

**RDA MEETING
PACKET**

DATE:

December 22, 2022



NOTICE AND AGENDA OF A SPECIAL MEETING OF THE KANE COUNTY REDEVELOPMENT AGENCY

PUBLIC NOTICE IS HEREBY GIVEN that the Board of the Kane County Redevelopment Agency, Utah, will hold a **Redevelopment Agency Meeting on Thursday December 22, 2022** for purposes of holding a Public Hearing. The meeting will begin at 6:00 pm and will be held in the Town Council Room at the Big Water Town Hall located at 60 Aaron Burr Big Water, UT 84741.

*The Chair of the Kane County Redevelopment Agency, in his discretion, may accept public comment on any listed agenda item unless more notice is required by the Open and Public Meetings Act.

CALL MEETING TO ORDER
WELCOME
INVOCATION
PLEDGE OF ALLEGIANCE

SPECIAL SESSION:

1. Public Hearing on the draft Glen Canyon Solar A Project – Community Reinvestment Project Area Plan and Budget
2. **Kane County Redevelopment Agency Resolution No. R-2022-11:** a Resolution authorizing the Glen Canyon Solar A Project - Community Reinvestment Project Area Plan as the official plan for the Glen Canyon CRA Project Area and related matters.
3. **Kane County Redevelopment Agency Resolution No. R-2022-12:** a Resolution authorizing the Glen Canyon Solar A Project - Community Reinvestment Project Area Budget as the official budget for the Glen Canyon CRA Project Area and related matters.
4. **Diversion of Property Tax for a Community Reinvestment Project Area:** Discussion and Consideration to Authorize the Kane County Redevelopment Agency to enter into an Interlocal Agreement with Kane County, related to the Glen Canyon Solar A Project – Community Reinvestment Project Area

NOTICE OF SPECIAL ACCOMMODATION DURING PUBLIC MEETINGS:

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Karla Johnson at (435) 644-2458. Agenda items may be accelerated or taken out of order without notice as the Administration deems appropriate. All items to be placed on the agenda must be submitted to the Clerk's office by noon Thursday, prior to the meeting.

AGENDA ITEMS

ITEM # 1

Public Hearing on the draft Glen Canyon Solar A
Project – Community Reinvestment Project Area
Plan and Budget

ITEM # 2

Kane County Redevelopment Agency Resolution No. R-2022-11: a Resolution authorizing the Glen Canyon Solar A Project - Community Reinvestment Project Area Plan as the official plan for the Glen Canyon CRA Project Area and related matters.

RESOLUTION NO. RDA-2022-11

RESOLUTION OF THE KANE COUNTY REDEVELOPMENT AGENCY ADOPTING AN OFFICIAL PROJECT AREA PLAN FOR THE GLEN CANYON SOLAR A PROJECT - COMMUNITY REINVESTMENT PROJECT AREA.

WHEREAS, the Kane County Redevelopment Agency (the "Agency") was created to transact the business and exercise the powers provided for in the current Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the Utah Code amended May 10, 2016, (the "Act"); and

WHEREAS, Kane County (the "County") has a planning commission and has adopted a general plan pursuant to applicable law; and

WHEREAS, the Agency, by Resolution, has authorized the preparation of a draft project area plan as provided in Section 17C-5-103 of the Act; and

WHEREAS, pursuant to Section 17C-5-104 of the Act, the Agency has (a) prepared a draft Glen Canyon Solar A Project - Community Reinvestment Project Area Plan (the "Project Area Plan" or "Plan") and (b) made the draft Project Area Plan available to the public at the Agency's offices during normal business hours; and

WHEREAS, the Agency provided notice of the public hearing in strict compliance with Sections 17C-1-805, 806, and 808; and

WHEREAS, the Agency has held a public hearing on the draft Project Area Plan and at the Plan hearing (a) allowed public comment on the draft Project Area Plan and whether the draft Project Area Plan should be revised, approved or rejected, and (b) received all written and heard all oral objections to the draft Project Area Plan; and

WHEREAS, after holding the public hearing, and at the same meeting, the Agency considered the oral and written objections to the draft Project Area Plan, and whether to revise, approve or reject the draft Project Area Plan;

WHEREAS, the Plan hearing was held on December 22, 2022, and this resolution was adopted less than one year since the date of the public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Agency:

Section 1. Adoption of Project Area Plan. It has become necessary and desirable to adopt the Project Area Plan as the official Project Area Plan for the Project Area. The Project Area Plan, in the form attached hereto as **Exhibit C**, and together with any changes to the Project Area Plan as may be indicated in the minutes of this meeting (if any), is hereby designated and adopted as the official Project Area Plan for the Project Area. The Agency shall submit the Project Area Plan, together with a copy of this Resolution, to the County Commission requesting that the Project Area Plan be adopted by ordinance of the legislative body of County in accordance with the provisions of the Act.

Section 2. Legal Description of the Project Area Boundaries. The legal description of the boundaries of the Project Area covered by the Project Area Plan is attached hereto and incorporated herein as **Exhibit A**. A map of the Project Area is attached and incorporated herein as **Exhibit B**.

Section 3. Agency's Purposes and Intent. The Agency's purposes and intent with respect to the Project Area are to accomplish the following:

- A. Incentivize the development and operation of a utility-scale solar energy generation project.
- B. Provide benefits to all local taxing entities, provide significant economic returns to Utah's public-school trust, create jobs and otherwise expand and diversify Kane County's industrial tax base.
- C. Provide for the strengthening of the economic health of the community.

Section 4. Project Area Plan Incorporated by Reference. The Project Area Plan, together with supporting documents, in the form attached as **Exhibit C**, and together with any changes to the Project Area Plan as may be indicated in the minutes of this meeting (if any), is hereby incorporated herein by reference, and made a part of this Resolution. Copies of the Project Area Plan shall be filed and maintained in the office of the Agency and the County Recorder for public inspection.

Section 5. Agency Board Findings. The Agency Board hereby determines and finds as follows:

The adoption of the Project Area Plan will:

- A. Satisfy a public purpose by, among other things, providing a new source of clean energy;
- B. Benefit the public in the form of, among other things, increasing property values and property tax revenue without increasing demand for government services such as schools, recreation facilities, and public safety;
- C. Be economically sound and feasible; in that the revenue needed to support the public amenities contemplated within the Project Area Plan will come from incremental taxes generated by new private development within the Project Area, all as further shown and supported by the analysis contained in the Project Area Plan;
- D. Conform to the County's general plan in that, among other things, the Project Area Plan provides that all development in the Project Area is to be in accordance with the County's zoning ordinances and requirements, and the development activities contemplated by the Project Area Plan are in harmony with the County's general plan; and
- E. Promote the public peace, health, safety and welfare of the citizens of the County.

Section 6. Financing. Subject to any limitations required by currently existing law (unless a limitation is subsequently eliminated), this Resolution hereby specifically incorporates all of the

provisions of the Act that authorize or permit the Agency to receive funding for the Project Area and that authorize the various uses of such funding by the Agency, and to the extent greater (or more beneficial to the Agency) authorization for receipt of funding by the Agency or use thereof by the Agency is provided by any amendment of the Act or by any successor provision, law or act, those are also specifically incorporated herein. It is the intent of this Resolution that the Agency shall have the broadest authorization and permission for receipt of and use of sales tax, tax increment and other funding as is authorized by law, whether by existing or amended provisions of law. This Resolution also incorporates the specific provisions relating to funding of community reinvestment project areas permitted by Chapter 5 of the Act.

Section 7. Effective Date. This Resolution shall take effect immediately upon adoption, and pursuant to the provisions of the Act, the Project Area Plan shall become effective upon adoption by Ordinance of the legislative body of the County.

IN WITNESS WHEREOF, the Governing Board of the Kane County Redevelopment Agency has approved, passed and adopted this Resolution this ____ day of December, 2022.

Agency Chair

ATTEST:

EXHIBIT A – LEGAL DESCRIPTION OF THE PROJECT AREA

Legal Description:

The Project Area is located in Kane County, Utah and described as follows:

Township 43 South, Range 2 East, SLB&M

Section 4: Lot 8, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ (321.08 acres)

Section 5: All (644.48 acres)

Section 6: E $\frac{1}{2}$ (322.16 acres)

Section 7: that portion of the NENE and the NWNE lying north of US 89 (21.50 acres)

Section 8: that portion of the N $\frac{1}{2}$ N $\frac{1}{2}$ lying north of US 89 (120 acres)

Section 9: N $\frac{1}{2}$ NW $\frac{1}{4}$ (80 Acres)

Containing approximately 1,509.22 acres, more or less

EXHIBIT B – MAP OF THE PROJECT AREA



EXHIBIT C: OFFICIAL PROJECT AREA PLAN

GLEN CANYON SOLAR A PROJECT

Community Reinvestment Project Area Plan

**Kane County Redevelopment Agency
November 22, 2022**

Table of Contents

1. Introduction and adoption of area plan	1
2. Community Reinvestment Project Area Plan boundaries	2
3. Summary of current conditions and impact of project area development.....	3
4. Development standards	4
5. How the purposes of the Act will be attained by the Plan	4
6. Consistent with Kane County General Plan.....	5
7. Elimination or reduction of blight within Project Area	6
8. Project Area development	6
9. Selection of participants	6
10. Reasons for selection of Project Area	6
11. Physical, social, and economic conditions within Project Area.....	6
12. Tax incentives for facilities located in Project Area	7
13. Anticipated public benefits from the Plan.....	7
14. Compliance with Section 9-8-404 Heritage, Arts, Libraries, and Cultural Development	8
15. Project Area subject to taxing entity committee or an interlocal agreement	8

1. Introduction and adoption of area plan

Pursuant to Resolution No. RDA 2022-10 (the “Resolution”), the Board of the Kane County Redevelopment Agency (also referenced herein as the “Agency”) authorized the preparation of this Community Reinvestment Project Area Plan (the “Plan”) in accordance with provisions of Title 17C of the Utah Code Annotated 1953, as amended (the “Act”). The Plan shall be titled the “Glen Canyon Solar A Project -- Community Reinvestment Project Area Plan”, or herein referenced to the “Plan”.

In accordance with the Act, the Agency’s objectives in approving this Plan are to use Tax Increment¹ to expand and diversify Kane County’s industrial tax base and benefit all taxing entities, promote the efficient use of natural resources, support the growth and development of clean energy production, create new employment opportunities, facilitate development of underutilized property, provide funds for local income targeted housing, and encourage development of currently tax-exempt land. The Agency anticipates that the objectives of the Plan cannot be achieved without the use of Tax Increment.

The Plan covers approximately 1,509.22 acres of undeveloped land located in a remote portion of Kane County located adjacent and to the north of US-89 east of Church Wells and west of Big Water (the “Project Area”).

The implementation and execution of this Plan is intended to incentivize the development and operation of a utility-scale solar energy generation project (the “Solar Project”) proposed by Glen Canyon Solar A, LLC (“Glen Canyon Solar A”), which will benefit all local taxing entities, provide significant economic returns to Utah’s public school trust, create jobs, and otherwise expand and diversify Kane County’s industrial tax base.

The proposed Solar Project will be built on property owned by The Utah School and Institutional Trust Lands Administration (“SITLA”).

