RDA MEETING PACKET

DATE:

May 2, 2023

AGENDA
KANE COUNTY REDEVELOPMENT AGENCY/ CRA
MEETING TO BE HELD TUESDAY May 2, 2023, 2:00 p.m.
IN THE SCHOOL BOARD ROOM AT THE KANAB CENTER

WE WELCOME EVERYONE TO ATTEND ELECTRONICALLY BY PHONE.
CALL IN INFORMATION: Meeting call in # 435-676-9000 participant code 168030# (This is a local call within the South Central service area)

CONSENT AGENDA: Approval of November 22, 2022 and December 22, 2022 Minutes

REGULAR AGENDA:

1. **Discussion/Review Kane County Redevelopment Agency Resolution No. RDA-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.

2. **Discussion/Review Kane County Redevelopment Agency Resolution No. RDA-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.

3. **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

Closed Session

- Discussing an individual's character, professional competence, or physical or mental health.
- Strategy sessions to discuss collective bargaining, pending or reasonably imminent litigation, or the purchase, exchange lease or sale of real property.
- Discussions regarding security personnel, devices or systems.
- Investigative proceedings regarding allegations of criminal misconduct.

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 Tuesday, prior to the meeting date.

CONSENT AGENDA

Minutes of:

RDA Meeting Minutes for November 22, 2022 and December 22, 2022

MINUTES OF THE
KANE COUNTY REDEVELOPMENT AGENCY/ CRA
MEETINGS TO BE HELD TUESDAY November 22, 2022 2:15 P.M.
IN THE KANE COUNTY COMMISSION CHAMBERS

PRESENT: Member Chamberlain, Member Gant, Member Heaton, Attorney Van Dyke, Clerk/Auditor Karla Johnson, Deputy Clerk/Auditor Candice Brown

CALL MEETING TO ORDER & WELCOME: Member Chamberlain

CONSENT AGENDA: Approval of May 24, 2022 Minutes

Motion to approve the Consent Agenda and Minutes from May 24, 2022 made by Board Member Gant and motion carried with all Board Members present voting in favor.

REGULAR AGENDA:

1. **Approval of Resolution No. RDA-2022-9 a Resolution Establishing Tax Year 2023 as Year One for the East Zion Community Reinvestment Project Area and Authorizing the Issuance of a Letter to the Kane County Auditor to Trigger Collection and Distribution of Tax Increment**

   Attorney Van Dyke said that the Interlocal Agreements that are in place between the RDA and the County and the RDA and the Water Conservancy District, so the taxing entities that are involved, this is the process that was set up. The RDA has the authority and discretion to establish a tax year 1, in which the TIF would begin to be collected and distributed at the latest of tax year 2025. The entities that signed onto the TIF Participation Agreements, so the Zion Mountain Ranch and the Zion Mountain Local Service District, have requested that they designate tax year 2023 that they move ahead and designate year 1 and move forward. They are ready on their end to start receiving the TIF funds under their respective Participation Agreements.

   Motion to approve Resolution RDA-2022-9 a Resolution Establishing Tax Year 2023 as Year One for the East Zion Community Reinvestment Project Area made by Member Heaton and motion carried with all Members present voting in favor.

2. **Approval of Resolution No. RDA-2022-10 a Resolution Designating a Survey Area for the Glen Canyon Solar Project, Authorizing the**

Preparation of a Draft Community Reinvestment Project Area Plan and Budget, and Authorizing and Directing all Necessary Action by the Agency, Staff, and Counsel

Member Chamberlain said that he got a call from Mayor Schmuker from Big Water asking to excuse himself, but they did provide a letter from the town council recommending that the County go forward with the consideration on establishing the CRA. He also received a similar letter from folks in the Church Wells community requesting this. Member Chamberlain said that the most potential revenue generated would be for the school district. They have the potential for seeing a fairly substantial revenue to them if a CRA is established and if they enter into a Participation Agreement. The town of Big Water and community of Church Wells are not a taxing entity, so they can't enter into a Participation Agreement. However, AES has indicated that if the CRA is in place and there is some revenue sharing going on that they were going to be willing to enter into an MOU with those communities to provide assistance to the communities. The County's Participation Agreement could be dependent upon that, that they do enter into some kind of agreement that benefits them as well.

Jason Burningham stated that the Resolution before them is the initial required statutory provision in order to proceed with investigating or surveying or assessing and analyzing whether or not a Community Reinvestment Project Area should be considered and created. This resolution is that notice of intent to begin the process and it does include a map of the particular area which encompasses where they believe the solar project will ultimately be constructed and put into service. It is currently on State Institutional Trust Land Administration (SITLA) property. The current map shows about 1,500 Acres or so. The idea is that there would be a ground lease between SITLA and AES Solar who would then construct the solar panels and put them in place. Part of the investigation would include the drafting and consideration of a draft plan and budget. The plan and budget outlines the magnitude of the particular development expressed in terms of how much personal property, real property, and the associated assessed value that the project would develop and generate. It also assumes tax rates that would be levied by those taxing entities that would levy a tax within this particular project area. A draft of each of the plan and budget has been submitted and the idea is if this resolution is successful today, then it is envisioned that we would hold a public hearing on or about December 22, 2022. They would start a 30-day notice providing the draft project area plan and budget to all property owners and all taxing entities that could potentially levy a tax within this area. They are also then required to send it to the State Tax Commission as well as the State Auditor and other state level organizations. Jason mentioned that this project is unique to the County and other taxing entities because the nature of the taxable value. Solar panels and other elements of this are constituted as personal property under State Tax Commission guidelines. The way personal property is treated is much different than real property, so the advantage of a CRA in this particular case is that if all of it is captured through a CRA then all of it can be treated as new growth to each of the taxing entities. This would result in new tax revenues above and beyond the current levels that they are taxed. This is a direct benefit to all taxing entities. Jason said that it is their recommendation as they have studied this initially that this resolution be approved today, which will start the process and then would allow for them to provide the notice for the public hearing to be held in 30-days and to receive feedback from the various parties that would be interested. This doesn't bind the County to creating the CRA but it does allow for the public hearing process to move forward on the plan and budget.

