent of the Agency will entitle the Agency, at its sole discretion, to immediately and without prior notice terminate this Agreement and cease further payments under this Agreement to Participant or its successors or assigns.

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1.10.5. Continuing Obligations

Any permitted assignment or transfer of this Agreement, in whole or in part, shall relieve Participant from any and all obligations under this Agreement; provided, however, that the assignee has accepted the assignment and assumed all duties, obligations and liabilities of Participant under this Agreement in writing. Except as otherwise provided herein, all of the terms, covenants, and conditions of this Agreement are and will remain binding upon Participant and its successors and assigns until the expiration or termination of this Agreement.

2. OBLIGATIONS OF THE PARTIES

2.1. Payment of Incentive

2.1.1. Payment Obligation

So long as Participant fulfills all of its obligations under this Agreement, the Agency will pay to Participant the Incentive.

The Agency expects to receive the full amount of the Tax Increment Rebate approximately 120 days after the end of the calendar year for which property taxes were paid (e.g., the Agency will receive full payment of the Tax Increment Rebate during the second quarter of 2020 for property taxes paid by Participant during 2019). After the end of the calendar year for which the Agency is collecting the Tax Increment Rebate, the contemplated payment of the Incentive shall be made by the Agency within sixty (60) days after the date on which all of the conditions precedent as set forth in Section 2.3 have been met.

2.1.2. Triggering of Tax Increment Rebate Payments

The Agency shall have sole authority to begin, or “trigger,” collection of the Tax Increment Rebate pursuant to the Budget. Unless requested otherwise by Participant, the Agency agrees to take actions necessary under the Budget to receive the Tax Increment Rebate beginning on January 1, 2019.

2.2. Sole Source of Funding for the Incentive

The entirety of Participant’s Incentive contemplated in this Agreement will be funded solely by the Tax Increment Rebate payments received by the Agency pursuant to the amended Budget. Participant is not, and shall not be, entitled to any other funds collected by the Agency for the Project Area, including sales tax or energy taxes collected under the currently-effective interlocal agreement, or any other funds held by the Agency.

2.3. Conditions Precedent to the Payment of the Incentive to Participant

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

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2.3.1. Agency is Entitled to Receive the Tax Increment Rebate

The Agency is not obligated to pay to Participant the Incentive unless the Agency is legally entitled to receive the Tax Increment Rebate pursuant to the Budget.

2.3.2. Agency has Actually Received the Tax Increment Rebate Payment

The Agency is obligated to pay to Participant the Incentive only to the extent the Agency has actually received the Tax Increment Rebate payment(s) from Salt Lake County for the particular calendar year.

2.3.3. Continued Operation of the Facility

The Agency is not obligated to pay to Participant the Incentive unless Participant has continuously Operated (defined in Section 2.13) the Leased Space as described in Section 2.15 for the entire year for which payment of the Incentive is being sought or, in the case of the first year of such Operation, for the portion of the year after the date of the initial start of Operations of the Leased Space.

2.3.4. Payment of Taxes

Participant shall not receive any payments from the Agency for any period until the Agency has received documentation from Participant that all personal property taxes attributable to the portion of the Investment for which the Incentive is sought have been paid for the particular year of the Incentive Term. Documentation contemplated by this Subsection 2.3.4. shall include copies of all forms or other documents sent to the Salt Lake County Assessor or the Utah State Tax Commission for the purpose of reporting personal property owned by Participant within the Site. Such documentation shall be provided to the Agency by March 31 of the year following the year for which the Incentive is sought.

2.3.5. Request for Payment by Participant

The Agency is not obligated to pay the Incentive to Participant unless Participant has made a Request for Payment in writing pursuant to Section 2.6 for the year for which payment of the Incentive is being sought.

2.3.6. Minimum Investment Amounts

The Agency is not obligated to pay the Incentive to Participant unless Participant has commenced Operating and met the requirements of Sections 2.7, 2.13, and 3.1 of this Agreement.

2.4. Effect of Failure to Meet Conditions Precedent to Payment of Incentive

In the event that the conditions precedent as described in Section 2.3 are not met for any given calendar year during the term of this Agreement, and Participant is thus not entitled to receive the Incentive attributable to that calendar year, but is otherwise not in default under this Agreement,

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such failure shall not constitute a Default under this Agreement. Such failure shall result in the forfeiture by Participant of the Incentive for that particular calendar year.

2.5. Limitations on Incentive

The Incentive shall not be paid for a period of greater than ten years from the date for which Participant first receives the Incentive (the “**Incentive Term**”). The Incentive Term shall begin on January 1, 2019 or thereafter when the Agency triggers collection of the Tax Increment Rebate as described in Section 2.1.2.

Participant further acknowledges that the Incentive paid by the Agency to Participant under this Agreement is limited by the Incentive Term and the amount of Tax Increment Rebate actually received by the Agency. Participant further acknowledges that the Agency does not guarantee that Participant will receive a minimum dollar amount during the Incentive Term. The amount of Tax Increment generated by the Facility is determined by the taxable value of Participant’s personal property within the Site as determined by the Salt Lake County Assessor and/or the Utah State Tax Commission. The Agency does not guarantee a particular taxable value of the Facility nor does the Agency control or influence such values.

Notwithstanding all other provisions in this Agreement, the Agency is not obligated to pay to Participant in any one calendar year more than Incentive attributable to the immediately preceding calendar year. The Incentive Term and the Incentive shall not be increased by any future extension of or modification to the Budget; for purposes of clarification, if the Agency were to amend the Budget at some point in the future so that the Agency receives a greater percentage of Tax Increment from the Project Area or from a greater portion of the Project Area, the Agency shall not be obligated to pay to Participant any amount greater than Participant would have received under the terms of this Agreement and the Budget as effective as of the date of this Agreement.

The Agency shall not support any modification or amendment to the Budget that would reduce, on a percentage basis, the amount of Incentive that Participant is entitled to receive under this Agreement or the term during which Participant is entitled to receive the Incentive.