The Agency proposes to use Tax Increment to encourage economic development and industrial expansion within the Project Area. The Agency anticipates that the goals and objectives of this Plan cannot be achieved without the use of Tax Increment. Therefore, the Agency will request the participation of each taxing entity that levies a property tax within the Project Area to agree to allow the Agency to receive a percentage of the Tax Increment generated within the Project Area for the term of this Plan. As outlined in the Act, the Agency will negotiate separate interlocal agreements with each participating taxing entity, which will outline the specifics related to the amount of Tax Increment and participation time frame over which the Tax Increment will be received by the Agency. Pursuant to these interlocal agreements, the Agency will receive the Tax Increment and will use this financing source to accomplish the purposes and objectives of this Plan. Upon the approval and adoption of this Plan, the Agency intends to

¹ The Act defines “*Tax increment*” to mean the difference between: (i) the amount of property tax revenue generated each tax year by a taxing entity from the Project Area from which tax increment is to be collected, using the current assessed value of the property; and (ii) the amount of property tax revenue that would be generated from the Project Area using the base taxable value of the property.

initiate discussions with other taxing entities who levy taxes within the Project Area regarding the need and purpose for Tax Increment participation in fulfilling the objectives of this Plan.

Moreover, the Agency anticipates negotiating an individual participation agreement with Glen Canyon Solar A to allow for the reimbursement of the Tax Increment generated by the Solar Project. The terms of the Tax Increment participation for the Solar Project, including participation percentages and term, will be negotiated separately between Glen Canyon Solar A and the Agency. This Plan shall remain in effect for the term of the participation agreement between the Agency and Glen Canyon Solar A.

The ordering of sections within this Plan are consistent with the requirements and other criteria for community reinvestment project area plans set forth in Utah Code Ann. § 17C-5-105. Each capitalized term not otherwise defined in this Plan shall have the meaning described to it in the Act.

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2. Community Reinvestment Project Area Plan boundaries

The proposed Project Area is depicted in attached Exhibit A-1 (the “Project Area Map”) and described in attached Exhibit A-2 (the “Plan Area Legal Description”). The Project Area is

located entirely within unincorporated areas of Kane County (the “County”) on remote, undeveloped property.

The Project Area lies to the north of US-89 east of Church Wells and west of Big Water on SITLA’s property located in Sections 4-9 of Township 43 South, Range 2 East, SLB&M.

3. Summary of current conditions and impact of project area development

a. Existing land uses

The official zoning map of Kane County does not designate a zone for SITLA lands. For the purposes of making recommendations to SITLA when a project or development is being proposed on SITLA lands within the unincorporated areas of the county, Kane County treats SITLA lands as if they were zoned Commercial. The proposed Solar Project is a conditional use within this district. The Solar Project has received a conditional use recommendation from the County on September 15, 2021, which use has been incorporated in the Solar Project’s lease with SITLA.

Property within the Project Area is undeveloped and currently used to graze cattle. The native vegetation consists primarily of non-irrigated scrub brush. The Project Area is located just north of US-89 1.65 miles to the west of Big Water and 1.35 miles to the east of Church Wells. There is little development in the general vicinity of the Project Area.

b. Principal streets

US-89 runs east/west and slight southwest/northwest just south of the Project Area. The site facilities will be accessed from a UDOT approved acceleration/deceleration turn off lane.

c. Population densities

There are no residential housing units or residents within the Project Area.

d. Building intensities

Other than US-89, there are no improvements or structures within the Project Area.

e. Impact of project area development

Once operational, the Solar Project within the Project Area will consist of photovoltaic solar panels and accessory facilities; electrical collection and generation tie lines and facilities; communication lines, cables, conduits, and facilities; electrical transformers, substations, and interconnection facilities; telecommunications equipment; control buildings and maintenance yards; access roads, fences and gates. This use is not anticipated to cause any detrimental effects on existing surrounding uses and is a conditional use within the SITLA land district.

The Solar Project will not include any residential units and the full-time population of the Project Area is not expected to increase in connection with its development. However, as new jobs are created within the Project Area, a corresponding number of new housing units may be constructed in other portions of the County.

Kanab is the nearest population center to the Project area in Utah and lies approximately 17 miles southwest of the Project Area. The proposed Solar Project will not be visible from Big Water or Church Wells or any other population center, however, a portion of the Solar Project will be visible driving along US-89.

Currently, the proposed Solar Project is not expected to add significantly to the cumulative impact on public roads. During construction, there will be an influx of construction workers and delivery of materials to the Project Area; however, such impacts will be minor.

Due to the remote location of the Project Area, future development options are limited. The proposed Solar Project takes advantage of the Project Area's solar resources with minimal impact on the surrounding area. The development of the Solar Project within the Project Area will convert otherwise unproductive land into productive use and is anticipated to result in the following benefits: significant new property tax revenues and an increase in the County's property tax base; enhanced employment opportunities for County residents; support of public schools through increased revenues to SITLA; funding of local targeted income housing options; and diversification of the local economy.

4. Development standards

The development and operation of the Solar Project will be subject to all applicable County, state, and federal regulations.

5. How the purposes of the Act will be attained by the Plan

Pursuant to Utah Code Ann. § 17C-1-102(47), the purpose of implementing a project area plan may include any activity which the board has determined either provides or encourages job creation or the development of improvements, facilities, structures, or buildings either on-site or off-site.

The Agency anticipates the Tax Increment incentives authorized by this Plan will result in the following outcomes:

a. Create jobs

The Agency anticipates the Tax Increment incentive authorized by this Plan will incentivize the development and operation of a utility-scale solar project which will create an estimated 275 FTE (full-time equivalent) construction jobs during the 10- to 12-month construction period and at least two full-time, high-paying permanent job with an estimated average annual salary of \$60,000 to \$70,000.

b. Tax revenue

It is anticipated that future development within the Project Area will generate significant and meaningful tax revenue to the State of Utah, County, and other taxing entities through increases in property and income taxes. Forecasted tax revenue generated by the Solar Project will be evaluated as part of Agency's negotiation of a participation agreement with Glen Canyon Solar A.

c. Fund local economic development

The Agency will retain a portion of the Tax Increment generated within the Project Area to cover the administrative costs of implementing the Plan and for other purposes that are authorized under the Act.

d. Provide funding for Utah education

SITLA owns the property within the Project Area and, as a state-owned entity, is not subject to property or income tax assessment. As a result of the economic development activity arising from this Plan, SITLA will be able to generate more revenue to support public education by charging higher rental rates to energy, mining, and industrial users.

e. Provide funds for local housing needs

Pursuant to the Act, 10% of the Tax Increment will be allocated to fund local income-targeted housing needs or homeless assistance. The Agency will use these funds in accordance with the Act and consistent with the plans and objectives of the County relative to affordable and moderate income housing.

6. Consistent with Kane County General Plan

All development within the Project Area will conform to the Kane County General Plan (the "General Plan"). The Project Area lies within the SITLA Land District. Future development in this area is limited by the lack of available potable water and the harsh salt desert environment. Given the environment and SITLA ownership of the property in the Project Area, there are little opportunities for commercial or industrial uses identified within the Project Area. The Project Area is well-suited for light industrial uses that promote the efficient and sustainable development of existing natural resources. The Kane County General Plan Amended August 2018 includes objectives to properly use natural resources and promote economic development.

The proposed Solar Project conforms to the Kane County General Plan in the following ways. The Solar Project is compatible with the environment and will not negatively impact adjacent land uses. The Solar Project is an environmentally sustainable source of renewable energy and will promote the efficient use of the County's natural resources. In terms of economic development, the Solar Project is anticipated to create new employment opportunities and will diversify the County's tax base. In addition to generating significant tax revenues for the State of Utah, County, and other taxing

entities, the Solar Project will support public schools through increased revenues to SITLA.

7. Elimination or reduction of a development impediment within Project Area

This Plan is not being undertaken for the purpose of eliminating or reducing development impediments within the Project Area. Thus, this element is not applicable to this Plan.

8. Project Area development

The implementation and execution of this Plan is intended to incentivize the development and operation of the Solar Project proposed by Glen Canyon Solar A. The proposed Solar Project consists of a solar photovoltaic plant that will be capable of generating up to 95 megawatts (MW) of renewable energy upon completion. Once operational, the Solar Project will include solar panels and related equipment, electrical transformers and substation facilities, collection, distribution and transmission lines, telecommunications equipment, access drives and fencing, energy storage facilities and operations and maintenance facilities.

9. Selection of participants

SITLA owns the property within the Project Area and has leased the same to Glen Canyon Solar A to allow for the development of the Solar Project. Glen Canyon Solar A is an affiliate of AES Corporation ("AES"). AES has extensive experience with developing renewable energy projects in Utah. The Agency believes that Glen Canyon Solar A has the resources and experience to successfully develop this Solar Project.

10. Reasons for selection of Project Area

The Agency seeks to pursue economic development to strengthen the local economy and diversify and expand the County's industrial base. Future development opportunities within the Project Area are severely limited due to the harsh environment and lack of available water. The proposed Solar Project will take advantage of the County's abundant solar resources and the site's proximity to the PacifiCorp 345kv transmission line, complement existing surrounding land uses, create local construction jobs and high-paying permanent jobs, and generate local tax revenue on land that will otherwise likely remain unproductive.

11. Physical, social, and economic conditions within Project Area

The Project Area consists of non-irrigated rangeland used for cattle grazing and dispersed recreation. There are no residential buildings, and thus no residents, within the Project Area.

12. Tax incentives for facilities located in Project Area

Developing the Solar Project as part of this Plan allows the County and other taxing entities to receive tax revenue from projects that will not otherwise be financially feasible

to develop. Utility energy projects are extremely price sensitive and compete against projects in other cities, counties, and states that offer tax incentives. Without the tax increment incentives available through a Community Reinvestment Project Area Plan process, the Solar Project will not be competitive and could not be built.

As noted above, the Agency intends to offer Tax Increment incentives, as needed, in consideration for new development within the Project Area that furthers the goals outlined in this Plan. The Agency anticipates negotiating an individual participation agreement with Glen Canyon Solar A to allow for the reimbursement of a portion of the Tax Increment generated by the Solar Project.

13. Anticipated public benefits from the Plan

The Act provides that any community reinvestment project area plan include an analysis or description of the anticipated public benefit resulting from project area development, including benefits to the community's economic activity and tax base. This Plan is necessary to catalyze economic development through the strategic and targeted support of the Solar Project located within the Project Area.

a. Economic activity benefits

As has been mentioned above, development of the Solar Project will create an estimated 275 FTE (full-time equivalent) construction jobs, during the 10- to 12-month construction period and at least two full-time, high-paying permanent job. During construction, local businesses such as motels and restaurants are expected to benefit by increased demand for goods and services. Adoption of the Plan is anticipated to expand and diversify the County's industrial base.

The Agency will use a portion of the Tax Increment for administrative expenses and for other purposes that are authorized under the Act.

b. Tax base benefits

Development of the Solar Project will generate significant and meaningful tax revenue through property and income taxes not otherwise available without the Tax Increment incentive. Property within the Project Area is owned by SITLA and is therefore exempt from local property taxes and does not currently provide any tax benefit to Kane County or other local taxing entities. While the participating taxing entities will necessarily need to agree to forego a percentage of the growth in the tax base within the Project Area while the Plan is in effect, the Agency's role in stimulating economic growth and increasing assessed values within the Project Area will benefit the community as a whole and, over time, each of the taxing entities.

