



REDEVELOPMENT AGENCY AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE REDEVELOPMENT AGENCY WILL HOLD A REGULAR MEETING AT 5:30 PM ON APRIL 5, 2022 AT CENTERVILLE CITY HALL COUNCIL CHAMBERS, 250 N. MAIN STREET, CENTERVILLE, UTAH.

Centerville Redevelopment Agency meetings are open to the public, unless otherwise closed for reasons allowed by law. Centerville Redevelopment Agency meetings may be conducted via electronic means pursuant to Utah Code § 52-4-207. In such circumstances, contact will be established and maintained via electronic means and the meeting will be conducted pursuant to the Centerville City Electronic Meetings Policy. In compliance with the Americans with Disabilities Act, individuals needing special accommodations due to a disability may contact the City Recorder at (801) 295-3477, at least 24 hours in advance of the meeting. The Mayor and Council reserve the right to modify the sequence of agenda items in order to facilitate special needs or provide greater efficiency.

The full agenda packet and backup materials can be found on the Centerville City website at:

<https://centervilleutah.gov/129/Agendas-Minutes>

A. ROLL CALL

B. BUSINESS ITEMS

Business action or discussion items to be considered.

1. Interlocal Agreements - Porter-Walton CRA - Participating Entities and RDA
The RDA has been in the process of creating the Porter-Walton CRA to help Young Powersports with the development of a parcel
2. Participation Agreement - Porter-Walton CRA - YPCBRE, LLC (Young Powersports) and RDA
Participation Agreement between YPCBRE, LLC (Young Powersports) and the RDA for Porter-Walton CRA
3. CenterPoint Theatre Lighting Alterations
Consider Lighting Alterations for CenterPoint Legacy Theatre

C. MINUTES

Minutes of prior meetings may be reviewed and accepted. Minutes review and approval shall comply with the Centerville City Minutes Approval Policy.

1. Minutes Review and Approval
January 18, 2022 RDA Minutes

D. ADJOURNMENT

CERTIFICATE OF POSTING

I hereby certify that this notice and agenda was posted at Centerville City Hall, published on the Utah Public Notice Website, and provided to a newspaper or media correspondent in accordance with the requirements of the Utah Open and Public Meetings Act, including, but not limited to, provisions of Utah Code § 52-4-202.

Jennifer Hansen
Centerville City Recorder



CENTERVILLE
city

REDEVELOPMENT AGENCY

Staff Report
4/5/2022

Item No. 1.

Title: Interlocal Agreements - Porter-Walton CRA - Partic

Initiated By: Jacob Smith, Administrative Services Director

Staff Representative: Jacob Smith, Administrative Services Director

SUBJECT:

The RDA has been in the process of creating the Porter-Walton CRA to help Young Powersports with the development of a parcel

RECOMMENDATION:

Approve Resolution No. 2022-01 adopting the Interlocal Agreements between the Redevelopment Agency of Centerville City and Centerville City, Davis County, Davis School District, Weber Basin Water Conservancy District, Mosquito Abatement District, South Davis Sewer District, South Davis Recreation District, and South Davis Metro Fire District.

BACKGROUND:

Young Powersports has initiated the redevelopment of property located along South Frontage Road. They have put together a pro forma that shows the need for some financial assistance. The RDA has been working with Lewis Young Robertson Birmingham to create the Porter-Walton CRA to assist Young Powersport with their request. The attached Interlocal Agreements will allow the RDA to receive a portion (proposal is for 50%) of the property tax increment normally remitted to that taxing entity. This tax increment can then be used to directly benefit the project area and Young Powersports specifically.

ATTACHMENTS:

1. Porter-Walton CRA Analysis and Presentation - Lewis Young Robertson & Burningham
2. Resolution No. 2022-01 - Porter-Walton CRA - Interlocal Agreements with Participating Entities
3. Centerville Porter-Walton CRA Interlocal Agreement with City
4. Centerville Porter-Walton CRA Interlocal Agreement with County
5. Centerville Porter-Walton CRA Interlocal Agreement with Fire District
6. Centerville Porter-Walton CRA Interlocal Agreement with Mosquito District
7. Centerville Porter-Walton CRA Interlocal Agreement with Rec District
8. Centerville Porter-Walton CRA Interlocal Agreement with School District
9. Centerville Porter-Walton CRA Interlocal Agreement with Sewer District
10. Centerville Porter-Walton CRA Interlocal Agreement with Water District
11. Res. No. 2021-05 Adopting Porter-Walton CRA Plan
12. Res. No. 2021-06 Adopting Porter-Walton CRA Budget

REDEVELOPMENT AGENCY OF CENTERVILLE CITY

PORTER-WALTON

COMMUNITY REINVESTMENT AREA

APRIL 2022



DISCUSSION & OVERVIEW OF INTERLOCAL AGREEMENTS AND PARTICIPATION AGREEMENT

Discussion Points and Action Items

1. Incremental Tax Revenues
2. “But-for” Analysis and Public Participation Justification
3. Interlocal Agreement Structure
4. Participation Agreement Structure
5. Cost/Benefit Analysis of Participation Agreement
6. Agency Governing Board to Consider and Adopt Interlocal Agreements between Agency and Taxing Entities



DEVELOPMENT RENDERING





REQUESTED PARTICIPATION FROM TAXING ENTITIES

ENTITY	PERCENTAGE	LENGTH
Davis County (Library)	50%	15 Years
Davis School District	50%	15 Years
Centerville City	Property Tax: 50% Sales Tax: 50%	Property Tax: 15 Years Sales Tax: 5 Years
Weber Basin Water Conservancy District	50%	15 Years
Mosquito Abatement District – Davis	50%	15 Years
South Davis Sewer District	50%	15 Years
South Davis Recreation District	50%	15 Years
South Davis Metro Fire Service Area	50%	15 Years



BASE YEAR TAXES

- **ASSUMPTIONS:**
 - Estimated Base Year Tax Value: **\$6,082,092**
 - **\$72,468** Annual Base Year Tax for 15 Years

ENTITY	ANNUAL PROPERTY TAX	15 YEAR TOTAL
Davis County (Library)	\$10,668	\$160,020
Davis School District	46,479	697,190
Centerville City	7,280	109,204
Weber Basin Water Conservancy District	803	12,043
Mosquito Abatement District – Davis	602	9,032
South Davis Sewer District	1,800	27,004
South Davis Recreation District	1,277	19,159
South Davis Metro Fire Service Area	3,558	53,370
Total Sources of Tax Increment Funds	\$72,468	\$1,087,022

PASS-THROUGH INCREMENT TO TAXING ENTITIES

- ASSUMPTIONS:**
 - Incremental assessed value of \$11,097,466
 - 50% of TIF for 15 Years

ENTITY	ANNUAL PROPERTY TAX	15 YEAR TOTAL
Davis County (Library)	\$11,170	\$167,544
Davis School District	42,403	636,051
Centerville City	6,642	99,627
Weber Basin Water Conservancy District	732	10,986
Mosquito Abatement District – Davis	549	8,240
South Davis Sewer District	1,642	24,636
South Davis Recreation District	1,165	17,479
South Davis Metro Fire Service Area	3,440	51,603
Total Sources of Tax Increment Funds	\$67,744	\$1,016,167

ESTIMATED SOURCES OF TAX INCREMENT

- ASSUMPTIONS:**
 - Incremental assessed value of \$11,097,466
 - 50% of TIF for 15 Years

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Davis County (Library)	\$11,170	\$167,544
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ESTIMATED USES OF TAX INCREMENT

- ASSUMPTIONS:**
 - Incremental assessed value of \$11,097,466
 - 50% of TIF for 15 Years

USES	AMOUNT	NPV (4.0%)
Redevelopment Activities (87%)	\$879,039	\$651,567
CRA Housing Requirement (10%)	101,617	75,321
RDA Administration (3%)	30,485	22,596
County Administration (County TIF Only)	5,026	3,726
Total Uses of Tax Increment Funds	\$1,016,167	\$753,209



SALES TAX PARTICIPATION

- **ASSUMPTIONS:**
 - Average Annual Gross Taxable Sales: \$62,110,781
 - Average City Sales Tax: \$369,201
 - Average City RAP Sales Tax: \$62,111
 - **Participation Request:** 50% of City Point of Sale Sales Tax for 5 Years

ASSUMPTION	AMOUNT
City Sales Tax to Agency (50%, 5 Years)	\$793,307
Remaining City Sales Tax (15 Years)	\$4,744,707
City RAP Sales Tax (15 Years)	\$931,662
Total City Sales Tax (15 Years)	\$5,676,369
Annual Combined City Sales Tax at Conclusion of TIF Period	\$513,882



“BUT FOR” EXPENSES

EXPENSE	AMOUNT
Demolition of Tri City	\$165,000
Flood Plain Study	85,000
Culinary Waterline Upgrades	350,000
Additional Land Purchase or Lease for City Parking Requirements	600,000
Additional Asphalt on East Right of Way	150,000
Total “But For” Expenses	1,350,000
Other Infrastructure and Land Improvement Costs	\$10,050,000

“BUT FOR” EXPENSES (CENTERVILLE SITE VS. OGDEN RENOVATION)

EXPENSE	CENTERVILLE	OGDEN	DIFFERENCE
Construction Hard Costs	\$22,492,914	\$13,563,700	\$8,929,214
Architect/Engineer	747,600	487,000	260600
Contingency	625,000	400,000	225,000
Winter Conditions – Allowance	125,000	45,000	80,000
Property Costs	4,600,000	5,800,000	(1,200,000)
Total “But For” Expenses	1,350,000	-	1,350,000
Loss of Asset Cost	1,600,000	-	1,600,000
Permit/Fees	230,000	125,000	105,000
RM Vaults/Pull Boxes	111,845	34,000	77,845
Contractors Fee	2,508,135	1,465,470	1,042,665
Total	\$34,389,495	\$21,920,170	\$12,469,325



PARTICIPATION AGREEMENT STRUCTURE

- While the Centerville site is projected to be \$12.47M more expensive than the comparable Ogden site, Young Powersports has indicated that their gap is approximately \$4.50M to receive the needed IRR compared to the Ogden site. This factors in the added benefit of Centerville’s closer proximity to the Salt Lake Market. To date, the work on the property has been directly tied to site improvements.

ASSUMPTION	AMOUNT
Property Tax Increment (87% of TIF)	\$879,039
Sales Tax Increment (50%, 5 Years)	793,307
Total Participation to Young Powersports	1,672,346
Participation Agreement Cap	\$4,500,000*

* LYRP forecasts the Participation Agreement, as outlined above, will generate approximately \$1.67M. Young Powersports has requested that the overall Participation Agreement Cap be reflective of their identified gap of \$4,500,000, in the event they outperform their gross taxable sales assumptions.

NET BENEFIT OF PROJECT AREA

- **NET BENEFITS:**
 - Net Benefit to Taxing Entities : \$8,800,228
 - Net Benefit to City: \$5,637,637

Entity	Incremental Revenues	Incremental Expenses	Net Benefit
Davis County	\$2,568,027	\$142,616	\$2,425,411
Davis County Library	96,215	48,108	48,108
Davis School District	1,272,102	664,675	607,428
Centerville City	6,808,494	1,170,858	5,637,637
Weber Basin Water Conservancy District	21,973	13,064	8,909
Mosquito Abatement District – Davis	16,480	8,347	8,133
South Davis Sewer District	49,273	25,462	23,810
South Davis Recreation District	34,957	22,644	12,313
South Davis Metro Fire Service Area	103,206	74,726	28,480
Total Revenue	\$10,970,728	\$2,170,500	\$8,800,228

NEXT STEPS

- Agency Governing Board considers and adopts interlocal agreements with taxing entities
- Taxing Entities to continue consideration of Interlocal Agreements to participate in CRA
- Gather and publish summary of Interlocal Agreements in Newspaper
- Agency Governing Board considers and adopts participation agreement with Young Powersports and any amended interlocal agreements as needed.

RESOLUTION NO. 2022-01

A RESOLUTION OF THE GOVERNING BODY OF THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY APPROVING INTERLOCAL COOPERATION AGREEMENTS BETWEEN THE AGENCY AND CENTERVILLE CITY, DAVIS COUNTY, DAVIS SCHOOL DISTRICT, WEBER BASIN WATER CONSERVANCY DISTRICT, MOSQUITO ABATEMENT DISTRICT-DAVIS, SOUTH DAVIS SEWER DISTRICT, SOUTH DAVIS RECREATION DISTRICT, AND SOUTH DAVIS METRO FIRE SERVICE AREA

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

WHEREAS, the Redevelopment Agency of Centerville City (the “Agency”) and Centerville City (the “City”), Davis County (the “County”), Davis School District (the “School District”), Weber Basin Water Conservancy District (the “Water District”), Mosquito Abatement District-Davis (the “Mosquito District”), South Davis Sewer District (the “Sewer District”), South Davis Recreation District (the “Rec District”), and South Davis Metro Fire Service Area (the “Fire District”), collectively (the “Taxing Entities”) are “public agencies” for purposes of the Act; and

WHEREAS, after careful analysis and consideration of relevant information, the Agency desires to enter into an Interlocal Agreement with each respective Taxing Entity whereby the Taxing Entities would remit to the Agency a portion of the property tax increment and the City’s sales tax increment generated within the Porter-Walton Community Reinvestment Project Area (the “Project Area”) which would otherwise flow to the Taxing Entities, for the purpose of encouraging development activities through the payment for certain public infrastructure and other uses that directly benefit the Project Area; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY, AS FOLLOWS:

Section 1. Agreements Approved. The Redevelopment Agency of Centerville City hereby accepts and approves the Interlocal Cooperation Agreements between the Agency and the Taxing Entities, substantially in the form attached hereto as Exhibit A (the “Agreements”) and authorizes the Chair of the Agency to execute the Agreements for and on behalf of the Agency.

Section 2. Legal Review. Pursuant to Section 11-13-202.5 of the Interlocal Act, the Agreements have been submitted to legal counsel of the Agency for review and approval as to form.

Section 3. Filing with City Recorder. Pursuant to Section 11-13-209 of the Interlocal Act, a duly executed original counterpart of the Agreements shall be filed immediately with the Agency Secretary, the keeper of records of the Agency.

Section 4. Severability Clause. If any section, part, or provision of this Resolution is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Resolution, and all sections, parts and provisions of this Resolution shall be severable.

Section 5. Effective Date of Agreements. As provided in Utah Code § 17C-5-205(3), the Agreements shall be effective on the day on which the Agency publishes notice of the Agreements pursuant to Section 11-13-219 of the Interlocal Act.

Section 6. Effective Date of Resolution. This Resolution shall become effective immediately upon its passage.

PASSED AND ADOPTED BY THE GOVERNING BODY OF THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY, STATE OF UTAH, THIS 5th DAY OF APRIL, 2022.

ATTEST:

CENTERVILLE CITY

Agency Secretary

By: _____
Agency Chair

EXHIBIT A
INTERLOCAL COOPERATION AGREEMENTS
FOR PORTER-WALTON CRA

INTERLOCAL COOPERATION AGREEMENT

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

A. **WHEREAS**, the Agency is operated under the provisions of the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the UCA (the “Act”), and 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 the City in development activities that are likely to advance the policies, goals and objectives of the City’s general plan, contributing to capital improvements and investments which substantially benefit the City, creating economic benefits to the City, 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 created the PORTER-WALTON COMMUNITY REINVESTMENT PROJECT AREA (the “Project Area”) located to the to the east of I-15 and south of 400 South, along the Frontage Road, as outlined in Exhibit “A” (the “Property”), through the adoption of the Porter-Walton Community Reinvestment Project Area Plan (the “Project Area Plan”), located within the City, which Project Area is described in Exhibit “B” attached hereto and incorporated herein by this reference; and

D. **WHEREAS**, the Project Area contains mostly vacant and underutilized land, which is anticipated to include a powersports auto mall. The Agency has not yet entered into any participation or development agreements with developers but anticipates that the City 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**, historically, the Project Area has generated a total of \$72,468 per year in property taxes for the various taxing entities, including the City, Davis County (the “County”), Davis School District (the “School District”), and the other Special Service Districts, with only \$7,280 being generated annually for the City; and

F. **WHEREAS**, upon full development as contemplated in the Project Area Plan, property tax increment produced by the Project Area for the City, County, the School District, and the other Special Service Districts are projected to total approximately \$135,489 per year, with \$13,284 going to the City; and

G. **WHEREAS**, the Agency has requested the City, County, School District, and other Special Service Districts 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 constituents of the City for the City 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, to prepare the Project Area Plan and Budget; and

J. **WHEREAS**, the Agency has adopted the Porter-Walton Community Reinvestment Project Area Budget (the “Project Area Budget”), a draft copy of which is attached as **Exhibit “C”**, which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;

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

NOW, THEREFORE, the parties agree as follows:

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

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

3. **Base Year and Base Year Value.** The base year, for purposes of calculation of the Base Taxable Value (as that term is defined in the Act), shall be tax year 2021, 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 2021 Davis County assessment rolls for all property located within the Project Area (which is currently estimated to be \$6,082,092, 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, 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 and Length of Tax Increment Collection Period.** The first year (“Year One”) of payment of Tax Increment from the City to the Agency shall be determined by the Agency, but the Agency will trigger the Project Area for collection no later than by March 1, 2024. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Fifteen. The Agency may trigger the collection of Tax Increment by timely delivering a letter or other written request to the Davis County Auditor’s office.

6. **Sales Tax Payment to Agency.** The City shall remit to the Agency, beginning at the request of the Agency, but no later than December 31, 2026, 50% of the annual Sales and Use Tax Revenues generated from the gross taxable sales of the powersports mall within the Project Area for a period of 5-years or until an overall cap of \$4,500,000 is reached, whichever comes first.
7. **Total Payment to Agency.** The City shall authorize the remittance to the Agency, beginning with property tax receipts in Year One, and continuing through Year Fifteen, 50% of the annual Property Tax Increment generated from within the Project Area, including the real (*i.e.*, building, land, and fixtures), personal, and centrally assessed property within the Project Area.
8. **Property Tax Increase.** This Agreement provides for the payment of the increase in real property, personal property, and centrally assessed property taxes collected from the Project Area by the County, acting as the tax collection agency. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the City, 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. **Prohibition of Reduction of Funds by Taxing Entities.** As required under 17C-5-204(6), this agreement prohibits a taxing entity from proportionately reducing the amount of project area funds the taxing entity consents to pay to an agency under this section by the amount of any direct expenditures the taxing entity makes within the project area for the benefit of the project area or the agency.
10. **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 City. 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 City on an annual basis.
11. **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.
12. **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.
13. **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 Centerville City:
Centerville City
Attn: Centerville City Council
250 N. Main
Centerville, Utah 84014
Phone: (801) 295-3477

If to Agency:

Redevelopment Agency of Centerville
Attn: Agency Board
250 N. Main
Centerville, Utah 84014
Phone: (801) 295-3477

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 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.