2.6. Request for Incentive

Participant shall submit in writing a request for payment to the Agency by March 31st of the year following the calendar year for which payment of the Incentive is sought. The Participant shall include in the request proof of payment of all *ad valorem* personal property taxes subject to and as described in Section 2.7 (the “**Request for Payment**”). Unless the Agency sends written notice to Participant of deficiency in the Request for Payment within thirty (30) days of receipt of a Request for Payment, such Request for Payment shall be deemed complete. Participant shall have a reasonable time not to exceed thirty (30) days in which to rectify any deficiencies specified in a notice, and the Request for Payment shall be deemed timely delivered in the event any such deficiencies are rectified within that period.

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2.7. Payment of Taxes

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

2.8. Reduction or Elimination of Incentive

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

2.9. Declaration of Invalidity

In the event any legal action is filed in a court of competent jurisdiction that seeks to invalidate the Project Area or this Agreement or that otherwise seeks to or would have the possible result of reducing or eliminating the payment of the Incentive to the Agency, the Agency shall provide written notice of such legal action to Participant. In the event such an action is filed, the Agency shall have no obligation to challenge that action or defend itself against such action. If requested by Participant, the Agency may, at its sole discretion, take such actions as may be reasonably required to defend such legal action and to address the grounds for any causes of action that could result in the reduction or elimination of the payment of the Incentive to the Agency. Participant specifically reserves and does not waive any right it may have to intervene, at Participant's cost and expense, in any such legal action and challenge the basis for any causes of action or any remedy sought that would reduce or eliminate the payment of the Incentive to the Agency and/or Participant, and nothing herein shall be construed as an estoppel, waiver or consent to reduce or

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eliminate payment of the Incentive to the Agency and/or Participant. In the event that the court declares that the Agency cannot receive the Incentive, invalidates the Project Area or this Agreement, or takes any other action which eliminates or reduces the amount of Incentive paid to the Agency, and the grounds for the legal determination cannot reasonably be addressed by the Agency, the Agency's obligation to annually pay to Participant the Incentive in accordance with this Agreement will be reduced or eliminated to the extent that the Incentive is not received by the Agency.

2.10. Dispute over Receipt of Payment of the Incentive

If not due to the act, error or omission of the Agency, in the event a dispute arises as to the person or entity entitled to receive the Incentive under this Agreement due to a claimed assignment or claimed successor-in-interest to the Incentive or otherwise, the Agency may withhold payment of the Incentive and may refrain from taking any other action required of it by this Agreement until the dispute is resolved either by agreement or by a court of competent jurisdiction and sufficient evidence of such resolution is provided to the Agency. The Agency shall be entitled to deduct from its payment of the Incentive any costs or expenses, including reasonable attorney fees, incurred by the Agency due to the dispute, except in the instance that the dispute arises due to the act, error or omission of the Agency, in which case the Agency shall be responsible for all costs and expenses including reasonable and actual attorney fees.

2.11. Nature of Participant's Obligations and Limitation

To qualify to receive the Incentive as set forth herein, Participant shall fulfill all of its obligations as set forth in this Agreement. The failure of Participant to fulfill its obligations may result in a failure to qualify to receive the Incentive or termination of this Agreement but shall not give rise to any other right or remedy in favor of the Agency.

2.12. Reserved

2.13. Operation of the Leased Space

Participant shall utilize the Leased Space in a commercially reasonable manner and in accordance with industry standards. For purposes of this Agreement, "Operating", "Operational" or "Operations" of the Leased Space shall mean when the following conditions are satisfied: (1) any required permits, licenses, or other approval have been obtained for Participant to occupy the Leased Space, (2) Participant shall have purchased \$2,000,000 of New Assets (which shall constitute a portion of the Investment) to be installed within the Site; and (3) Participant shall have received a business license issued by the City. For purposes of this Section, Participant shall be deemed to have continuously Operated the Leased Space if the foregoing standards are substantially met or exceeded, notwithstanding temporary cessation of Operations for inspection, maintenance, repair, replacement, line down-time, and/or events of *force majeure* or destruction.

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2.14. Commencement of Operations

Operations of the Leased Space as described in Section 2.13 shall begin no later than March 31, 2019. For purposes of this Section, the Leased Space shall be deemed Operational if the conditions and standards in Section 2.13 are met. If Participant fails to commence Operations of the Leased Space as required by this Section for any reason other than events of force majeure, the Agency shall have the right to terminate this Agreement upon written notice to Participant, subject, however, to any notice and cure periods set forth in Article 5.

2.15. Continuing Operations

Operations of the Leased Space as described in Section 2.13 shall be commenced as described in Section 2.14 and shall continue throughout the term of this Agreement as set forth in Article 4. For purposes of this Section, the Leased Space shall be considered to be in Operation if the Leased Space is Operating as described in Section 2.13 of this Agreement. If Participant ceases to Operate the Leased Space for a continuous period of more than one year for any reason other than events of *force majeure* or destruction, the Agency shall have the right to terminate this Agreement upon written notice to Participant at any time during such cessation of Operations.

2.16. Funding Responsibility

The Parties understand and agree that funding for the Investment comes entirely from Participant's internal capital or from financing obtained by Participant. The Agency shall not be liable or responsible for providing, obtaining, or guaranteeing such financing.

2.17. Potential Shortfall

Participant agrees and acknowledges that the only funds available to the Agency for compensation or incentives to Participant are those funds received by the Agency under the Budget from tax increment generated by the Investment by Participant within the Site and that the amount of Incentive paid to Participant under this Agreement is dependent on the taxable value of Participant's personal property within the Site or the taxes paid thereon.

2.18. Audits, Appeals, and Reassessments

As noted in Section 2.7, above, Participant may object to, challenge, or appeal any *ad valorem* property taxes that may be owed by Participant for property within the Site. However, in the event that such an action is pursued by Participant and is eventually successful in reducing the taxable valuation of Participant's property within the Site, Participant shall immediately pay to the Agency the portion of the Incentive for that year proportionate to the reduction in taxable value. In the event that Participant does not timely make such payment to the Agency, the Agency may correspondingly reduce the Incentive paid to Participant for the next year of the Incentive Term. The Agency, at its sole discretion, may withhold payment of the Incentive for the final year of the Incentive Term until such date as Participant can no longer appeal or contest the assessed value of Participant's property within the Site.