Private investment alone cannot be reasonably expected to achieve substantial economic growth in the near future. The Project Area has not attracted significant private investment to date, and given the constraints of the site, is not anticipated to do so in the future without support from the Agency. The Solar Project cannot be developed within the Project Area without the Tax Increment incentives contemplated by this Plan.

c. Additional benefits

The Solar Project will also provide significant economic returns to Utah's public-school trust. The economic development activity resulting from this Plan will generate significant new revenue for SITLA from the use of its land for renewable energy development, which will result in more resources for public education in the state.

Also, pursuant to the Act, 10% of the Tax Increment will be allocated to fund local income targeted housing needs or homeless assistance programs.

14. Compliance with Section 9-8-404 Heritage, Arts, Libraries, and Cultural Development

This element is not applicable to the Project Area.

15. Project Area subject to taxing entity committee or an interlocal agreement

This Plan and the Tax Increment to be generated and received from the Project Area will be subject to an interlocal agreement with each applicable participating taxing entity.

Exhibit A-1 - Project Area Map



Exhibit A-2 - Legal Description

The Project Area is located in Kane County, Utah and described as follows:

Township 43 South, Range 2 East, SLB&M

Section 4: Lot 8, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ (321.08 acres)

Section 5: All (644.48 acres)

Section 6: E $\frac{1}{2}$ (322.16 acres)

Section 7: that portion of the NENE and the NWNE lying north of US 89 (21.50 acres)

Section 8: that portion of the N $\frac{1}{2}$ N $\frac{1}{2}$ lying north of US 89 (120 acres)

Section 9: N $\frac{1}{2}$ NW $\frac{1}{4}$ (80 Acres)

Containing approximately 1,509.22 acres, more or less

Exhibit B - Zoning Index Map

20270958

Exhibit B - Zoning Index Map

ITEM # 3

Kane County Redevelopment Agency Resolution No. R-2022-12: a Resolution authorizing the Glen Canyon Solar A Project - Community Reinvestment Project Area Budget as the official budget for the Glen Canyon CRA Project Area and related matters.

RESOLUTION NO. RDA-2022-12

RESOLUTION OF THE KANE COUNTY REDEVELOPMENT AGENCY ADOPTING THE PROJECT AREA BUDGET FOR THE GLEN CANYON SOLAR A PROJECT - COMMUNITY REINVESTMENT PROJECT AREA

WHEREAS, the Kane County Redevelopment Agency (the "Agency") was created to transact the business and exercise the powers provided for in the current Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the Utah Code Ann. 1953, as amended (the "Act"); and

WHEREAS, the Agency has adopted by Resolution the Glen Canyon Solar A Project - Community Reinvestment Project Area Plan (the "Project Area Plan") for the Glen Canyon Solar A Project - Community Reinvestment Project Area (the "Project Area"); and

WHEREAS, the Agency provided notice of the public hearing in strict compliance with Sections 17C-1-805, 806, and 808; and

WHEREAS, the Agency has held a public hearing on the draft Project Area Budget and at the Plan hearing (a) allowed public comment on the draft Project Area Budget and whether the draft Project Area Budget should be revised, approved or rejected, and (b) received all written and heard all oral objections to the draft Project Area Budget; and

WHEREAS, the Project Area Plan allows for the Agency to collect tax increment created within the Project Area to meet the goals and objectives as outlined in the Project Area Plan, to promote economic development, and provide a public benefit within Kane County and the Project Area; and

WHEREAS, the Agency has prepared the Glen Canyon Solar A Project – Community Reinvestment Project Area Budget (the "Project Area Budget") in accordance with section 17C-5-303 of the Act.

NOW, THEREFORE BE IT RESOLVED BY THE KANE COUNTY REDEVELOPMENT AGENCY:

1. The Project Area Budget attached hereto as **Exhibit A**, and together with any changes to the draft Project Area Budget as may be indicated in the minutes of this meeting (if any), is hereby approved and adopted on the ____ day of December 2022.
2. The Agency staff will include in various reporting elements under the Act, the taking of tax increment from the Glen Canyon Solar A Project - Community Reinvestment Project Area beginning with the tax year for which the Agency initially requests the "triggering" of the Project Area funds.
3. The Agency staff and its consultants are authorized to begin to negotiate with the taxing entities that levy a certified property tax rate within the Project Area, to participate with the Agency in the implementation and funding of the Budget in accordance with Sections 17C-5-201, 202, 203, 204, 205 and 206 of the Act.

Agency Chair,
Kane County Redevelopment Agency

ATTEST:

Secretary

EXHIBIT A: PROJECT AREA BUDGET

GLEN CANYON SOLAR A PROJECT

Community Reinvestment Project Area Budget

Kane County Redevelopment Agency
November 22, 2022

Table of Contents

1. Introduction and adoption of area budget	1
2. Tax Increment received by Agency	2
2.a. Base taxable value.....	2
2.b. Projected Tax Increment	3
2.c. Funds collection period	3
2.d. Tax Increment to be paid to other taxing entities.....	3
2.e. Tax Increment collection area.....	4
2.f. Tax Increment authorized percentage	4
2.g. Tax Increment maximum cumulative dollar amount.....	4
3. Sales and Use Tax received by Agency	4
3.a. Percentage and total amount of sales and use tax to be paid to Agency.....	4
3.b. Funds collection period.....	4
4. Agency funds to implement the Plan	4
5. Agency's combined increment value	4
6. Agency funds to administer the Plan	4
7. Property Agency intends to sell	4
8. Additional Information.....	5

1. Introduction and Adoption of Area Budget

Pursuant to Resolution No. RDA 2022-10 the Board of Kane County Redevelopment Agency (also referenced herein as the “Agency”) authorized the preparation of this Community Reinvestment Project Area Budget (the “Budget”) in accordance with provisions of Title 17C of the Utah Code Annotated 1953 as amended (the “Act”), to estimate the economic impact of projected development incentivized by the Glen Canyon Solar A Project Community Reinvestment Project Area Plan. The Budget shall be titled “Glen Canyon Solar A Project Community Reinvestment Project Area Budget” or the “Budget”.

On December 22, 2022, the Agency approved the Glen Canyon Solar A Project Community Reinvestment Plan (the “Plan” and covering the “Project Area”) which details a Tax Increment¹ sharing plan intended to incentivize the development and operation of a utility-scale solar project (the “Solar Project”) proposed by Glen Canyon Solar A, LLC (“Glen Canyon Solar A”) which, if developed, will benefit all local taxing entities, provide significant economic returns to Utah’s public school trust, create jobs, fund local targeted income housing and/or homeless programs, and otherwise expand and diversify Kane County’s industrial tax base.

Development of such large-scale energy projects benefit local communities by greatly increasing property values and property tax revenue without increasing demand for government services such as schools, recreation facilities, and public safety. To attract such development, local governments typically agree to reimburse a portion of the Tax Increment to the developer. Energy projects are extremely price sensitive and are usually not viable without such reimbursement. To attract development of the Solar Project, and through the adoption of the Plan, the Agency agrees to reimburse Glen Canyon Solar A up to [60%] of the Tax Increment generated by development within the Project Area for [a twenty-year (20) Tax Increment Collection Period]. A portion of the Tax Increment will also be remitted back to the County, the Kane County School District, and other taxing entities that participate in the Plan and the Budget. Portions of the Tax Increment will be utilized by the Agency to administer the requirements of the Act, Plan and Budget with another portion to be used by the Agency or County to encourage, promote and incentivize affordable and moderate income housing objectives.

This Budget is a good faith estimate of the economic impact of projected development within the Project Area. This Budget represents the reasonable expectations of the Agency which makes no guarantee that estimates will accurately reflect future outcomes. The actual amount of Tax Increment received by the Agency will be determined by the precise value of improvements constructed in connection with the Solar Project and interlocal agreement(s) between the Agency and the various local taxing entities. This Budget does not control the flow of Tax Increment, nor does it entitle the Agency to receive money from Tax Increment or any other source. Those details and permissions are negotiated in interlocal agreements with the various local taxing entities.

The ordering of sections within this Budget are consistent with the requirements and other criteria for community reinvestment project area budgets set forth in Utah Code Ann. § 17C-5-303. Each

¹ “Tax increment” is defined within the Act to mean the difference between: (i) the amount of property tax revenue generated each tax year by a taxing entity from the Project Area from which tax increment is to be collected, using the current assessed value of the property; and (ii) the amount of property tax revenue that would be generated from the Project Area using the base taxable value of the property.

capitalized term not otherwise defined in this Budget shall have the meaning described to it in the Act.

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 Jason Burningham
 Lewis Young Robertson & Burningham Inc.
 41 North Rio Grande, Suite 101
 Salt Lake City, Utah 84101
 (801) 456-3930

2. Tax Increment Received by Agency

Development of the Solar Project will generate significant and meaningful tax revenue through property taxes not otherwise available without the Tax Increment incentive. Property within the Project Area is owned by SITLA and is therefore exempt from paying local property taxes. The property does not currently provide any tax benefit to Kane County or any other local taxing entities that levy taxes within Kane County. Once constructed, the proposed Solar Project (which consist of solar arrays and related facilities) will be taxed as personal property and will provide an estimated \$7,201,033 in Tax Increment to the Agency over the [twenty-year (20) Tax Increment Collection period] of the Project Area. This Tax Increment received by the Agency will be used in accordance with the Act, the Plan and this Budget to incentivize, encourage and promote the development of the Solar Project.

Before the Agency may collect Tax Increment, it must enter into separate interlocal agreements with each participating taxing entity, outlining the amount and duration of the Tax Increment Collection period and the amounts, if any, that will be remitted back to the taxing entities based on their respective proportional tax rates.

2.a. Base taxable value

Utah Code Ann. § 17C-1-102(8) defines Base Taxable Value as “. . . a property’s taxable value as shown upon the assessment roll last equalized during the base year.” Because the property within the Project Area is owned by SITLA and therefore exempt from taxation, it has not been assessed or appraised by the Kane County Assessor’s Office. The Base Taxable Value will be established in each interlocal agreement, but because the taxes received for all land, real property, personal property and any other property within the Project Area are currently zero, the estimated Base Taxable Value is therefore zero.

2.b. Projected Tax Increment

Improvements for the proposed Solar Project are estimated to be valued at One-Hundred Twenty-Eight Million Six-Hundred Thousand Dollars (\$128,600,000) which would generate a total of \$7,201,033 in Tax Increment over the [twenty-year (20) Tax Increment Collection Period].

Without the tax incentives provided by the Plan, the Solar Project would not be built, and the taxing entities would not collect any property tax on property within the Project Area.

2.c. Tax Increment Collection Period

The Agency anticipates collecting Tax Increment from the Project Area for a period of [twenty-years (20)]. This period over which the Agency will be receiving Tax Increment is referred to as the Tax Increment Collection Period.