Motion to approve Resolution RDA-2022-10 Designating a Survey Area for the Glen Canyon Solar Project, Authorizing a draft summary of what this project would look like for further public comment made by Member Gant and motion carried with all members present voting in favor.

Motion to adjourn made by Member Heaton and motion carried with all Members present voting in favor.

WHEREUPON MEETING ADJOURNED

Chairman Patty Kubeja

Secretary Chameill Lamb

MINUTES OF THE
KANE COUNTY REDEVELOPMENT AGENCY/ CRA
MEETINGS TO BE HELD DECEMBER 22, 2022 6 P.M.
IN THE TOWN COUNCIL ROOM AT THE BIG WATER TOWN HALL

PRESENT: Member Chamberlain, Member Gant, Member Heaton (Absent), Attorney Van Dyke, Clerk/Auditor Karla Johnson, Deputy Clerk/Auditor Chameill Lamb, Deputy Clerk/Auditor Candice Brown

CALL MEETING TO ORDER & WELCOME: Member Chamberlain

CALL MEETING TO ORDER: Member Chamberlain
WELCOME: Member Chamberlain
INVOCATION: Member Gant
PLEDGE OF ALLEGIANCE: Attorney Van Dyke

SPECIAL SESSION:

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

Member Chamberlain said that the purpose of this meeting is to discuss and hear comments concerning the possible solar farm that AES is proposing. Member Chamberlain introduced Johanna Kraus-Dorden.

Johanna Kraus-Dorden is the project developer for Glen Canyon A Solar. She works for AES, which is based out of Salt Lake City. Johanna said that the intention of a CRA is that developers like herself and her company AES is for bringing a lot of personal property to land development. In this case they have SITLA land. She said that they are hoping to bring low impact value to the land, so with a CRA as they bring personal property there is tax revenue that is generated. Currently with the SITLA land it doesn't generate tax revenue on the volume that this project could bring and if they can bring it to their community then they will be able to share with the community the revenue.

Jason Burningham gave a brief overview of the project. He said that with the envisioned plan there is a specific geographic area which is around 1,500 acres of land that is currently owned by the Utah School and Institutional Trust Lands Administration (SITLA) and that for this project it would continue to remain tax exempt. It wouldn't provide any benefit for the various taxing entities nor for the surrounding communities, but because of the partnership through a lease situation, AES as the developer would be leasing the property from SITLA and would then construct and build the solar field. This would include the various resource lines, battery backup, and other things that would distribute power into the grid.

Because of the value that is created and the plan it estimates that the value of all the improvements would approximate about $120-$130M of new value. Jason continued to go over various parts of the project.

Member Chamberlain said that under state tax code if we don't create the CRA then there is no benefit in taxes to any taxing entity within the County.

Motion to go in and out of public hearing at the call of the chair made by Member Gant and motion carried with all Members present voting in favor.

Erin Dargman asked what the parameter of the location was.

Johanna said that if you look at mile marker 11 on Hwy 89 and go west a little past mile marker 12 north of Hwy 89 it is about a 1.5 mile footprint. It will be 300 feet from the highway.

Janette Nielson asked how big of arrays are they planning on starting with and if they would start with one array and then move to the next.

Johanna said that mobilization is when they will grade the site and then the construction period will begin in June/July of 2023. The targeted completion is in August of 2024.

Janette wanted to know what kind of base they were going to put underneath the solar panels.

Johanna said that the existing vegetation will stay in place but it is steel poles that are piled into the ground.

Boudicca Joseph said that she had read something on the website that Kane County was advancing over $7M toward this.

Member Chamberlain said that the project is anticipated to generate around $7M in personal property tax over a 20 year period of time.

Attorney Van Dyke clarified that the only money that is sent to AES is after AES pays taxes to a taxing entity that is participating.

Rick Hull stated that since this will connect to the Glen Canyon Dam, what would be the route and what would you be able to see?

Carter said that it will be on PacifiCorp line and that the power will stay in Utah.

Hyrum Short stated that they have over 4M people coming through there area to visit the lake and wanted to know if there had been discussions with the local communities of the drastic change that this will bring. Have there been talks of maybe moving it out of site?

Johanna said that at this point this is where the project is slated to be. She said that they did sit down with Kane County in 2021 and had a public hearing on this but they have not sat down with the community of Church Wells and Big Water in a public forum like this.

Hyrum Short stated that they approached SITLA and SITLA said that they met with the ranchers out there and the ranchers thought they would rather it not be on their land but for it to be closer to the road.

Richard Willard stated that from Page to Kanab it is an unmatched view shed in the world and that $130M investment for two jobs seems pretty expensive. If it was for 1,000 jobs he might have a different opinion. Also the jobs that have been promised in a couple of the documents are not guaranteed to be Kane County jobs.

Russ Johnson wanted to know how the ranchers are being compensated for the removal of their rights.

Johanna said that SITLA has jurisdiction over the grazing permittees and so that is a relationship that SITLA has.

Vince Olson asked if the arrays will be visible from the highway.

Johanna said that they are very low profile arrays. She said that they can generate a visual for them on what they would look like on the land.

Vince Olson asked if the 20 year cycle on this CRA was a request from AES and if they would consider shortening the number.

Johanna said that the current 20 year term is just a proposed project term, so it could be a shorter term.

Vince Olson asked if the Board of Education was invited to this meeting.

Member Chamberlains said yes, it is a public hearing.

Paul Ivin stated that he is extremely opposed to this project.

Jennie Lawson wanted some clarification on construction. She said that she has concerns on how they are going to drive the steel things into the ground without disturbing it. She also mentioned that if the arrays have such a low profile, how do the plants that will be left there survive?

Johanna said that prior to anything they have done geotechnical studies, they have also done soil resistance studies to test the soil. She said that it wouldn't be in good faith for them to drive in steel to the ground if they hadn't done that. It will be very little impact.