14. **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.

15. **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.

16. **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.

17. **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.

18. **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.

19. **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.

20. **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.

21. **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 Davis County, Utah, and the parties hereto agree to submit to the jurisdiction of such court.

22. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that the City 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 City shall take such steps as are reasonably required to not permit the payment and/or receipt of the Tax Increment to be declared invalid.

23. **No Separate Legal Entity.** No separate legal entity is created by this Agreement.

24. **Duration.** This Agreement shall terminate after the final payment of Tax Increment to the Agency for Year Fifteen or according to the sunset provision in the Project Area Budget.

25. **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.

26. **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.

27. **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. This agreement shall be administered by a joint board consisting of the Chair of the Agency and the Mayor Pro Tem of the City 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.

(The remainder of the page is intentionally left blank.)

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

City: CENTERVILLE CITY

Attest:

By: _____
Its: Mayor

City Recorder

Approved as to form:

Attorney for City

Agency: REDEVELOPMENT AGENCY OF CENTERVILLE

Attest:

By: _____
Its: Chair

Secretary

Approved as to form:

Attorney for Agency

EXHIBIT “A
to
INTERLOCAL AGREEMENT

Legal Description of Project

Legal Description:

BEG AT A PT 111.8908734°W 40.9130596°N (NAD 1983 (2011) StatePlane Utah North FIPS 4301 (US Feet)) TH E 502 FT; TH S 664 FT' TH E 546 FT; TH S 354 FT; TH W 555 FT; TH N 43 FT; TH W 279 FT; TH S 93 FT; TH W 217 FT; TH N 1060 FT TO POB. The above-described area contains 14.17 acres, more, or less.

Contains the following parcels: 030010206, 030010038, 030010159, 030010171, 030010043, 030010202, and 030010031

**EXHIBIT “B”
To
INTERLOCAL AGREEMENT**

Project Area Plan

**EXHIBIT “C”
To
INTERLOCAL AGREEMENT**

Project Area Budget

INTERLOCAL COOPERATION AGREEMENT

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

A. **WHEREAS**, the Agency is operated under the provisions of the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the UCA (the “Act”), and 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 Centerville City (the “City”) in development activities that are likely to advance the policies, goals and objectives of the City’s general plan, contributing to capital improvements and investments which substantially benefit the City, creating economic benefits to the City, 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 created the PORTER-WALTON COMMUNITY REINVESTMENT PROJECT AREA (the “Project Area”) located to the to the east of I-15 and south of 400 South, along the Frontage Road, as outlined in Exhibit “A” (the “Property”), through the adoption of the Porter-Walton Community Reinvestment Project Area Plan (the “Project Area Plan”), located within the City, which Project Area is described in Exhibit “B” attached hereto and incorporated herein by this reference; and

D. **WHEREAS**, the Project Area contains mostly vacant and underutilized land, which is anticipated to include a powersports auto mall. The Agency has not yet entered into any participation or development agreements with developers but anticipates that the City 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**, historically, the Project Area has generated a total of \$72,468 per year in property taxes for the various taxing entities, including the City, the County, Davis School District (the “School District”), and the other Special Service Districts, with only \$10,668 being generated annually for the County; and

F. **WHEREAS**, upon full development as contemplated in the Project Area Plan, property tax increment produced by the Project Area for the City, County, the School District, and the other Special Service Districts are projected to total approximately \$135,489 per year, with \$22,339 going to the County; and

G. **WHEREAS**, the Agency has requested the City, County, School District, and other Special Service Districts 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 constituents 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, to prepare the Project Area Plan and Budget; and

J. **WHEREAS**, the Agency has adopted the Porter-Walton Community Reinvestment Project Area Budget (the “Project Area Budget”), a draft copy of which is attached as **Exhibit “C”**, which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;

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

NOW, THEREFORE, the parties agree as follows:

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

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

3. **Base Year and Base Year Value.** The base year, for purposes of calculation of the Base Taxable Value (as that term is defined in the Act), shall be tax year 2021, 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 2021 Davis County assessment rolls for all property located within the Project Area (which is currently estimated to be \$6,082,092, 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, 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 and Length of Tax Increment Collection Period.** 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 by March 1, 2024. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Fifteen. The Agency may trigger the collection of Tax Increment by timely delivering a letter or other written request to the Davis County Auditor’s office.

Total Payment to Agency. The County shall authorize the remittance to the Agency, beginning with property tax receipts in Year One, and continuing through Year Fifteen, or until a cap of \$170,000, whichever comes first, 50% of the annual Property Tax Increment generated from within the Project Area, including the real (*i.e.*, building, land, and fixtures), personal, and centrally assessed property within the Project Area for both the County and County Library.

6. **Property Tax Increase.** This Agreement provides for the payment of the increase in real property, personal property, and centrally assessed property taxes collected from the Project Area by the County, which is also the tax collection agency. 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.

7. **Prohibition of Reduction of Funds by Taxing Entities.** As required under 17C-5-204(6), this agreement prohibits a taxing entity from proportionately reducing the amount of project area funds the taxing entity consents to pay to an agency under this section by the amount of any direct expenditures the taxing entity makes within the project area for the benefit of the project area or the agency.

8. **No Independent Duty.** The County shall be responsible to remit to the Agency only Tax Increment actually received by the County, which is also the tax collecting agency. 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.

9. **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.

10. **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.

11. **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 Davis County:
Davis County
Attn: Davis County Commission
61 South Main
Farmington, Utah 84025
Phone: (801) 451-3200

If to Agency:
Redevelopment Agency of Centerville
Attn: Agency Board
250 N. Main
Centerville, Utah 84014

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 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.

12. **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.

13. **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.

14. **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.

15. **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.

16. **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.

17. **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.

18. **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.

19. **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 Davis County, Utah, and the parties hereto agree to submit to the jurisdiction of such court.

20. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that 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.

21. **No Separate Legal Entity.** No separate legal entity is created by this Agreement.

22. **Duration.** This Agreement shall terminate after the final payment of Tax Increment to the Agency for Year Fifteen or according to the sunset provision in the Project Area budget "or once the Agency collects a maximum cumulative dollar amount of property tax increment from the Project Area of One Million Sixteen Thousand One-Hundred and Sixty-Seven Dollars (\$1,016,167.00), whichever comes first."

23. **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.

24. **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.

25. **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.

Davis County: DAVIS COUNTY COMMISSION

Attest:

By: _____
Its: Chair

Clerk

Approved as to form:

Attorney for County

Agency: REDEVELOPMENT AGENCY OF CENTERVILLE

Attest:

By: _____
Its: Chair

Secretary

Approved as to form:

Attorney for Agency

EXHIBIT “A
to
INTERLOCAL AGREEMENT

Legal Description of Project

Legal Description:

BEG AT A PT 111.8908734°W 40.9130596°N (NAD 1983 (2011) StatePlane Utah North FIPS 4301 (US Feet)) TH E 502 FT; TH S 664 FT' TH E 546 FT; TH S 354 FT; TH W 555 FT; TH N 43 FT; TH W 279 FT; TH S 93 FT; TH W 217 FT; TH N 1060 FT TO POB. The above-described area contains 14.17 acres, more, or less.

Contains the following parcels: 030010206, 030010038, 030010159, 030010171, 030010043, 030010202, and 030010031

**EXHIBIT “B”
To
INTERLOCAL AGREEMENT**

Project Area Plan

**EXHIBIT “C”
To
INTERLOCAL AGREEMENT**

Project Area Budget

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this _____ day of _____, 2022, by and between the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a community reinvestment agency and political subdivision of the State of Utah (the “Agency”), and **SOUTH DAVIS METRO FIRE SERVICE AREA**, a political subdivision of the State of Utah (the “Fire District”) in contemplation of the following facts and circumstances:

A. **WHEREAS**, the Agency is operated under the provisions of the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the UCA (the “Act”), and 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 Centerville City (the “City”) in development activities that are likely to advance the policies, goals and objectives of the City’s general plan, contributing to capital improvements and investments which substantially benefit the City, creating economic benefits to the City, 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 created the PORTER-WALTON COMMUNITY REINVESTMENT PROJECT AREA (the “Project Area”) located to the to the east of I-15 and south of 400 South, along the Frontage Road, as outlined in Exhibit “A” (the “Property”), through the adoption of the Porter-Walton Community Reinvestment Project Area Plan (the “Project Area Plan”), located within the City, which Project Area is described in Exhibit “B” attached hereto and incorporated herein by this reference; and

D. **WHEREAS**, the Project Area contains mostly vacant and underutilized land, which is anticipated to include a powersports auto mall. The Agency has not yet entered into any participation or development agreements with developers but anticipates that the City 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**, historically, the Project Area has generated a total of \$72,468 per year in property taxes for the various taxing entities, including the City, Davis County (the “County”), Davis School District (“the School District”), and the other Special Service Districts, with only \$3,558 being generated annually for the Fire District; and

F. **WHEREAS**, upon full development as contemplated in the Project Area Plan, property tax increment produced by the Project Area for the City, County, the School District, and the other Special Service Districts are projected to total approximately \$135,489 per year, with \$6,880 going to the Fire District; and

G. **WHEREAS**, the Agency has requested the City, County, School District, and other Special Service Districts 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 constituents of the Fire District for the Fire District 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, to prepare the Project Area Plan and Budget; and

J. **WHEREAS**, the Agency has adopted the Porter-Walton Community Reinvestment Project Area Budget (the “Project Area Budget”), a draft copy of which is attached as **Exhibit “C”**, which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;

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

NOW, THEREFORE, the parties agree as follows:

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

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

3. **Base Year and Base Year Value.** The base year, for purposes of calculation of the Base Taxable Value (as that term is defined in the Act), shall be tax year 2021, 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 2021 Davis County assessment rolls for all property located within the Project Area (which is currently estimated to be \$6,082,092, 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, 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 and Length of Tax Increment Collection Period.** The first year (“Year One”) of payment of Tax Increment from the Fire District to the Agency shall be determined by the Agency, but the Agency will trigger the Project Area for collection no later than by March 1, 2024. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Fifteen. The Agency may trigger the collection of Tax Increment by timely delivering a letter or other written request to the Davis County Auditor’s office.

6. **Total Payment to Agency.** The Fire District shall authorize the remittance to the Agency, beginning with property tax receipts in Year One, and continuing through Year Fifteen, 50% of the annual Property Tax Increment generated from within the Project Area, including the real (*i.e.*, building, land, and fixtures), personal, and centrally assessed property within the Project Area.
7. **Property Tax Increase.** This Agreement provides for the payment of the increase in real property, personal property, and centrally assessed property taxes collected from the Project Area by the County, acting as the tax collection agency. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the Fire District, 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.
8. **Prohibition of Reduction of Funds by Taxing Entities.** As required under 17C-5-204(6), this agreement prohibits a taxing entity from proportionately reducing the amount of project area funds the taxing entity consents to pay to an agency under this section by the amount of any direct expenditures the taxing entity makes within the project area for the benefit of the project area or the agency.
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 Fire District. 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 Fire District 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 Fire District:
South Davis Metro Fire Service Area
Attn: Board of Directors
255 S. 100 W.
Bountiful, Utah 84010
Phone: (801) 677-2400

If to Agency:
Redevelopment Agency of Centerville
Attn: Agency Board
250 N. Main
Centerville, Utah 84014
Phone: (801) 295-3477

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 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 Davis 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 Fire District 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 Fire District 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 Fifteen or according to the sunset provision in the Project Area Budget.

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;
- 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.

(The remainder of the page is intentionally left blank.)

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

Fire District: SOUTH DAVIS METRO FIRE SERVICE AREA

Attest:

By: _____
Its: Board Chair

Secretary

Approved as to form:

Attorney for Fire District

Agency: REDEVELOPMENT AGENCY OF CENTERVILLE

Attest:

By: _____
Its: Chair

Secretary

Approved as to form:

Attorney for Agency

EXHIBIT “A
to
INTERLOCAL AGREEMENT

Legal Description of Project

Legal Description:

BEG AT A PT 111.8908734°W 40.9130596°N (NAD 1983 (2011) StatePlane Utah North FIPS 4301 (US Feet)) TH E 502 FT; TH S 664 FT' TH E 546 FT; TH S 354 FT; TH W 555 FT; TH N 43 FT; TH W 279 FT; TH S 93 FT; TH W 217 FT; TH N 1060 FT TO POB. The above-described area contains 14.17 acres, more, or less.

Contains the following parcels: 030010206, 030010038, 030010159, 030010171, 030010043, 030010202, and 030010031

**EXHIBIT “B”
To
INTERLOCAL AGREEMENT**

Project Area Plan

**EXHIBIT “C”
To
INTERLOCAL AGREEMENT**

Project Area Budget

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this _____ day of _____, 2022, by and between the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a community reinvestment agency and political subdivision of the State of Utah (the “Agency”), and **MOSQUITO ABATEMENT DISTRICT-DAVIS**, a political subdivision of the State of Utah (the “Mosquito District”) in contemplation of the following facts and circumstances:

A. **WHEREAS**, the Agency is operated under the provisions of the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the UCA (the “Act”), and 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 Centerville City (the “City”) in development activities that are likely to advance the policies, goals and objectives of the City’s general plan, contributing to capital improvements and investments which substantially benefit the City, creating economic benefits to the City, 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 created the PORTER-WALTON COMMUNITY REINVESTMENT PROJECT AREA (the “Project Area”) located to the to the east of I-15 and south of 400 South, along the Frontage Road, as outlined in Exhibit “A” (the “Property”), through the adoption of the Porter-Walton Community Reinvestment Project Area Plan (the “Project Area Plan”), located within the City, which Project Area is described in Exhibit “B” attached hereto and incorporated herein by this reference; and

D. **WHEREAS**, the Project Area contains mostly vacant and underutilized land, which is anticipated to include a powersports auto mall. The Agency has not yet entered into any participation or development agreements with developers but anticipates that the City 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**, historically, the Project Area has generated a total of \$72,468 per year in property taxes for the various taxing entities, including the City, Davis County (the “County”), Davis School District (“the School District”), and the other Special Service Districts, with only \$602 being generated annually for the Mosquito District; and

F. **WHEREAS**, upon full development as contemplated in the Project Area Plan, property tax increment produced by the Project Area for the City, County, the School District, and the other Special Service Districts are projected to total approximately \$135,489 per year, with \$1,099 going to the Mosquito District; and

G. **WHEREAS**, the Agency has requested the City, County, School District, and other Special Service Districts 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 constituents of the Mosquito District for the Mosquito District 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, to prepare the Project Area Plan and Budget; and

J. **WHEREAS**, the Agency has adopted the Porter-Walton Community Reinvestment Project Area Budget (the “Project Area Budget”), a draft copy of which is attached as **Exhibit “C”**, which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;

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

NOW, THEREFORE, the parties agree as follows:

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

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

3. **Base Year and Base Year Value.** The base year, for purposes of calculation of the Base Taxable Value (as that term is defined in the Act), shall be tax year 2021, 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 2021 Davis County assessment rolls for all property located within the Project Area (which is currently estimated to be \$6,082,092, 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, 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 and Length of Tax Increment Collection Period.** The first year (“Year One”) of payment of Tax Increment from the Mosquito District to the Agency shall be determined by the Agency, but the Agency will trigger the Project Area for collection no later than by March 1, 2024. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Fifteen. The Agency may trigger the collection of Tax Increment by timely delivering a letter or other written request to the Davis County Auditor’s office.

6. **Total Payment to Agency.** The Mosquito District shall authorize the remittance to the Agency, beginning with property tax receipts in Year One, and continuing through Year Fifteen, 50% of the annual Property Tax Increment generated from within the Project Area, including the real (*i.e.*, building, land, and fixtures), personal, and centrally assessed property within the Project Area.
7. **Property Tax Increase.** This Agreement provides for the payment of the increase in real property, personal property, and centrally assessed property taxes collected from the Project Area by the County, acting as the tax collection agency. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the Mosquito District, 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.
8. **Prohibition of Reduction of Funds by Taxing Entities.** As required under 17C-5-204(6), this agreement prohibits a taxing entity from proportionately reducing the amount of project area funds the taxing entity consents to pay to an agency under this section by the amount of any direct expenditures the taxing entity makes within the project area for the benefit of the project area or the agency.
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 Mosquito District. 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 Mosquito District 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 Mosquito District:
Mosquito Abatement District - Davis
Attn: Mosquito District Board
85 N. 600 W.
Kaysville, Utah 84037
Phone: (801) 544-3736

If to Agency:
Redevelopment Agency of Centerville
Attn: Agency Board
250 N. Main
Centerville, Utah 84014
Phone: (801) 295-3477

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 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 Davis 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 Mosquito District 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 Mosquito District 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 Fifteen or according to the sunset provision in the Project Area Budget.

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.

(The remainder of the page is intentionally left blank.)

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

Mosquito District: MOSQUITO ABATEMENT DISTRICT-
DAVIS

Attest:

By: _____
Its: Board Chair

General Manager

Approved as to form:

Attorney for Mosquito District

Agency: REDEVELOPMENT AGENCY OF CENTERVILLE

Attest:

By: _____
Its: Chair

Secretary

Approved as to form:

Attorney for Agency

EXHIBIT “A
to
INTERLOCAL AGREEMENT

Legal Description of Project

Legal Description:

BEG AT A PT 111.8908734°W 40.9130596°N (NAD 1983 (2011) StatePlane Utah North FIPS 4301 (US Feet)) TH E 502 FT; TH S 664 FT' TH E 546 FT; TH S 354 FT; TH W 555 FT; TH N 43 FT; TH W 279 FT; TH S 93 FT; TH W 217 FT; TH N 1060 FT TO POB. The above-described area contains 14.17 acres, more, or less.