2.d. Tax Increment to be paid to other taxing entities

Pursuant to this Budget, the Agency anticipates receiving 100% of the Tax Increment generated within the Project Area. Of this amount, 60% of the eligible Tax Increment will be retained by the Agency and used in accordance with the Act, the Plan and this Budget. The remaining [40%] will be remitted back to Kane County, Kane County School District and any other taxing entities that are participating in this Budget. The period over which these Tax Increment funds will be remitted back to the participating local tax entities will be the same period of the Tax Increment Collection Period. In conformance to the Act, the exact percentages and duration of collection will be formalized through separate interlocal agreements with each taxing entity participating in this Budget.

The Agency estimates that the Tax Increment will be received and then distributed as follows:

Total Tax Increment Generation 2026 - 2045 (100%):	Total Amounts	NPV @ 4.00%
Kane County	\$ 2,331,094	\$ 1,745,629
Kane County School District	4,083,804	3,058,138
Kane County Water Conservancy District	417,451	312,606
Total Sources of Funds:	\$ 7,201,033	\$ 5,392,461

Uses of Tax Increment 2026 - 2045 (Assuming 60% for Project)	Total Amounts	NPV @ 4.00%
Redevelopment Activities (Infrastructure, Relocation, Incentives, etc.)	\$ 3,586,983	\$ 2,686,096
CRA Housing Requirement (10.00%)	409,941	306,982
RDA Administration (2.50%)	102,485	76,746
Total Agency Uses of Funds:	\$ 4,099,409	\$ 3,069,824

Remaining for Taxing Entities 2026 - 2045 (40%)	Total Amounts	NPV @ 4.00%
Kane County	\$ 932,438	\$ 698,252
Multicounty Assessing & Collecting Levy	14,630	10,956
County Assessing & Collecting Levy	354,053	265,131
Kane County School District	1,633,522	1,223,255
Kane County Water Conservancy District	166,980	125,043
Total Other Uses of Funds	\$ 3,101,623	\$ 2,322,637

The Project Area is expected to generate property taxes for Years 21-35, which will not be paid to the Agency and will be retained by the taxing entities, as follows:

Additional 15 Years at 100% for Taxing Entities 2046 - 2060		
Kane County	\$ 300,222	\$ 222,532
Multicounty Assessing & Collecting Levy	1,884	1,397
County Assessing & Collecting Levy	45,599	33,799
Kane County School District	525,954	389,851
Kane County Water Conservancy District	53,764	39,851
Total	\$ 927,423	\$ 687,430

2.e. Tax Increment collection area

The Agency anticipates collecting Tax Increment from the entire Project Area.

2.f. Tax Increment authorized percentage

The Agency is authorized to receive 100% of the Tax Increment generated within the Project Area during the Tax Increment Collection Period, which period is intended to be for a period of twenty-years (20). The Agency will be permitted to retain [60%] of the Tax Increment for purposes outlined in the Plan, this Budget and in accordance to the Act.

2.g. Tax Increment Maximum cumulative dollar amount

The Agency is authorized to receive and distribute a maximum not-to-exceed amount of _____ (\$_____).

A detailed multi-year Tax Increment cash flow forecast, and analysis is included in **Exhibit A**, which by this reference is incorporated into this Budget.

3. Agency Funds to Implement the Plan

The Agency anticipates using a portion of the retained [60%] to meet the objectives outlined in the Plan, the Act and this Budget. The Agency envisions the following uses of Tax Increment Funds:

- a. **Agency Administration** – 2.50% of the Tax Increment will be utilized by the Agency to administer, manage and operate all elements of the Plan, this Budget and other required administrative functions of the Agency related to the Project Area.
- b. **Housing Set-Aside** – 10.00% of the Tax Increment will be utilized by the Agency or Kane County to satisfy the requirements outlined in the Act and in accordance with the County's Low-Moderate Income Housing Plan.
- c. **Development Incentive** – the remaining percentage will be utilized by the Agency to encourage, promote, and incentivize the Solar Project. The Agency anticipates negotiating and finalizing a participation agreement by and between the Glen Canyon Solar A and the Agency and will stipulate the requirements and benchmarks in order for the Tax Increment to be remitted. No other Tax Increment or project area funds are expected to be used for land acquisition, public improvements, infrastructure improvements, for any loans, grants, or other incentives to private or public entities.

4. Agency's Combined Increment Value

The Plan anticipates that the proposed Solar Project will be the sole source of Tax Increment within the Project Area. Improvements for the proposed Solar Project are estimated to be valued at One-Hundred Twenty-Eight Million Six-Hundred Thousand Dollars (\$128,600,000). As referenced above, this Incremental Value is anticipated to generate \$7,201,033 in Tax Increment over the twenty-year period.

5. Sales and Use Tax received by Agency

The Agency anticipates that \$62,036 in sales and use tax will be generated by the Solar Project. However, such revenues will not be received by the Agency. As such, this element is not applicable the Plan.

5.a. Percentage and total amount of sales and use tax to be paid to Agency

This element is not applicable to the Plan.

5.b. Funds collection period

This element is not applicable to the Plan.

6. Property Agency Intends to Sell

The Agency does not own, nor does it intend to own, any property within the Project Area.

Exhibit A MULTI-YEAR TAX INCREMENTAL CASH FLOW FORECAST AND ANALYSIS

Glen Canyon Solar Project
Solar Farm Development - Kane County Redevelopment Agency
Appendix B.2 - Multi-Year Tax Incremental Budget and Forecast

INCREMENTAL TAX ANALYSIS:	Payment Year	Project Term									
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035

Taxable Value - Tax Area B	Year	Year									
		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Land Values	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000
Building Values	126,020,000	126,020,000	126,020,000	126,020,000	126,020,000	126,020,000	126,020,000	126,020,000	126,020,000	126,020,000	126,020,000
Personal Property Values	126,020,000	126,020,000	126,020,000	126,020,000	126,020,000	126,020,000	126,020,000	126,020,000	126,020,000	126,020,000	126,020,000
Total Taxable Value	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000
Base Year Value	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000
Total Incremental Value	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000	127,450,000

TAX RATE & INCREMENTAL ANALYSIS:											
Total Incremental Value After Federal Tax Credits (40%)											
2023 Certified	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
77,046,800	76,875,200	74,732,000	72,417,200	71,645,600	70,874,000	69,559,200	68,529,600	67,929,600	66,954,400	65,984,400	64,996,400

TOTAL INCREMENTAL REVENUE IN PROJECT AREA:											
2023 Certified	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
568,837	563,440	551,746	534,656	528,959	523,263	506,173	471,992	432,115	403,632	368,664	340,968

PROJECT AREA BUDGET:											
2023 Certified	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
318,181	309,968	300,968	292,968	284,968	276,968	268,968	260,968	252,968	244,968	236,968	228,968

Sources of Funds:											
2023 Certified	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
110,237	110,237	110,237	110,237	110,237	110,237	110,237	110,237	110,237	110,237	110,237	110,237

PROPERTY TAX INCREMENT FOR BUDGET:											
2023 Certified	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%

REMAINING TAX REVENUES FOR PROJECT - 60%:											
2023 Certified	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
558,837	553,440	541,746	524,656	518,959	513,263	496,173	461,992	422,115	393,632	358,664	330,968

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ITEM # 4

Diversion of Property Tax for a Community
Reinvestment Project Area: Discussion and
Consideration to Authorize the Kane County
Redevelopment Agency to enter into an Interlocal
Agreement with Kane County, related to the Glen
Canyon Solar A Project – Community Reinvestment
Project Area

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this _____ day of _____, 2022, by and between the **KANE COUNTY REDEVELOPMENT AGENCY**, a community reinvestment agency and political subdivision of the State of Utah (the “Agency”), and **KANE COUNTY**, a political subdivision of the State of Utah (the “County”) in contemplation of the following facts and circumstances:

A. **WHEREAS**, the Agency is authorized and empowered under the Act to undertake, among other things, various community development activities pursuant to the Act, including, among other things, assisting Kane County (the “County”) in development activities that are likely to advance the policies, goals and objectives of the County’s general plan, contributing to capital improvements and investments which substantially benefit the County, creating economic benefits to the County, and improving the public health, safety and welfare of its residents; and

B. **WHEREAS**, this Agreement is made pursuant to the provisions of the Act and the Interlocal Cooperation Act (UCA Title 11, Chapter 13) (the “Cooperation Act”); and

C. **WHEREAS**, the Agency plan to create the Glen Canyon Solar Community Reinvestment Project Area (the “Project Area”), through the adoption of the Glen Canyon Solar A Community Reinvestment Project Area Plan (the “Project Area Plan”) in Exhibit “B”, located within the County, which Project Area is described in Exhibit “A” attached hereto and incorporated herein by this reference; and

D. **WHEREAS**, the Project Area contains mostly vacant and underutilized land that is owned and/or managed by the Utah School and Institutional Trust Lands Administration (“SITLA”), which land is not currently subject to any property or privilege tax. The Agency has not yet entered into any participation or development agreements with developers but anticipates that the County and/or the Agency may enter into one or more participation agreements with one or more developer(s) which will provide certain terms and conditions upon which the Project Area will be developed using, in part, “Tax Increment” (as that term is defined in the Act), generated from the Project Area; and

E. **WHEREAS**, the Agency anticipates providing a portion of the Tax Increment generated from the development in the Project Area, to assist in the development of the Project area as provided in the Project Area Plan; and

F. **WHEREAS**, upon full development as contemplated in the Project Area Plan, property tax increment produced by the Project Area for the County, the Kane County School District, and the Kane County Water Conservancy District are projected to total approximately \$539,713 per year; and

G. **WHEREAS**, the Agency has requested the County, the School District, and the Kane County Water Conservancy District to participate in the promotion of development in the Project Area by agreeing to remit to the Agency for a specified period of time specified portions

of the increased property tax (i.e., Tax Increment) which will be generated by the Project Area; and

H. **WHEREAS**, it is in the best interest of the residents of the County for the County to remit such payments to the Agency to permit the Agency to leverage private development within the Project Area; and

I. **WHEREAS**, the Agency has retained Lewis Young Robertson & Burningham, Inc., an independent financial consulting firm with substantial experience regarding community reinvestment projects and tax increment funding across the State of Utah; and

J. **WHEREAS**, the Agency created the Glen Canyon Solar A Community Reinvestment Project Area Budget (the "Project Area Budget"), a draft copy of which is attached as Exhibit "C", which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;

K. **WHEREAS**, the parties desire to set forth in writing their agreements regarding the nature and timing of such assistance;

NOW, THEREFORE, the parties agree as follows:

1. **Additional Tax Revenue.** The County has determined that significant additional property tax revenue (i.e., Tax Increment, as defined by the Act) will likely be generated by the development within the Project Area as described in further detail in the Project Area Plan and Project Area Budget. Each of the parties acknowledge, however, that the development activity required for the generation of the Tax Increment is not likely to occur within the foreseeable future or to the degree possible or desired without Tax Increment participation in order to induce and encourage such development activity.

2. **Offset of Development Costs and Expenses.** The County has determined that it is in the best interests of its residents to pay specified portions of its portion of Tax Increment to the Agency in order for the Agency to support the construction of public goods and other development related costs needed to serve the Project Area, to the extent permitted by the Act, the Project Area Plan, and the Project Area Budget, each as adopted and amended from time to time.