Ray Rankin stated that he did the installation of solar field for Amangiri and they used a pile driver to drive poles into the ground. He said that there will be some disturbance of the surrounding area. He would recommend some reseeding to take place after construction to mitigate the long term effects. Ray wanted to know how they plan to wash the solar panels and the affect it is going to have on the special service district with the use of water and then how they will keep dust down.

Johanna said that they have a dust control plan in place and that this project has minimal water use impacts. She said that they are assuming 5,000 gallons or less annually to maintain the arrays.

Vince Olson asked how big the solar panels are.

Johanna said that they are about 4-5 feet in length and 2-3 feet in width and weigh about 10 lbs.

Vince Olson asked if the solar panels move with the sun or are they motorized.

Johanna said that they are on tracking systems.

Vince Olson stated that the most productive part of the year will be summer and that will not be a problem but when the sun is going down earlier in the winter, reflection from the solar panels have a potential to blind or visually impair someone going down the highway. Is there any way possible to push it further down the hill?

Johanna said that they have done a glare study that was requested from the County and there were no impacts from the study that was done. She also mentioned that solar panels don't reflect light they absorb light.

Ashley Rankin said that she is relieved that it has shrunk some since it was first presented 6-7 years ago. She said that when it was presented in the past it was from a company named Sustainable Power Group and now we are hearing from AES, can you explain that?

Johanna said that S-Power was a parent company of AES. In 2021 S-Power was absorbed by AES.

Ashley Rankin asked if S-Power was operating any solar farms of this size in California.

Johanna said that she believes they were.

Boudicca Joseph said that she is very much in favor of this project.

Heather Rankin thinks that something is inevitable here and she thinks if we could look at what is coming, it's inevitable. They closed down the Navajo generating station and left transmission lines all over the place, something is inevitable. Do we have a voice in what is coming? What is the dust mitigation plan?

Johanna said that she is happy to go further into the impacts of the construction with everyone. Their goal is to have low impact in terms of county and local services. She would like to talk in January.

Vince Olson stated that the lines that run from the dam currently are charged and live, am I correct?

Johanna said yes.

Member Gant stated that this is Utah power and benefits the Utah grid.

Dalton Williams said that he has gone through the documents that were presented for this meeting and has the opinion that the availability of this information hasn't been widespread enough. They need more time for review. He also stated that if the tax increment financing isn't established for this project then the project shouldn't go forward.

Janette Nielson stated that their water level is what it started at. She said that they have already talked with AES and told them that we could provide up to 1M gallons a month for the project. She said that she is looking forward to working with AES.

Johanna said that AES is prepared to partner with Church Wells as well as with Big Water to work through water that is available and needed for the project.

Dalton Williams requests that they postpone action on any of the items tonight and save it for January.

Vince Olson asked if the CRA hinges on the approval of the Commissioners or could the town of Big Water/Church Wells enter into an agreement separate.

Member Chamberlain stated that they could not do that.

Member Chamberlain declared us out of public hearing.

2. **<u>Kane County Redevelopment Agency Resolution No. R-2022-11</u>:** 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.

   Motion to approve Kane County Redevelopment Agency Resolution No. R-2022-11 a Resolution authorizing the Glen Canyon Solar A Project-Community Reinvestment Project Area Plan made by Member Gant and motion carried with all Members present voting in favor.

3. **<u>Kane County Redevelopment Agency Resolution No. R-2022-12:</u>** 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.

   Motion to approve 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 made by Member Gant and motion carried with all Members present voting in favor.

4. **<u>Diversion of Property Tax for a Community Reinvestment Project Area:</u>** 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

   Item Tabled.

Motion to adjourn made by Member Gant and motion carried with all Members present voting in favor.

WHEREUPON MEETING ADJOURNED

Chairman Patty Kubeja

Secretary Chameill Lamb

AGENDA

ITEMS

ITEM # 1

Discussion/Review Kane County Redevelopment Agency Resolution No. RDA-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.

ENTRY NO. 00202357
12/28/2022 01:52:08 PM B: 0598 P: 0489
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VERJEAN CARUSO, KANE COUNTY RECORDER
FEE $ 0.00 BY KANE CO CLERK

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 22nd day of December, 2022.

Agency Chair
Brent Chamberlain

ATTEST:

Karla Johnson / secretary

KANE COUNTY REDEVELOPMENT AGENCY
2014
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ENTRY NO. 00202357
12/28/2022 01:52:08 PM B: 0598 P: 0491
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VERJEAN CARUSO, KANE COUNTY RECORDER
FEE $ 0.00 BY KANE CO CLERK

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, SW¼ NW¼, SW¼, W½SE¼ (321.08 acres)
Section 5: All (644.48 acres)
Section 6: E½ (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 N½N½ lying north of US 89 (120 acres)
Section 9: N½NW¼ (80 Acres)