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Likewise, if an audit, reassessment, or similar action by the Salt Lake County Assessor or the Utah State Tax Commission results in an increased valuation of Participant's property within the Site, the Agency shall pay additional Incentive for that year in proportion to the increase in taxable value of Participant's personal property within the Site, subject to compliance with the terms of this Agreement.

3. ADDITIONAL TERMS

3.1. Investment

Participant will at all times be responsible for its Investment at the Facility. Recognizing the level of Investment by Participant, the Agency has determined that it is in the best interests of the residents of the City to provide the Incentive to Participant as an incentive to lease the Leased Space and undertake the continued Operation and Investment requirements as contemplated in this Agreement.

3.2. Responsibility for Development Plans and Permits

The Agency shall not have any responsibility to obtain permits, licenses, or other approvals for Participant's Operation of the Leased Space.

3.3. Other Terms

3.3.1. City Land Use Authority

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

3.3.2. Restriction Against Parcel Splitting

If applicable, during the term of this Agreement, Participant shall not, without the prior written approval of the Agency, (a) convey its interest in the Site or any portion thereof, if any, in such a way that a parcel of real property would extend outside the Project Area, or (b) construct or install any building or structure within the Project Area in such a way that any portion of the Facility or structure would extend outside of the Project Area. Participant understands and acknowledges that these requirements are intended to avoid the splitting of any parcels of real property within the Project Area and to avoid the joining of any parcels of real property inside of the Project Area with parcel(s) outside of the Project Area in such a way that Salt Lake County could no longer identify the periphery of the Project Area by distinct parcels.

3.3.3. Deannexation

Participant agrees that it will not cooperate with any person, group, or municipality in any effort to remove, deannex, disconnect, or disincorporate the Site or any portion thereof from the City during the Incentive Term. In the event that the Site or a portion thereof is disconnected, deannexed, disincorporated, or otherwise removed from the municipal boundaries of the City, the

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Agency's obligations to pay the Incentive for that portion of the Site outside of the City shall immediately cease.

3.3.4. Indemnification

Participant agrees to and shall indemnify, defend, and hold the Agency and its directors, officers, agents, employees, and representatives harmless from and against all liability, loss, damage, costs, or expenses (including reasonable attorney fees and court costs) arising from or as a result of the death of any person, or any accident, injury, loss, or damage whatsoever caused to any third party person or to the property of any third party person, directly or indirectly caused by any acts done or any errors or omissions of Participant or its directors, officers, agents, employees, consultants, and contractors on the Facility or the Site except for willful misconduct or negligent acts or omissions of the Agency, the City, or their respective directors, officers, agents, employees, contractors, and consultants. Likewise, the Agency agrees to and shall indemnify, defend, and hold Participant and its directors, officers, agents, employees, and representatives harmless from and against all liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person, or any accident, injury, loss, or damage whatsoever caused to any third party person or to the property of any third party person, directly or indirectly caused by any acts done or any errors or omissions of the Agency, the City, or their respective directors, officers, agents, employees, contractors and consultants except for willful misconduct or negligent acts or omissions of Participant or its directors, officers, agents, employees, consultants, and contractors.

3.3.5. Limits on Liability

In no event shall one Party be liable to the other(s) for consequential, special, incidental, indirect, exemplary, or punitive damages of any kind (including, but not limited to, loss of profits, loss of reputation, or loss of current or prospective business advantage, even where such losses are characterized as direct damages) arising out of or in any way related to the relationship or dealings between Participant and the Agency, regardless of whether the claim under which damages are sought is based upon contract, tort, negligence (of any kind), willful misconduct, strict liability or otherwise, and regardless of whether the parties have been advised of the possibility of such damages at the time of contracting or otherwise.

3.3.6. Local, State, and Federal Laws

Participant shall make the Investment and utilize the Leased Space in conformity with all applicable laws; provided, however, that unless otherwise addressed elsewhere in this Agreement, nothing herein shall limit the right of Participant to properly challenge any such law or the applicability of such law.

3.3.7. Rights of Access

Representatives of the Agency shall have the right of reasonable access to the Leased Space for purposes of inspection, with reasonable and prior written notice (but in no event less than 48 hours prior), and without charges or fees, during normal business hours or as otherwise agreed to in

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writing by Participant, subject, however, to the rules, regulations, security protocols and other access limitations for safety and security purposes as required by Participant or by the owner or operator of the Facility. Such representatives of the Agency and other visitors to the Leased Space shall execute Participant's non-disclosure agreement and observe any reasonable rules adopted by Participant or the Facility owner or operator for purposes of maintaining safety and security on the Site, including requirements that such representatives or visitors be escorted by any designated agent of Participant or the Facility owner or operator at all times. Such representatives of the Agency shall be those who are so identified in writing by the Agency. The Agency agrees to and shall indemnify and hold Participant harmless from and against all liability, loss, damage, costs, or expenses arising from or as a result of the death of any person or any accident, injury, loss or damage whatsoever caused to any person or the property of any person which shall occur as a result of or arising from the Agency's or the City's, or their respective directors, officers, agents, employees, contractors and consultants, entry upon or activities on the Site or in the Facility, except that this indemnity shall not apply to the sole negligence or willful misconduct of Participant.

3.3.8. Responsibility of the Agency

The Agency shall not have any obligation under this Agreement other than those specifically provided for herein. Except as expressly provided for in this Agreement, nothing herein shall be construed as requiring the Agency to pre-approve or prejudge any matter, or as otherwise binding the Agency's discretion or judgment on any issue prior to an appropriate hearing (if required), review, or compliance with any other requirement.

3.3.9. Non-waiver of Governmental Immunity

Nothing in this Agreement shall be construed as a waiver of any immunity, protection, or rights granted to the Agency under the Governmental Immunity Act of Utah, Utah Code 63G-7-101, *et seq.*

3.3.10. Agency and City Publicity

Throughout the term of this Agreement and notwithstanding any agreements to the contrary, the Agency shall have the right to freely use the following facts and information in Agency and City marketing, promotional, and publicity materials (together, "**Promotional Materials**"): (i) the presence of Participant in a leased datacenter in the City, (ii) the approximate square footage of the Leased Space, (iii) Participant's approximate total Investment within the City, (iv) timing of Participant's initial and subsequent investments within the City, (v) the details of the Incentive and the expected benefits to the City, (vi) the location of the Leased Space, and (vii) publicly-available information about Participant and its operations and history.