3. **Base Year and Base Year Value.** The base year, for purposes of calculation of the Base Taxable Value (as that term is defined in the Act), shall be tax year 2022, meaning the Base Taxable Value shall, to the extent and in the manner defined by the Act, be equal to the equalized taxable value shown on the 2022 Kane County assessment rolls for all property located within the Project Area (which is currently estimated to be \$0, but is subject to final adjustment and verification by the County and Agency).

4. **Agreement(s) with Developer(s).** The Agency is authorized to enter into one or more participation agreements with one or more participants which may provide for the payment of certain amounts of Tax Increment (to the extent such Tax Increment is actually paid to and received by the Agency from year to year) to the participant(s) conditional upon the participant (s)'s meeting of certain performance measures as outlined in said agreement. Such agreement shall be consistent with the terms and conditions of this Agreement, shall require as a condition of the payment to the participant(s) that the respective participant or its approved successors in title as owners of all current and subsequent parcels within the Project Area, as outlined in the Project Area Plan, shall pay any and all taxes and assessments which shall be assessed against the Property in accordance with levies made by applicable municipal entities in accordance with the laws of the state of Utah applicable to such levies, and such other performance measures as the Agency may deem appropriate.

5. **Payment Trigger.** The first year ("Year One") of payment of Tax Increment from the County to the Agency shall be determined by the Agency, but the Agency will trigger the Project Area for collection no later than March 1, 2026. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Twenty. The Agency may trigger the collection of Tax Increment by timely delivering a letter or other written request to the Kane County Auditor's office. The years for which the Agency collects Tax Increment from a tax parcel must be consecutive; in other words, once the Agency begins collecting Tax Increment from a tax parcel (also known as "triggering" Tax Increment collection), the Agency may not cease collection of Tax Increment from such tax parcel and later resume the collection of Tax Increment from such tax parcel even if the total number of years for which the Agency would collect Tax Increment from such tax parcel would be less than the 20-year limit set forth herein. The initial and cessation of Tax Increment collection by the Agency under this Agreement shall always be at the beginning and end, respectively, of the calendar year.

6. **Tax Increment.**

a. Pursuant to Sections 17C-5-202(1) and 204 of the Act and Section 11-13-215 of the Cooperation Act, the County hereby agrees and consents that the Agency shall be paid sixty percent (60%) of the County Tax Increment generated within the Project Area, as described herein. Of the County Tax Increment paid to the Agency, the Agency anticipates allocating up to ten percent (10%) of such funds for housing in accordance with UCA § 17C-5-307 and retaining up to two and one-half percent (2.5%) of such funds as an administration fee.

b. Notwithstanding anything to the contrary herein, the Agency may collect one hundred percent (100%) of the County Tax Increment generated from any real or personal property within the Project Area for a period of not more than twenty (20) years. For purposes of this Agreement, the Tax Increment generated from each tax parcel includes taxes generated from and assessed against the real property (including any privilege tax under UCA § 59-4-101) and any personal property located on such parcel. If the Agency collects one hundred percent (100%) of the Commission Tax Increment, the Agency shall transfer to the Commission an annual rebate amount equal to forty percent (40%) of the County Tax Increment received by the Agency no later than three (3) months following the Agency's receipt thereof from the County Treasurer.

c. The County hereby authorizes and directs County officials and personnel to pay directly to the Agency all amounts due to the Agency under this Agreement in accordance with UCA § 17C-5-204 for the periods described herein.

7. **Authorized Uses of Tax Increment.** The parties agree that the Agency may apply the Tax Increment collected hereunder to encourage development within the Project Area as deemed appropriate by the Agency and contemplated in the Project Area Plan, including but not limited to the cost and maintenance of public infrastructure and other improvements located within or benefitting the Project Area, incentives to developers or participants within the Project Area, administrative, overhead, legal, and other operating expenses of the Agency, and any other purposes deemed appropriate by the Agency, all as authorized by the Act.

8. **Property Tax Increase.** This Agreement provides for the payment of the increase in real, personal property, and centrally assessed property taxes collected from the Project Area by the County acting as the tax collection agency for the County. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the County, which is hereby expressly approved as being included in Tax Increment as required by Section 17C-1-407 of the Act. It is expressly understood that the Property Taxes which are the subject of this Agreement are only those Property Taxes actually collected by the County from the Project Area.

9. **No Independent Duty.** The County shall be responsible to remit to the Agency only Tax Increment actually received by the County acting as the tax collecting agency for the County. The County shall have no independent duty to pay any amount to the Agency other than the Tax Increment actually received by the County, on behalf of the County on an annual basis.

10. **Authority to Bind.** Each individual executing this Agreement represents and warrants that such person is authorized to do so, and, that upon executing this Agreement, this Agreement shall be binding and enforceable in accordance with its terms upon the party for whom such person is acting.

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

12. **Notices.** Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered to an officer or duly authorized representative of the other party in person or by Federal Express, private commercial delivery or courier service for next business day delivery, or by United States mail, duly certified or registered (return receipt requested), postage prepaid, and addressed to the party for whom intended, as follows:

If to County:

Kane County Commission
Attn: Commission Chair
76 N. Main St

Kanab, Utah 84741
Phone: (435) 644-4900

If to Agency:
Kane County Redevelopment Agency
Attn: Agency Board
76 N Main St
Kanab, Utah 84741
Phone: (435) 644-4900

Any party may from time to time, by written notice to the others as provided above, designate a different address which shall be substituted for that specified above. Notice sent by mail shall be deemed served or delivered seventy-two (72) hours after mailing. Notice by any other method shall be deemed served or delivered upon actual receipt at the address or facsimile number listed above. Delivery of courtesy copies noted above shall be as a courtesy only and failure of any party to give or receive a courtesy copy shall not be deemed to be a failure to provide notice otherwise properly delivered to a party to this Agreement.

13. **Entire Agreement.** This Agreement is the final expression of and contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. This Agreement and its exhibits constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

14. **No Third Party Benefit.** The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto. There are no intended third party beneficiaries to this Agreement.

15. **Construction.** Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of the Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. Unless otherwise indicated, all references to paragraphs and subparagraphs are to this Agreement. In the event the date on which any of the parties is required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.

16. **Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law.

17. **Amendments.** No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing executed by each of the parties hereto.
18. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.
19. **Waivers.** No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.
20. **Governing Law.** This Agreement and the exhibits attached hereto shall be governed by and construed under the laws of the State of Utah. In the event of any dispute hereunder, it is agreed that the sole and exclusive venue shall be in a court of competent jurisdiction in Kane County, Utah, and the parties hereto agree to submit to the jurisdiction of such court.
21. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that the County or the County cannot pay and/or that the Agency cannot receive payments of the Tax Increment, declares that the Agency cannot pay the Tax Increment to developers, or takes any other action which has the effect of eliminating or reducing the payments of Tax Increment received by the Agency, the Agency's obligation to pay the Tax Increment to developers shall be reduced or eliminated accordingly, the Agency, and the County shall take such steps as are reasonably required to not permit the payment and/or receipt of the Tax Increment to be declared invalid.
22. **No Separate Legal Entity.** No separate legal entity is created by this Agreement.
23. **Duration.** This Agreement shall terminate after the final payment of Tax Increment to the Agency for Year Twenty.
24. **Assignment.** No party may assign its rights, duties or obligations under this Agreement without the prior written consent first being obtained from all parties. Notwithstanding the foregoing, such consent shall not be unreasonably withheld or delayed so long as the assignee thereof shall be reasonably expected to be able to perform the duties and obligations being assigned.
25. **Termination.** Upon any termination of this Agreement resulting from the uncured default of any party, the order of any court of competent jurisdiction or termination as a result of any legislative action requiring such termination, then any funds held by the Agency and for which the Agency shall not be required to disburse to developers in accordance with the agreements which govern such disbursement, then such funds shall be returned to the party originally remitting same to the Agency and upon such return this Agreement shall be deemed terminated and of no further force or effect.
26. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Cooperation Act in connection with this Agreement, the Parties agree as follows:

- a. This Agreement shall be authorized and adopted by resolution of the legislative body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Cooperation Act;
- b. This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5(3) of the Cooperation Act;
- c. A duly executed original counterpart of this Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act;
- d. The Chair of the Agency is hereby designated the administrator for all purposes of the Cooperation Act, pursuant to Section 11-13-207 of the Cooperation Act; and
- e. Should a party to this Agreement desire to terminate this Agreement, in part or in whole, each party to the Agreement must adopt, by resolution, an amended Interlocal Cooperation Agreement stating the reasons for such termination. Any such amended Interlocal Cooperation Agreement must be in harmony with any development/participation agreement(s) entered into by the Agency as described in this Agreement.
- f. Immediately after execution of this Agreement by both Parties, the Agency shall, on behalf of both parties, cause to be published notice regarding this Agreement pursuant to Section 11-13-219 of the Cooperation Act.
- g. This Agreement makes no provision for the parties acquiring, holding and disposing of real and personal property used in the joint undertaking as such action is not contemplated as part of this Agreement nor part of the undertaking. Any such provision would be outside the parameters of the current undertaking. However, to the extent that this Agreement may be construed as providing for the acquisition, holding or disposing of real and/or personal property, all such property shall be owned by the Agency upon termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day specified above.

County: KANE COUNTY

Attest:

By: _____

Its: Commission Chair

Secretary

Approved as to form:

Attorney for County

Agency: KANE COUNTY REDEVELOPMENT AGENCY

Attest:

By: _____

Its: Chair

Secretary

Approved as to form:

Attorney for Agency

EXHIBIT "A"
to
INTERLOCAL AGREEMENT

Legal Description of Project

The Project Area is located in Kane County, Utah and described as follows:

Township 43 South, Range 2 East, SLB&M

Section 4: Lot 8, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ (321.08 acres)

Section 5: All (644.48 acres)

Section 6: E $\frac{1}{2}$ (322.16 acres)

Section 7: that portion of the NENE and the NWNE lying north of US 89 (21.50 acres)

Section 8: that portion of the N $\frac{1}{2}$ N $\frac{1}{2}$ lying north of US 89 (120 acres)

Section 9: N $\frac{1}{2}$ NW $\frac{1}{4}$ (80 Acres)

Containing approximately 1,509.22 acres, more or less

EXHIBIT "B"
To
INTERLOCAL AGREEMENT

Project Area Plan



GLEN CANYON SOLAR A PROJECT

Community Reinvestment Project Area Plan

Kane County Redevelopment Agency
November 22, 2022

Table of Contents

1. Introduction and adoption of area plan	1
2. Community Reinvestment Project Area Plan boundaries	2
3. Summary of current conditions and impact of project area development.....	3
4. Development standards	4
5. How the purposes of the Act will be attained by the Plan	4
6. Consistent with Kane County General Plan.....	5
7. Elimination or reduction of blight within Project Area	6
8. Project Area development	6
9. Selection of participants	6
10. Reasons for selection of Project Area	6
11. Physical, social, and economic conditions within Project Area.....	6
12. Tax incentives for facilities located in Project Area	7
13. Anticipated public benefits from the Plan.....	7
14. Compliance with Section 9-8-404 Heritage, Arts, Libraries, and Cultural Development	8
15. Project Area subject to taxing entity committee or an interlocal agreement	8

1. Introduction and adoption of area plan

Pursuant to Resolution No. RDA 2022-10 (the “Resolution”), the Board of the Kane County Redevelopment Agency (also referenced herein as the “Agency”) authorized the preparation of this Community Reinvestment Project Area Plan (the “Plan”) in accordance with provisions of Title 17C of the Utah Code Annotated 1953, as amended (the “Act”). The Plan shall be titled the “Glen Canyon Solar A Project -- Community Reinvestment Project Area Plan”, or herein referenced to the “Plan”.