Containing approximately 1,509.22 acres, more or less

EXHIBIT B – MAP OF THE PROJECT AREA

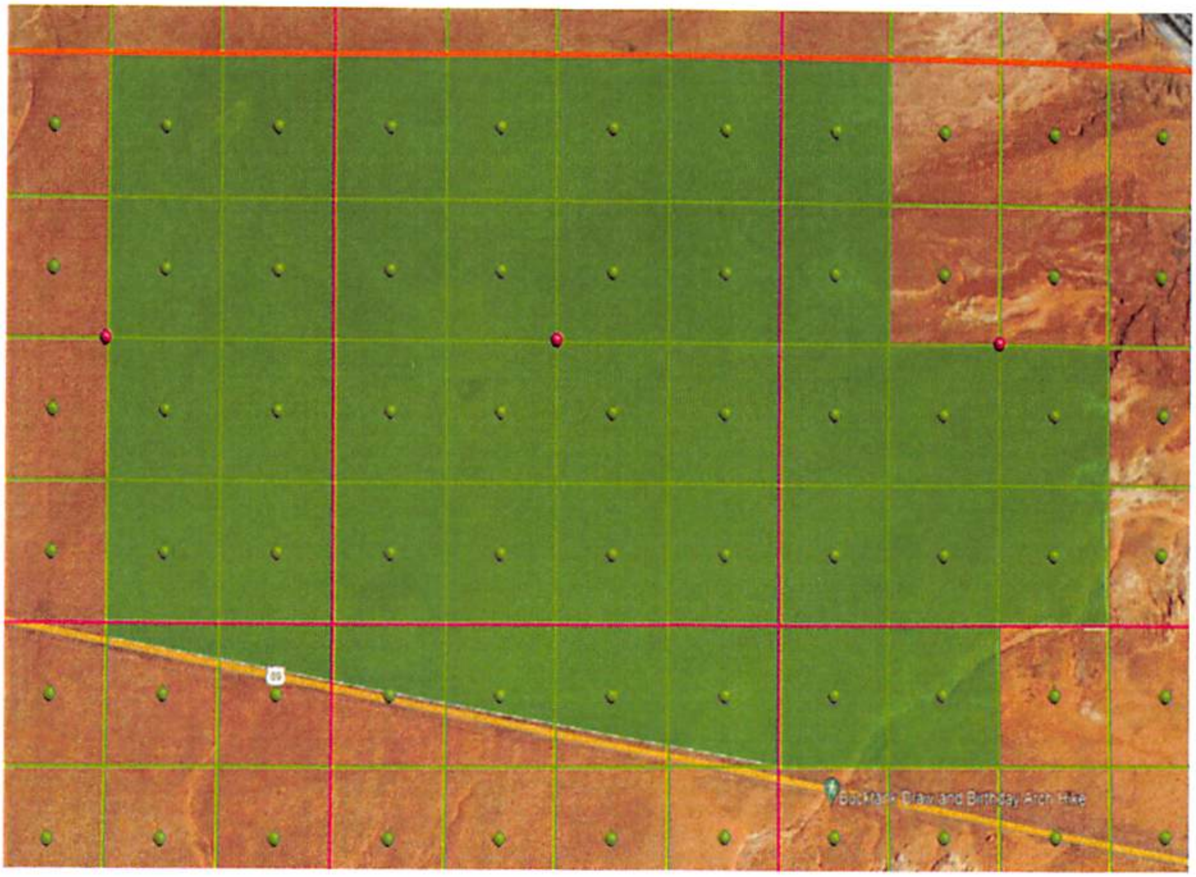

EXHIBIT C: OFFICIAL PROJECT AREA PLAN

ENTRY NO. 00202357
12/28/2022 01:52:08 PM B: 0598 P: 0494
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VERJEAN CARUSO, KANE COUNTY RECORDER
FEE $ 0.00 BY KANE CO CLERK

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

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 Increment[1] 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.

Contacts:

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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.

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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 in 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

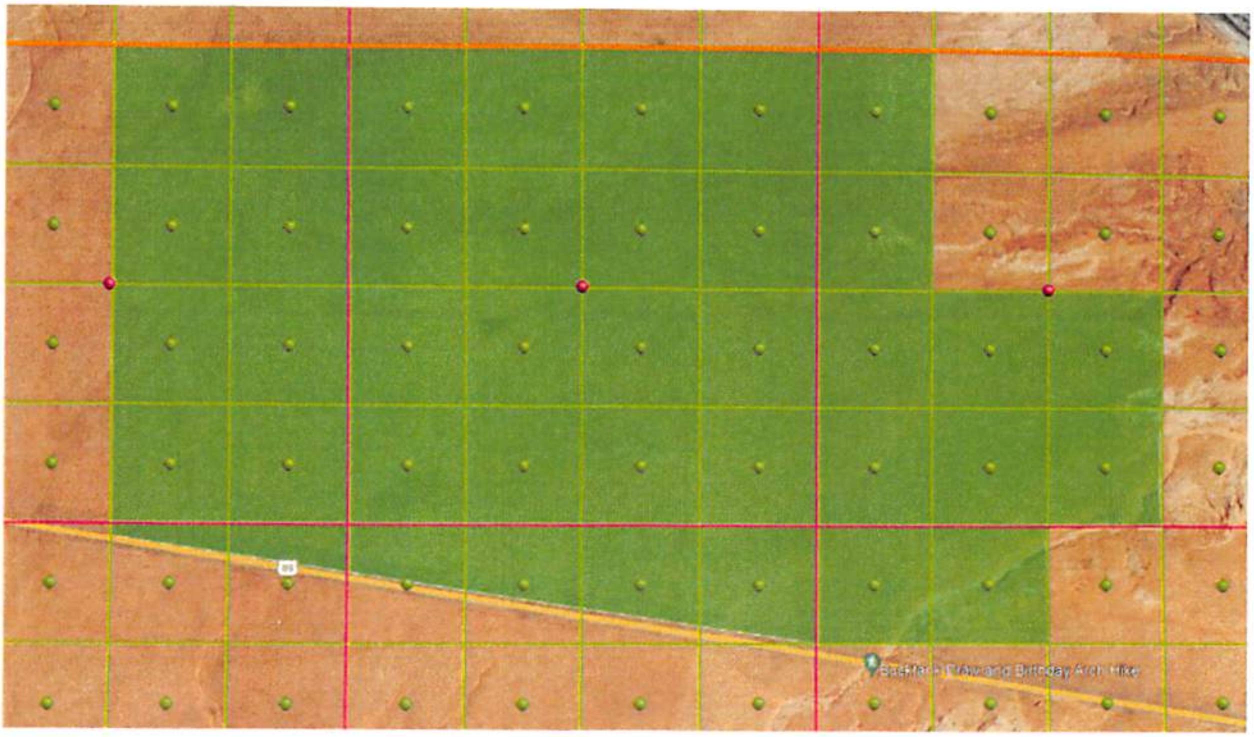

Exhibit A-1 – Project Area Map

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Exhibit A-2 - Legal Description

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

<u>Township 43 South, Range 2 East, SLB&M</u>

Section 4: Lot 8, SW¼ NW¼, SW¼, W½SE¼ (321.08 acres)
Section 5: All (644.48 acres)
Section 6: E½ (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 N½N½ lying north of US 89 (120 acres)
Section 9: N½NW¼ (80 Acres)

Containing approximately 1,509.22 acres, more or less

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Exhibit B - Zoning Index Map

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Exhibit B - Zoning Index Map

ITEM # 2

Discussion/Review Kane County Redevelopment Agency Resolution No. RDA-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. A legal description of the Project Area is attached and incorporated herein as **Exhibit B.**

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 22nd 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.