Contains the following parcels: 030010206, 030010038, 030010159, 030010171, 030010043, 030010202, and 030010031

**EXHIBIT “B”
To
INTERLOCAL AGREEMENT**

Project Area Plan

**EXHIBIT “C”
To
INTERLOCAL AGREEMENT**

Project Area Budget

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this _____ day of _____, 2022, by and between the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a community reinvestment agency and political subdivision of the State of Utah (the “Agency”), and **SOUTH DAVIS RECREATION DISTRICT**, a political subdivision of the State of Utah (the “Rec District”) in contemplation of the following facts and circumstances:

A. **WHEREAS**, the Agency is operated under the provisions of the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the UCA (the “Act”), and 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 Centerville City (the “City”) in development activities that are likely to advance the policies, goals and objectives of the City’s general plan, contributing to capital improvements and investments which substantially benefit the City, creating economic benefits to the City, 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 created the PORTER-WALTON COMMUNITY REINVESTMENT PROJECT AREA (the “Project Area”) located to the to the east of I-15 and south of 400 South, along the Frontage Road, as outlined in Exhibit “A” (the “Property”), through the adoption of the Porter-Walton Community Reinvestment Project Area Plan (the “Project Area Plan”), located within the City, which Project Area is described in Exhibit “B” attached hereto and incorporated herein by this reference; and

D. **WHEREAS**, the Project Area contains mostly vacant and underutilized land, which is anticipated to include a powersports auto mall. The Agency has not yet entered into any participation or development agreements with developers but anticipates that the City 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**, historically, the Project Area has generated a total of \$72,468 per year in property taxes for the various taxing entities, including the City, Davis County (the “County”), Davis School District (“the School District”), and the other Special Service Districts, with only \$1,277 being generated annually for the Rec District; and

F. **WHEREAS**, upon full development as contemplated in the Project Area Plan, property tax increment produced by the Project Area for the City, County, the School District, and the other Special Service Districts are projected to total approximately \$135,489 per year, with \$2,330 going to the Rec District; and

G. **WHEREAS**, the Agency has requested the City, County, School District, and other Special Service Districts 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 constituents of the Rec District for the Rec District 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, to prepare the Project Area Plan and Budget; and

J. **WHEREAS**, the Agency has adopted the Porter-Walton Community Reinvestment Project Area Budget (the “Project Area Budget”), a draft copy of which is attached as **Exhibit “C”**, which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;

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

NOW, THEREFORE, the parties agree as follows:

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

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

3. **Base Year and Base Year Value.** The base year, for purposes of calculation of the Base Taxable Value (as that term is defined in the Act), shall be tax year 2021, 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 2021 Davis County assessment rolls for all property located within the Project Area (which is currently estimated to be \$6,082,092, 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, 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 and Length of Tax Increment Collection Period.** The first year (“Year One”) of payment of Tax Increment from the Rec District to the Agency shall be determined by the Agency, but the Agency will trigger the Project Area for collection no later than by March 1, 2024. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Fifteen. The Agency may trigger the collection of Tax Increment by timely delivering a letter or other written request to the Davis County Auditor’s office.

6. **Total Payment to Agency.** The Rec District shall authorize the remittance to the Agency, beginning with property tax receipts in Year One, and continuing through Year Fifteen, 50% of the annual Property Tax Increment generated from within the Project Area, including the real (*i.e.*, building, land, and fixtures), personal, and centrally assessed property within the Project Area.
7. **Property Tax Increase.** This Agreement provides for the payment of the increase in real property, personal property, and centrally assessed property taxes collected from the Project Area by the County, acting as the tax collection agency. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the Rec District, 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.
8. **Prohibition of Reduction of Funds by Taxing Entities.** As required under 17C-5-204(6), this agreement prohibits a taxing entity from proportionately reducing the amount of project area funds the taxing entity consents to pay to an agency under this section by the amount of any direct expenditures the taxing entity makes within the project area for the benefit of the project area or the agency.
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 Rec District. 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 Rec District 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 Rec District:
South Davis Recreation District
Attn: Recreation District Board
550 N. 200 W.
Bountiful, Utah 84010
Phone: (801) 298-6220

If to Agency:
Redevelopment Agency of Centerville
Attn: Agency Board
250 N. Main
Centerville, Utah 84014
Phone: (801) 295-3477

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 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 Davis 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 Rec District 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 Rec District 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 Fifteen or according to the sunset provision in the Project Area Budget.

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;
- 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.

(The remainder of the page is intentionally left blank.)

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

Rec District: SOUTH DAVIS RECREATION DISTRICT

Attest:

By: _____
Its: Board Chair

Executive Director

Approved as to form:

Attorney for Rec District

Agency: REDEVELOPMENT AGENCY OF CENTERVILLE

Attest:

By: _____
Its: Chair

Secretary

Approved as to form:

Attorney for Agency

EXHIBIT “A
to
INTERLOCAL AGREEMENT

Legal Description of Project

Legal Description:

BEG AT A PT 111.8908734°W 40.9130596°N (NAD 1983 (2011) StatePlane Utah North FIPS 4301 (US Feet)) TH E 502 FT; TH S 664 FT' TH E 546 FT; TH S 354 FT; TH W 555 FT; TH N 43 FT; TH W 279 FT; TH S 93 FT; TH W 217 FT; TH N 1060 FT TO POB. The above-described area contains 14.17 acres, more, or less.

Contains the following parcels: 030010206, 030010038, 030010159, 030010171, 030010043, 030010202, and 030010031

**EXHIBIT “B”
To
INTERLOCAL AGREEMENT**

Project Area Plan

EXHIBIT “C”
To
INTERLOCAL AGREEMENT
Project Area Budget

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this _____ day of _____, 2022, by and between the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a community reinvestment agency and political subdivision of the State of Utah (the “Agency”), and **DAVIS SCHOOL DISTRICT**, a political subdivision of the State of Utah (the “School District”) in contemplation of the following facts and circumstances:

A. **WHEREAS**, the Agency is operated under the provisions of the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the UCA (the “Act”), and 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 Centerville City (the “City”) in development activities that are likely to advance the policies, goals and objectives of the City’s general plan, contributing to capital improvements and investments which substantially benefit the City, creating economic benefits to the City, 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 created the PORTER-WALTON COMMUNITY REINVESTMENT PROJECT AREA (the “Project Area”) located to the to the east of I-15 and south of 400 South, along the Frontage Road, as outlined in Exhibit “A” (the “Property”), through the adoption of the Porter-Walton Community Reinvestment Project Area Plan (the “Project Area Plan”), located within the City, which Project Area is described in Exhibit “B” attached hereto and incorporated herein by this reference; and

D. **WHEREAS**, the Project Area contains mostly vacant and underutilized land, which is anticipated to include a powersports auto mall. The Agency has not yet entered into any participation or development agreements with developers but anticipates that the City 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**, historically, the Project Area has generated a total of \$72,468 per year in property taxes for the various taxing entities, including the City, Davis County (the “County”), the School District, and the other Special Service Districts, with only \$46,479 being generated annually for the School District; and

F. **WHEREAS**, upon full development as contemplated in the Project Area Plan, property tax increment produced by the Project Area for the City, County, the School District, and the other Special Service Districts are projected to total approximately \$135,489 per year, with \$84,807 going to the School District; and

G. **WHEREAS**, the Agency has requested the City, County, School District, and other Special Service Districts 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 constituents of the School District for the School District 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, to prepare the Project Area Plan and Budget; and

J. **WHEREAS**, the Agency has adopted the Porter-Walton Community Reinvestment Project Area Budget (the “Project Area Budget”), a draft copy of which is attached as **Exhibit “C”**, which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;

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

NOW, THEREFORE, the parties agree as follows:

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

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

3. **Base Year and Base Year Value.** The base year, for purposes of calculation of the Base Taxable Value (as that term is defined in the Act), shall be tax year 2021, 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 2021 Davis County assessment rolls for all property located within the Project Area (which is currently estimated to be \$6,082,092, 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, 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 and Length of Tax Increment Collection Period.** The first year (“Year One”) of payment of Tax Increment from the School District to the Agency shall be determined by the Agency, but the Agency will trigger the Project Area for collection no later than by March 1, 2024. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Fifteen. The Agency may trigger the collection of Tax Increment by timely delivering a letter or other written request to the Davis County Auditor’s office.

6. **Total Payment to Agency.** The School District shall authorize the remittance to the Agency, beginning with property tax receipts in Year One, and continuing through Year Fifteen, 50% of the annual Property Tax Increment generated from within the Project Area, including the real (*i.e.*, building, land, and fixtures), personal, and centrally assessed property within the Project Area.
7. **Property Tax Increase.** This Agreement provides for the payment of the increase in real property, personal property, and centrally assessed property taxes collected from the Project Area by the County, acting as the tax collection agency. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the School District, 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.
8. **Prohibition of Reduction of Funds by Taxing Entities.** As required under 17C-5-204(6), this agreement prohibits a taxing entity from proportionately reducing the amount of project area funds the taxing entity consents to pay to an agency under this section by the amount of any direct expenditures the taxing entity makes within the project area for the benefit of the project area or the agency.
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 School District. 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 School District 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 School District:
Davis School District
Attn: Davis School District Board
45 E. State Street, PO Box 588
Farmington, Utah 84025
Phone: (801) 402-5261

If to Agency:
Redevelopment Agency of Centerville
Attn: Agency Board
250 N. Main
Centerville, Utah 84014
Phone: (801) 295-3477

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 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 Davis 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 School District 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 School District 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 Fifteen or according to the sunset provision in the Project Area Budget.

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.

(The remainder of the page is intentionally left blank.)

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

School District: DAVIS SCHOOL DISTRICT

Attest:

By: _____
Its: Board President

Business Administrator

Approved as to form:

Attorney for School District

Agency: REDEVELOPMENT AGENCY OF CENTERVILLE

Attest:

By: _____
Its: Chair

Secretary

Approved as to form:

Attorney for Agency

EXHIBIT “A
to
INTERLOCAL AGREEMENT

Legal Description of Project

Legal Description:

BEG AT A PT 111.8908734°W 40.9130596°N (NAD 1983 (2011) StatePlane Utah North FIPS 4301 (US Feet)) TH E 502 FT; TH S 664 FT' TH E 546 FT; TH S 354 FT; TH W 555 FT; TH N 43 FT; TH W 279 FT; TH S 93 FT; TH W 217 FT; TH N 1060 FT TO POB. The above-described area contains 14.17 acres, more, or less.

Contains the following parcels: 030010206, 030010038, 030010159, 030010171, 030010043, 030010202, and 030010031

**EXHIBIT “B”
To
INTERLOCAL AGREEMENT**

Project Area Plan

**EXHIBIT “C”
To
INTERLOCAL AGREEMENT**

Project Area Budget

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this _____ day of _____, 2022, by and between the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a community reinvestment agency and political subdivision of the State of Utah (the “Agency”), and **SOUTH DAVIS SEWER DISTRICT**, a political subdivision of the State of Utah (the “Sewer District”) in contemplation of the following facts and circumstances:

A. **WHEREAS**, the Agency is operated under the provisions of the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the UCA (the “Act”), and 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 Centerville City (the “City”) in development activities that are likely to advance the policies, goals and objectives of the City’s general plan, contributing to capital improvements and investments which substantially benefit the City, creating economic benefits to the City, 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 created the PORTER-WALTON COMMUNITY REINVESTMENT PROJECT AREA (the “Project Area”) located to the to the east of I-15 and south of 400 South, along the Frontage Road, as outlined in Exhibit “A” (the “Property”), through the adoption of the Porter-Walton Community Reinvestment Project Area Plan (the “Project Area Plan”), located within the City, which Project Area is described in Exhibit “B” attached hereto and incorporated herein by this reference; and

D. **WHEREAS**, the Project Area contains mostly vacant and underutilized land, which is anticipated to include a powersports auto mall. The Agency has not yet entered into any participation or development agreements with developers but anticipates that the City 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**, historically, the Project Area has generated a total of \$72,468 per year in property taxes for the various taxing entities, including the City, Davis County (the “County”), Davis School District (“the School District”), and the other Special Service Districts, with only \$1,800 being generated annually for the Sewer District; and

F. **WHEREAS**, upon full development as contemplated in the Project Area Plan, property tax increment produced by the Project Area for the City, County, the School District, and the other Special Service Districts are projected to total approximately \$135,489 per year, with \$3,285 going to the Sewer District; and

G. **WHEREAS**, the Agency has requested the City, County, School District, and other Special Service Districts 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 constituents of the Sewer District for the Sewer District 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, to prepare the Project Area Plan and Budget; and

J. **WHEREAS**, the Agency has adopted the Porter-Walton Community Reinvestment Project Area Budget (the “Project Area Budget”), a draft copy of which is attached as **Exhibit “C”**, which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;

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

NOW, THEREFORE, the parties agree as follows:

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

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

3. **Base Year and Base Year Value.** The base year, for purposes of calculation of the Base Taxable Value (as that term is defined in the Act), shall be tax year 2021, 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 2021 Davis County assessment rolls for all property located within the Project Area (which is currently estimated to be \$6,082,092, 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, 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 and Length of Tax Increment Collection Period.** The first year (“Year One”) of payment of Tax Increment from the Sewer District to the Agency shall be determined by the Agency, but the Agency will trigger the Project Area for collection no later than by March 1, 2024. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Fifteen. The Agency may trigger the collection of Tax Increment by timely delivering a letter or other written request to the Davis County Auditor’s office.

6. **Total Payment to Agency.** The Sewer District shall authorize the remittance to the Agency, beginning with property tax receipts in Year One, and continuing through Year Fifteen, 50% of the annual Property Tax Increment generated from within the Project Area, including the real (*i.e.*, building, land, and fixtures), personal, and centrally assessed property within the Project Area.
7. **Property Tax Increase.** This Agreement provides for the payment of the increase in real property, personal property, and centrally assessed property taxes collected from the Project Area by the County, acting as the tax collection agency. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the Sewer District, 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.
8. **Prohibition of Reduction of Funds by Taxing Entities.** As required under 17C-5-204(6), this agreement prohibits a taxing entity from proportionately reducing the amount of project area funds the taxing entity consents to pay to an agency under this section by the amount of any direct expenditures the taxing entity makes within the project area for the benefit of the project area or the agency.
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 Sewer District. 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 Sewer District 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 Sewer District:
South Davis Sewer District
Attn: Sewer District Board of Trustees
1800 W. 1200 N.
West Bountiful, Utah 84087
Phone: (801) 295-3469

If to Agency:
Redevelopment Agency of Centerville
Attn: Agency Board
250 N. Main
Centerville, Utah 84014
Phone: (801) 295-3477

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 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 Davis 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 Sewer District 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 Sewer District 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 Fifteen or according to the sunset provision in the Project Area Budget.

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.

(The remainder of the page is intentionally left blank.)

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

Sewer District: SOUTH DAVIS SEWER DISTRICT

Attest:

By: _____
Its: Board Chair

General Manager

Approved as to form:

Attorney for Sewer District

Agency: REDEVELOPMENT AGENCY OF CENTERVILLE

Attest:

By: _____
Its: Chair

Secretary

Approved as to form:

Attorney for Agency

EXHIBIT “A
to
INTERLOCAL AGREEMENT

Legal Description of Project

Legal Description:

BEG AT A PT 111.8908734°W 40.9130596°N (NAD 1983 (2011) StatePlane Utah North FIPS 4301 (US Feet)) TH E 502 FT; TH S 664 FT' TH E 546 FT; TH S 354 FT; TH W 555 FT; TH N 43 FT; TH W 279 FT; TH S 93 FT; TH W 217 FT; TH N 1060 FT TO POB. The above-described area contains 14.17 acres, more, or less.

Contains the following parcels: 030010206, 030010038, 030010159, 030010171, 030010043, 030010202, and 030010031

**EXHIBIT “B”
To
INTERLOCAL AGREEMENT**

Project Area Plan

**EXHIBIT “C”
To
INTERLOCAL AGREEMENT**

Project Area Budget

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this _____ day of _____, 2022, by and between the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a community reinvestment agency and political subdivision of the State of Utah (the “Agency”), and **WEBER BASIN WATER CONSERVANCY DISTRICT**, a political subdivision of the State of Utah (the “Water District”) in contemplation of the following facts and circumstances:

A. **WHEREAS**, the Agency is operated under the provisions of the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the UCA (the “Act”), and 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 Centerville City (the “City”) in development activities that are likely to advance the policies, goals and objectives of the City’s general plan, contributing to capital improvements and investments which substantially benefit the City, creating economic benefits to the City, 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 created the PORTER-WALTON COMMUNITY REINVESTMENT PROJECT AREA (the “Project Area”) located to the to the east of I-15 and south of 400 South, along the Frontage Road, as outlined in Exhibit “A” (the “Property”), through the adoption of the Porter-Walton Community Reinvestment Project Area Plan (the “Project Area Plan”), located within the City, which Project Area is described in Exhibit “B” attached hereto and incorporated herein by this reference; and

D. **WHEREAS**, the Project Area contains mostly vacant and underutilized land, which is anticipated to include a powersports auto mall. The Agency has not yet entered into any participation or development agreements with developers but anticipates that the City 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**, historically, the Project Area has generated a total of \$72,468 per year in property taxes for the various taxing entities, including the City, Davis County (the “County”), Davis School District (“the School District”), and the other Special Service Districts, with only \$803 being generated annually for the Water District; and

F. **WHEREAS**, upon full development as contemplated in the Project Area Plan, property tax increment produced by the Project Area for the City, County, the School District, and the other Special Service Districts are projected to total approximately \$135,489 per year, with \$1,465 going to the Water District; and

G. **WHEREAS**, the Agency has requested the City, County, School District, and other Special Service Districts 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 constituents of the Water District for the Water District 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, to prepare the Project Area Plan and Budget; and

J. **WHEREAS**, the Agency has adopted the Porter-Walton Community Reinvestment Project Area Budget (the “Project Area Budget”), a draft copy of which is attached as **Exhibit “C”**, which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;

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

NOW, THEREFORE, the parties agree as follows:

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

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

3. **Base Year and Base Year Value.** The base year, for purposes of calculation of the Base Taxable Value (as that term is defined in the Act), shall be tax year 2021, 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 2021 Davis County assessment rolls for all property located within the Project Area (which is currently estimated to be \$6,082,092, 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, 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 and Length of Tax Increment Collection Period.** The first year (“Year One”) of payment of Tax Increment from the Water District to the Agency shall be determined by the Agency, but the Agency will trigger the Project Area for collection no later than by March 1, 2024. Each subsequent year, beginning with the first year after Year One, shall be defined in sequence as Year Two through Year Fifteen. The Agency may trigger the collection of Tax Increment by timely delivering a letter or other written request to the Davis County Auditor’s office.