In accordance with the Act, the Agency’s objectives in approving this Plan are to use Tax Increment¹ to expand and diversify Kane County’s industrial tax base and benefit all taxing entities, promote the efficient use of natural resources, support the growth and development of clean energy production, create new employment opportunities, facilitate development of underutilized property, provide funds for local income targeted housing, and encourage development of currently tax-exempt land. The Agency anticipates that the objectives of the Plan cannot be achieved without the use of Tax Increment.

The Plan covers approximately 1,509.22 acres of undeveloped land located in a remote portion of Kane County located adjacent and to the north of US-89 east of Church Wells and west of Big Water (the “Project Area”).

The implementation and execution of this Plan is intended to incentivize the development and operation of a utility-scale solar energy generation project (the “Solar Project”) proposed by Glen Canyon Solar A, LLC (“Glen Canyon Solar A”), which will benefit all local taxing entities, provide significant economic returns to Utah’s public school trust, create jobs, and otherwise expand and diversify Kane County’s industrial tax base.

The proposed Solar Project will be built on property owned by The Utah School and Institutional Trust Lands Administration (“SITLA”).

The Agency proposes to use Tax Increment to encourage economic development and industrial expansion within the Project Area. The Agency anticipates that the goals and objectives of this Plan cannot be achieved without the use of Tax Increment. Therefore, the Agency will request the participation of each taxing entity that levies a property tax within the Project Area to agree to allow the Agency to receive a percentage of the Tax Increment generated within the Project Area for the term of this Plan. As outlined in the Act, the Agency will negotiate separate interlocal agreements with each participating taxing entity, which will outline the specifics related to the amount of Tax Increment and participation time frame over which the Tax Increment will be received by the Agency. Pursuant to these interlocal agreements, the Agency will receive the Tax Increment and will use this financing source to accomplish the purposes and objectives of this Plan. Upon the approval and adoption of this Plan, the Agency intends to

¹ The Act defines “*Tax increment*” to mean the difference between: (i) the amount of property tax revenue generated each tax year by a taxing entity from the Project Area from which tax increment is to be collected, using the current assessed value of the property; and (ii) the amount of property tax revenue that would be generated from the Project Area using the base taxable value of the property.

initiate discussions with other taxing entities who levy taxes within the Project Area regarding the need and purpose for Tax Increment participation in fulfilling the objectives of this Plan.

Moreover, the Agency anticipates negotiating an individual participation agreement with Glen Canyon Solar A to allow for the reimbursement of the Tax Increment generated by the Solar Project. The terms of the Tax Increment participation for the Solar Project, including participation percentages and term, will be negotiated separately between Glen Canyon Solar A and the Agency. This Plan shall remain in effect for the term of the participation agreement between the Agency and Glen Canyon Solar A.

The ordering of sections within this Plan are consistent with the requirements and other criteria for community reinvestment project area plans set forth in Utah Code Ann. § 17C-5-105. Each capitalized term not otherwise defined in this Plan shall have the meaning described to it in the Act.

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2. Community Reinvestment Project Area Plan boundaries

The proposed Project Area is depicted in attached Exhibit A-1 (the “Project Area Map”) and described in attached Exhibit A-2 (the “Plan Area Legal Description”). The Project Area is

located entirely within unincorporated areas of Kane County (the “County”) on remote, undeveloped property.

The Project Area lies to the north of US-89 east of Church Wells and west of Big Water on SITLA’s property located in Sections 4-9 of Township 43 South, Range 2 East, SLB&M.

3. Summary of current conditions and impact of project area development

a. Existing land uses

The official zoning map of Kane County does not designate a zone for SITLA lands. For the purposes of making recommendations to SITLA when a project or development is being proposed on SITLA lands within the unincorporated areas of the county, Kane County treats SITLA lands as if they were zoned Commercial. The proposed Solar Project is a conditional use within this district. The Solar Project has received a conditional use recommendation from the County on September 15, 2021, which use has been incorporated in the Solar Project’s lease with SITLA.

Property within the Project Area is undeveloped and currently used to graze cattle. The native vegetation consists primarily of non-irrigated scrub brush. The Project Area is located just north of US-89 1.65 miles to the west of Big Water and 1.35 miles to the east of Church Wells. There is little development in the general vicinity of the Project Area.

b. Principal streets

US-89 runs east/west and slight southwest/northwest just south of the Project Area. The site facilities will be accessed from a UDOT approved acceleration/deceleration turn off lane.

c. Population densities

There are no residential housing units or residents within the Project Area.

d. Building intensities

Other than US-89, there are no improvements or structures within the Project Area.

e. Impact of project area development

Once operational, the Solar Project within the Project Area will consist of photovoltaic solar panels and accessory facilities; electrical collection and generation tie lines and facilities; communication lines, cables, conduits, and facilities; electrical transformers, substations, and interconnection facilities; telecommunications equipment; control buildings and maintenance yards; access roads, fences and gates. This use is not anticipated to cause any detrimental effects on existing surrounding uses and is a conditional use within the SITLA land district.

The Solar Project will not include any residential units and the full-time population of the Project Area is not expected to increase in connection with its development. However, as new jobs are created within the Project Area, a corresponding number of new housing units may be constructed in other portions of the County.

Kanab is the nearest population center to the Project area in Utah and lies approximately 17 miles southwest of the Project Area. The proposed Solar Project will not be visible from Big Water or Church Wells or any other population center, however, a portion of the Solar Project will be visible driving along US-89.

Currently, the proposed Solar Project is not expected to add significantly to the cumulative impact on public roads. During construction, there will be an influx of construction workers and delivery of materials to the Project Area; however, such impacts will be minor.

Due to the remote location of the Project Area, future development options are limited. The proposed Solar Project takes advantage of the Project Area's solar resources with minimal impact on the surrounding area. The development of the Solar Project within the Project Area will convert otherwise unproductive land into productive use and is anticipated to result in the following benefits: significant new property tax revenues and an increase in the County's property tax base; enhanced employment opportunities for County residents; support of public schools through increased revenues to SITLA; funding of local targeted income housing options; and diversification of the local economy.

4. Development standards

The development and operation of the Solar Project will be subject to all applicable County, state, and federal regulations.

5. How the purposes of the Act will be attained by the Plan

Pursuant to Utah Code Ann. § 17C-1-102(47), the purpose of implementing a project area plan may include any activity which the board has determined either provides or encourages job creation or the development of improvements, facilities, structures, or buildings either on-site or off-site.

The Agency anticipates the Tax Increment incentives authorized by this Plan will result in the following outcomes:

a. Create jobs

The Agency anticipates the Tax Increment incentive authorized by this Plan will incentivize the development and operation of a utility-scale solar project which will create an estimated 275 FTE (full-time equivalent) construction jobs during the 10- to 12-month construction period and at least two full-time, high-paying permanent job with an estimated average annual salary of \$60,000 to \$70,000.

b. Tax revenue

It is anticipated that future development within the Project Area will generate significant and meaningful tax revenue to the State of Utah, County, and other taxing entities through increases in property and income taxes. Forecasted tax revenue generated by the Solar Project will be evaluated as part of Agency's negotiation of a participation agreement with Glen Canyon Solar A.

c. Fund local economic development

The Agency will retain a portion of the Tax Increment generated within the Project Area to cover the administrative costs of implementing the Plan and for other purposes that are authorized under the Act.

d. Provide funding for Utah education

SITLA owns the property within the Project Area and, as a state-owned entity, is not subject to property or income tax assessment. As a result of the economic development activity arising from this Plan, SITLA will be able to generate more revenue to support public education by charging higher rental rates to energy, mining, and industrial users.

e. Provide funds for local housing needs

Pursuant to the Act, 10% of the Tax Increment will be allocated to fund local income-targeted housing needs or homeless assistance. The Agency will use these funds in accordance with the Act and consistent with the plans and objectives of the County relative to affordable and moderate income housing.

6. Consistent with Kane County General Plan

All development within the Project Area will conform to the Kane County General Plan (the "General Plan"). The Project Area lies within the SITLA Land District. Future development in this area is limited by the lack of available potable water and the harsh salt desert environment. Given the environment and SITLA ownership of the property in the Project Area, there are little opportunities for commercial or industrial uses identified within the Project Area. The Project Area is well-suited for light industrial uses that promote the efficient and sustainable development of existing natural resources. The Kane County General Plan Amended August 2018 includes objectives to properly use natural resources and promote economic development.

The proposed Solar Project conforms to the Kane County General Plan in the following ways. The Solar Project is compatible with the environment and will not negatively impact adjacent land uses. The Solar Project is an environmentally sustainable source of renewable energy and will promote the efficient use of the County's natural resources. In terms of economic development, the Solar Project is anticipated to create new employment opportunities and will diversify the County's tax base. In addition to generating significant tax revenues for the State of Utah, County, and other taxing

entities, the Solar Project will support public schools through increased revenues to SITLA.

7. Elimination or reduction of a development impediment within Project Area

This Plan is not being undertaken for the purpose of eliminating or reducing development impediments within the Project Area. Thus, this element is not applicable to this Plan.

8. Project Area development

The implementation and execution of this Plan is intended to incentivize the development and operation of the Solar Project proposed by Glen Canyon Solar A. The proposed Solar Project consists of a solar photovoltaic plant that will be capable of generating up to 95 megawatts (MW) of renewable energy upon completion. Once operational, the Solar Project will include solar panels and related equipment, electrical transformers and substation facilities, collection, distribution and transmission lines, telecommunications equipment, access drives and fencing, energy storage facilities and operations and maintenance facilities.

9. Selection of participants

SITLA owns the property within the Project Area and has leased the same to Glen Canyon Solar A to allow for the development of the Solar Project. Glen Canyon Solar A is an affiliate of AES Corporation ("AES"). AES has extensive experience with developing renewable energy projects in Utah. The Agency believes that Glen Canyon Solar A has the resources and experience to successfully develop this Solar Project.

10. Reasons for selection of Project Area

The Agency seeks to pursue economic development to strengthen the local economy and diversify and expand the County's industrial base. Future development opportunities within the Project Area are severely limited due to the harsh environment and lack of available water. The proposed Solar Project will take advantage of the County's abundant solar resources and the site's proximity to the PacifiCorp 345kv transmission line, complement existing surrounding land uses, create local construction jobs and high-paying permanent jobs, and generate local tax revenue on land that will otherwise likely remain unproductive.

11. Physical, social, and economic conditions within Project Area

The Project Area consists of non-irrigated rangeland used for cattle grazing and dispersed recreation. There are no residential buildings, and thus no residents, within the Project Area.

12. Tax incentives for facilities located in Project Area

Developing the Solar Project as part of this Plan allows the County and other taxing entities to receive tax revenue from projects that will not otherwise be financially feasible

to develop. Utility energy projects are extremely price sensitive and compete against projects in other cities, counties, and states that offer tax incentives. Without the tax increment incentives available through a Community Reinvestment Project Area Plan process, the Solar Project will not be competitive and could not be built.