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Agency Chair,
Kane County Redevelopment Agency
Brent Chamberlain

ATTEST:

Karla Johnson
Secretary
Karla Johnson

KANE COUNTY REDEVELOPMENT AGENCY
CORPORATE
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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

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 Increment[1] 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 100% of the Tax Increment for 20 years ($7,201,033).

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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 to 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.

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Exhibit A

MULTI-YEAR TAX INCREMENT CASH FLOW FORECAST AND ANALYSIS

Glen Canyon Solar Project

Solar Farm Development - Kane County Redevelopment Agency

Appendix B.3 - Multi-year Tax Increment Budget and Forecast

ASSUMPTIONS			
Discount Rate	4.0%	Federal ITC	40.0%
Participation Rate	60.0%		
Project Term	20 Years		

INCREMENTAL TAX ANALYSIS:	Payment Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	TOTALS	NPV
Cumulative Taxable Value	Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20		
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	1,430,000	1,430,000	1,430,000	1,430,000		
Building Value		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Personal Property Values		126,028,000	124,742,000	122,170,000	118,312,000	117,026,000	115,740,000	111,882,000	104,166,000	95,164,000	88,734,000	75,874,000	74,588,000	69,444,000	60,442,000	51,440,000	42,438,000	33,436,000	23,148,000	11,574,000	11,574,000		
Total Taxable Value		127,458,000	126,172,000	123,600,000	119,742,000	118,456,000	117,170,000	113,312,000	105,596,000	96,594,000	90,164,000	77,304,000	76,018,000	70,874,000	61,872,000	52,870,000	43,868,000	34,866,000	24,578,000	13,004,000	13,004,000		
Base Year Value		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Incremental Value		127,458,000	126,172,000	123,600,000	119,742,000	118,456,000	117,170,000	113,312,000	105,596,000	96,594,000	90,164,000	77,304,000	76,018,000	70,874,000	61,872,000	52,870,000	43,868,000	34,866,000	24,578,000	13,004,000	13,004,000		
Total Incremental Value After Federal Tax Credits (40%)		77,046,800	76,275,200	74,732,000	72,417,200	71,645,600	70,874,000	68,559,200	63,929,600	58,528,400	54,670,400	46,954,400	46,182,800	43,096,400	37,695,200	32,294,000	26,892,800	21,491,600	15,318,800	8,374,400	8,374,400		4%
TAX RATE & INCREMENT ANALYSIS:	2022 Certified	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	TOTALS	NPV
Tax Area 6	Rates																						
Kane County	0.002390	184,142	182,298	178,609	173,077	171,233	169,389	163,856	152,792	139,883	130,662	112,221	110,377	103,000	90,092	77,183	64,274	51,365	36,612	20,015	20,015	$2,331,094	$1,745,629
Multicounty Assessing & Collecting Levy	0.000015	1,156	1,144	1,121	1,086	1,075	1,063	1,028	959	878	820	704	693	646	565	484	403	322	230	126	126	$14,630	$10,956
County Assessing & Collecting Levy	0.000363	27,968	27,688	27,128	26,287	26,007	25,727	24,887	23,206	21,246	19,845	17,044	16,764	15,644	13,683	11,723	9,762	7,801	5,561	3,040	3,040	$354,053	$265,131
Kane County School District	0.004187	322,595	319,364	312,903	303,211	299,980	296,749	287,057	267,673	245,058	228,905	196,598	193,367	180,445	157,830	135,215	112,600	89,985	64,142	35,064	35,064	$4,083,804	$3,058,138
Kane County Water Conservancy District	0.000428	32,976	32,646	31,985	30,995	30,664	30,334	29,343	27,362	25,050	23,399	20,096	19,766	18,445	16,134	13,822	11,510	9,198	6,556	3,584	3,584	$417,451	$312,606
Totals	0.007383	568,837	563,140	551,746	534,656	528,959	523,263	506,173	471,992	432,115	403,632	346,664	340,968	318,181	278,304	238,427	198,550	158,672	113,099	61,828	61,828	$7,201,633	$5,392,461
TOTAL INCREMENTAL REVENUE IN PROJECT AREA		$568,837	$563,140	$551,746	$534,656	$528,959	$523,263	$506,173	$471,992	$432,115	$403,632	$346,664	$340,968	$318,181	$278,304	$238,427	$198,550	$158,672	$113,099	$61,828	$61,828	$7,201,633	$5,392,461
TOTAL INCREMENTAL REVENUE IN PROJECT AREA (Check)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Kane County		184,142	182,298	178,609	173,077	171,233	169,389	163,856	152,792	139,883	130,662	112,221	110,377	103,000	90,092	77,183	64,274	51,365	36,612	20,015	20,015	$2,331,094	$1,745,629
Multicounty Assessing & Collecting Levy		1,156	1,144	1,121	1,086	1,075	1,063	1,028	959	878	820	704	693	646	565	484	403	322	230	126	126	$14,630	$10,956
County Assessing & Collecting Levy		27,968	27,688	27,128	26,287	26,007	25,727	24,887	23,206	21,246	19,845	17,044	16,764	15,644	13,683	11,723	9,762	7,801	5,561	3,040	3,040	$354,053	$265,131
Kane County School District		322,595	319,364	312,903	303,211	299,980	296,749	287,057	267,673	245,058	228,905	196,598	193,367	180,445	157,830	135,215	112,600	89,985	64,142	35,064	35,064	$4,083,804	$3,058,138
Kane County Water Conservancy District		32,976	32,646	31,985	30,995	30,664	30,334	29,343	27,362	25,050	23,399	20,096	19,766	18,445	16,134	13,822	11,510	9,198	6,556	3,584	3,584	$417,451	$312,606