6. **Total Payment to Agency.** The Water District shall authorize the remittance to the Agency, beginning with property tax receipts in Year One, and continuing through Year Fifteen, 50% of the annual Property Tax Increment generated from within the Project Area, including the real (*i.e.*, building, land, and fixtures), personal, and centrally assessed property within the Project Area.
7. **Property Tax Increase.** This Agreement provides for the payment of the increase in real property, personal property, and centrally assessed property taxes collected from the Project Area by the County, acting as the tax collection agency. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the Water District, 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.
8. **Prohibition of Reduction of Funds by Taxing Entities.** As required under 17C-5-204(6), this agreement prohibits a taxing entity from proportionately reducing the amount of project area funds the taxing entity consents to pay to an agency under this section by the amount of any direct expenditures the taxing entity makes within the project area for the benefit of the project area or the agency.
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 Water District. 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 Water District 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 Water District:
Weber Basin Water Conservancy District
Attn: Board of Trustees
2837 E. Highway 193
Layton, Utah 84040
Phone: (801) 771-1677

If to Agency:
Redevelopment Agency of Centerville
Attn: Agency Board
250 N. Main
Centerville, Utah 84014
Phone: (801) 295-3477

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 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 Davis 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 Water District 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 Water District 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 Fifteen or according to the sunset provision in the Project Area Budget.

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.

(The remainder of the page is intentionally left blank.)

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

Water District: WEBER BASIN WATER CONSERVANCY
DISTRICT

Attest:

By: _____
Its: Board President

General Manager

Approved as to form:

Attorney for Water District

Agency: REDEVELOPMENT AGENCY OF CENTERVILLE

Attest:

By: _____
Its: Chair

Secretary

Approved as to form:

Attorney for Agency

EXHIBIT “A
to
INTERLOCAL AGREEMENT

Legal Description of Project

Legal Description:

BEG AT A PT 111.8908734°W 40.9130596°N (NAD 1983 (2011) StatePlane Utah North FIPS 4301 (US Feet)) TH E 502 FT; TH S 664 FT' TH E 546 FT; TH S 354 FT; TH W 555 FT; TH N 43 FT; TH W 279 FT; TH S 93 FT; TH W 217 FT; TH N 1060 FT TO POB. The above-described area contains 14.17 acres, more, or less.

Contains the following parcels: 030010206, 030010038, 030010159, 030010171, 030010043, 030010202, and 030010031

**EXHIBIT “B”
To
INTERLOCAL AGREEMENT**

Project Area Plan

**EXHIBIT “C”
To
INTERLOCAL AGREEMENT**

Project Area Budget

RESOLUTION NO. 2021-05

RESOLUTION OF THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY ADOPTING AN OFFICIAL PROJECT AREA PLAN FOR THE PORTER-WALTON COMMUNITY REINVESTMENT PROJECT AREA.

WHEREAS, the Redevelopment Agency of Centerville City (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, the City of Centerville (the "City") 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 Porter-Walton 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 that 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, less than one year has passed since the date of the public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Agency:

Section I. Adoption of Project Area Plan. It has become necessary and desirable to adopt the draft Project Area Plan as the official Project Area Plan for the Project Area. The draft Project Area Plan, in the form attached hereto as **Exhibit C**, and together with any changes to the draft 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 City Council of the City requesting that the Project Area Plan be adopted by ordinance of the legislative body of City in accordance with the

provisions of the Act. All comments and objections to the draft Project Area Plan (if any) have been considered and are, unless otherwise provided in the minutes of this meeting (if at all), passed upon.

Section 2. Boundary Description of the Project Area. The boundary description 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. Encourage and accomplish appropriate private development and community reinvestment activities within the Project Area.
- B. Provide for redevelopment infrastructure improvements within or to serve the Project Area.
- C. Provide for the strengthening of the tax base and 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 draft 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 City 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, encouraging and accomplishing appropriate community reinvestment activities within the Project Area;
- B. Produce a public benefit in the form of, among other things, increased development activity within the boundaries of the Agency, including in particular within the Project Area, that is desirable and will enhance the tax base of all taxing entities within the Project Area, as demonstrated by the analysis provided in the Project Area Plan;
- C. Be economically sound and feasible; in that the revenue needed for the implementation of the Project Area Plan will come from incremental property and sales 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 City'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 City's zoning ordinances and requirements, and the development activities contemplated by the Project Area Plan are in harmony with the City's general plan; and

E. Promotes the public peace, health, safety and welfare of the City.

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.

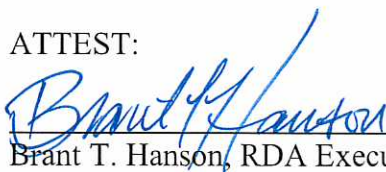
Section 7. Effective Date. This Resolution shall take effect immediately upon adoption, and pursuant to the provisions of the Act, the Project Area Plan shall become effective upon adoption by Ordinance of the legislative body of the City.

IN WITNESS WHEREOF, the Governing Board of the Redevelopment Agency of Centerville City has approved, passed and adopted this Resolution this 7th day of December 2021.



Clark A. Wilkinson, RDA Chair

ATTEST:



Brant T. Hanson, RDA Executive Director

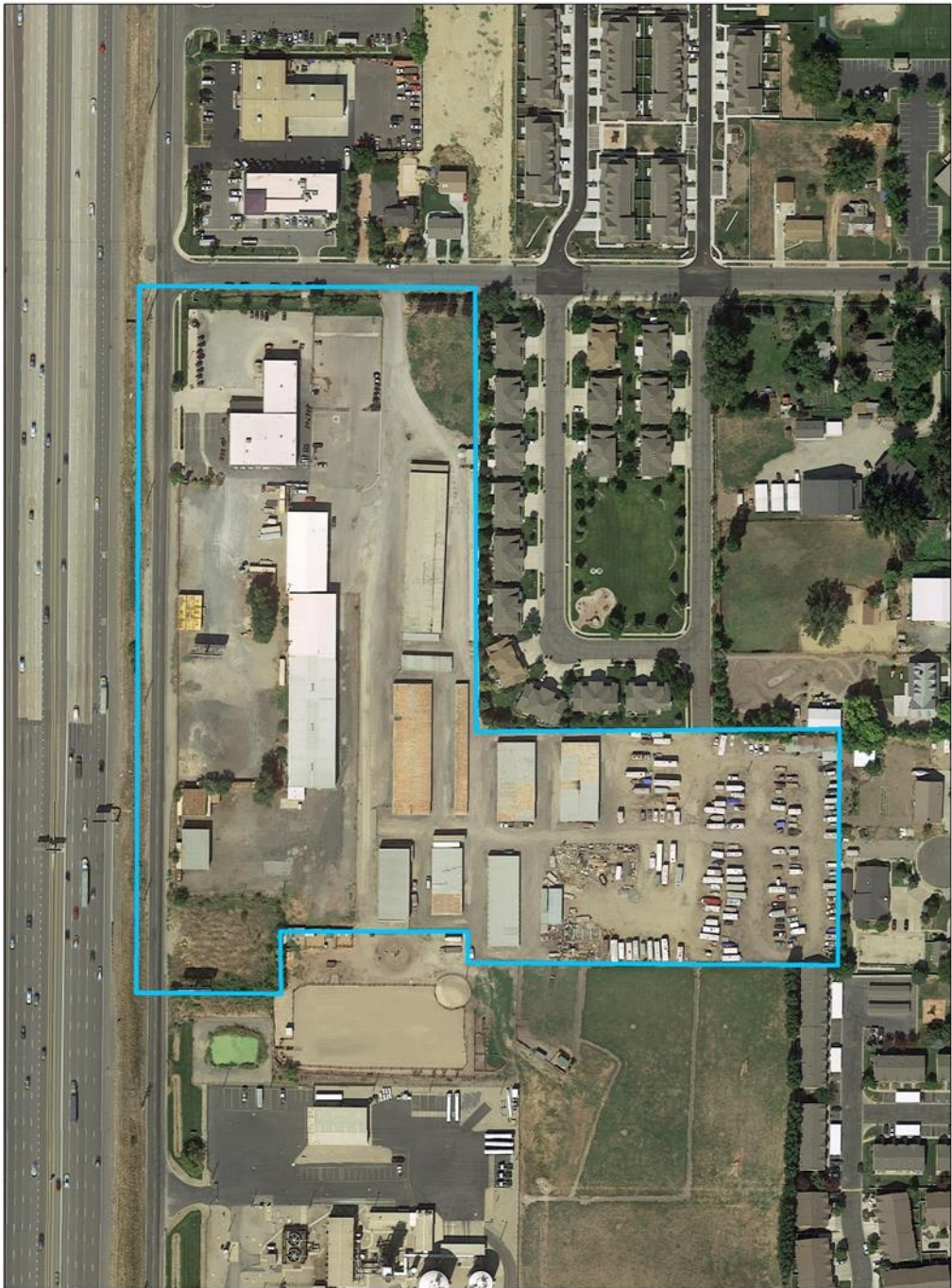


EXHIBIT A – BOUNDARY DESCRIPTION OF THE PROJECT AREA

BEG AT A PT 111.8908734°W 40.9130596°N (NAD 1983 (2011) State Plane Utah North FIPS 4301 (US Feet))
TH E 502 FT; TH S 664 FT; TH E 546 FT; TH S 354 FT; TH W 555 FT; TH N 43 FT; TH W 279 FT; TH S 93 FT;
TH W 217 FT; TH N 1060 FT TO POB. The above described area contains 14.17 acres, more, or less.

Contains the following parcels: 030010206, 030010038, 030010159, 030010171, 030010043, 030010202, and
030010031

EXHIBIT B – MAP OF THE PROJECT AREA



Porter-Walton CRA Project Area Boundary

LEWIS & YOUNG
ROBERTSON & BURNINGHAM, INC.



0 65 130 260 Feet



EXHIBIT C: PROJECT AREA PLAN

DRAFT PROJECT AREA PLAN

PORTER-WALTON COMMUNITY REINVESTMENT AREA (CRA)

REDEVELOPMENT AGENCY OF CENTERVILLE CITY, UTAH



NOVEMBER 2021


**LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.**

GATEWAY PLAZA BUILDING - 41 N. RIO GRANDE, STE 101 - SALT LAKE CITY, UT 84101
(P) 801-596-0700 - (TF) 800-581-1100 - (F) 801-596-2800 - WWW.LEWISYOUNG.COM

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Definitions

As used in this Community Reinvestment Project Area Plan, the term:

"Act" shall mean and include the Limited Purpose Local Government Entities – Community Reinvestment Agency Act in Title 17C, Chapters 1 through 5, Utah Code Annotated 1953, as amended, or such other amendments as shall from time to time be enacted or any successor or replacement law or act.

"Agency" shall mean the Redevelopment Agency of Centerville City, which is a separate body corporate and politic created by the City pursuant to the Act.

"Base taxable value" shall mean the agreed value specified in a resolution or interlocal agreement under Subsection 17C-1-102(8) from which tax increment will be collected.

"Base year" shall mean the agreed upon year for which the base taxable value is established and shall be incorporated into the interlocal agreements with participating taxing entities.

"City" or "Community" shall mean the City of Centerville.

"Legislative body" shall mean the City Council of Centerville which is the legislative body of the City.

"Plan Hearing" shall mean the public hearing on the draft Project Area Plan required under Subsection 17C-1-102 (41) and 17C-5-104(3)(e).

"Project Area" shall mean the geographic area described in the Project Area Plan or draft Project Area Plan where the community development set forth in this Project Area Plan or draft Project Area Plan takes place or is proposed to take place (**Exhibit A & Exhibit B**).

"Net Present Value (NPV)" shall mean the discounted value of a cash flow. The NPV illustrates the total value of a stream of revenue over a number of years in today's dollars.

"Project Area Budget" shall mean (as further described under 17C-5-303 of the Act) the multi-year projection of annual or cumulative revenues, other expenses and other fiscal matters pertaining to the Project Area that includes:

-  the base taxable value of property in the Project Area;
-  the projected tax increment expected to be generated within the Project Area;
-  the amount of tax increment expected to be shared with other taxing entities;
-  the amount of tax increment expected to be used to implement the Project Area plan;
-  if the area from which tax increment is to be collected is less than the entire Project Area:
 - the tax identification number of the parcels from which tax increment will be collected; or
 - a boundary description of the portion of the Project Area from which tax increment will be collected; and

 for property that the Agency owns and expects to sell, the expected total cost of the property to the Agency and the expected selling price.

“Project Area Plan” or **“Plan”** shall mean the written plan (outlined by 17C-5-105 of the Act) that, after its effective date, guides and controls the community reinvestment activities within the Project Area. Project Area Plan refers to this document and all of the attachments to this document, which attachments are incorporated by this reference. It is anticipated that the PORTER-WALTON COMMUNITY REINVESTMENT AREA PLAN will be subject to an interlocal agreement process with the taxing entities within the Project Area.

“Taxes” includes all levies on an ad valorem basis upon land, local and centrally assessed real property, personal property, or any other property, tangible or intangible.

“Taxing Entity” shall mean any public entity that levies a tax on any property within the Project Area.

“Tax Increment” shall mean the difference between the amount of property tax revenues generated each tax year by all taxing entities from the Project Area using the current assessed value of the property and the amount of property tax revenues that would be generated from the same area using the base taxable value of the property.

“Tax Increment Period” shall mean the period of time in which the taxing entities from the Project Area consent that a portion of their tax increment from the Project Area be used to fund the objectives outlined in the Project Area Plan.

“Tax Year” shall mean the 12-month period between sequential tax roll equalizations (November 1st - October 31st) of the following year, e.g., the November 1, 2021 - October 31, 2022 tax year.

Introduction

The Redevelopment Agency of Centerville City (the “Agency”), following thorough consideration of the needs and desires of Centerville City (the “City”) and its residents, as well as the City’s capacity for new development, has carefully crafted this draft Project Area Plan (the “Plan”) for the Porter-Walton Community Reinvestment Project Area (the “Project Area”). This Plan is the end result of a comprehensive evaluation of the types of appropriate land-uses and economic development for the land encompassed by the Project Area which lies within the southern portion of the City, generally to the east of I-15 and south of 400 South, along the Frontage Road. The Plan is intended to define the method and means of the Project Area from its current state to a higher and better use.

The City has determined it is in the best interest of its citizens to assist in the development of the Project Area. It is the purpose of this Plan to clearly set forth the aims and objectives of development, scope, financing mechanism, and value to the residents of the City and other taxing entities within the Project Area.

The Project Area is being undertaken as a community reinvestment project area pursuant to certain provisions of Chapters 1 and 5 of the Utah Limited Purpose Local Governmental Entities -- Community Reinvestment Agency Act (the “Act”, Utah Code Annotated (“UCA”) Title 17C). The requirements of the Act, including notice and hearing obligations, have been observed at all times throughout the establishment of the Project Area. The realization of the Plan is subject to interlocal agreements between the taxing entities individually and the Agency.

Resolution Authorizing the Preparation of a Draft Community Reinvestment Project Area Plan

Pursuant to the provisions of §17C-5-103 of the Act, the governing body of the Agency adopted a resolution authorizing the preparation of a draft Community Reinvestment Project Area Plan on September 7, 2021.

Utah Code
§17C-5-104

Recitals of Prerequisites for Adopting a Community Reinvestment Project Area Plan

In order to adopt a community reinvestment project area plan, the Agency shall;

-  Pursuant to the provisions of §17C-5-104(1)(a) and (b) of the Act, the City has a planning commission and general plan as required by law;
-  Pursuant to the provisions of §17C-5-104 of the Act, the Agency has conducted or will conduct one or more public hearings for the purpose of informing the public about the Project Area, and allowing public input into the Agency’s deliberations and considerations regarding the Project Area; and
- Pursuant to the provisions of §17C-5-104 of the Act, the Agency has allowed opportunity for input on the draft Project Area Plan and has made a draft Project Area Plan available to the public at the Agency’s offices during normal business hours, provided notice of the plan hearing, sent copies of the draft Project Area Plan to all required entities prior to the hearing, and provided opportunities for affected entities to provide feedback.

Description of the Boundaries of the Proposed Project Area

A boundary description of the Project Area along with a detailed map of the Project Area is attached respectively as **Exhibit A** and **Exhibit B** and incorporated herein. The Project Area lies within the southern portion of the City, generally to the east of I-15 and south of 400 South, along the Frontage Road. The land is currently zoned commercial and is made up of mostly dilapidated commercial buildings. The Project Area is comprised of approximately 14.17 acres of land.

As delineated in the office of the Davis County Recorder, the Project Area encompasses all of the parcels detailed in **Table 1**.

TABLE 1: PARCEL LIST

Parcel Id	Parcel Owner	Acres
03-001-0206	YPCBRE LLC	3.54
03-001-0038	YPCBRE LLC	1.67
03-001-0159	C PROPERTIES LLC	0.97
03-001-0171	C STORAGE LLC	6.61
03-001-0043	NICHOLS, GEARY - TRUSTEE	0.26
03-001-0202	ARDENT VENTURES LLC	0.52
03-001-0031	YPCBRE LLC	0.60
Total		14.17

General Statement of Land Uses, Layout of Principal Streets, Population Densities, Building Densities and How They Will be Affected by the Project Area

General Land Uses

The property within the Project Area is currently zoned for commercial use property.

Table 2 summarizes the approximate acreage of existing land uses by land use type.

TABLE 2: LAND USES

Type	Acres	% of Area
Commercial	14.17	100%
Total	14.17	100%

This Project Area Plan is consistent with the General Plan of the City and promotes economic activity by virtue of the land uses contemplated. Any zoning change, amendment or conditional use permit necessary to the successful development contemplated by this Project Area Plan shall be undertaken in accordance with the requirements of the City's Code and all other applicable laws including all goals and objectives in the City's General Plan.

Layout of Principal Streets

The principal street within the Project Area is the I-15 Frontage Road. The Project Area map, provided in **Exhibit B**, shows the principal streets located within the Project Area.

Population Densities

There are no residences within the Project Area, therefore the estimated population density is 0.0 residents per acre.

Building Densities

Currently, more than half of the Project Area contains storage units, additionally the old Tri-City Polaris building is in the Project Area. Building densities will increase as development occurs. The intent of this plan is to promote greater economic utilization of the land area.

Impact of Community Reinvestment on Land Use, Layout of Principal Streets, and Population Densities

Community reinvestment activities within the Project Area will primarily consist of development and economic enhancement of an underutilized area of the City. The types of land uses will include a powersports mall, service, and warehouse facility.

Land Use – It is anticipated that future development within the Project Area will create space for a powersports mall.