Subject to (i) Participant's Trademark Policy (attached as **Exhibit D**) and (ii) written prior consent by Participant to any usage, which consent shall not be unreasonably withheld, conditioned or delayed, Participant hereby grants the Agency a limited, non-exclusive, non-transferable license to use the PayPal Logo in the Promotional Materials during the term of this Agreement. Participant hereby consents to the use of the PayPal Logo by the Agency during the term of this Agreement in substantially the forms and in the manners shown on **Exhibit E** (the "**Preapproved Logo**

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Uses"). Participant agrees that the inclusion of the Preapproved Logo Uses in this Agreement satisfies the requirements set forth in the Sample Submission section of Participant's Trademark Policy and the written prior consent requirement as set forth in the first sentence of this paragraph for the Preapproved Logo Uses. For uses of the PayPal Logo by the Agency other than the Preapproved Uses, the Agency shall submit to Participant a sample of the proposed use as required by Participant's Trademark Policy. Within five business days after submission of such sample, Participant shall notify the Agency of approval of the proposed use as shown in the sample or of any objections to the proposed use. Participant's approval of a proposed use of the PayPal Logo by the Agency shall not be shall not be unreasonably withheld, conditioned, or delayed.

Except as specifically allowed in this Subsection 3.3.10, the Agency shall not disclose any nonpublic information about Participant or Participant's operations within the Leased Space as part of any Promotional Materials or press releases.

4. EFFECT AND DURATION OF COVENANTS; TERM OF AGREEMENT

The covenants, including but not limited to conformance with federal, local, and state laws, established in this Agreement shall, without regard to technical classification and designation, be binding on the Parties and any successors-in-interest for the benefit of each of the respective Parties, their successors and assigns during the term of this Agreement, which shall terminate upon the later of: (a) the final payment of the Incentive during or upon the expiration of the Incentive Term (i.e., year 1 through year 10) as set forth in Article 2 of this Agreement; or (b) upon the written agreement signed by the Parties hereto.

5. DEFAULTS, REMEDIES, AND TERMINATION

5.1. Default

If either the Agency or Participant fails to perform or delays performance of any material obligation of this Agreement and fails to cure as provided for in this Article 5, such conduct constitutes a default of this Agreement ("Default"). The Party in default must immediately commence to cure, correct, or remedy such failure or delay and shall complete such cure, correction, or remedy within the periods provided in Section 5.3 hereof.

5.2. Notice

If a Default under this Agreement occurs, the non-defaulting Party shall give written notice (a "Default Notice") of the Default to the defaulting Party, specifying the nature of the Default. Failure or delay in giving such notice shall not constitute a waiver of any Default, nor shall it change the time of Default, nor shall it operate as a waiver of any rights or remedies of the non-defaulting Party; but the non-defaulting Party shall have no right to exercise any remedy hereunder without delivering the Default Notice as provided herein. Delays by either Party in asserting any of its rights and remedies shall not deprive the other Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert, or enforce any such rights or remedies.

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5.3. Cure Period

The non-defaulting Party shall have no right to exercise a right or remedy hereunder unless the subject Default continues uncured for a period of thirty (30) days after delivery of the Default Notice with respect thereto, or, where the default is of a nature which cannot be cured within such thirty (30) day period, the defaulting Party fails to commence such cure within thirty (30) days and to diligently proceed to complete the same. A Default which can be cured by the payment of money is understood and agreed to be among the types of defaults which can be cured within thirty (30) days. If the Default is not cured, or commenced to be cured if such default is of a nature which cannot be cured within thirty (30) days, by such Party within thirty (30) days of delivery of the Default Notice, such failure to cure shall be an Event of Default, and the non-defaulting Party may pursue such other rights and remedies as it may have, except, however, if Participant fails to commence or continue Operations as required by Sections 2.13 and 2.14, above, then in such case Agency's sole remedy shall be to terminate this Agreement (for clarity, Agency may not commence an action against Participant for specific performance to commence or continue Operations). Further, in the event of a Default by Participant, past all applicable cure periods, Agency's sole remedy shall be to terminate this Agreement.

5.3.1. Rights and Remedies

Upon the occurrence of a Default (following the expiration of the applicable cure period provided herein or by law, whichever is longer), the non-defaulting Party shall have all remedies provided for in this Agreement and shall have the right to obtain specific performance, unless otherwise limited by the express remedies set forth in this Agreement. Such remedies are cumulative, and the exercise of one or more of such rights or remedies shall not preclude the exercise, at the same or different times, of any other rights or remedies for the same Default or any other Default by the defaulting Party.

Notwithstanding to foregoing, the Agency shall not have to right to compel, through a remedy of specific performance or otherwise, the Participant to make any investment within the Project Area or to Operate the Leased Space as contemplated by this Agreement.

5.3.2. Legal Actions

5.3.2.1. Venue

All legal actions between the Parties, arising under this Agreement, shall be conducted exclusively in the Third District Court for the State of Utah located in Salt Lake County, Utah, unless they involve a case with federal jurisdiction, in which case they shall be conducted exclusively in the Federal District Court for the District of Utah.

5.3.2.2. Service of Process

Service of process on the Agency shall be made by personal service upon the Chairman or Executive Director of the Agency or in such other manner as may be provided by law. Service of

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process on Participant shall be by personal service upon its Registered Agents, or in such other manner as may be provided by law, whether made within or without the State of Utah.

5.3.2.3. Applicable Law

The laws of the State of Utah shall govern the interpretation and enforcement of this Agreement.