TOTAL INCREMENTAL REVENUE IN PROJECT AREA		568,837	563,140	551,746	534,656	528,959	523,263	506,173	471,992	432,115	403,632	346,664	340,968	318,181	278,304	238,427	198,550	158,672	113,099	61,828	61,828	7,201,633	5,392,461
		TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
PROJECT AREA BUDGET		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046		
Sources of Funds:																						TOTALS	NPV
Property Tax Participation Rate for Budget																							
Kane County		60%	60%	60%	60%	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%	0%	0%	0%	0%		
County Assessing & Collecting Levy		0%	0%	0%	0%	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%	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%	60%	60%	60%	60%		
Property Tax Increment for Budget																							
Kane County		$110,485	$109,379	$107,166	$103,846	$102,740	$101,633	$98,314	$91,675	$83,930	$78,397	$67,333	$66,226	$61,800	$54,055	$46,310	$38,564	$30,819	$21,967	$12,009	$12,009	1,398,656	$1,047,378
Multicounty Assessing & Collecting Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County Assessing & Collecting Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kane County School District		193,557	191,619	187,742	181,926	179,988	178,050	172,234	160,604	147,035	137,343	117,959	116,020	108,267	94,698	81,129	67,560	53,991	38,485	21,038	21,038	2,450,282	1,834,883
Kane County Water Conservancy District		19,786	19,587	19,191	18,597	18,398	18,200	17,606	16,417	15,030	14,039	12,058	11,860	11,067	9,680	8,293	6,906	5,519	3,934	2,151	2,151	250,471	187,564
Total Property Tax Increment for Budget		$323,828	$320,585	$314,099	$304,369	$301,126	$297,883	$288,154	$268,696	$245,995	$229,780	$197,349	$194,106	$181,134	$158,433	$135,732	$113,030	$90,329	$64,385	$35,198	$35,198	$4,099,409	$3,069,824
Uses of Tax Increment Funds:		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	TOTALS	NPV
Redevelopment Activities (Infrastructure, Relocation, Incentives, etc.)	87.5%	283,349	280,512	274,836	266,323	263,486	260,648	252,135	235,109	215,246	201,057	172,681	169,843	158,492	138,629	118,765	98,902	79,038	56,337	30,798	30,798	$3,586,983	$2,686,096
CRA Housing Requirement	10.0%	32,383	32,058	31,410	30,437	30,113	29,788	28,815	26,870	24,599	22,978	19,735	19,411	18,113	15,843	13,573	11,303	9,033	6,438	3,520	3,520	$409,941	$306,982
RDA Administration	2.5%	8,096	8,015	7,852	7,609	7,528	7,447	7,204	6,717	6,150	5,744	4,934	4,853	4,528	3,961	3,393	2,826	2,258	1,610	880	880	$102,485	$76,746
Total Project Area Uses		323,828	320,585	314,099	304,369	301,126	297,883	288,154	268,696	245,995	229,780	197,349	194,106	181,134	158,433	135,732	113,030	90,329	64,385	35,198	35,198	$4,099,409	$3,069,824
Remittance to Taxing Entities 40%																							
Kane County		73,657	72,919	71,444	69,231	68,493	67,756	65,543	61,117	55,953	52,265	44,888	44,151	41,200	36,037	30,873	25,710	20,546	14,645	8,006	8,006	$932,438	$698,252
Multicounty Assessing & Collecting Levy		1,156	1,144	1,121	1,086	1,075	1,063	1,028	959	878	820	704	693	646	565	484	403	322	230	126	126	$14,630	$10,956
County Assessing & Collecting Levy		27,968	27,688	27,128	26,287	26,007	25,727	24,887	23,206	21,246	19,845	17,044	16,764	15,644	13,683	11,723	9,762	7,801	5,561	3,040	3,040	$354,053	265,131
Kane County School District		129,038	127,746	125,161	121,284	119,992	118,700	114,823	107,069	98,023	91,562	78,639	77,347	72,178	63,132	54,086	45,040	35,994	25,656	14,025	14,025	$1,633,522	1,223,255
Kane County Water Conservancy District		13,190	13,058	12,794	12,398	12,266	12,134	11,737	10,945	10,020	9,360	8,039	7,906	7,378	6,453	5,529	4,604	3,679	2,623	1,434	1,434	$166,980	$125,042
40% Remitted to Taxing Entities																						$3,101,623	$2,322,637
Total Uses		$568,837	$563,140	$551,746	$534,656	$528,959	$523,263	$506,173	$471,992	$432,115	$403,632	$346,664	$340,968	$318,181	$278,304	$238,427	$198,550	$158,672	$113,099	$61,829	$61,829	$7,201,633	$5,392,461
REMAINING TAX REVENUES FOR PROJECT - 60%		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	TOTALS	NPV
Kane County		96,674	95,706	93,770	90,865	89,897	88,929	86,025	80,216	73,439	68,598	58,916	57,948	54,075	47,298	40,521	33,744	26,967	19,221	10,508	10,508	$1,223,824	$916,455
Multicounty Assessing & Collecting Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
County Assessing & Collecting Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kane County School District		169,362	167,666	164,274	159,186	157,490	155,793	150,705	140,528	128,656	120,175	103,214	101,518	94,733	82,861	70,988	59,115	47,242	33,673	18,408	18,408	2,143,997	$1,605,523
Kane County Water Conservancy District		17,312	17,139	16,792	16,272	16,099	15,925	15,405	14,365	13,151	12,284	10,551	10,377	9,684	8,470	7,256	6,043	4,829	3,442	1,882	1,882	219,162	$164,118
Total		$283,349	$280,512	$274,836	$264,323	$263,486	$260,648	$252,135	$235,109	$215,246	$201,057	$172,681	$169,843	$158,492	$138,629	$118,765	$98,902	$79,038	$56,337	$30,798	$30,798	$3,586,983	$2,686,096