Layout of Principal Streets – It is anticipated that the community reinvestment of the Project Area will not alter the layout of principal streets in the area.

Population Densities – The Project Area does not include any residential components. The population density will not be affected by the Project Area. The daytime population of the City will slightly increase as the Project Area is anticipated to create approximately 30 new jobs.

UTAH CODE
§17C-5-105(3)

Standards Guiding the Community Reinvestment

In order to provide maximum flexibility in the development and economic promotion of the Project Area, and to encourage and obtain the highest quality in development and design, specific development controls for the uses identified above are not set forth herein. Each development proposal in the Project Area will be subject to appropriate elements of the City's proposed General Plan; the Zoning Ordinance of the City, including adopted Design Guidelines pertaining to the area; institutional controls, deed restrictions if the property is acquired and resold by the Agency, other applicable building codes and ordinances of the City; and, as required by ordinance or agreement, review and recommendation of the Planning Commission and approval by the Agency.

Each development proposal by an owner, tenant, participant or a developer shall be accompanied by site plans, development data and other appropriate material that clearly describes the extent of proposed development, including land coverage, setbacks, height and massing of buildings, off-street parking and loading, use of public transportation, and any other data determined to be necessary or requested by the Agency or the City.

UTAH CODE
§17C-5-105(4)

How the Purposes of this Title Will Be Attained by Community Development





It is the intent of the Agency, with the assistance and participation of private developers and property owners, to facilitate the development within the Project Area.

UTAH CODE
§17C-5-105(5)

Conformance of the Proposed Development to the Community's General Plan

The proposed Community Reinvestment Project Area Plan and the development contemplated are consistent with the City's proposed General Plan and land use regulations.

UTAH CODE
§17C-5-105(7)

Describe any Specific Project or Projects that are the Object of the Proposed Community Reinvestment

The Project Area is being created to assist with the redevelopment of a highly visible section of the City and the construction of a future powersports mall.

UTAH CODE
§17C-5-105(8)

Method of Selection of Private Developers to Undertake the Community Reinvestment and Identification of Developers Currently Involved in the Process

The City and Agency will select or approve such development as solicited or presented to the Agency and City that meets the development objectives set forth in this plan. The City and Agency retain the right to approve or reject any such development plan(s) that in their judgment do not meet the development intent for the Project Area. The City and Agency may choose to solicit development through an RFP or RFQ process, through targeted solicitation to specific industries, from inquiries to the City, EDC Utah, and/or from other such references.

The City and Agency will ensure that all development conforms to this plan and is approved by the City. All potential developers may need to provide a detailed development plan including sufficient financial information to provide the City and Agency with confidence in the sustainability of the development and the developer. Such a review may include a series of studies and reviews including reviews of the Developer's financial statements, third-party verification of benefit of the development to the City, appraisal reports, etc.

Any participation between the Agency, developers and property owners shall be by an approved agreement.

UTAH CODE
§17C-5-105(9)

Reason for Selection of the Project Area

The Project Area is a highly visible and important section of the City. It is currently underutilized and in a dilapidated state. The Project Area provides an opportunity to reinvest and revitalize this area. Additionally, the Project Area will add a large increase to the community's tax base.



UTAH CODE
§17C-5-105(10)

Description of Physical, Social and Economic Conditions Existing in the Project Area

Physical Conditions

The Project Area consists of approximately 14.17 acres of relatively flat, privately owned land as shown on the Project Area map.

Social Conditions

The Project Area experiences a lack of connectivity and vitality. There are no residential units and no parks, libraries, or other social gathering places in the Project Area. This is in line with the contemplated uses of the area surrounding the Project Area.

Economic Conditions

The Project Area is currently underutilized and in need of reinvestment. The Agency desires to encourage development within the Project Area that will directly benefit the existing economic base of the City, Davis County and other taxing entities.

UTAH CODE
§17C-5-105(11)

Description of any Tax Incentives Offered Private Entities for Facilities Located in the Project Area

Tax increment arising from the development within the Project Area shall be used for public infrastructure improvements, Agency requested improvements and upgrades, both off-site and on-site improvements, land and job-oriented incentives, desirable Project Area improvements, and other items as approved by the Agency. Subject to provisions of the Act, the Agency may agree to pay for eligible costs and other items from taxes during the tax increment period which the Agency deems appropriate under the circumstances.

In general, tax incentives may be offered to achieve the community reinvestment goals and objectives of this plan, specifically to:

-  Foster and accelerate economic development;
-  Stimulate job development;
-  Make needed infrastructure improvements to roads, street lighting, water, storm water, sewer, and parks and open space;
-  Assist with property acquisition and/or land assembly; and
-  Provide attractive development for high-quality tenants.

The Project Area Budget will include specific participation percentages and timeframes for each taxing entity. Furthermore, a resolution and interlocal agreement will formally establish the participation percentage and tax increment period for each taxing entity.

UTAH CODE
§17C-5-105(12)

Anticipated Public Benefit to be Derived from the Community Development



The Beneficial Influences upon the Tax Base of the Community

The beneficial influences upon the tax base of the City and the other taxing entities will include increased property tax revenues, sales tax revenues, job growth, and affordable housing opportunities in the community. The increased revenues will come from the property values associated with new construction in the area, as well as increased land values as the property within the Project Area will no longer be underutilized and/or vacant. Property values include land, buildings and personal property (off-road vehicles, parts, equipment, etc.).

Job growth in the Project Area will result in increased wages, increasing local purchases and benefiting existing businesses in the area. Job growth will also result in increased income taxes paid. Additionally, business growth will generate corporate income taxes.

There will also be a beneficial impact on the community through increased construction activity within the Project Area. Positive impacts will be felt through construction wages paid, as well as construction supplies purchased locally. The nature of the development will attract visitors from outside of the City who will likely make additional purchases that benefit the existing businesses in the area.

The Associated Business and Economic Activity Likely to be Stimulated

Other business and economic activity likely to be stimulated includes increased spending by new and existing residents within the City and employees in the Project Area and in surrounding areas. This includes both direct and indirect purchases that are stimulated by the spending of the additional employees in the area.

Employees may make some purchases in the local area, such as convenience shopping for personal services (haircuts, banking, dry cleaning, etc.). The employees will not make all of their convenience or personal services purchases near their workplace and each employee's purchasing patterns will be different. However, it is reasonable to assume that a percentage of these annual purchases will occur within close proximity of the workplace (assuming the services are available). The City also envisions this area as a future industrial park, this development will further attract new businesses to the area.

Efforts to Maximize Private Investment

The agency has formed a partnership with the developers to realize the vision of this Project Area. It is anticipated that the development will require significant investment of private capital. Creating a CRA will act as a catalyst for the development.

“But For” Analysis

The anticipated development includes numerous extraordinary costs, including land purchase, infrastructure, razing of buildings and other associated redevelopment costs. “But-for” the creation of the CRA and public participation, the costs associated with the development would be too high, and the Project Area would remain in its underutilized state.

Cost/Benefit Analysis

Based on the land use assumptions and tax increment participation levels, the following tables outline the benefits anticipated in the Project Area. As shown below, the proposed community reinvestment will create a net benefit to the City and the other taxing entities that participate in the Project Area. The revenues calculated in this analysis are property, sales, and franchise tax. The expenditures consist of

general government, public safety, public works, and tax increment participation and sales tax from the City. The net benefit is calculated using total revenues minus total expenditures. These numbers are estimates. The final percentages, length, and dollar amounts will be outlined in the adopted interlocal agreements.

TABLE 3: SOURCES OF TAX INCREMENT FUNDS

Entity	Percentage	Length	Total	NPV at 4%
Davis County (Library)	50%	10 Years	\$111,696	\$90,595
Davis School District	50%	10 Years	424,034	343,930
Centerville City	50%	10 Years	66,418	53,871
Weber Basin Water Conservancy District	50%	10 Years	7,324	5,941
Mosquito Abatement District – Davis	50%	10 Years	5,493	4,456
South Davis Sewer District	50%	10 Years	16,424	13,322
South Davis Recreation District	50%	10 Years	11,652	9,451
South Davis Metro Fire Service Area	50%	10 Years	34,402	27,903
Total Sources of Tax Increment Funds			\$677,445	\$549,468

TABLE 4: PROJECT AREA REVENUES

Entity	Property Tax	Sales Tax	Telecom Tax	Franchise Tax	Total Tax Increment Revenues
Davis County (Library)	\$223,392	\$1,455,192		-	\$1,678,584
Davis School District	848,068	-		-	848,068
Centerville City	132,837	4,022,583	3,304	83,891	4,242,615
Weber Basin Water Conservancy District	14,649	-		-	14,649
Mosquito Abatement District – Davis	10,986	-		-	10,986
South Davis Sewer District	32,848	-		-	32,848
South Davis Recreation District	23,305	-		-	23,305
South Davis Metro Fire Service Area	68,804	-		-	68,804
Total Revenue	\$1,354,890	\$5,477,776	\$3,304	\$87,195	\$6,919,861

TABLE 5: PROJECT AREA EXPENDITURES

Entity	CRA Budget	General Government	Public Safety	Public Works	Total Expenditures
Davis County (Library)	\$111,696	\$14,832	-	-	\$126,529
Davis School District	424,034	18,316	-	-	442,350
Centerville City	519,827	39,583	81,892	52,164	693,466
Weber Basin Water Conservancy District	7,324	1,330	-	-	8,654
Mosquito Abatement District – Davis	5,493	69	-	-	5,562
South Davis Sewer District	16,424	529	-	-	16,953
South Davis Recreation District	11,652	3,305	-	-	14,958
South Davis Metro Fire Service Area	34,402	14,796	-	-	49,198
Total Revenue	\$677,445	\$92,759	\$81,892	\$52,164	\$1,357,669

The total net benefit to the taxing entities of participating in the Project Area is Project Area is \$5,562,192 with the City's net benefit being \$3,549,149¹. The costs and benefits and other financial aspects of the Project Area are detailed in the Draft Project Area Budget.



¹ The net benefit does not include the \$7.8 million housing portion of tax increment that will be reinvested into the City.



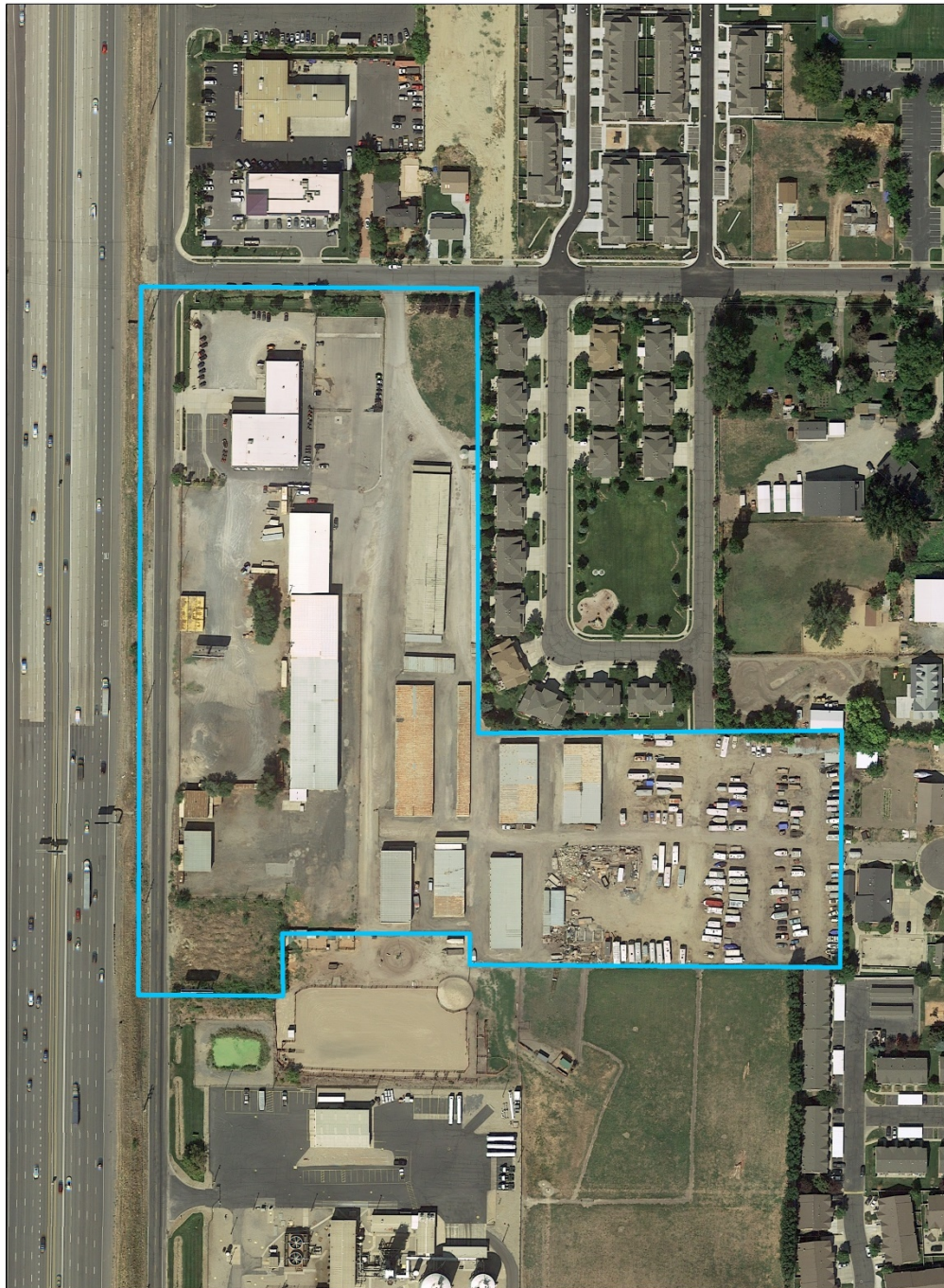
EXHIBIT A: Legal Description of Porter-Walton CRA

BEG AT A PT 111.8908734°W 40.9130596°N (NAD 1983 (2011) StatePlane Utah North FIPS 4301 (US Feet)) TH E 502 FT; TH S 664 FT' TH E 546 FT; TH S 354 FT; TH W 555 FT; TH N 43 FT; TH W 279 FT; TH S 93 FT; TH W 217 FT; TH N 1060 FT TO POB. The above described area contains 14.17 acres, more, or less.

Contains the following parcels: 030010206, 030010038, 030010159, 030010171, 030010043, 030010202, and 030010031



EXHIBIT B: Project Area Map



 Porter-Walton CRA Project Area Boundary



0 65 130 260 Feet

LEWIS & YOUNG
ROBERTSON & BURNINGHAM, INC.



RESOLUTION NO. 2021-06

**RESOLUTION OF THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY
ADOPTING THE PROJECT AREA BUDGET FOR PORTER-WALTON COMMUNITY
REINVESTMENT PROJECT AREA**

WHEREAS, the Redevelopment Agency of Centerville City (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 Porter-Walton Community Reinvestment Project Area Plan (the "Plan") for the Porter-Walton Community Reinvestment Project Area (the "Project Area"); and

WHEREAS, the Plan allows for the Agency to collect tax increment created within the Project Area to assist in the creation of jobs, to meet other goals and objectives as outlined in the Plan, to promote economic development, and provide a public benefit within Centerville City (the "City"); and

WHEREAS, the Agency has prepared a Project Area Budget in accordance with section 17C-5-303 of the Act.

WHEREAS, the Agency has held a public hearing on the draft Project Area Budget and at that hearing allowed public comment on the draft Project Area Budget and whether the draft Project Area Plan should be revised, approved or rejected; 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 Budget, and whether to revise, approve or reject the draft Project Area Budget;

**NOW, THEREFORE BE IT RESOLVED BY THE REDEVELOPMENT AGENCY
OF CENTERVILLE CITY:**

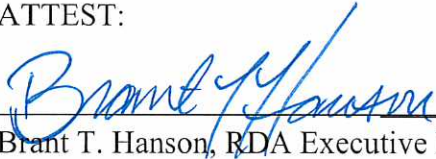
1. The Project Area Budget attached hereto as **Exhibit A**, and together with any changes to the draft Project Area Budget as may be indicated in the minutes of this meeting (if any), is hereby approved, and adopted on the 7th day of December 2021.
2. The Agency staff will include in the annual report, the taking of tax increment from the Porter-Walton Community Reinvestment Project Area beginning with the tax year before the Agency requests funding.
3. The Agency staff is authorized to finalize negotiations with the taxing entities that levy a certified rate in the Project Area, to participate with the Agency in the

implementation and funding of the Budget in accordance with Sections 17C-5-201, 202, 204, 205 and 206 of the Act.



Clark A. Wilkinson, RDA Chair

ATTEST:



Brant T. Hanson, RDA Executive Director



EXHIBIT A: PROJECT AREA BUDGET

DRAFT PROJECT AREA BUDGET

PORTER-WALTON COMMUNITY REINVESTMENT AREA (CRA)

REDEVELOPMENT AGENCY OF
CENTERVILLE CITY, UTAH



NOVEMBER 2021


**LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.**

GATEWAY PLAZA BUILDING - 41 N. RIO GRANDE, STE 101 - SALT LAKE CITY, UT 84101
(P) 801-596-0700 - (TF) 800-581-1100 - (F) 801-596-2800 - WWW.LEWISYOUNG.COM



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SECTION 1: INTRODUCTION

The Redevelopment Agency of Centerville City (the “Agency”), following thorough consideration of the needs and desires of Centerville City (the “City”) and its residents, as well as understanding the City’s capacity for new development, has carefully crafted the Project Area Plan (the “Plan”) for the Porter-Walton Community Reinvestment Project Area (the “Project Area”, or “CRA”). The Plan supports appropriate land-uses and economic development opportunities for the land encompassed by the Project Area which lies within the southern portion of the City, generally to the east of I-15 and south of 400 South, along the Frontage Road

The Plan is envisioned to define the method and means of development for the Project Area from its current state to a higher and better use. The Plan contemplates supporting the development of a powersports mall. The City has determined it is in the best interest of its residents to assist in the development of the Project Area. This **Project Area Budget** document (the “Budget”) is predicated upon certain elements, objectives and conditions outlined in the Plan and is intended to be used as a financing tool to assist the Agency in meeting Plan objectives discussed herein and more specifically referenced and identified in the Plan.