6. GENERAL PROVISIONS

6.1. Authority

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

6.2. Notices, Demands, and Communications between the Parties

Formal notices, demands, and communications between the Agency and Participant shall be sufficiently given if emailed and: (1) personally delivered; or (2) if dispatched by registered or certified mail, postage prepaid, return-receipt requested, to the principal offices of the Agency and Participant, as designated in Sections 1.8.1 and 1.8.2 hereof. Such written notices, demands, and communications may be sent in the same manner to such other addresses as either Party may from time to time designate by formal notice hereunder. Delivery of notice shall be complete upon mailing or making physical delivery of the writing containing the notice.

6.3. Severability

In the event that any condition, covenant or other provision herein contained is held to be invalid or void by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect any other covenant or condition herein contained unless such severance shall have a material effect on the terms of this Agreement. If such condition, covenant, or other provision shall be deemed invalid due to its scope, all other provisions shall be deemed valid to the extent of the scope or breadth permitted by law.

6.4. Nonliability of Officials and Employees

No director, officer, agent, employee, representative, contractor, attorney, or consultant of the Parties hereto shall be personally liable to any other Party hereto, or any successor-in-interest thereof, in the event of any Default or breach by a Party hereto or for any amount which may become due to a Party hereto or to its successor, or on any obligations under the terms of this Agreement.

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6.5. Enforced Delay; Extension of Time and Performance

In addition to the specific provisions of this Agreement, performance by either Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lock-outs, riots, floods, earthquakes, fires, casualties, acts of God, acts of a public enemy, terrorist activity, epidemics, quarantine restrictions, freight embargoes, lack of transportation, unusually severe weather, or any other causes beyond the reasonable control or without the fault of the Party claiming an extension of time to perform. An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent, whether on the part of the Agency's Executive Director or its governing board or on the part of Participant, to the other Party within thirty (30) days of actual knowledge of the commencement of the cause. Time of performance under this Agreement may also be extended in writing by the Agency and Participant by mutual agreement.

6.6. Approvals

Whenever the consent or approval is required of any Party hereunder, except as otherwise herein specifically provided, such consent or approval shall not be unreasonably withheld or delayed.

6.7. Time of the Essence

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

6.8. Attorney Fees

In the event of any litigation arising from or related to this Agreement, the prevailing Party shall be entitled to recover from the non-prevailing party all reasonable costs and attorney fees related to such litigation.

6.9. Interpretation

The Parties hereto agree that they intend by this Agreement to create only the contractual relationship established herein, and that no provision hereof, or act of either Party hereunder, shall be construed as creating the relationship of principal and agent, or a partnership, or a joint venture, or an enterprise between the Parties hereto.

6.10. No Third-Party Beneficiaries

It is understood and agreed that this Agreement shall not create for either Party any independent duties, liabilities, agreements, or rights to or with any third party, nor does this Agreement contemplate or intend that any benefits hereunder accrue to any third party.

6.11. Mediation

In the event a dispute arises between the parties with respect to the terms of this Agreement or the performance of any contractual obligation by one or both of the parties, the parties agree to submit

EXECUTION VERSION

the matter to formal and confidential non-binding mediation before any judicial action may be initiated, unless an immediate court order is needed or a statute of limitations period will run before mediation can be reasonably completed. A mediator will be selected by mutual agreement of the parties. The parties must mediate in good faith to resolve the dispute in a timely manner. Each party will be responsible for its own costs and one-half of the cost of the mediator. The place of mediation shall be West Jordan, Utah.

6.12. Headings

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

6.13. Contra Proferentum

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

6.14. Further Assurances

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

6.15. Incorporation of Recitals and Exhibits

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

6.16 Governmental Records And Management Act

The Agency acknowledges that Participant considers all of the information provided to the Agency in connection with this Agreement is protected under the Utah Governmental Records Access and Management Act, § 63-2-101 *et seq.* ("GRAMA") under a claim of "business confidentiality" so long as Participant complies with the applicable requirements in making a claim of business confidentiality under § 63G-2-309(1)(a)(i)(A) & (B).

7. DUPLICATION, INTEGRATION, WAIVERS, AND AMENDMENTS

7.1. Duplicate Originals

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

EXECUTION VERSION

7.2. Integration

This Agreement (including its exhibits) constitutes the entire understanding and agreement of the Parties regarding the subject matter thereof. When executed by the Parties, this Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to the subject matter thereof.

7.3. Waivers and Amendments

All waivers of the provisions of this Agreement must be in writing. This Agreement and any provisions hereof may be amended only by mutual written agreement between Participant and the Agency.

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

EXECUTION VERSION

REDEVELOPMENT AGENCY OF
WEST JORDAN CITY

By: _____
David R. Brickey, Executive Director

Attest:

By: _____
Melanie Briggs, Secretary

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

In the County of Salt Lake, State of Utah, on this ____ day of _____, 201__, before me, the undersigned notary, personally appeared David R. Brickey, the executive director of the Redevelopment Agency of West Jordan City, who is personally known to me or who proved to me his identity through documentary evidence to be the person who signed the preceding document in my presence and who swore or affirmed to me that his signature is voluntary and on behalf of the Redevelopment Agency of West Jordan City by authority of its Board of Directors.

Notary signature and seal

EXECUTION VERSION

PAYPAL, INC.

By: [Signature]
Name: DANIEL TORUNIAN
Title: VICE PRESIDENT



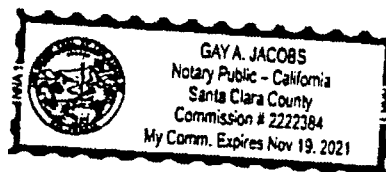
STATE OF CALIFORNIA)
 : ss.
COUNTY OF SANTA CLARA)

On DEC. 21, 2018 before me, GAY A. JACOBS, Notary Public
personally appeared Dan Torunian, who proved
to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within
instrument and acknowledged to me that he/she executed the same in his/her authorized capacity,
and that by his/her signature on the instrument the person, or the entity upon behalf of which the
person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]
Notary signature and seal



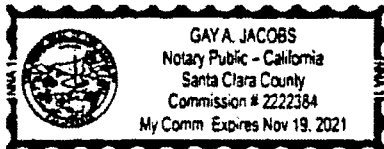
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Santa Clara)
On Dec. 21, 2018 before me, Gaya Jacobs, Notary Public,
Date Here Insert Name and Title of the Officer
personally appeared Don Toronada
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