EXHIBIT B: 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, SW¼ NW¼, SW¼, W½SE¼ (321.08 acres)

Section 5: All (644.48 acres)

Section 6: E½ (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 N½N½ lying north of US 89 (120 acres)

Section 9: N½NW¼ (80 Acres)

Containing approximately 1,509.22 acres, more or less

ITEM # 3

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 <u>Exhibit "C"</u>, 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. **<u>Additional Tax Revenue</u>.** 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. **<u>Offset of Development Costs and Expenses</u>.** 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. **<u>Base Year and Base Year Value.</u>** 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, SW¼ NW¼, SW¼, W½SE¼ (321.08 acres)
Section 5: All (644.48 acres)
Section 6: E½ (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 N½N½ lying north of US 89 (120 acres)
Section 9: N½NW¼ (80 Acres)

Containing approximately 1,509.22 acres, more or less

EXHIBIT "B"
To
INTERLOCAL AGREEMENT

Project Area Plan

DRAFT

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

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 Increment[1] 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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Salt Lake City, Utah 84101
(801) 456-3930

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 in 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

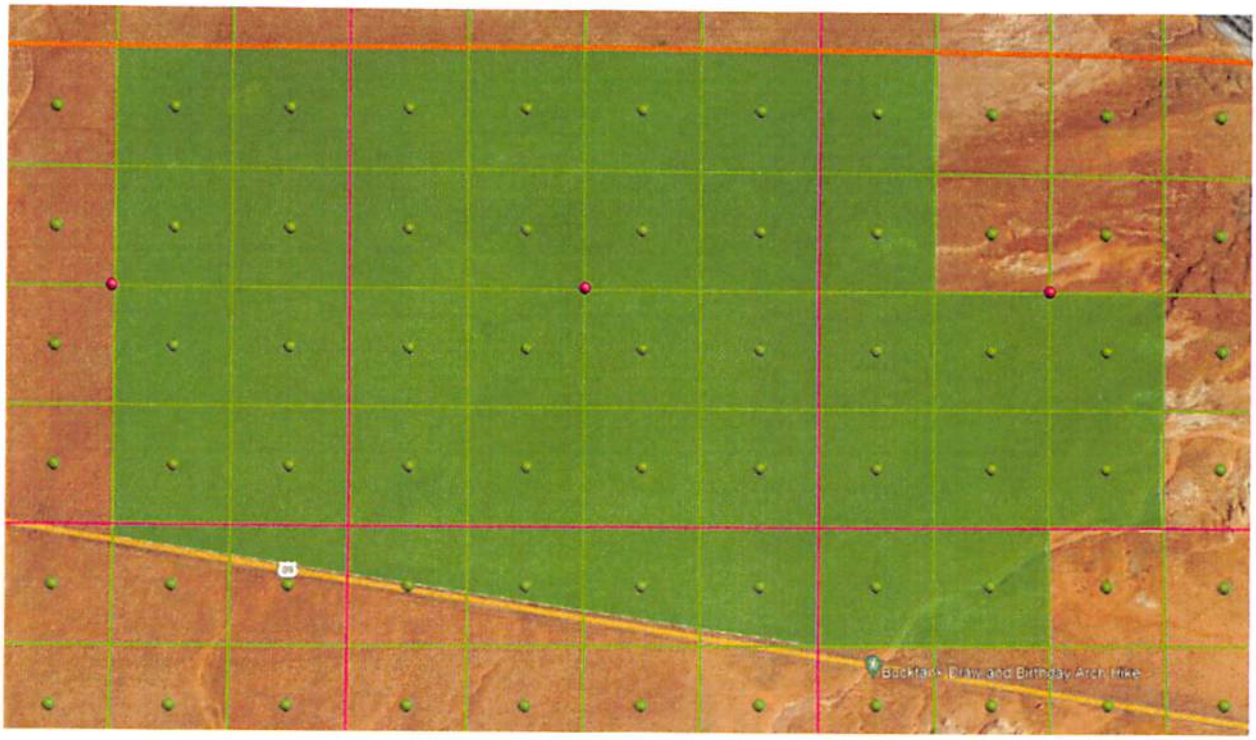

Exhibit A-1 – Project Area Map

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, SW¼ NW¼, SW¼, W½SE¼ (321.08 acres)
Section 5: All (644.48 acres)
Section 6: E½ (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 N½N½ lying north of US 89 (120 acres)
Section 9: N½NW¼ (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

DRAFT

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

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 Increment[1] 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

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[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

ASSUMPTIONS
Discount Rate 4.0%
Participation Rate 60.0%
Project Term 20 Years
Federal ITC 40.0%
0.001598