The creation of the Project Area is being undertaken as a community reinvestment project pursuant to certain provisions of Chapters 1 and 5 of the Utah Community Reinvestment Agency Act (the “Act”, Utah Code Annotated (“UCA”) Title 17C). The requirements of the Act, including notice and hearing obligations, have been observed at all times throughout the establishment of the Project Area.

Utah Code
§17C-5-303(4)

Besides this CRA, the Agency only has three project areas in existence, the Parrish Gateway RDA, Legacy Crossing CDA, and the Barnard Creek CDA. The Agency’s incremental value is, therefore, based entirely on the incremental value of these three Project Areas. Once the CRA is created and generating increment, the incremental value generated by the CRA will contribute to the Agency’s total incremental value.

SECTION 2: DESCRIPTION OF COMMUNITY REINVESTMENT PROJECT AREA

Utah Code
§17C-5-303(6)

The Project Area lies within the southern portion of the City, generally to the east of I-15 and south of 400 South, along the Frontage Road. The land is currently zoned commercial and is made up of mostly dilapidated commercial buildings. The Project Area is comprised of approximately 14.17 acres of land.

As delineated in the office of the Davis County Recorder, the Project Area encompasses all of the parcels detailed in Table 2.1. The Agency does not own any of the land contemplated to be included in the Project Area.

TABLE 2.1: PROJECT AREA PARCELS

Parcel Serial Number	Acres
03-001-0206	3.54
03-001-0038	1.67
03-001-0159	0.97
03-001-0171	6.61
03-001-0043	0.26
03-001-0202	0.52
03-001-0031	0.60
Total	14.17

A map of the Project Area is attached hereto in EXHIBIT A.

SECTION 3: GENERAL OVERVIEW OF PROJECT AREA BUDGET

The purpose of the Project Area Budget is to provide the financial framework necessary to implement the Project Area Plan's vision and objectives. This plan of finance is an effort to outline the various construction costs related to private investment and public infrastructure needs that will facilitate the development of the Project Area. Through the investigation and survey process of the Project Area Plan, the Agency determined that tax increment financing is essential to meet the objectives of the Project Area. With the assistance of tax increment, the Agency will be able to revitalize and redevelop this highly visible and important section of the City.

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

Utah Code
§17C-5-
303(1)(a)

Base Taxable Value (Base Year Value)

The Agency has determined that the base year property tax value ("Base Taxable Value") for the Project Area will be the total taxable value for the 2021 tax year which is estimated to be **\$6,082,092**. Using the 2021 tax rates established within the Project Area the property taxes levied equate to \$74,256 annually. Accordingly, this amount will continue to flow through to each taxing entity proportional to the amount of their respective tax rates being levied.

Utah Code
§17C-5-
303(1)(c)

Payment Trigger and Project Area Funds Collection Period

This Project Area Budget will have a ten-year (10) duration from the date of the first tax increment received by the Agency. The collection of tax increment (referred to as the "Project Area Funds Collection Period") will be triggered at the discretion of the Agency prior to March 1 of the tax year in which they intend to begin the Project Area Funds Collection Period. The following year in which this tax increment will be remitted to the Agency will be Year 1, e.g., if requested prior to March 1, 2022, Year 1 of tax increment will be 2023. The Agency anticipates it will trigger the tax increment by March 1, 2023, but in no case will the Agency trigger the first tax increment collection after March 1, 2024.

Utah Code
§17C-5-
303(1)(b)

Projected Tax Increment Revenue – Total Generation

Development within the Project Area will commence upon favorable market conditions and the construction of required infrastructure. The Agency anticipates that new development will begin in the Project Area in 2022. Property tax increment will begin to be generated in the tax year (ending Dec 1st) following construction completion and tax increment will actually be paid to the Agency in March or April after collection. It is projected that property tax increment generation within the Project Area could begin as early as 2023. The budgeting model estimates that during the 10-year life of the Project Area Budget, the Project Area will generate approximately \$1.35M in incremental property tax revenues. This Project Area Budget and the Project Area Plan envision that 50% of the incremental property tax revenue will be necessary to fund redevelopment of the Project Area. A table illustrating how much incremental property tax revenue is contributed by each taxing entity can be found below (**Table 4.2**). This amount is over and above the \$724,681 of base taxes that the property would generate over 10 years.

Utah Code
§17C-5-
303(1)(g)

The Project Area will sunset after the Project Area Funds Collection Period is completed (collection of tax increment for a 10-year period), or once the Agency collects a maximum cumulative dollar amount of property tax increment from the Project Area as outlined in the yet to be adopted interlocal agreements, whichever comes first.

SECTION 4: PROPERTY TAX INCREMENT

Base Year Property Tax Revenue

The taxing entities are currently receiving - and will continue to receive - property tax revenue from the current assessed value of the property within the Project Area ("Base Taxes"). The current assessed value of the Project Area is anticipated to be used for purposes of the Budget and Interlocal Agreements as the Base Taxable Value as defined in the Plan and Act. The current assessed value and proposed base taxable value is estimated to be \$6,082,092. Based upon the tax rates in the area, the collective taxing entities are receiving \$72,468 in property tax annually from this Project Area. This equates to approximately \$724,681 over the ten-year life of the Project Area.

TABLE 4.1: TOTAL BASE YEAR TO TAXING ENTITIES (OVER 10 YEARS)

Entity	Total	NPV at 4%
Davis County	\$87,278	\$70,790
Davis County Library	19,402	15,737
Davis School District	464,793	376,989
Centerville City	72,803	59,049
Weber Basin Water Conservancy District	8,028	6,512
Mosquito Abatement District – Davis	6,021	4,884
South Davis Sewer District	18,003	14,602
South Davis Recreation District	12,772	10,360
South Davis Metro Fire Service Area	35,580	28,859
Total Revenue	\$724,681	\$587,781

Property Tax Increment to be Received by RDA (50% Participation Rate for 10 Years)

All taxing entities that receive property tax generated within the Project Area, as detailed above, will share at least a portion of that property tax increment generation with the Agency. This Budget contemplates that all taxing entities will contribute 50% of their respective tax increment for 20 years. Table 4.2 shows the amount of Tax Increment to be received by the Agency assuming the participation levels discussed above.

TABLE 4.2: SOURCES OF TAX INCREMENT FUNDS (PROPERTY TAX)

Entity	Percentage	Length	Total	NPV at 4%
Davis County	50%	10 Years	\$79,624	\$64,582
Davis County Library	50%	10 Years	32,072	26,013
Davis School District	50%	10 Years	424,034	343,930
Centerville City	50%	10 Years	66,418	53,871
Weber Basin Water Conservancy District	50%	10 Years	7,324	5,941
Mosquito Abatement District – Davis	50%	10 Years	5,493	4,456
South Davis Sewer District	50%	10 Years	16,424	13,322
South Davis Recreation District	50%	10 Years	11,652	9,451
South Davis Metro Fire Service Area	50%	10 Years	34,402	27,903
Total Sources of Tax Increment Funds			\$677,445	\$549,468

Uses of Tax Increment

Most of the tax increment (87%) will be used to facilitate the construction of required redevelopment costs to build a powersports mall. 10% of the project area's tax increment will go towards affordable housing, as

Utah Code
§17C-5-
303(1)(f)

Utah Code
§17C-5-303(3)

outlined in the Act. The remaining 3% will be used to offset the administration costs of the Agency. The County will also use 3% of their 50% of tax increment for administration costs associated with the Project Area.

TABLE 4.3: USES OF TAX INCREMENT

Uses	Total	NPV at 4%
Redevelopment Activities @ 87%	\$586,026	\$475,320
CRA Housing Requirement @ 10%	67,744	54,947
Project Area Administration @ 3%	20,323	16,484
County Administration @ 3% (County's Funds Only)	3,351	2,718
Total Uses of Tax Increment Funds	\$677,445	\$549,468

Utah Code
§17C-5-303(5)

A multi-year projection of tax increment is including in **EXHIBIT B**.

Total Annual Property Tax Revenue for Taxing Entities at Conclusion of Project

As described above, the collective taxing entities are currently receiving approximately \$72,468 in property taxes annually from this Project Area. If the Agency does not support the development's need for assistance with the redevelopment costs, it is unlikely that these developments will take place and the property will remain underutilized and dilapidated.

At the end of the life of the Project Area, the taxing entities will receive 100-percent of their respective tax increment. **Table 4.5** illustrates the property taxes that will be paid at the conclusion of the Project Area.

TABLE 4.4: TOTAL BASE YEAR AND END OF PROJECT LIFE ANNUAL PROPERTY TAXES

Entity	Annual Base Year Property Taxes	Annual Property Tax Increment at Conclusion of Project	Total Annual Property Taxes
Davis County	\$8,728	\$15,925	\$24,653
Davis County Library	1,940	6,414	8,355
Davis School District	46,479	84,807	131,286
Centerville City	7,280	13,284	20,564
Weber Basin Water Conservancy District	803	1,465	2,268
Mosquito Abatement District – Davis	602	1,099	1,701
South Davis Sewer District	1,800	3,285	5,085
South Davis Recreation District	1,277	2,330	3,608
South Davis Metro Fire Service Area	3033,558	6,880	10,438
Total Revenue	\$72,468	\$135,489	\$207,987

SECTION 5: COST/BENEFIT ANALYSIS

Additional Revenues

Other Tax Revenues

The development within the Project Area will also generate sales taxes, telecom taxes, and franchise taxes.

Table 5.1 shows the total revenues generated by the Project Area. This total includes the anticipated property tax increment, sales tax, and transient room tax.

TABLE 5.1: TOTAL REVENUES

Entity	Property Tax	Sales Tax	Telecom Tax	Franchise Tax	Total Tax Increment Revenues
Davis County	\$159,249	\$1,455,192		-	\$1,614,441
Davis County Library	64,143	-		-	64,143
Davis School District	848,068	-		-	848,068
Centerville City	132,837	4,022,583	3,304	83,891	4,242,615
Weber Basin Water Conservancy District	14,649	-		-	14,649
Mosquito Abatement District – Davis	10,986	-		-	10,986
South Davis Sewer District	32,848	-		-	32,848
South Davis Recreation District	23,305	-		-	23,305
South Davis Metro Fire Service Area	68,804	-		-	68,804
Total Revenue	\$1,354,890	\$5,477,776	\$3,304	\$87,195	\$6,919,861

Additional Costs

The development anticipated within the Project Area will also likely result in additional general government, public works, public safety, and other governmental costs. These costs, along with the estimated budget to implement the Project Area Plan, are identified below.

TABLE 5.2: TOTAL EXPENDITURES

Expenditures	CRA Budget	General Government	Public Works	Public Safety	Total Incremental Expenditures
Davis County	\$79,624	\$14,832	-	-	\$94,457
Davis County Library	32,072	-	-	-	32,072
Davis School District	519,827	18,316	-	-	442,350
Centerville City	519,827	39,583	81,892	52,164	693,466
Weber Basin Water Conservancy District	7,324	1,330	-	-	8,654
Mosquito Abatement District – Davis	5,493	69	-	-	5,562
South Davis Sewer District	16,424	529	-	-	16,953
South Davis Recreation District	11,652	3,305	-	-	14,958
South Davis Metro Fire Service Area	34,402	14,796	-	-	49,198
Total Revenue	\$1,130,854	\$92,759	\$81,892	\$52,164	\$1,357,669

Additionally, the City is anticipating sharing a portion of their sales tax increment with the Agency to assist with offsetting some of the development costs. The Agency anticipates collecting 50% of the City's incremental sales tax for a 3-year period. It is currently forecasted to be approximately \$450,000. This figure is reflected in the City's CRA Budget outlined in the Table 5.2

The City's net benefit from the Project Area is estimated to be \$3,549,149. The total net benefit to the taxing entities is therefore, **\$5,562,192**.

TABLE 5.3: NET BENEFIT

Entity	Incremental Revenues	Incremental Expenses	Net Benefit
Davis County	\$1,614,441	\$94,457	\$1,519,984
Davis County Library	64,143	32,072	32,072
Davis School District	848,068	442,350	405,718
Centerville City	4,242,615	693,466	3,549,149
Weber Basin Water Conservancy District	14,649	8,654	5,995
Mosquito Abatement District – Davis	10,986	5,562	5,425
South Davis Sewer District	32,848	16,953	15,896
South Davis Recreation District	23,305	14,958	8,347
South Davis Metro Fire Service Area	68,804	49,198	19,606
Total Revenue	\$6,919,861	\$1,357,669	\$5,562,192

EXHIBIT A: PROJECT AREA MAP



 Porter-Walton CRA Project Area Boundary

LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.



0 65 130 260 Feet



EXHIBIT B: MULTI-YEAR BUDGET

Redevelopment Agency of Centerville City

Porter-Walton CRA
Increment and Budget Analysis

ASSUMPTIONS:	
Discount Rate	4.0%
Inflation Rate	0.0%

INCREMENTAL TAX ANALYSIS:		Payment Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034		
		Tax Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	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		
Real Property Value (Building & Land)			\$14,316,298	\$14,316,298	\$14,316,298	\$14,316,298	\$14,316,298	\$14,316,298	\$14,316,298	\$14,316,298	\$14,316,298	\$14,316,298		
Personal Property Value			\$2,863,260	\$2,863,260	\$2,863,260	\$2,863,260	\$2,863,260	\$2,863,260	\$2,863,260	\$2,863,260	\$2,863,260	\$2,863,260		
Total Assessed Value:			\$17,179,558	\$17,179,558	\$17,179,558	\$17,179,558	\$17,179,558	\$17,179,558	\$17,179,558	\$17,179,558	\$17,179,558	\$17,179,558		
Less Current Property Value			(\$6,082,092)	(\$6,082,092)	(\$6,082,092)	(\$6,082,092)	(\$6,082,092)	(\$6,082,092)	(\$6,082,092)	(\$6,082,092)	(\$6,082,092)	(\$6,082,092)		
TOTAL INCREMENTAL VALUE:			\$11,097,466	\$11,097,466	\$11,097,466	\$11,097,466	\$11,097,466	\$11,097,466	\$11,097,466	\$11,097,466	\$11,097,466	\$11,097,466		
TAX RATE & INCREMENT ANALYSIS:		2021 Rates												
Davis County		0.001435	15,925	15,925	15,925	15,925	15,925	15,925	15,925	15,925	15,925	15,925	159,249	129,165
Davis County Library		0.000578	6,414	6,414	6,414	6,414	6,414	6,414	6,414	6,414	6,414	6,414	64,143	52,026
Davis School District		0.007642	84,807	84,807	84,807	84,807	84,807	84,807	84,807	84,807	84,807	84,807	848,068	687,859
Centerville City		0.001197	13,284	13,284	13,284	13,284	13,284	13,284	13,284	13,284	13,284	13,284	132,837	107,742
Weber Basin Water Conservancy District		0.000132	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	1,465	14,649	11,881
Mosquito Abatement District - Davis		0.000099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	1,099	10,986	8,911
South Davis Sewer District		0.000296	3,285	3,285	3,285	3,285	3,285	3,285	3,285	3,285	3,285	3,285	32,848	26,643
South Davis Recreation District		0.000210	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	23,305	18,902
South Davis Metro Fire Service Area		0.000620	6,880	6,880	6,880	6,880	6,880	6,880	6,880	6,880	6,880	6,880	68,804	55,806
TOTAL INCREMENTAL REVENUE IN PROJECT AREA:		0.012209	\$135,489	\$135,489	\$135,489	\$135,489	\$135,489	\$135,489	\$135,489	\$135,489	\$135,489	\$135,489	\$1,354,890	\$1,098,937
PROJECT AREA BUDGET														
Sources of Funds:		Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTALS	NPV
Property Tax Participation Rate for Budget														
Real Property Value (Building & Land)			50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%		
Property Tax Increment for Budget														
Davis County			\$7,962	\$7,962	\$7,962	\$7,962	\$7,962	\$7,962	\$7,962	\$7,962	\$7,962	\$7,962	\$79,624	\$64,582
Davis County Library			\$3,207	\$3,207	\$3,207	\$3,207	\$3,207	\$3,207	\$3,207	\$3,207	\$3,207	\$3,207	\$32,072	\$26,013
Davis School District			\$42,403	\$42,403	\$42,403	\$42,403	\$42,403	\$42,403	\$42,403	\$42,403	\$42,403	\$42,403	\$424,034	\$343,930
Centerville City			\$6,642	\$6,642	\$6,642	\$6,642	\$6,642	\$6,642	\$6,642	\$6,642	\$6,642	\$6,642	\$66,418	\$53,871
Weber Basin Water Conservancy District			\$732	\$732	\$732	\$732	\$732	\$732	\$732	\$732	\$732	\$732	\$7,324	\$5,941
Mosquito Abatement District - Davis			\$549	\$549	\$549	\$549	\$549	\$549	\$549	\$549	\$549	\$549	\$5,493	\$4,456
South Davis Sewer District			\$1,642	\$1,642	\$1,642	\$1,642	\$1,642	\$1,642	\$1,642	\$1,642	\$1,642	\$1,642	\$16,424	\$13,322
South Davis Recreation District			\$1,165	\$1,165	\$1,165	\$1,165	\$1,165	\$1,165	\$1,165	\$1,165	\$1,165	\$1,165	\$11,652	\$9,451
South Davis Metro Fire Service Area			\$3,440	\$3,440	\$3,440	\$3,440	\$3,440	\$3,440	\$3,440	\$3,440	\$3,440	\$3,440	\$34,402	\$27,903
Total Property Tax Increment for Budget:			\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$677,445	\$549,468
Uses of Tax Increment Funds:			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTALS	NPV
Redevelopment Activities (Infrastructure, Incentives,		87.0%	\$58,603	\$58,603	\$58,603	\$58,603	\$58,603	\$58,603	\$58,603	\$58,603	\$58,603	\$58,603	\$586,026	\$475,320
CRA Housing Requirement		10.0%	\$6,774	\$6,774	\$6,774	\$6,774	\$6,774	\$6,774	\$6,774	\$6,774	\$6,774	\$6,774	\$67,744	\$54,947
County Administration (County TIF Only)		3.0%	\$335	\$335	\$335	\$335	\$335	\$335	\$335	\$335	\$335	\$335	\$3,351	\$2,718
RDA Administration (3.0%)		3.0%	\$2,032	\$2,032	\$2,032	\$2,032	\$2,032	\$2,032	\$2,032	\$2,032	\$2,032	\$2,032	\$20,323	\$16,484
Total Uses			\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$677,445	\$549,468
REMAINING TAX REVENUES FOR TAXING ENTITIES			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTALS	NPV
Davis County			\$7,962	\$7,962	\$7,962	\$7,962	\$7,962	\$7,962	\$7,962	\$7,962	\$7,962	\$7,962	\$79,624	\$64,582
Davis County Library			\$3,207	\$3,207	\$3,207	\$3,207	\$3,207	\$3,207	\$3,207	\$3,207	\$3,207	\$3,207	\$32,072	\$26,013
Davis School District			\$42,403	\$42,403	\$42,403	\$42,403	\$42,403	\$42,403	\$42,403	\$42,403	\$42,403	\$42,403	\$424,034	\$343,930
Centerville City			\$6,642	\$6,642	\$6,642	\$6,642	\$6,642	\$6,642	\$6,642	\$6,642	\$6,642	\$6,642	\$66,418	\$53,871
Weber Basin Water Conservancy District			\$732	\$732	\$732	\$732	\$732	\$732	\$732	\$732	\$732	\$732	\$7,324	\$5,941
Mosquito Abatement District - Davis			\$549	\$549	\$549	\$549	\$549	\$549	\$549	\$549	\$549	\$549	\$5,493	\$4,456
South Davis Sewer District			\$1,642	\$1,642	\$1,642	\$1,642	\$1,642	\$1,642	\$1,642	\$1,642	\$1,642	\$1,642	\$16,424	\$13,322
South Davis Recreation District			\$1,165	\$1,165	\$1,165	\$1,165	\$1,165	\$1,165	\$1,165	\$1,165	\$1,165	\$1,165	\$11,652	\$9,451
South Davis Metro Fire Service Area			\$3,440	\$3,440	\$3,440	\$3,440	\$3,440	\$3,440	\$3,440	\$3,440	\$3,440	\$3,440	\$34,402	\$27,903
Total			\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$67,744	\$677,445	\$549,468

Notes: The values, calculated increments, and years are estimates only.