EXECUTION VERSION

Exhibit A
To PayPal Participation Agreement

Project Area Budget

See following attached pages

FINAL



**AMENDED Project Area Budget for the Fairchild Economic
Development Project Area**
Prepared by the Redevelopment Agency of the City of West Jordan

Consented to by the Taxing Entity Committee on December 17, 2018

Public hearing held by the Agency on January 9, 2019

Adopted by the Agency on January 9, 2019

BACKGROUND

The Agency Board requested that the Redevelopment Agency of the City of West Jordan (the “Agency”), with the assistance of hired consultants and staff, prepare an amended Economic Development Project Area Budget pursuant to the provisions of Chapters 1 and 3 of the Utah Community Reinvestment Agency Act, Title 17C of the Utah Code Annotated 1953, as amended (the “Act”). This economic Development Project Area Budget (the “**Amended Project Area Budget**” or the “**Amended Budget**”) is for the Fairchild Economic Development Project Area, which is also referred to as EDA #4 (the “**EDA**” or the “**Project Area**”). The requirements of the Act, including notice and hearing obligations, have been scrupulously observed at all times throughout the establishment of the Project Area and the adoption of the Project Area Plan and this Budget.

The Fairchild EDA was created on April 14, 2010 by Agency Resolution No. 125 and West Jordan City Ordinance No. 10-11. The project area budget was approved by the Taxing Entity Committee on March 17, 2010 and by Agency Resolution No. 126 on April 14, 2010. This Amended Budget, once effective, repeals and replaces the original project area budget adopted in 2010.

The major development within the Project Area is a large colocation datacenter occupying the old Fairchild Semiconductor building. This datacenter will lease space to third parties and the opportunity exists to expand within the Project Area. The City of West Jordan has already incentivized the creation of the datacenter space through a significant rebate of the City’s municipal energy tax to the owner of the facility. The first major tenant of the datacenter is to be PayPal. PayPal proposes to invest approximately \$663 million within the Project Area over ten years. This investment will be almost entirely servers and related equipment (personal property). Under this Budget, the Agency proposes to receive and retain 60 percent of the tax increment generated only by PayPal’s taxable personal property within the Project Area.

As part of this Amended Budget, the Agency will initially receive 100 percent of the tax increment generated by PayPal’s taxable personal property within the Project Area and the Agency shall then remit to the various taxing entities—in proportion to their respective tax levies—40 percent of the tax increment the Agency receives each year. Note that this Amended Budget only allows the Agency to receive tax increment generated by new taxable personal property owned by PayPal. This Amended Budget does not allow the Agency to receive tax increment generated by any other datacenter tenants or by other development within the Project Area.

BUDGET

The official budget (the “**Budget**”) for the Fairchild Economic Development Project Area (the “**Project Area**”) is as follows:

1. Under this Budget, the Agency may collect tax increment from all taxable personal property owned by PayPal (or its affiliates, subsidiaries, or successors in interest) within

the entire Project Area. For the sake of clarity, the Agency shall not be entitled to increment generated by development of real property within the Project Area or tax increment generated by personal property owned by other entities.

2. As required by Utah Code § 17C-3-201(1)(b)(i)(A), the project area funds collection period shall be no more than **10 years** from the date for which the Agency first receives tax increment from the Project Area.
3. As required by Utah Code § 17C-3-201(1)(b)(i)(B), the percentage of tax increment the Agency is authorized to receive from the Project Area under the Budget is **100 percent**, subject to the following conditions:
 - a. The Agency shall remit to the taxing entities 40 percent of the increment the Agency collects under this Budget.
4. The remittances to the taxing entities as contemplated herein are authorized by Utah Code § 17C-1-410. Such remittances shall be paid to the respective taxing entities within 30 days of the date the Agency receives the tax increment for the preceding year from the County Treasurer (or other Salt Lake County department or official, as the case may be).

The Base Year for the Budget shall be **2018** and the base value of PayPal's taxable personal property within the Project Area shall be **\$0.00**.

The Agency shall begin collecting, or "trigger", tax increment from the Project Area pursuant to this Budget **beginning on January 1, 2019**.

The Agency may retain no more than **3 percent** of the tax increment it receives from the Project Area to cover the operating and administrative expenses of the Agency. The Agency shall allocate **10 percent** of the increment it receives toward housing as described in Utah Code § 17C-1-411.

The maximum amount the Agency may receive under this Budget is **\$6,800,000**.

The effect of this Budget is to allow the Agency to collect 100 percent of the tax increment generated by PayPal's taxable personal property within the Project Area for a period of up to 10 years. The Agency is required to remit to the taxing entities 40 percent of the tax increment that the Agency collects each year, meaning the Agency will retain 60 percent of the total tax increment generated by PayPal's taxable personable property within the Project Area.

The Agency is authorized to take such actions as may be necessary to communicate the correct percentage of tax increment to be received under this Budget and ensure that the correct amount of tax increment is received by the Agency, including communicating such information to the appropriate Salt Lake County officials.

FINANCIAL PROJECTIONS

Detailed financial projections based on this Budget and the Agency's current expectations for PayPal's investment within the Project Area are attached hereto as Exhibit A. These projections are based on the good-faith estimates of the Agency, Agency staff, and hired consultants; however, these projections are only estimates and are not guarantees of future development within the Project Area nor are they limitations on the tax increment that may be generated within the Project Area or shared with the Agency according to this Budget.

EXHIBIT A
to the Fairchild EDA Project Area Budget
Detailed PayPal investment projections

[illegible]

EXECUTION VERSION

Exhibit B
to PayPal Participation Agreement
Site



EXECUTION VERSION

Exhibit C
to PayPal Participation Agreement
Estimated Investment Schedule

Year	Investment Value
2018	\$2,000,000
2019	\$88,000,000
2020	\$80,000,000
2021	\$74,000,000
2022	\$74,000,000
2023	\$69,000,000
2024	\$69,000,000
2025	\$69,000,000
2026	\$69,000,000
2027	\$69,000,000

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Exhibit D to PayPal Participation Agreement *Trademark Policy*

PAYPAL TRADEMARK POLICY

This Trademark Policy (this "Policy") sets forth terms and conditions for using the PayPal logo trademark (the "Logo"). In order to be entitled to use the Logo or any other PayPal trademark, Agency must have a written agreement ("Agreement") with PayPal that includes a trademark license for such use. This Policy is designed to provide Agency with the general requirements for use of the Logo as permitted by the Agreement. Agency is entitled to use only the trademarks expressly licensed to Agency in the Agreement. The requirements set forth in this Policy are in addition to all other terms and conditions of the Agreement.