INCREMENTAL TAX ANALYSIS	Payment Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
	Tax Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Cumulative Taxable Value	Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
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
Building Value		-	-	-	-	-	-	-	-	-	-	-	-	-
Personal Property Values		126,028,000	124,742,000	122,170,000	118,312,000	117,026,000	115,740,000	111,882,000	104,166,000	95,164,000	88,734,000	75,874,000	74,588,000	69,444,000
Total Taxable Value		127,458,000	126,172,000	123,600,000	119,742,000	118,456,000	117,170,000	113,312,000	105,596,000	96,594,000	90,164,000	77,304,000	76,018,000	70,874,000
Base Year Value		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Incremental Value		127,458,000	126,172,000	123,600,000	119,742,000	118,456,000	117,170,000	113,312,000	105,596,000	96,594,000	90,164,000	77,304,000	76,018,000	70,874,000
Total Incremental Value After Federal Tax Credits (40%)		77,046,800	76,275,200	74,732,000	72,417,200	71,645,600	70,874,000	68,559,200	63,929,600	58,528,400	54,670,400	46,954,400	46,182,800	43,096,400
TAX RATE & INCREMENT ANALYSIS	2022 Certified	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Tax Area 6	Rates													
Kane County	0.002390	184,142	182,298	178,609	173,077	171,233	169,389	163,856	152,792	139,883	130,662	112,221	110,377	103,000
Multicounty Assessing & Collecting Levy	0.000015	1,156	1,144	1,121	1,086	1,075	1,063	1,028	959	878	820	704	693	646
County Assessing & Collecting Levy	0.000363	27,968	27,688	27,128	26,287	26,007	25,727	24,887	23,206	21,246	19,845	17,044	16,764	15,644
Kane County School District	0.004187	322,596	319,364	312,903	303,211	299,980	296,749	287,057	267,673	245,058	228,905	196,598	193,367	180,445
Kane County Water Conservancy District	0.000428	32,976	32,646	31,985	30,995	30,664	30,334	29,343	27,362	25,060	23,399	20,096	19,766	18,445
Totals	0.007383	568,837	563,140	551,746	534,656	528,959	523,263	506,173	471,992	432,115	403,632	346,664	340,968	318,181
TOTAL INCREMENTAL REVENUE IN PROJECT AREA		$568,837	$563,140	$551,746	$534,656	$528,959	$523,263	$506,173	$471,992	$432,115	$403,632	$346,664	$340,968	$318,181
TOTAL INCREMENTAL REVENUE IN PROJECT AREA (Check)		-	-	-	-	-	-	-	-	-	-	-	-	-
Kane County		184,142	182,298	178,609	173,077	171,233	169,389	163,856	152,792	139,883	130,662	112,221	110,377	103,000
Multicounty Assessing & Collecting Levy		1,156	1,144	1,121	1,086	1,075	1,063	1,028	959	878	820	704	693	646
County Assessing & Collecting Levy		27,968	27,688	27,128	26,287	26,007	25,727	24,887	23,206	21,246	19,845	17,044	16,764	15,644
Kane County School District		322,596	319,364	312,903	303,211	299,980	296,749	287,057	267,673	245,058	228,905	196,598	193,367	180,445
Kane County Water Conservancy District		32,976	32,646	31,985	30,995	30,664	30,334	29,343	27,362	25,060	23,399	20,096	19,766	18,445
TOTAL INCREMENTAL REVENUE IN PROJECT AREA		568,837	563,140	551,746	534,656	528,959	523,263	506,173	471,992	432,115	403,632	346,664	340,968	318,181
		TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
PROJECT AREA BUDGET		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Sources of Funds:		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Property Tax Participation Rate for Budget														
Kane County		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%
County Assessing & Collecting Levy		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%
Kane County Water Conservancy District		60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	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	$103,846	$102,740	$101,633	$98,314	$91,675	$83,930	$78,397	$67,333	$66,226	$61,800
Multicounty Assessing & Collecting Levy		-	-	-	-	-	-	-	-	-	-	-	-	-
County Assessing & Collecting Levy		-	-	-	-	-	-	-	-	-	-	-	-	-
Kane County School District		193,557	191,619	187,742	181,926	179,988	178,050	172,234	160,604	147,035	137,343	117,959	116,020	108,267
Kane County Water Conservancy District		19,786	19,587	19,191	18,597	18,399	18,200	17,606	16,417	15,030	14,039	12,058	11,860	11,067
Total Property Tax Increment for Budget		$323,828	$320,585	$314,099	$304,369	$301,126	$297,883	$288,154	$268,696	$245,995	$229,780	$197,349	$194,106	$181,134
Uses of Tax Increment Funds:		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Redevelopment Activities (Infrastructure, Relocation, Incentives, etc.)	87.5%	283,349	280,512	274,836	266,323	263,486	260,648	252,135	235,109	215,246	201,057	172,681	169,843	158,492
CRA Housing Requirement	10.0%	32,383	32,058	31,410	30,437	30,113	29,788	28,815	26,870	24,599	22,978	19,735	19,411	18,113
RDA Administration	2.5%	8,096	8,015	7,852	7,609	7,528	7,447	7,204	6,717	6,150	5,744	4,934	4,853	4,528
Total Project Area Uses		323,828	320,585	314,099	304,369	301,126	297,883	288,154	268,696	245,995	229,780	197,349	194,106	181,134
Remittance to Taxing Entities 40%														
Kane County		73,657	72,919	71,444	69,231	68,493	67,756	65,543	61,117	55,953	52,265	44,888	44,151	41,200
Multicounty Assessing & Collecting Levy		1,156	1,144	1,121	1,086	1,075	1,063	1,028	959	878	820	704	693	646
County Assessing & Collecting Levy		27,968	27,688	27,128	26,287	26,007	25,727	24,887	23,206	21,246	19,845	17,044	16,764	15,644
Kane County School District		129,038	127,746	125,161	121,284	119,992	118,700	114,823	107,069	98,023	91,562	78,639	77,347	72,178
Kane County Water Conservancy District		13,190	13,058	12,794	12,398	12,266	12,134	11,737	10,945	10,020	9,360	8,039	7,906	7,378
40% Remitted to Taxing Entities														
Total Uses		$568,837	$563,140	$551,746	$534,656	$528,959	$523,263	$506,173	$471,992	$432,115	$403,632	$346,664	$340,968	$318,181
REMAINING TAX REVENUES FOR PROJECT - 60%		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Kane County		96,674	95,706	93,770	90,565	89,897	88,929	86,025	80,216	73,439	68,598	58,916	57,948	54,075
Multicounty Assessing & Collecting Levy		-	-	-	-	-	-	-	-	-	-	-	-	-
County Assessing & Collecting Levy		-	-	-	-	-	-	-	-	-	-	-	-	-
Kane County School District		169,362	167,666	164,274	159,186	157,490	155,793	150,705	140,528	128,656	120,175	103,214	101,518	94,733
Kane County Water Conservancy District		17,312	17,139	16,792	16,272	16,099	15,925	15,406	14,365	13,151	12,284	10,551	10,377	9,684
Total		$283,349	$280,512	$274,836	$266,323	$263,486	$260,648	$252,135	$235,109	$215,246	$201,057	$172,681	$169,843	$158,492