As noted above, the Agency intends to offer Tax Increment incentives, as needed, in consideration for new development within the Project Area that furthers the goals outlined in this Plan. The Agency anticipates negotiating an individual participation agreement with Glen Canyon Solar A to allow for the reimbursement of a portion of the Tax Increment generated by the Solar Project.

13. Anticipated public benefits from the Plan

The Act provides that any community reinvestment project area plan include an analysis or description of the anticipated public benefit resulting from project area development, including benefits to the community's economic activity and tax base. This Plan is necessary to catalyze economic development through the strategic and targeted support of the Solar Project located within the Project Area.

a. Economic activity benefits

As has been mentioned above, development of the Solar Project will create an estimated 275 FTE (full-time equivalent) construction jobs, during the 10- to 12-month construction period and at least two full-time, high-paying permanent job. During construction, local businesses such as motels and restaurants are expected to benefit by increased demand for goods and services. Adoption of the Plan is anticipated to expand and diversify the County's industrial base.

The Agency will use a portion of the Tax Increment for administrative expenses and for other purposes that are authorized under the Act.

b. Tax base benefits

Development of the Solar Project will generate significant and meaningful tax revenue through property and income taxes not otherwise available without the Tax Increment incentive. Property within the Project Area is owned by SITLA and is therefore exempt from local property taxes and does not currently provide any tax benefit to Kane County or other local taxing entities. While the participating taxing entities will necessarily need to agree to forego a percentage of the growth in the tax base within the Project Area while the Plan is in effect, the Agency's role in stimulating economic growth and increasing assessed values within the Project Area will benefit the community as a whole and, over time, each of the taxing entities.

Private investment alone cannot be reasonably expected to achieve substantial economic growth in the near future. The Project Area has not attracted significant private investment to date, and given the constraints of the site, is not anticipated to do so in the future without support from the Agency. The Solar Project cannot be developed within the Project Area without the Tax Increment incentives contemplated by this Plan.

c. Additional benefits

The Solar Project will also provide significant economic returns to Utah's public-school trust. The economic development activity resulting from this Plan will generate significant new revenue for SITLA from the use of its land for renewable energy development, which will result in more resources for public education in the state.

Also, pursuant to the Act, 10% of the Tax Increment will be allocated to fund local income targeted housing needs or homeless assistance programs.

14. Compliance with Section 9-8-404 Heritage, Arts, Libraries, and Cultural Development

This element is not applicable to the Project Area.

15. Project Area subject to taxing entity committee or an interlocal agreement

This Plan and the Tax Increment to be generated and received from the Project Area will be subject to an interlocal agreement with each applicable participating taxing entity.

Exhibit A-1 - Project Area Map



Exhibit A-2 - Legal Description

The Project Area is located in Kane County, Utah and described as follows:

Township 43 South, Range 2 East, SLB&M

Section 4: Lot 8, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ (321.08 acres)

Section 5: All (644.48 acres)

Section 6: E $\frac{1}{2}$ (322.16 acres)

Section 7: that portion of the NENE and the NWNE lying north of US 89 (21.50 acres)

Section 8: that portion of the N $\frac{1}{2}$ N $\frac{1}{2}$ lying north of US 89 (120 acres)

Section 9: N $\frac{1}{2}$ NW $\frac{1}{4}$ (80 Acres)

Containing approximately 1,509.22 acres, more or less

Exhibit B - Zoning Index Map

20270958

Exhibit B - Zoning Index Map

EXHIBIT "C"
To
INTERLOCAL AGREEMENT

Project Area Budget



GLEN CANYON SOLAR A PROJECT

Community Reinvestment Project Area Budget

Kane County Redevelopment Agency
November 22, 2022

Table of Contents

1. Introduction and adoption of area budget	1
2. Tax Increment received by Agency	2
2.a. Base taxable value.....	2
2.b. Projected Tax Increment	3
2.c. Funds collection period.....	3
2.d. Tax Increment to be paid to other taxing entities.....	3
2.e. Tax Increment collection area.....	4
2.f. Tax Increment authorized percentage	4
2.g. Tax Increment maximum cumulative dollar amount.....	4
3. Sales and Use Tax received by Agency	4
3.a. Percentage and total amount of sales and use tax to be paid to Agency.....	4
3.b. Funds collection period	4
4. Agency funds to implement the Plan	4
5. Agency's combined increment value	4
6. Agency funds to administer the Plan	4
7. Property Agency intends to sell	4
8. Additional Information.....	5

1. Introduction and Adoption of Area Budget

Pursuant to Resolution No. RDA 2022-10 the Board of Kane County Redevelopment Agency (also referenced herein as the “Agency”) authorized the preparation of this Community Reinvestment Project Area Budget (the “Budget”) in accordance with provisions of Title 17C of the Utah Code Annotated 1953 as amended (the “Act”), to estimate the economic impact of projected development incentivized by the Glen Canyon Solar A Project Community Reinvestment Project Area Plan. The Budget shall be titled “Glen Canyon Solar A Project Community Reinvestment Project Area Budget” or the “Budget”.

On December 22, 2022, the Agency approved the Glen Canyon Solar A Project Community Reinvestment Plan (the “Plan” and covering the “Project Area”) which details a Tax Increment¹ sharing plan intended to incentivize the development and operation of a utility-scale solar project (the “Solar Project”) proposed by Glen Canyon Solar A, LLC (“Glen Canyon Solar A”) which, if developed, will benefit all local taxing entities, provide significant economic returns to Utah’s public school trust, create jobs, fund local targeted income housing and/or homeless programs, and otherwise expand and diversify Kane County’s industrial tax base.

Development of such large-scale energy projects benefit local communities by greatly increasing property values and property tax revenue without increasing demand for government services such as schools, recreation facilities, and public safety. To attract such development, local governments typically agree to reimburse a portion of the Tax Increment to the developer. Energy projects are extremely price sensitive and are usually not viable without such reimbursement. To attract development of the Solar Project, and through the adoption of the Plan, the Agency agrees to reimburse Glen Canyon Solar A up to [60%] of the Tax Increment generated by development within the Project Area for [a twenty-year (20) Tax Increment Collection Period]. A portion of the Tax Increment will also be remitted back to the County, the Kane County School District, and other taxing entities that participate in the Plan and the Budget. Portions of the Tax Increment will be utilized by the Agency to administer the requirements of the Act, Plan and Budget with another portion to be used by the Agency or County to encourage, promote and incentivize affordable and moderate income housing objectives.

This Budget is a good faith estimate of the economic impact of projected development within the Project Area. This Budget represents the reasonable expectations of the Agency which makes no guarantee that estimates will accurately reflect future outcomes. The actual amount of Tax Increment received by the Agency will be determined by the precise value of improvements constructed in connection with the Solar Project and interlocal agreement(s) between the Agency and the various local taxing entities. This Budget does not control the flow of Tax Increment, nor does it entitle the Agency to receive money from Tax Increment or any other source. Those details and permissions are negotiated in interlocal agreements with the various local taxing entities.

The ordering of sections within this Budget are consistent with the requirements and other criteria for community reinvestment project area budgets set forth in Utah Code Ann. § 17C-5-303. Each

¹ “Tax increment” is defined within the Act to mean the difference between: (i) the amount of property tax revenue generated each tax year by a taxing entity from the Project Area from which tax increment is to be collected, using the current assessed value of the property; and (ii) the amount of property tax revenue that would be generated from the Project Area using the base taxable value of the property.

capitalized term not otherwise defined in this Budget shall have the meaning described to it in the Act.

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2. Tax Increment Received by Agency

Development of the Solar Project will generate significant and meaningful tax revenue through property taxes not otherwise available without the Tax Increment incentive. Property within the Project Area is owned by SITLA and is therefore exempt from paying local property taxes. The property does not currently provide any tax benefit to Kane County or any other local taxing entities that levy taxes within Kane County. Once constructed, the proposed Solar Project (which consist of solar arrays and related facilities) will be taxed as personal property and will provide an estimated **\$7,201,033** in Tax Increment to the Agency over the [twenty-year (20) Tax Increment Collection period] of the Project Area. This Tax Increment received by the Agency will be used in accordance with the Act, the Plan and this Budget to incentivize, encourage and promote the development of the Solar Project.

Before the Agency may collect Tax Increment, it must enter into separate interlocal agreements with each participating taxing entity, outlining the amount and duration of the Tax Increment Collection period and the amounts, if any, that will be remitted back to the taxing entities based on their respective proportional tax rates.

2.a. Base taxable value

Utah Code Ann. § 17C-1-102(8) defines Base Taxable Value as “. . . a property’s taxable value as shown upon the assessment roll last equalized during the base year.” Because the property within the Project Area is owned by SITLA and therefore exempt from taxation, it has not been assessed or appraised by the Kane County Assessor’s Office. The Base Taxable Value will be established in each interlocal agreement, but because the taxes received for all land, real property, personal property and any other property within the Project Area are currently zero, the estimated Base Taxable Value is therefore zero.

2.b. Projected Tax Increment

Improvements for the proposed Solar Project are estimated to be valued at One-Hundred Twenty-Eight Million Six-Hundred Thousand Dollars (\$128,600,000) which would generate a total of \$7,201,033 in Tax Increment over the [twenty-year (20) Tax Increment Collection Period].

Without the tax incentives provided by the Plan, the Solar Project would not be built, and the taxing entities would not collect any property tax on property within the Project Area.

2.c. Tax Increment Collection Period

The Agency anticipates collecting Tax Increment from the Project Area for a period of [twenty-years (20)]. This period over which the Agency will be receiving Tax Increment is referred to as the Tax Increment Collection Period.

2.d. Tax Increment to be paid to other taxing entities

Pursuant to this Budget, the Agency anticipates receiving 100% of the Tax Increment generated within the Project Area. Of this amount, 60% of the eligible Tax Increment will be retained by the Agency and used in accordance with the Act, the Plan and this Budget. The remaining [40%] will be remitted back to Kane County, Kane County School District and any other taxing entities that are participating in this Budget. The period over which these Tax Increment funds will be remitted back to the participating local tax entities will be the same period of the Tax Increment Collection Period. In conformance to the Act, the exact percentages and duration of collection will be formalized through separate interlocal agreements with each taxing entity participating in this Budget.