PayPal Logo. PayPal will provide Agency with the artwork for the Logo. In reproducing the Logo Agency may use only the artwork provided by PayPal or PayPal's designee. Agency may not alter the Logo in any manner, including proportions, colors, elements, type or any other respect. Agency may not animate, morph or otherwise distort the Logo's perspective or dimensional appearance.

No Similar Name or Combination Mark. Agency may not use any name or trademark confusingly similar to the Logo or any other PayPal trademark. Agency may not use the Logo in such proximity to any Agency or third party trademark so as to create a combination or composite mark.

Ownership & Cooperation. Nothing herein shall give Agency any right, title or interest in the Logo or any other PayPal trademark other than as stated in the Agreement. The Logo is the sole property of PayPal, and any and all uses by Agency of the Logo, and all goodwill derived therefrom, whether or not conducted pursuant to the Agreement, shall inure solely to PayPal's benefit. At PayPal's request and expense, Agency shall provide PayPal with any specimens and execute all documents necessary to protect and confirm PayPal's rights to the Logo including without limitation any act reasonably necessary for PayPal to secure or maintain rights in and to the Logo.

No Registration of Mark or Objections to Validity. Agency may not: do anything that might harm the reputation or goodwill of PayPal, the PayPal name or the Logo; take any action inconsistent with PayPal's ownership of the PayPal name or the Logo; challenge, raise or cause to be raised any questions concerning PayPal's rights or interests in the PayPal name or the Logo; attempt to register the Logo or any other PayPal trademark or any trademark or logo substantially similar thereto; or take any other action adverse to PayPal's rights.

Notification of Adverse Use. Agency must promptly notify PayPal in writing of any adverse use by a third party of the Logo or of a mark or name confusingly similar to the Logo and will to take no action of any kind with respect thereto except with the prior written authorization of PayPal. Agency will provide full cooperation with any legal or equitable action by PayPal to protect PayPal's right, title, and interest in and to the Logo.

Infringement Proceedings. If a third party infringes the Logo, PayPal shall have the sole right in PayPal's discretion to initiate and conduct proceedings (including notifications to customs or other government officials objecting to the importation of infringing goods) against the infringing party, to initiate and conduct negotiations with respect thereto, including, but not limited to settlement discussions and to retain any damages recovered in such proceedings.

Sample Submission. Agency must submit samples of any and all materials bearing the Logo to PayPal for review and approval prior to the distribution of such materials. PayPal shall have the right to make reasonable objections to any such sample on the grounds that PayPal believes in good faith that the use and/or distribution of such materials by Agency will be damaging to the recognition value or reputation for quality associated with the Logo, or the materials

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do not meet the requirements of this Policy, the Agreement or any usage guidelines provided by PayPal. In the event of such an objection, Agency shall modify the materials in accordance with the objection of PayPal prior to the distribution of the materials. Once Agency has received approval for any such materials, Agency shall be allowed to use the same in subsequent editions without obtaining prior approval.

Termination. If PayPal notifies Agency that any of Agency's use of the Logo does not meet the requirements set forth in this Policy or the Agreement, then Agency must correct all misuses of the Logo within five days of such notice. Attempts at a cure or partial cures shall not serve to stay the running of the five day cure period without PayPal's prior written consent. If the misuse of the Logo is not corrected within five days, Agency's license to use the Logo shall terminate at the end of that five day period. If the Agreement expires or terminates for any reason, Agency agrees to discontinue immediately all use of the Logo and promptly to destroy or return to PayPal all materials that bear the Logo.

Other Terms and Conditions. PayPal disclaims any and all warranties, whether express or implied by law, regarding the Logo, including without limitation warranty of non-infringement. Agency agrees that PayPal shall be entitled to injunctive relief in addition to other available remedies if Agency breaches any term or condition of this Policy or the Agreement.

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Exhibit E
to PayPal Participation Agreement
Preapproved Logo Uses

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COMMUNITY RESOURCES DOING BUSINESS GOVERNMENT SERVICES WHAT'S HAPPENING QUICK LINKS

Facts & Stats

Development Home **About Us** **Development Assistance** **Permits** **Building & Safety** **Fees** **Maps**

Population
111,094
Source: West Jordan City estimate (May 2016)

Additional Data

Labor
Unemployment Rate: 2.7% (October 2016)
Average Production Worker Wage: \$12.22/hour
Primary Industries: Manufacturing, Wholesale Trade, Retail Trade, Healthcare Services

Employment Population (18+)

111,164
Median Worker Age: 38.3
Mean Travel Time: 23.7
Median Earnings: \$32,000

Major Employers

Jordan School District	3,143
Smith's	730
Jordan Valley Medical Center	691
Mountain America Credit Union	601
City of West Jordan	553
Walmart	535
Sysco International	431
SAE Industries	373
National Benefit Services	298
Cooder Hills Youth Center	236
Dannon Company	230

Educational Attainment
Population aged 25+
64,192
Diploma or GED (25+)
16,400
Some College
18,835
Associate's Degree
7,665
Bachelor's Degree

Housing
Total Housing Units: 33,308
Vacancy Rate: 3.6%
Owner Occupied Units: 24,716
Median Home Value: \$227,300
Median Age: 30.6

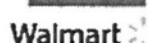
Families & Households
Households: 32,100
Median Household Income: \$68,442
Mean Household Income: \$75,450
Monthly Housing Costs: \$1,281
Mean Household Size: 3.44
Mean Family Size: 3.77
Median Family Income: \$70,212
Mean Family Income: \$78,068