CENTERVILLE
city

REDEVELOPMENT AGENCY

Staff Report
4/5/2022

Item No. 2.

Title: Participation Agreement - Porter-Walton CRA - YPCBRE, LLC (Young Powersports) and RDA

Initiated By: Jacob Smith, Administrative Services Director

Staff Representative: Jacob Smith, Administrative Services Director

SUBJECT:

Participation Agreement between YPCBRE, LLC (Young Powersports) and the RDA for Porter-Walton CRA

RECOMMENDATION:

Approve the Participation Agreement between YPCBRE, LLC and the Redevelopment Agency of Centerville City for the Porter-Walton CRA.

BACKGROUND:

Young Powersports has initiated the redevelopment of property located along South Frontage Road. They have put together a pro forma that shows the need for some financial assistance. The RDA has been working with Lewis Young Robertson Birmingham to create the Porter-Walton CRA to assist Young Powersport with their request. This proposed agreement outlines the need for financial assistance and the proposed timeline and mechanisms for collecting and refunding property and sales tax to Young Powersports.

ATTACHMENTS:

1. Porter-Walton CRA Presentation
2. Young Powersports Participation Agreement

REDEVELOPMENT AGENCY OF CENTERVILLE CITY
PORTER-WALTON
COMMUNITY REINVESTMENT AREA
APRIL 2022



DISCUSSION & OVERVIEW OF INTERLOCAL AGREEMENTS AND PARTICIPATION AGREEMENT

Discussion Points and Action Items

1. Incremental Tax Revenues
2. “But-for” Analysis and Public Participation Justification
3. Interlocal Agreement Structure
4. Participation Agreement Structure
5. Cost/Benefit Analysis of Participation Agreement
6. Agency Governing Board to Consider and Adopt Interlocal Agreements between Agency and Taxing Entities



DEVELOPMENT RENDERING





REQUESTED PARTICIPATION FROM TAXING ENTITIES

ENTITY	PERCENTAGE	LENGTH
Davis County (Library)	50%	15 Years
Davis School District	50%	15 Years
Centerville City	Property Tax: 50% Sales Tax: 50%	Property Tax: 15 Years Sales Tax: 5 Years
Weber Basin Water Conservancy District	50%	15 Years
Mosquito Abatement District – Davis	50%	15 Years
South Davis Sewer District	50%	15 Years
South Davis Recreation District	50%	15 Years
South Davis Metro Fire Service Area	50%	15 Years

BASE YEAR TAXES

- ASSUMPTIONS:**
 - Estimated Base Year Tax Value: **\$6,082,092**
 - \$72,468** Annual Base Year Tax for 15 Years

ENTITY	ANNUAL PROPERTY TAX	15 YEAR TOTAL
Davis County (Library)	\$10,668	\$160,020
Davis School District	46,479	697,190
Centerville City	7,280	109,204
Weber Basin Water Conservancy District	803	12,043
Mosquito Abatement District – Davis	602	9,032
South Davis Sewer District	1,800	27,004
South Davis Recreation District	1,277	19,159
South Davis Metro Fire Service Area	3,558	53,370
Total Sources of Tax Increment Funds	\$72,468	\$1,087,022

PASS-THROUGH INCREMENT TO TAXING ENTITIES

- ASSUMPTIONS:**
 - Incremental assessed value of \$11,097,466
 - 50% of TIF for 15 Years

ENTITY	ANNUAL PROPERTY TAX	15 YEAR TOTAL
Davis County (Library)	\$11,170	\$167,544
Davis School District	42,403	636,051
Centerville City	6,642	99,627
Weber Basin Water Conservancy District	732	10,986
Mosquito Abatement District – Davis	549	8,240
South Davis Sewer District	1,642	24,636
South Davis Recreation District	1,165	17,479
South Davis Metro Fire Service Area	3,440	51,603
Total Sources of Tax Increment Funds	\$67,744	\$1,016,167

ESTIMATED SOURCES OF TAX INCREMENT

- ASSUMPTIONS:**
 - Incremental assessed value of \$11,097,466
 - 50% of TIF for 15 Years

ENTITY	ANNUAL PROPERTY TAX	15 YEAR TOTAL
Davis County (Library)	\$11,170	\$167,544
Davis School District	42,403	636,051
Centerville City	6,642	99,627
Weber Basin Water Conservancy District	732	10,986
Mosquito Abatement District – Davis	549	8,240
South Davis Sewer District	1,642	24,636
South Davis Recreation District	1,165	17,479
South Davis Metro Fire Service Area	3,440	51,603
Total Sources of Tax Increment Funds	\$67,744	\$1,016,167

ESTIMATED USES OF TAX INCREMENT

- ASSUMPTIONS:**
 - Incremental assessed value of \$11,097,466
 - 50% of TIF for 15 Years

USES	AMOUNT	NPV (4.0%)
Redevelopment Activities (87%)	\$879,039	\$651,567
CRA Housing Requirement (10%)	101,617	75,321
RDA Administration (3%)	30,485	22,596
County Administration (County TIF Only)	5,026	3,726
Total Uses of Tax Increment Funds	\$1,016,167	\$753,209



SALES TAX PARTICIPATION

- **ASSUMPTIONS:**
 - Average Annual Gross Taxable Sales: \$62,110,781
 - Average City Sales Tax: \$369,201
 - Average City RAP Sales Tax: \$62,111
 - **Participation Request:** 50% of City Point of Sale Sales Tax for 5 Years

ASSUMPTION	AMOUNT
City Sales Tax to Agency (50%, 5 Years)	\$793,307
Remaining City Sales Tax (15 Years)	\$4,744,707
City RAP Sales Tax (15 Years)	\$931,662
Total City Sales Tax (15 Years)	\$5,676,369
Annual Combined City Sales Tax at Conclusion of TIF Period	\$513,882



“BUT FOR” EXPENSES

EXPENSE	AMOUNT
Demolition of Tri City	\$165,000
Flood Plain Study	85,000
Culinary Waterline Upgrades	350,000
Additional Land Purchase or Lease for City Parking Requirements	600,000
Additional Asphalt on East Right of Way	150,000
Total “But For” Expenses	1,350,000
Other Infrastructure and Land Improvement Costs	\$10,050,000



“BUT FOR” EXPENSES (CENTERVILLE SITE VS. OGDEN RENOVATION)

EXPENSE	CENTERVILLE	OGDEN	DIFFERENCE
Construction Hard Costs	\$22,492,914	\$13,563,700	\$8,929,214
Architect/Engineer	747,600	487,000	260600
Contingency	625,000	400,000	225,000
Winter Conditions – Allowance	125,000	45,000	80,000
Property Costs	4,600,000	5,800,000	(1,200,000)
Total “But For” Expenses	1,350,000	-	1,350,000
Loss of Asset Cost	1,600,000	-	1,600,000
Permit/Fees	230,000	125,000	105,000
RM Vaults/Pull Boxes	111,845	34,000	77,845
Contractors Fee	2,508,135	1,465,470	1,042,665
Total	\$34,389,495	\$21,920,170	\$12,469,325



PARTICIPATION AGREEMENT STRUCTURE

- While the Centerville site is projected to be \$12.47M more expensive than the comparable Ogden site, Young Powersports has indicated that their gap is approximately \$4.50M to receive the needed IRR compared to the Ogden site. This factors in the added benefit of Centerville’s closer proximity to the Salt Lake Market. To date, the work on the property has been directly tied to site improvements.

ASSUMPTION	AMOUNT
Property Tax Increment (87% of TIF)	\$879,039
Sales Tax Increment (50%, 5 Years)	793,307
Total Participation to Young Powersports	1,672,346
Participation Agreement Cap	\$4,500,000*

* LYRP forecasts the Participation Agreement, as outlined above, will generate approximately \$1.67M. Young Powersports has requested that the overall Participation Agreement Cap be reflective of their identified gap of \$4,500,000, in the event they outperform their gross taxable sales assumptions.

NET BENEFIT OF PROJECT AREA

- **NET BENEFITS:**
 - Net Benefit to Taxing Entities : \$8,800,228
 - Net Benefit to City: \$5,637,637

Entity	Incremental Revenues	Incremental Expenses	Net Benefit
Davis County	\$2,568,027	\$142,616	\$2,425,411
Davis County Library	96,215	48,108	48,108
Davis School District	1,272,102	664,675	607,428
Centerville City	6,808,494	1,170,858	5,637,637
Weber Basin Water Conservancy District	21,973	13,064	8,909
Mosquito Abatement District – Davis	16,480	8,347	8,133
South Davis Sewer District	49,273	25,462	23,810
South Davis Recreation District	34,957	22,644	12,313
South Davis Metro Fire Service Area	103,206	74,726	28,480
Total Revenue	\$10,970,728	\$2,170,500	\$8,800,228

NEXT STEPS

- Agency Governing Board considers and adopts interlocal agreements with taxing entities
- Taxing Entities to continue consideration of Interlocal Agreements to participate in CRA
- Gather and publish summary of Interlocal Agreements in Newspaper
- Agency Governing Board considers and adopts participation agreement with Young Powersports and any amended interlocal agreements as needed.

PARTICIPATION AGREEMENT

This **PARTICIPATION AGREEMENT** (this “Agreement”) is entered into as of ____ day of _____, 2022, between **YPCBRE, LLC**, a Utah limited liability company, 461 S Frontage Road, Centerville, Utah 84014 (the “Company”) and the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a community reinvestment agency and political subdivision of the State of Utah (the “Agency”):

RECITALS:

- A. The Company currently owns certain real property known by the common street address of 695 West 400 South, Centerville, UT 84014 (known currently as Davis County parcel id no. 03-001-0206, 03-001-0038, and 03-001-0031) (the “Property”), which Property is located within the boundaries of a community reinvestment area created by the Agency and known as the Porter-Walton Community Reinvestment Project Area (the “Project Area”);
- B. The Company intends to construct, open and operate a powersports mall on the Property, which would be of great benefit to the Project Area and to Centerville City and its residents;
- C. The Company has presented to the Agency sufficient information, including development plans and alternatives, and a projected financing pro forma, showing justification for the Agency’s participation in the opening of the powersports mall on the Property;
- D. The Agency has adopted and authorized the Porter-Walton Community Reinvestment Plan and Budget (the “Plan” and “Budget”), which in connection with Utah Code Ann. § 17C-1-405, authorizes the Agency to collect and use tax increment and other agency funds for, among other things, the purposes of this Agreement;
- E. Due to its location within the Project Area, the Property generates tax increment and other agency funds that may be diverted to the Agency under the Plan and as provided in Utah Code Ann. § 17C-5-202;
- F. The Agency has or will enter into Interlocal Cooperation Agreements (the “Taxing Entity Interlocal Agreements”) with various taxing entities in the Project Area under which, in summary, the taxing entities have agreed that the Agency is entitled to receive a portion of the incremental property tax revenues generated on the Property;
- G. Centerville City, Utah, has entered into an Interlocal Cooperation Agreement (the “City Interlocal Agreement”) with the Agency under which, in summary, the City has agreed that the Agency is entitled to receive a portion of the sales tax revenues generated from taxable sales on the Property and paid to the City, in an amount sufficient to enable the Agency to meet its potential payment obligations to the Company under this Agreement relating to sales tax revenues; and
- H. The Agency is, subject at all times to the prior performance of the Company as described below, willing to provide a portion of the incremental property tax and sales tax revenues generated

from the Property (and actually received by the Agency each year) to the Company in order to open and operate a powersports mall on the Property.

AGREEMENT:

NOW THEREFORE, in consideration of the mutual covenants, conditions, and considerations as more fully set forth below, the parties hereby agree as follows:

1. **Company Commitments.** Notwithstanding anything in this Agreement to the contrary, the Company shall not be entitled to receive any payment(s) from the Agency under this Agreement unless the Company satisfies, and continues to satisfy during the term of this Agreement, and the Company agrees to perform, each of the following conditions precedent:

- a) The Company opens and begins operating a powersports mall on the Property before December 31, 2023;
- b) The Company causes the powersports mall on the Property to remain open for regular business from day-to-day for the duration of this Agreement, meaning that the powersports mall operates consistently and regularly, without prolonged interruption unless the interruption is caused by acts or events entirely beyond the ability of the Company to control or influence, according to usual and customary business practices for other powersports dealerships located in Davis County; and
- c) The Company timely and properly pays all taxes assessed on or generated from the Property, including but not necessarily limited to real property, personal property, *ad valorem*, and sales taxes, to the appropriate taxing authorities

2. **Post-Performance Tax Incentives.** The Agency agrees to contribute to the Company the following annual financial incentives, on a reimbursement basis, for a portion of the costs of acquiring the Property and operating a powersports mall on the Property:

a) *Annual Incremental Property Tax Payment.*

- i. The Agency will pay to the Company on an annual basis, solely from incremental property tax revenues actually received by the Agency under the Taxing Entity Interlocal Agreements, an amount equal to 87% of the incremental property tax revenue generated from the Property and actually received by the Agency each year, for the life of the Project Area, which is anticipated to be fifteen (15) years, or until a reimbursement cap amount of \$4,500,000 (the “Reimbursement Cap Amount”) is reached, whichever comes first. For clarification purposes, incremental property tax revenues are based on the taxes collected off the incremental assessed values of the Property. The incremental assessed value is calculated by taking the current year’s assessed value for each parcel and subtracting the base year value of the respective parcel. The base year values for the parcels in the Property are:

- Parcel 03-001-0206 - \$1,572,259
- Parcel 03-001-0038 - \$1,450,783
- Parcel 03-001-0031 - \$204,531
- **Total Property Base Year Value - \$3,227,573**

b) Annual Sales Tax Payment.

- i. The Agency will pay to the Company on an annual basis, solely from sales tax revenues actually received by the Agency under the City Interlocal Agreement, an amount equal to 50% of the sales tax revenue generated by taxable sales at the Property and actually received by the City and paid to the Agency each year, for a period of five (5) years, or until the Reimbursement Cap Amount is reached, whichever comes first.
- ii. The Reimbursement Cap Amount of \$4,500,000 is based on the projected shortfall needed to acquire the Property and operate the powersports mall. To receive any financial incentives, the construction on the Property must commence and be completed by December 31, 2023.

3. **Timing of Annual Incentive Payments.** The Agency will make the first Annual Incremental Property Tax Payment within thirty days after the Agency receives from Davis County (the “County”) the tax increment payment as outlined in the Taxing Entity Interlocal Agreements. For informational purposes, it is estimated the Agency will receive this payment from the County in March and will likely pay the Annual Property Tax Payment in April each year. The Annual Property Tax Payment shall be based on the property tax revenue generated on the Property for the previous tax year. So, for example, the first Annual Property Tax Payment will be made in approximately April 30, 2025, and the payment will apply to the property tax generated from the 2024 property taxes payments, and so on for each successive year for the life of the Project Area, or until the Reimbursement Cap Amount is reached, whichever comes first.

The Agency will make the first Annual Sales Tax Payment within thirty days after the Agency receives from the City the sales tax payment as outlined in the City Interlocal Agreement. For informational purposes, it is estimated the Agency will receive this payment from the City in February, which means the Agency will likely pay the Annual Sales Tax Payment around March or April each year. The Annual Sales Tax Payment shall be based on the sales tax revenue generated on the Property for the previous tax year. So, for example, the first Annual Sales Tax Payment will be made in approximately March or April of 2025, and the payment will apply to the sales tax generated from January 1, 2024, to December 31, 2024, and so on for each successive year for a total of five years, or until the Reimbursement Cap Amount is reached, whichever comes first. The Company will have a three-year period from the year operations commence to trigger the Annual Sales Tax Payment.

4. **Agency Authority.** The Company acknowledges that the Agency is a political subdivision of the State of Utah operating and existing under Title 17C of the Utah Code Ann., separate and distinct from Centerville City, for the purpose of, among other things, promoting the urban renewal, economic development, community development & community reinvestment in the City. The Company acknowledges that Centerville City is not a party to this Agreement and Centerville City will not have

any duties, liabilities or obligations under this Agreement. The Company understands that the Agency has no independent taxing power, and therefore the Agency's sole source of revenue is incremental property tax and sales tax revenues provided by taxing entities under interlocal cooperation agreements. If Utah law is amended or superseded by new law to reduce or eliminate the amount of revenues to be paid to the Agency, the Agency's obligation is to pay the Annual Post Performance Incentive Tax Payments to the Company shall be accordingly reduced or eliminated. Similarly, if a court of competent jurisdiction declares that the Agency cannot receive incremental property tax or sales tax revenues, or make payments to the Company from incremental property tax or sales tax revenues as provided in this Agreement, or takes any other action which eliminates or reduces the amount of incremental property tax or sales tax revenues paid to the Agency, the Agency's obligation to make Annual Post Performance Incentive Tax Payments to the Company shall be accordingly reduced or eliminated.