The Agency estimates that the Tax Increment will be received and then distributed as follows:

Total Tax Increment Generation 2026 - 2045 (100%):	Total Amounts	NPV @ 4.00%
Kane County	\$ 2,331,094	\$ 1,745,629
Kane County School District	4,083,804	3,058,138
Kane County Water Conservancy District	417,451	312,606
Total Sources of Funds:	\$ 7,201,033	\$ 5,392,461

Uses of Tax Increment 2026 - 2045 (Assuming 60% for Project)	Total Amounts	NPV @ 4.00%
Redevelopment Activities (Infrastructure, Relocation, Incentives, etc.)	\$ 3,586,983	\$ 2,686,096
CRA Housing Requirement (10.00%)	409,941	306,982
RDA Administration (2.50%)	102,485	76,746
Total Agency Uses of Funds:	\$ 4,099,409	\$ 3,069,824

Remaining for Taxing Entities 2026 - 2045 (40%)	Total Amounts	NPV @ 4.00%
Kane County	\$ 932,438	\$ 698,252
Multicounty Assessing & Collecting Levy	14,630	10,956
County Assessing & Collecting Levy	354,053	265,131
Kane County School District	1,633,522	1,223,255
Kane County Water Conservancy District	166,980	125,043
Total Other Uses of Funds	\$ 3,101,623	\$ 2,322,637

The Project Area is expected to generate property taxes for Years 21-35, which will not be paid to the Agency and will be retained by the taxing entities, as follows:

Additional 15 Years at 100% for Taxing Entities 2046 - 2060		
Kane County	\$ 300,222	\$ 222,532
Multicounty Assessing & Collecting Levy	1,884	1,397
County Assessing & Collecting Levy	45,599	33,799
Kane County School District	525,954	389,851
Kane County Water Conservancy District	53,764	39,851
Total	\$ 927,423	\$ 687,430

2.e. Tax Increment collection area

The Agency anticipates collecting Tax Increment from the entire Project Area.

2.f. Tax Increment authorized percentage

The Agency is authorized to receive 100% of the Tax Increment generated within the Project Area during the Tax Increment Collection Period, which period is intended to be for a period of twenty-years (20). The Agency will be permitted to retain [60%] of the Tax Increment for purposes outlined in the Plan, this Budget and in accordance to the Act.

2.g. Tax Increment Maximum cumulative dollar amount

The Agency is authorized to receive and distribute a maximum not-to-exceed amount of _____ (\$_____).

A detailed multi-year Tax Increment cash flow forecast, and analysis is included in **Exhibit A**, which by this reference is incorporated into this Budget.

3. Agency Funds to Implement the Plan

The Agency anticipates using a portion of the retained [60%] to meet the objectives outlined in the Plan, the Act and this Budget. The Agency envisions the following uses of Tax Increment Funds:

- a. **Agency Administration** – 2.50% of the Tax Increment will be utilized by the Agency to administer, manage and operate all elements of the Plan, this Budget and other required administrative functions of the Agency related to the Project Area.
- b. **Housing Set-Aside** – 10.00% of the Tax Increment will be utilized by the Agency or Kane County to satisfy the requirements outlined in the Act and in accordance with the County's Low-Moderate Income Housing Plan.
- c. **Development Incentive** – the remaining percentage will be utilized by the Agency to encourage, promote, and incentivize the Solar Project. The Agency anticipates negotiating and finalizing a participation agreement by and between the Glen Canyon Solar A and the Agency and will stipulate the requirements and benchmarks in order for the Tax Increment to be remitted. No other Tax Increment or project area funds are expected to be used for land acquisition, public improvements, infrastructure improvements, for any loans, grants, or other incentives to private or public entities.

4. Agency's Combined Increment Value

The Plan anticipates that the proposed Solar Project will be the sole source of Tax Increment within the Project Area. Improvements for the proposed Solar Project are estimated to be valued at One-Hundred Twenty-Eight Million Six-Hundred Thousand Dollars (\$128,600,000). As referenced above, this Incremental Value is anticipated to generate **\$7,201,033** in Tax Increment over the twenty-year period.

5. Sales and Use Tax received by Agency

The Agency anticipates that \$62,036 in sales and use tax will be generated by the Solar Project. However, such revenues will not be received by the Agency. As such, this element is not applicable the Plan.

5.a. Percentage and total amount of sales and use tax to be paid to Agency

This element is not applicable to the Plan.

5.b. Funds collection period

This element is not applicable to the Plan.

6. Property Agency Intends to Sell

The Agency does not own, nor does it intend to own, any property within the Project Area.

Exhibit A MULTI-YEAR TAX INCREMENT CASH FLOW FORECAST AND ANALYSIS

Glen Canyon Solar Project
Solar Farm Development - Kane County Redevelopment Agency
Appendix B.2 - Multi-Year Tax Increment Budget and Forecast

INCREMENTAL TAX ANALYSIS:																
Payment Year	Year															
Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Cumulative Taxable Value																
Taxable Value - Tax Area 6																
Land Values	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000
Building Value																
Personal Property Values	126,020,000	124,742,000	122,170,000	119,312,000	117,226,000	115,740,000	114,802,000	113,864,000	112,926,000	111,988,000	111,050,000	110,112,000	109,174,000	108,236,000	107,298,000	106,360,000
Total Taxable Value	127,450,000	126,172,000	123,600,000	119,742,000	118,656,000	117,170,000	116,226,000	115,288,000	114,350,000	113,410,000	112,472,000	111,534,000	110,596,000	109,658,000	108,720,000	107,782,000
Base Year Value																
Total Incremental Value	127,450,000	126,172,000	123,600,000	119,742,000	118,656,000	117,170,000	116,226,000	115,288,000	114,350,000	113,410,000	112,472,000	111,534,000	110,596,000	109,658,000	108,720,000	107,782,000
TAX RATE & INCREMENT ANALYSIS:																
Tax Rate	77,846,800	76,275,200	74,732,000	72,417,200	71,645,600	70,874,000	69,559,200	68,529,600	67,328,400	66,142,800	64,964,400	63,792,000	62,624,000	61,456,000	60,288,000	59,120,000
Tax Area 6																
Kane County	2,262,000	184,142	182,258	178,629	173,077	171,233	169,389	167,545	165,701	163,857	162,013	160,169	158,325	156,481	154,637	152,793
Multicounty Assessing & Collecting Levy	0.000015	1,166	1,164	1,162	1,160	1,158	1,156	1,154	1,152	1,150	1,148	1,146	1,144	1,142	1,140	1,138
County Assessing & Collecting Levy	0.000015	27,968	27,688	27,128	26,287	25,607	25,007	24,487	23,947	23,387	22,807	22,207	21,587	20,947	20,287	19,607
Kane County School District	0.004187	321,595	319,364	315,903	310,211	306,960	303,749	300,538	297,327	294,116	290,905	287,694	284,483	281,272	278,061	274,850
Kane County Water Conservancy District	0.000428	37,976	37,648	37,195	36,564	36,095	35,626	35,157	34,688	34,219	33,750	33,281	32,812	32,343	31,874	31,405
Totals	0.004723	540,837	539,140	535,746	530,559	527,363	524,167	520,971	517,775	514,579	511,383	508,187	504,991	501,795	498,599	495,403
TOTAL INCREMENTAL REVENUE IN PROJECT AREA:																
Kane County	184,142	182,258	178,629	173,077	171,233	169,389	167,545	165,701	163,857	162,013	160,169	158,325	156,481	154,637	152,793	150,949
Multicounty Assessing & Collecting Levy		1,166	1,164	1,162	1,160	1,158	1,156	1,154	1,152	1,150	1,148	1,146	1,144	1,142	1,140	1,138
County Assessing & Collecting Levy		27,968	27,688	27,128	26,287	25,607	25,007	24,487	23,947	23,387	22,807	22,207	21,587	20,947	20,287	19,607
Kane County School District		321,595	319,364	315,903	310,211	306,960	303,749	300,538	297,327	294,116	290,905	287,694	284,483	281,272	278,061	274,850
Kane County Water Conservancy District		37,976	37,648	37,195	36,564	36,095	35,626	35,157	34,688	34,219	33,750	33,281	32,812	32,343	31,874	31,405
TOTAL INCREMENTAL REVENUE IN PROJECT AREA:																
2007	540,837	539,140	535,746	530,559	527,363	524,167	520,971	517,775	514,579	511,383	508,187	504,991	501,795	498,599	495,403	492,207
PROJECT AREA BUDGET																
Source of Funds:																
Property Tax Participation Rate for Budget:																
Kane County	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
Multicounty Assessing & Collecting Levy	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
County Assessing & Collecting Levy	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Kane County School District	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
Kane County Water Conservancy District	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
PROPERTY TAX INCREMENT FOR BUDGET																
Kane County	\$110,485	\$109,379	\$107,166	\$103,848	\$102,740	\$101,633	\$98,314	\$91,675	\$83,930	\$78,397	\$67,333	\$66,226	\$61,800	\$60,693	\$56,266	\$55,159
Multicounty Assessing & Collecting Levy																
County Assessing & Collecting Levy																
Kane County School District	192,257	191,619	187,742	181,258	175,968	170,500	172,234	160,604	147,025	137,343	117,969	116,020	108,287	106,357	100,820	98,891
Kane County Water Conservancy District	19,756	19,587	19,191	18,399	18,200	17,456	16,417	15,030	14,039	13,058	11,860	11,660	11,067	10,871	10,278	10,084
Uses of Tax Increment Funds:																
Infrastructure Activities (Infrastructure, Relocation, Incentives, etc.)	87.5%	283,249	283,512	274,436	266,323	261,463	269,448	285,135	285,079	215,266	207,657	177,681	168,140	161,483	150,887	140,290
Public Housing Requirement	10.0%	32,363	32,658	31,410	30,347	29,788	28,768	28,015	24,599	22,578	19,715	19,411	18,141	17,837	16,567	16,263
RCIA Administration	2.5%	8,096	8,015	7,852	7,659	7,528	7,447	7,204	6,950	6,744	6,534	6,324	6,114	5,904	5,694	5,484
Total Project Area Uses		323,825	324,225	314,295	304,359	297,125	297,883	281,154	258,695	229,765	197,345	184,126	176,131	166,865	157,114	146,843
Remainder to Filling Entries 40%																
Kane County	73,657	72,919	71,444	69,231	68,403	67,765	68,843	61,117	55,953	52,255	44,888	44,151	41,200	40,463	37,512	36,775
Multicounty Assessing & Collecting Levy		1,166	1,164	1,162	1,160	1,158	1,156	1,154	1,152	1,150	1,148	1,146	1,144	1,142	1,140	1,138
County Assessing & Collecting Levy		27,968	27,688	27,128	26,287	25,607	25,007	24,487	23,947	23,387	22,807	22,207	21,587	20,947	20,287	19,607
Kane County School District	129,000	127,458	125,161	121,234	119,700	118,262	116,824	115,386	113,948	112,510	111,072	109,634	108,196	106,758	105,320	103,882
Kane County Water Conservancy District		13,150	13,058	12,784	12,368	12,266	12,134	11,737	10,945	10,263	9,581	9,390	9,200	8,809	8,619	8,429
REMAINING TAX REVENUES FOR PROJECT - 60%																
Kane County	\$66,837	\$63,140	\$61,746	\$54,658	\$52,959	\$52,363	\$58,173	\$47,992	\$42,115	\$40,332	\$38,644	\$30,948	\$31,161	\$29,461	\$27,766	\$26,071
Multicounty Assessing & Collecting Levy																
County Assessing & Collecting Levy																
Kane County School District	169,262	167,666	164,724	159,166	157,400	155,793	160,705	140,528	126,656	120,175	103,214	101,518	94,730	93,034	86,246	84,550
Kane County Water Conservancy District	17,312	17,139	16,782	16,099	15,925	15,405	15,230	13,425	12,384	11,951	10,377	10,278	9,684	9,585	8,991	8,892
TOTAL																
2007	\$283,249	\$283,512	\$274,436	\$266,323	\$261,463	\$269,448	\$285,135	\$285,079	\$215,266	\$207,657	\$177,681	\$168,140	\$161,483	\$150,887	\$140,290	\$130,693