Links to General Demographic Data
[Census Bureau](#)
[American Factfinder](#)
[American Community Survey](#)
[Utah Department of Workforce Services](#)

Contact Us
8000 S. Redwood Road
West Jordan, UT 84088
Phone: 801.569.5050
Fax: 801.569.5099
Email: info@westjordan.gov

Office Hours
Monday-Friday
8:00 a.m. - 5:00 p.m.
Closed on Saturdays & Sundays









EXECUTION VERSION



City of West Jordan
Economic Development Department
8000 South Redwood Road
West Jordan, Utah 84088
(801) 569-5060
www.wjordan.com

West Jordan Community Information

City Profile:

West Jordan City is located in the Salt Lake metropolitan area, and at a population of 113,699, is the fourth largest city in the State. West Jordan is a full-service city, providing municipal services ranging from police, fire, emergency medical response, water, sewer, storm drain runoff protection, street maintenance, solid waste collection, and parks and recreation. Additionally, the city is home to Jordan Landing, the largest retail power center in the region, and is also home to the Jordan Valley Medical Campus, a state-of-the-art regional medical facility.

Business Community:

The City is home to a wide array of business, from traditional manufacturing such as structural steel fabrication to high technology companies providing cloud computing and data storage. In total, West Jordan is home to over 1,500 businesses, including notable Fortune 500 companies Boeing, Danone, Genuine Parts (Balkamp), Oracle, and Sysco.



Demographics:

West Jordan City has a young population, with a median age of 30.7, and a large household size of 3.42 persons per household. As of 2016, over 32,000 households called the City home, and approximately 75% of all households own their own home. Median household incomes in the city were \$69,503, which is larger than both the national and statewide amounts.

Infrastructure:

A growing city with room to expand, West Jordan encompasses 32 square miles of land with approximately 7,000 acres of undeveloped land, which constitutes a majority of the available land left in Salt Lake County. The City Council has aggressively planned to accommodate business growth in this area, funding several system upgrades to the water, sewer, and storm drain systems that will be complete in the next 1 - 2 years.

Transportation:

West Jordan is located minutes from I-15 and I-80, providing direct trip times to destinations such as Las Vegas in six hours, Denver in 8 hours, Los Angeles in ten hours, and San Francisco in eleven hours. Transit service, including a light rail line, is provided by the Utah Transit Authority, and the Salt Lake International Airport is about 15 minutes to the North. Commercial freight rail service is also available from a spur of the Denver & Rio Grande rail line which services each of the City's industrial parks.

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Workforce:

A large workforce is available in West Jordan, as the population between the ages of 16 to 64 is estimated to be 71,705. The workforce is also well-educated, with over 1/3 of the population aged 25 or over having earned a college degree. The workforce is trained for in-demand fields, as over 2/3 of those earning a bachelor's degree received an education in engineering, science, or business.

Education

Enrollment:

Preschool:	2,335
K - 12:	26,401
College:	5,944
Grad, Prof:	879

Attainment: (age 25+)

Less than 9 th Grade:	2.8%
9 th to 12 th Grade:	6.4%
High School:	26.7%
Some College:	29.0%
Associate's Degree:	11.5%
Bachelor's Degree:	17.2%
Graduate or Prof:	6.4%

Field of Bachelor's:

Science & Engineering:	4,683
Sci. & Eng. Related:	1,360
Business:	3,791
Education:	2,210
Arts, Humanities:	3,109

Households

Total Households:	32,225
Avg. Household Size:	3.42
Avg. Family Size:	3.83
Owner-occupied units:	75.4%
Renter-occupied units:	24.6%

Housing

Occupied Housing Units:	32,225
Monthly Housing Costs:	\$1,295

Population

Population:	113,699
Median Age:	30.5

Workforce (age 16-64):

Workforce Population	71,705
Full-time Workers:	39,636
Part-time Workers:	19,320
Median Worker Age:	37.7
Median Weekly Hours:	37.8

Occupation by Class:

Management, Business:	18,855
Service Occupations:	7,816
Sales, Office Occupations:	16,826
Natural Resources:	5,223
Production, Transportation:	7,024

Income

Median Household Income:	\$69,503
Mean Family Income:	\$84,172
Per Capita Income:	\$28,287

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City of West Jordan
Economic Development Department
8000 South Redwood Road
West Jordan, Utah 84088
(801) 569-5060
www.wjordan.com

February 31, 2020

EDC Utah
201 South Main Street
Suite 2150
Salt Lake City, UT 84111

To whom it may concern:

The City of West Jordan hereby submits this letter of interest in response to the Project Codename RFI which was issued on February 29, 2020. City officials have reviewed the required criteria and have identified a build-to-suit location in the southwest area of the city which meets all of the requirements contained within the RFI.

This site is located within the Pioneer Technology District, an Economic Development Project Area created in 2015 specifically for the purpose of developing a large corporate business park in southwestern Salt Lake County. Generally, this area is bounded by the New Bingham Highway and 90th South to the north, Old Bingham Highway on the south, and lies approximately between 6200 West to the east and 7600 West to the west. In addition to the arterial roads mentioned above, the area is also serviced by 5600 West, State Route 111, and the Mountain View Corridor, as shown on the attached map.

The site located in West Jordan offers the following qualifications mentioned in the RFI, including:

- Large parcels which can be subdivided to smaller 20 – 40 acre lots.
- Zoning which will allow for commercial, office, industrial, or research park uses.
- Immediately adjacent to several high-tech users, including Boeing, e-Bay, Oracle, and PayPal.



- Within 1 or 2 miles of major transportation corridors, including the Mountain View Corridor (.7 miles), 90th South (2 miles), Bangerter Highway (4.6 miles), and I-15 (8 miles).
- Adequate infrastructure to service the required utility amounts of 1.0 M gallons of water per day, similar sewer usage, natural gas availability, and 3.5 MVA in peak electrical demand.

It is my pleasure to submit the Pioneer Technology District Site as a candidate for the site of Project Codename, which as outlined above offers the company all the site requirements listed in the RFI.

Best Wishes

Jeremy Olsen
Redevelopment Program Manager
City of West Jordan