5. **Agreement Term/Breach/Termination.** This Agreement shall automatically terminate and expire upon payment of the final Annual Post Performance Incentive Tax Payment or until the Reimbursement Cap Amount has been reached, whichever comes first. This Agreement may also be terminated earlier as follows: Upon the material breach of this Agreement by either party, the non-breaching party may provide notice to the breaching party. The breaching party shall have 30 days to cure the breach, and if the breach is not cured, the non-breaching party may then terminate this Agreement by providing notice to the breaching party.

6. **Successors and Assigns.** This Agreement shall be binding upon the parties and their respective successors and assigns. The Company may assign this Agreement so long as the assignee is equally as qualified as the Company to operate a powersports mall on the Property and to comply in all other respects material to this Agreement, and assignees signs an Assignment and Assumption Agreement with the Agency prior to assignment of rights and obligations under the Agreement.

7. **Amendments.** Except as otherwise provided herein, this Agreement may be modified or amended by, and only by, a written instrument duly authorized and executed by the Company and the Agency.

8. **Governing Law and Interpretation.** This Agreement shall be governed by the laws of the State of Utah, and any action pertaining hereto shall be brought in the applicable state or federal court having jurisdiction in Davis County, Utah.

9. **Incorporation of Recitals and Exhibits.** The above recitals and each of the Exhibits attached hereto are hereby incorporated and made an integral and binding part of this Agreement.

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

11. **Indemnification.** The Company shall indemnify, defend (with counsel of the indemnitee's choosing), and hold the Agency and Centerville City (including their respective officers, directors, agents, employees, contractors, and consultants) harmless from and against all liability, loss, damage, costs or expenses, including attorney's fees and court costs, arising from or as a result of death, injury, accident, loss or damage of any kind caused to any person or property because of the act(s), error(s), or omission(s) of the Company (including its officers, directors, agents, employees, contractors, and

consultants) upon or in connection with the Property of in connection in any way with this Agreement.

12. **Third-Party Beneficiaries.** Except for Centerville City which is an intended third-party beneficiary as described in the immediately preceding paragraph regarding indemnification, this Agreement is intended solely for the benefit of the Agency and the Company and there are no intended third party beneficiaries.

13. **Nonliability of Officials or Employees.** No director, officer, agent, employee, or consultant of the Agency or the Company shall be personally liable to the other party hereto, or any successor in interest, in the event of any default or breach by the Agency or Company or for any amount which may become due to the Company or its successors or on any obligations under the terms of this Agreement.

14. **No Legal Relationships.** The parties disclaim any partnership, joint venture, fiduciary, agency or employment status or relationship between them. No party has the authority to make any representation or warranty or incur any obligation or liability on behalf of the other party, nor shall they make any representation to any third party inconsistent with this paragraph.

(The remainder of the page is intentionally left blank.)

THIS AGREEMENT IS EXECUTED to be effective as of the day and year first above written.

AGENCY: REDEVELOPMENT AGENCY OF
CENTERVILLE,
a Utah political subdivision

By: _____
Clark Wilkinson, Agency Chair

Agency Recorder

COMPANY: YPCBRE, LLC
a Utah company;

By: _____
Name:
Title:

ATTEST:



CENTERVILLE
city

REDEVELOPMENT AGENCY

Staff Report
4/5/2022

Item No. 3.

Title: CenterPoint Theatre Lighting Alterations

Initiated By: Jansen Davis

Staff Representative: Brant Hanson, City Manager

SUBJECT:

Consider Lighting Alterations for CenterPoint Legacy Theatre

RECOMMENDATION:

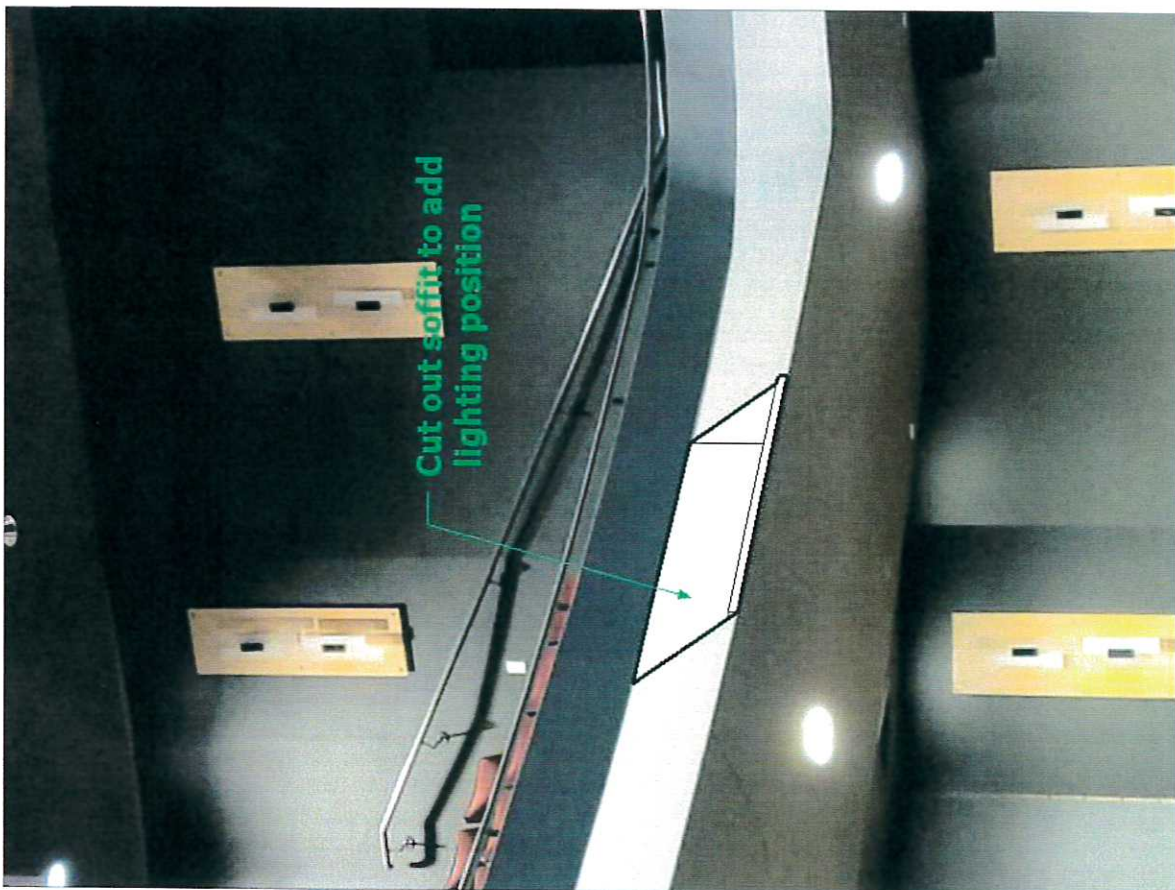
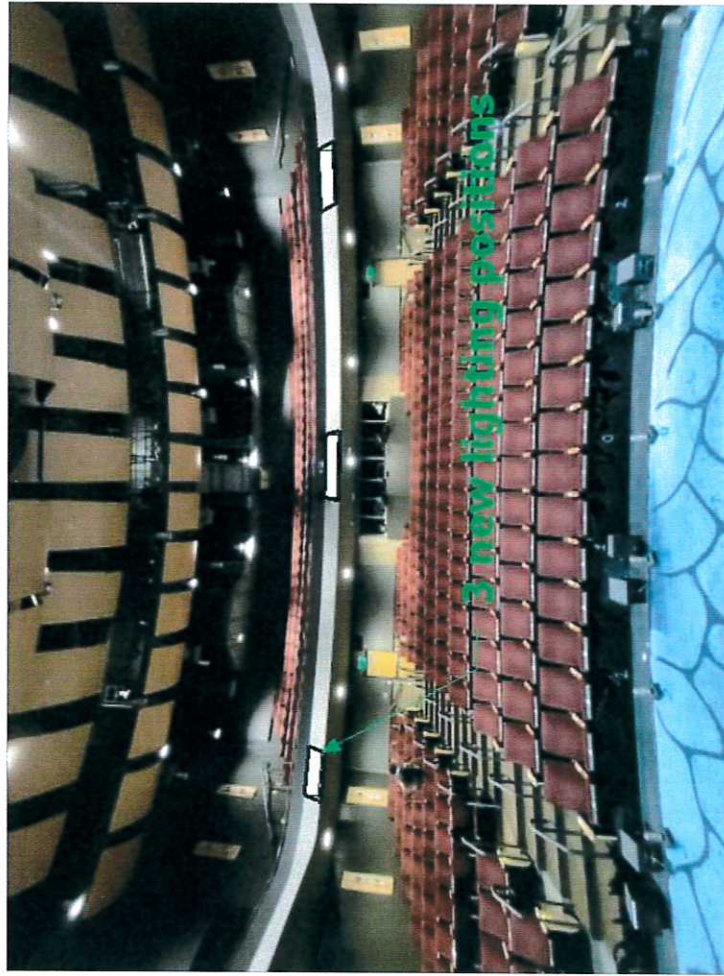
Authorize Written Approval for CenterPoint Theatre to Make Lighting Alterations.

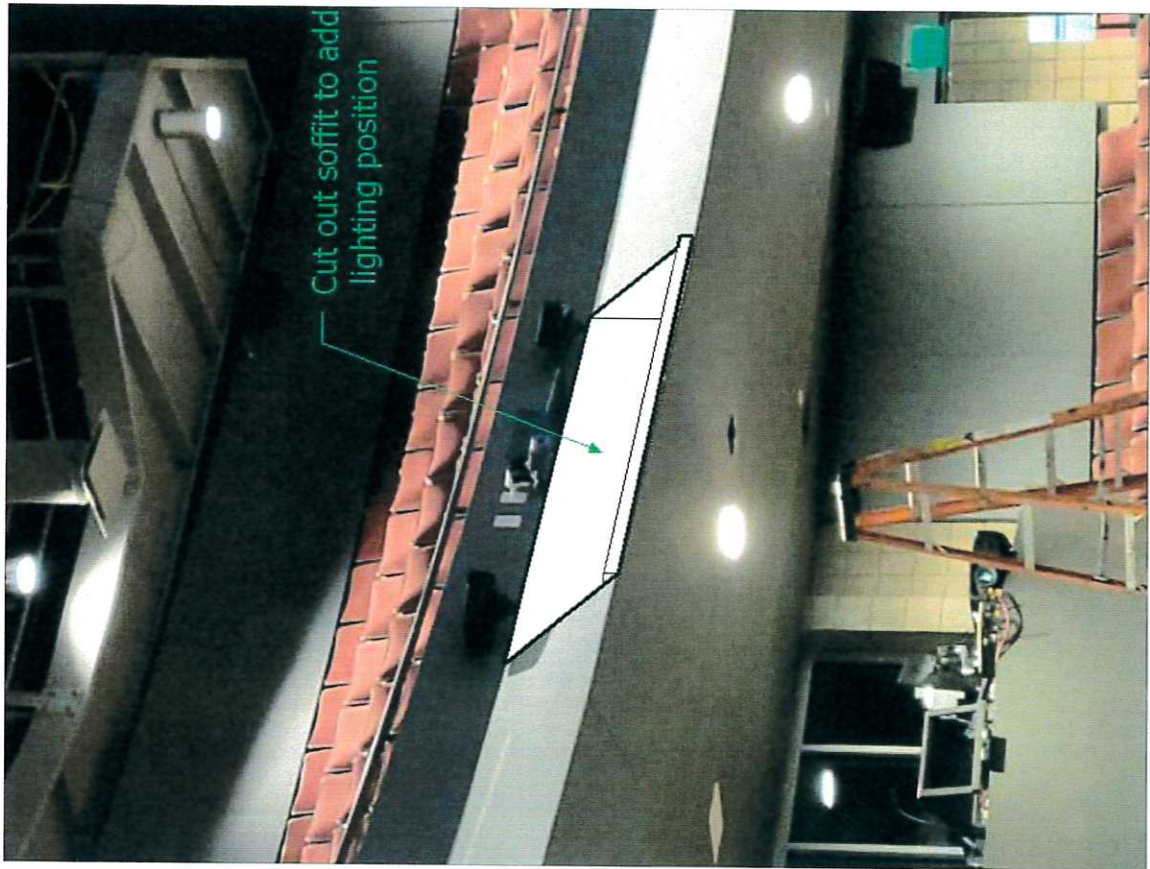
BACKGROUND:

CenterPoint Theatre would like to make some lighting alterations. See attached photos.

ATTACHMENTS:

1. Lighting Alterations
2. CPT Lease Agreement - Section 57 - Alterations, Improvements and Additions
3. CPT Lease Agreement - Section 60 - Electrical Wiring and Plumbing





57. Alterations, Improvements and Additions. The Association may make any alterations, improvements or additions to the Theatre or Site, at its sole cost and expense, subject to the prior written approval of the RDA. Prior to making any alterations, improvements or additions, the Association shall submit to the RDA, for review and approval, all schematic designs, design development drawings, and final working drawings and specifications for the undertaking of any and all construction, improvement, alteration, or addition in or on any portion of the Theatre or Site. All such designs, drawings, and plans shall be prepared by a licensed architect or engineer and shall contain the architect or engineer's signature and seal. The approval of such designs, drawings, and plans by the RDA shall not constitute an opinion or representation by the RDA as to their compliance with any law or ordinance or their adequacy for other than the RDA's purposes, and such approval shall not create or form the basis of any liability on the part of the RDA or any of its officers, employees, or agents for any injury or damage resulting from any inadequacy or error therein or for any failure to comply with applicable laws or ordinances. Any approvals by the RDA pursuant to this Section shall be in addition to (and not in lieu of) any other approvals required under applicable state and local building, fire, or life safety codes and Centerville City Ordinances. Subject to the priority and use provisions of Section 26 regarding the RDA Reserve Fund, the Association may request assistance from the RDA through the use of funds in the RDA Reserve Fund for any alterations, improvements or additions to the Theatre or Site. In addition to the traffic and parking alterations reserved to the RDA in Section 39, the RDA reserves the exclusive right to change, in any manner whatsoever, the number, appearance, dimension, and location of the walks, landscaping, parking and service areas on the Site. The RDA may use the RDA Reserve Fund for such changes to the Site.

60. Electrical Wiring and Plumbing. In addition to the utility connection provision of Section 38, no change shall be made to any permanent electrical wiring or other utility serving the Theatre prior to written approval from the RDA. Any approved alterations shall be made by a properly licensed electrical contractor or electrician, or plumbing contractor or plumber. The Association may modify or install temporary wiring or lighting as may be necessary to stage productions in the Theatre, provided that such wiring or lighting is in compliance with all applicable codes and regulations.



REDEVELOPMENT AGENCY

Staff Report
4/5/2022

Item No. 1.

Title: Minutes Review and Approval

Initiated By:

Staff Representative:

SUBJECT:

January 18, 2022 RDA Minutes

RECOMMENDATION:

Approve the minutes as presented

BACKGROUND:

ATTACHMENTS:

1. 1-18-22 RDA Minutes

Minutes of the **Redevelopment Agency of Centerville** meeting held Tuesday, January 18, 2022 at 6:45 p.m. with participants present at Centerville City Hall, 250 North Main Street.

DIRECTORS PRESENT

Gina Hirst
William Ince
George McEwan
Robyn Mecham
Spencer Summerhays
Clark Wilkinson, Chair

STAFF PRESENT

Brant Hanson, RDA Executive Director
Lisa Romney, City Attorney
Jennifer Hansen, City Recorder
Nate Plaizier, Finance Director
Bryce King, Recreation Coordinator
Jacob Smith, Administrative Services Director

VISITORS

Jansen Davis, CPT Executive Director
Holly Reid, CPT Marketing/Public Relations Specialist

CENTERPOINT THEATRE BUILDING ADDITION

CenterPoint Executive Director Jansen Davis explained that the growth CPT was experiencing and the variety of activities associated with such an organization to properly serve the community were pushing the current facility beyond its capacity. He shared preliminary conceptual images for extending the facility to the west to possibly double seating capacity in the Little Theatre and increase storage. Before investing heavily in feasibility studies, architectural drawings, funding campaigns, etc., Mr. Davis said the CPT Board wanted to know if the building addition was a direction the RDA would support and zoning rules would allow.

Director McEwan said he would like the CPT Board to consider purchasing the facility from the RDA, and suggested CPT would be able to obtain construction funding based on the value of the building. He stated the original purpose for which the facility was built had been fulfilled, and he was in favor of transferring the asset if the market value price was equitable.

Mr. Davis said the conceptual design would extend the facility to the upper level of the parking structure, which would enable patrons to enter the building without needing to use stairs. Holly Reid, CPT Marketing and Public Relations Specialist, commented that a majority of season ticket holders were older individuals who may benefit from an entrance directly from the parking structure. Mr. Davis said he did not know how much the conceptual design would increase the footprint of the facility.

Mr. Davis said he wanted to know if the concept would be possible with existing zoning rules, and whether or not the City would be willing to work with CPT to make the project happen. Director Mecham suggested Mr. Davis work with the Planning Department. Responding to a question from Director Mecham regarding funding, Mr. Davis said CPT would not expect the RDA to finance the full amount of the project, and said there were many questions to discuss related to funding.

Director McEwan said he believed the question of whether or not the CPT Board would be interested in obtaining the facility was paramount to the discussion. He stated that if the CPT Board were interested in obtaining the building, he would be in support of the proposed addition. Mr. Davis spoke of the possibility of obtaining funding support from the State Legislature. Director

1 Ince said he would be supportive of the project as long as the action would be beneficial to CPT
2 and would not cause problems to the RDA or the City. Community Development Director Cory
3 Snyder spoke of ground water, parking, emergency vehicle access, and other issues that would
4 need to be addressed. He suggested an architect or engineer would need to be hired to perform
5 feasibility studies. Mr. Davis thanked the Directors for their time.

6
7 **MINUTES REVIEW AND ACCEPTANCE**
8

9 Minutes of the December 21, 2021 RDA meeting were reviewed. Director Ince **moved** to
10 accept the minutes. Director Hirst seconded the motion, which passed by unanimous vote (5-0).

11
12 **ADJOURNMENT**
13

14 At 7:10 p.m., Director Ince **moved** to adjourn the RDA meeting. Director Summerhays
15 seconded the motion, which passed by unanimous vote (5-0).
16
17
18

19
20 _____
21 Brant T. Hanson, RDA Executive Director
22
23
24

Date Approved